FLEX LNG

2018

ENVIRONMENTAL

SOCIAL

GOVERNANCE

THIS REPORT HAS BEEN PREPARED BASED ON THE REQUIREMENTS OF THE SUSTAINABILITY ACCOUNTING STANDARDS BOARD

FY 2018 - status per 31 December 2018

112
NUMBER OF SHIPBOARD EMPLOYEES

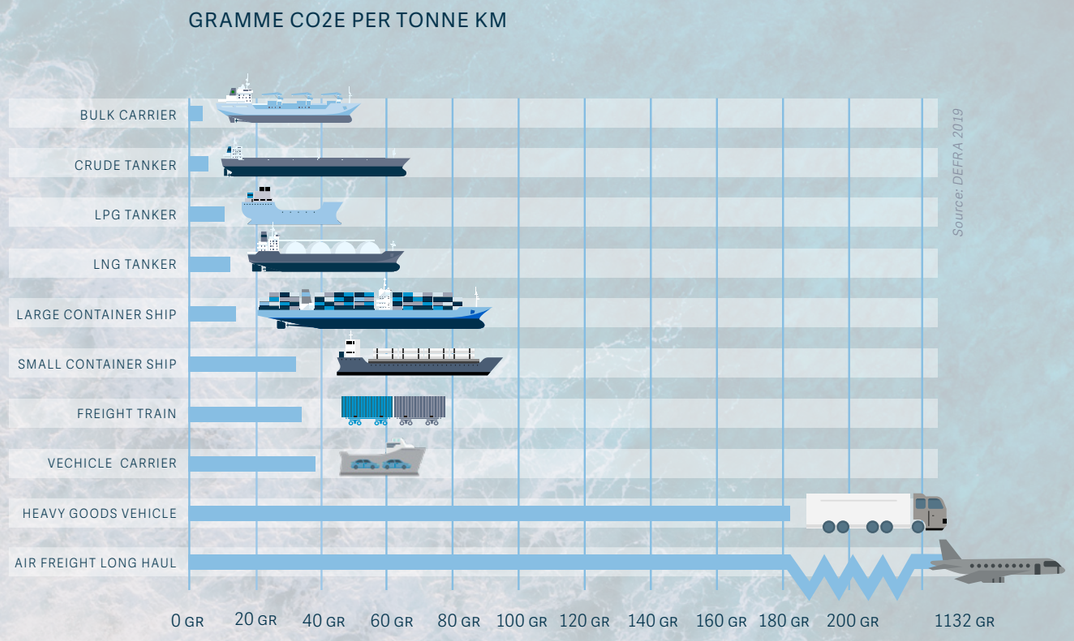
284 835
TOTAL DISTANCE TRAVELLED BY VESSELS

1079
OPERATING DAYS

369 060
DEADWEIGHT TONNAGE

4
NUMBER OF VESSELS IN TOTAL SHIPPING FLEET

77
NUMBER OF VESSEL PORT CALLS



1. INTRODUCTION

Flex LNG owns and operates a fleet of 5th generation LNG carriers with large cargo capacity. Our fleet consists of 13 modern ships. At the release of this report, November 2019, Flex had six vessels on the water and seven under construction all built at leading Korean shipyards with delivery throughout 2020-2021. At the release of this report, November 2019, we had six vessels on the water and seven under construction. LNG shipping has evolved alongside market demands: We utilise vessels with the latest technology to reduce fuel consumption and we optimise the use of our cargo capacity.

Demand for natural gas grew 4.6 per cent in 2018, its fastest annual pace since 2010. Over one hundred billion cubic metres of new LNG supply capacity is to be commissioned between 2018 and 2023, with the bulk of these additions coming from Australia and the United States. So far, this wave of new liquefaction capacity has been absorbed without any signs of looming oversupply. Both mature and fast-growing emerging markets strongly have contributed to this growth. While China is expected to be the main driver of natural gas demand growth for the near future on the back of continuous energy consumption growth and strong policy support to curb air pollution, the environmental concerns and growing regulation related to pollutants to air and CO2 emissions is set to affect the general position of LNG going forward. [1]

According to the WHO, an estimated seven million people die prematurely every year from air pollution related diseases, such as respiratory illness and cancer.[2] After another record year in 2018, global demand for natural gas is predicted to keep growing over the next five years, spurred by strong consumption in fast-growing Asian economies and supported by the continued development of the international gas trade. The International Energy Agency (IEA) points to how Natural gas has helped in reducing air pollution and limit the rise in energy-related CO2 emissions by displacing coal and oil in power generation, heating and industrial uses.

In terms of CO2 emissions, shipping is the most carbon-efficient mode of long-distance transportation today.[3] According to the most recent IMO (International Martitime Organisation) study on emissions, international maritime shipping accounts for 2.8[4] per cent of annual global greenhouse gas emissions. Although shipping has a significantly lower CO2 footprint compared to other modes of transportation, our industry will still play an important role in lowering global CO2 emissions. With increased global trade it is crucial that the industry develops more environmentally friendly fuels and technology. We believe Flex LNG provides an important part of the solution by combining LNG and state of the art fuel efficient ships.

To accommodate investors and provide easy access to extra-financial information, Flex LNG has decided to publish this ESG-report. Our report on Environmental, Social and Governance (ESG) factors has been prepared in accordance with the Marine Transportation framework established by the Sustainability Accounting Standards Board (SASB). This allows us to identify, manage and report on material ESG with industry specific performance metrics. Additionally, we have incorporated the principles of the UN Global Compact.

We believe that transparency and information-sharing are integral parts of driving change and pushing for a level playing field in terms of making the industry enhance its emphasis on environmental, social and governance issues. Flex LNG's emphasis on sustainability is reflected in our company's agility in adapting to new regulations and demands from investors, partners and customers.

This report is based on SASB's internationally recognized indicators and related definitions, scope and calculations. The report and data cover the period 1 January to 31 December 2018.

Øystein Kalleklev,
CEO, Flex LNG Management AS

"With increased global trade it is crucial that the industry develops more environmentally friendly fuels and technology. We believe Flex LNG provides an important part of the solution by combining LNG and state of the art fuel efficient ships."

[1] https://www.iea.org/publications/reports/LNGMarketTrendsandTheirImplications/
[2] https://public.wmo.int/en/media/news/new-coalition-health-environment-and-climate- change-launched
[3] https://www.iea.org/newsroom/news/2019/june/demand-from-asia-is-set-to-power-the-growth-of-the-global-gas-industry-over-the-n.html
[4] http://www.imo.org/en/OurWork/Environment/PollutionPrevention/AirPollution/Pages/Historic%20Background%20GHG.aspx

2. SUSTAINABILITY ACCOUNTING STANDARDS DISCLOSURES

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	DATA	CODE
GREENHOUSE GAS EMISSIONS	**EMISSIONS**			
	Gross global Scope 1 emissions	Metric tonnes (t) CO_2-e	145 850	TR-MT-110a.1
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Found on page	8	TR-MT-110a.2
	ENERGY CONSUMED			
	(1) Total energy consumed	Gigajoules (GJ), Percentage (%)	2 408 528 GJ, 100 %	TR-MT-110a.3
	(2) percentage heavy fuel oil	Gigajoules (GJ), Percentage (%)	704 887 GJ, 29 %	
	EEDI			
	Average Energy Efficiency Design Index (EEDI) for new ships	Grammes of CO_2 per ton-nautical mile	4.04¤	TR-MT-110a.4
AIR QUALITY	**AIR EMISSIONS OF POLLUTANTS**			
	(1) NOx (excluding N2O)	Metric tonnes (t)	2 700*	TR-MT-120a.1
	(2) Sox	Metric tonnes (t)	5*	
	(3) particulate matter	Metric tonnes (t)	31*	
ECOLOGICAL IMPACTS	**MARINE PROTECTED AREAS**			
	Shipping duration in marine protected areas or areas of protected conservation status	Number of travel days	64 Ω	TR-MT-160a.1
	IMPLEMENTED BALLAST WATER			
	(1) exchange	Percentage (%)	100	TR-MT-160a.2
	(2) treatment	Percentage (%)	100	
	SPILLS AND RELEASES TO THE ENVIRONMENT			
	(1) Number	Number	0~	TR-MT-160a.3
	(2) aggregate volume	Cubic meters (m^3)	0~	

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	DATA	CODE
BUSINESS ETHICS	**CORRUPTION INDEX**			
	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Number	0	TR-MT-510a.1
	CORRUPTION			
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	0	TR-MT-510a.2
EMPLOYEE HEALTH & SAFETY	**LOST TIME INCIDENT RATE**			
	Lost time incident rate (LTIR)	Rate	0	TR-MT-320a.1
ACCIDENT & SAFETY MANAGEMENT	**MARINE CASUALTIES**			
	Incidents	Number	0	TR-MT-540a.1
	Percentage classified as very serious	Percentage (%)	0	
	CONDITIONS OF CLASS			
	Number of Conditions of Class or Recommendations	Rate	0	TR-MT-320a.1
	PORT STATE CONTROL			
	(1) deficiencies	Number	2	TR-MT-540a.3
	2) detentions	Percentage (%)	0	

ACTIVITY METRIC	UNIT OF MEASURE	DATA	CODE
Number of shipboard employees	Number	112	TR-MT-000.A
Total distance travelled by vessels	Nautical miles (nm)	284 835	TR-MT-000.B
Operating days	Days	1079	TR-MT-000.C
Deadweight tonnage	Thousand deadweight tons	369 060	TR-MT-000.D
Number of vessels in total shipping fleet	Number	4	TR-MT-000.E
Number of vessel port calls	Number	77Ω	TR-MT-000.F
Twenty-foot equivalent unit (TEU) capacity	TEU	N/A	TR-MT-000.G

Ω ,¤, *, ~ Please see chapter 7 for assumptions regarding the SASB disclosures.

3. ESG GOVERNANCE AT FLEX LNG

Clear guidance and robust control mechanisms need to be in place to ensure that sustainability is being integrated in our daily operations. We strive to ensure that all our employees have access to relevant policies that can guide them in conducting tasks for our company, and we have implemented a system of monitoring compliance. Flex LNG's Board of Directors has established an Audit Committee which monitors reports and complaints received by the company relating to internal controls and compliance, furthermore, the Committee ensures that policies with respect to ethics, risk assessment and risk management are adequate.

At Flex LNG we emphasize fair and sound decision making processes and as such one share gives one vote and all shares have the same right to dividend. There are no barer-shares/preference shares.

MATERIAL ISSUE	INTERNAL GOVERNANCE DOCUMENTS	INTERNATIONAL STANDARDS AND REFERENCES
Climate change	Environmental Policy	The Paris Agreement The Intergovernmental Panel on Climate Change (IPCC) Initial IMO Strategy on Reduction of GHG Emissions from Ships
Air emissions	Environmental Policy	IMO MARPOL Convention Annex VI EU Sulphur Directive 2016/802 UNCLOS
Ecological impact	Environmental Policy	UN Global Compact IMO MARPOL Convention Annex VI IMO Ballast Water Management Convention IMO MARPOL Convention Annex VI Hong Kong Convention
Anti-Corruption	Corporate Code of Business Ethics and Conduct Financial Crime Policy	UN Global Compact The US Foreign Corrupt Practices Act and the UK Bribery Act
Employee Health & Saftey	Corporate Code of Business Ethics and Conduct	UN Global Compact ILO Conventions Maritime Labour Convention, 2006 (MLC, 2006) International Management Code for the Safe Operation of Ships and for Pollution Prevention (The ISM Code) Hong Kong Convention Marine Crew Resource Management
Accident & Safety Management	Corporate Code of Business Ethics and Conduct Code of Conduct	International Management Code for the Safe Operation of Ships and for Pollution Prevention (The ISM Code) Marine Crew Resource Management

We aim at implementing leading procedures within the environmental, social and governance areas. Advances in technical solutions relating to environmental performance as well as measures to make an end to corruption, may not always be enough: At Flex LNG, we realise that some sustainability challenges can only be solved when industry participants and regulatory authorities participates through joint actions.

As explained in a more detailed manner on the following pages, Flex LNG has chosen to endorse initiatives such as the Maritime Anti-Corruption Network (MACN), Clean Shipping Alliance and the Society of International Gas Tanker and Terminal Operators (SIGTTO).

MACN Maritime Anti-Corruption Network

SIGTTO

CLEANSHIPPING ALLIANCE2020

AS PART OF As part of addressing sustainability in a broader perspective we have identified two UN Sustainable Development Goals (SDGs) where we believe Flex LNG can contribute: We have selected SDG 3, 14 and 16 since these goals are closely tied to the industry we are a part of and they represent material topics for which we monitor – please see chapter 4 and 6 for more information. Contributing to the broader global agenda of reaching the SDGs is in our interest as they affect our business, customers, suppliers, investors and regulators which we depend on.

4. ENVIRONMENT

GREENHOUSE GAS EMISSIONS AND AIR QUALITY

The Director of IEA, Dr Fatih Birol, has stated that *Natural gas is one of the mainstays of global energy. Where it replaces more polluting fuels, it improves air quality and limits emissions of carbon dioxide.*[5] In line with the IEA, our business model relies on a future where the use of gas contributes to reducing emissions of carbon dioxide and air pollutants.

As established in our Environmental Policy, Flex LNG is to reduce harmful emissions through optimum operation of vessels and machinery. LNG shipping has evolved alongside the markets to provide customers with the latest technology in the strive for reduced fuel consumption, lower boil-off rates and optimal cargo capacity. The introduction of gas injection for LNG carriers through two-stroke propulsion, known as MEGI and X-DF, marks an important milestone in this regard. Nine of Flex LNG's new buildings are powered with M-type, Electronically Controlled, Gas Injection (MEGI), Tier III engines, and four new buildings are powered with Low Pressure Gas Injection X-DF technology which is the most efficient LNG vessels on the water. **By applying the latest technology in our fleet, we contribute to decreased emissions in the shipping industry.**

Hull cleaning will on average[6] lead to a nine per cent increase in energy efficiency and thus lower fuel consumption and emissions. Flex LNG has in place a periodic plan for hull inspection with condition-based cleaning. We also have periodic plans for propeller cleaning – this is conducted twice a year. *Our aim is to continue emitting 30 per cent less CO2 per tonne km than an average fleet of tankers.*

Air pollution from ships is considerable and global emission standards are becoming more stringent. The International Convention for the Prevention of Pollution from Ships (MARPOL) Annex VI limits the main air pollutants originating from ships' exhaust gas, including sulphur oxides (SOx) and nitrous oxides (NOx), and prohibits deliberate emissions of ozone-depleting substances. The NOx Emission Tier III standard in Emission Control Areas (ECA) from 2016 and the IMO 0.5 per cent global cap on sulphur dioxide (SOx) content in fuels for shipping (entering into force from 1 January 2020) mark a turning point for the global shipping industry. As evident in the table above, the SOx emissions from our fleet are minor and, due to a modern fleet, our NOx emissions are also top of the class.

We align our contribution with SDG target 3 – Good Health and well-being – which aims to substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination by 2030. Our contribution relates to reducing air pollution and limit the rise in energy-related emissions by displacing coal and oil in power generation, heating and industrial uses, through supply of LNG.

ECOLOGICAL IMPACTS

Marine transportation carries risks to the environment through discharges and emissions to air, land and water and through potential spills. Flex LNG's ability to manage such risks is critical for protecting the environment, the sector, our customers and our own business. We have monitoring and management tools in place to minimise the environmental impact of Flex LNG's activities in this area and to ensure compliance with international and local regulations.

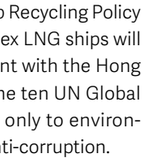
Flex LNG's Policy on Environmental Protection lays out our commitment to environmental due diligence and how spills and operational emissions of sulphur oxides, nitrogen oxides, waste and other discharges are to be managed. Furthermore, Flex LNG Fleet Management is working towards ISO 14001 certification. We also work diligently with our Ship Energy Efficiency Management Plan (SEEMP) and have established a thorough system for incident reporting.

Whilst ballast water is essential for safe and efficient shipping operations, it may also represent serious ecological, economic and health risks due to the multitude of marine species carried in the ships' ballast water. The handling of ballast water is regulated by the International Convention for the Control and Management of Ships' Ballast Water and Sediments. We take ecological risks seriously and all Flex LNG vessels have installed Ballast water exchange and treatment technology.

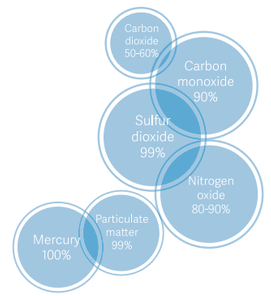
Concerning spills, Flex LNG is aware that larger volumes of oil have long-lasting adverse impacts on ecosystems, and incidents may cause grave injuries and fatalities. Recovery efforts, reputational damage and fines with financial impact are some of the consequences of spills. Compared to oil, it is important to underline that LNG is non toxic, non corrosive and thus do not represent a particular large spill risk as it will simply evaporate. The highest likelihood of spills occurs in fuel transfer operations. However, spills in relation to ship collisions carry the highest spill risk. There were no material incidents relating to spills during 2018.

Ships contain hazardous materials, and ship recycling must be performed according to strict standards for protecting human health, safety and the environment. The Hong Kong Convention aims to ensure that ships, when recycled after reaching the end of their operational lives, do not pose a risk to safety of workers or to the environment. With a brand-new fleet, Flex LNG does not have recent ship recycling activities. However, we are currently developing a Ship Recycling Policy to make sure that any future recycling of Flex LNG ships will only take place at approved yards compliant with the Hong Kong Convention and in alignment with the ten UN Global Compact principles. The latter refers not only to environmental issues, but also social issues and anti-corruption.

Flex LNG has identified Sustainable Development Goal (SDG) 14 – Life below water – as a goal for our operations. SDG target 14.C is aimed at enhancing the conservation and sustainable use of oceans and their resources. At Flex, we monitor our fleet continuously, and we track our sailing time in protected areas. Independently of where Flex LNG operates, our crew members follow our stringent rules for avoiding spills and incidents are to be diligently reported. Additionally, we have introduced procedures for ensuring that all debris containing plastics are collected and disposed of in safe manner.



ESTIMATED EMISSION REDUCTIONS OF NATURAL GAS VERSUS COAL IN ELECTRICAL GENERATION



ACCOUNTING METRIC	UNIT OF MEASURE	DATA
EMISSIONS		
Gross global Scope 1 emissions	Metric tonnes (t) CO_2-e	145 850
ENERGY CONSUMED		
(1) Total energy consumed	Gigajoules (GJ), Percentage (%)	2 408 528 GJ, 100 %
(2) percentage heavy fuel oil	Gigajoules (GJ), Percentage (%)	704 887 GJ, 29 %
EEDI		
Average Energy Efficiency Design Index (EEDI) for new ships	Grammes of CO_2 per ton-nautical mile	4.04¤
AIR EMISSIONS OF POLLUTANTS		
(1) NOx (excluding N2O)	Metric tonnes (t)	2 700*
(2) Sox	Metric tonnes (t)	5*
(3) particulate matter	Metric tonnes (t)	31*
MARINE PROTECTED AREAS		
Shipping duration in marine protected areas or areas of protected conservation status	Number of travel days	64 Ω
IMPLEMENTED BALLAST WATER		
(1) exchange	Percentage (%)	100
((2) treatment	Percentage (%)	100
SPILLS AND RELEASES TO THE ENVIRONMENT		
(1) Number	Number	0~
(2) aggregate volume	Cubic meters (m^3)	0

[5] https://www.iea.org/publications/roleofgas/
[6] https://safety4sea.com/wp-content/uploads/2018/03/Elsevier-The-energy-efficiency-effects-of-periodic-ship-hull-cleaning-2018_03.pdf

5. SAFETY, LABOUR CONDITIONS AND HUMAN RIGHTS

There are inherent safety and security risks related to operations at sea. These must always be managed carefully to safeguard crew, vessel, the cargo and the environment. For Flex LNG a safe working environment for employees is of the highest priority and comes before everything else.

People are crucial to Flex LNG's business and operations, and their actions are fundamental to the success of the company. We want our employees to experience a safe and inclusive working environment. The company has a zero-accident ambition and operates according to the principle that no serious injury or environmental incident is acceptable. The IMO rigorously regulates safety onboard and has recently strengthened requirements under the International Management Code for the Safe Operation of Ships and for Pollution Prevention ("ISM Code") promulgated under The International Convention for Safety of Life at Sea (SOLAS). Flex LNG works diligently to ensure operations in accordance with such new regulations.

A detailed analysis of accidents and incidents for the entire fleet has been prepared for Flex LNG by SeaTech Safety in accordance with the Oil Companies International Marine Forum (OCIMF) guidelines on Lost Time Injuries (LTIs) and Total Recordable Cases and Frequency and TRC and TRCF were both zero in 2018. The reports allow us to identify the root causes of these reported incidents and functions as a tool for future improvement of our Corporate Code of Business Ethics and Conduct. All accidents, incidents and near misses shall be reported and proactive measures are taken to ensure that we encourage our crew to report these with no hesitation and with support of their managers. In 2018, Flex LNG achieved an LTI rate of zero, and we aim to maintain this track record.

Technical managers are regularly supervised and formally audited annually in order to ensure compliance. Flex LNG is a member of SIGTTO, which is an international body established by the industry to facilitate the exchange of technical information and experience with regard to the safety and operational reliability of gas tankers and terminals.

All our employees are to live up to the values and guidelines set out in our Corporate Code of Business Ethics and Conduct. The Code prohibits discrimination against any employee, prospective employee or any other person involved in our business on the basis of sex, race, colour, age, religion, sexual preference, marital status, national origin, disability, ancestry, political opinion, or any other basis prohibited by the laws that govern our operations. Any suspected intentional deviation from external regulations, such as Health & Safety or employment legislation or our guidelines for ethical behavior set out in our Code of Business Ethics, are encouraged to notify the closest manager or make use of our telephone or web based compliance hotline – the latter is described in our Complaints Procedure.

Flex LNG is committed to respecting internationally recognised human rights as laid out in the UN Guiding Principles on Business and Human Rights (UNGP). Respect for human rights is rooted in our values and key to our license to operate from government authorities, employees, customers, investors, communities and other stakeholders. As an international business with global suppliers, we aim to ensure that our policies, due diligence processes and access to remedy are in line with the UNGP. Flex LNG cooperates with suppliers all over the world, and a priority for 2019 is to implement a Supplier Code of Conduct that enables us to work diligently with this issue in all our relations.

EMPLOYEE HEALTH & SAFETY	UNIT OF MEASURE	DATA
LOST TIME INCIDENT RATE		
Lost time incident rate (LTIR)	Rate	0
MARINE CASUALTIES		
Incidents	Number	0
Percentage classified as very serious	Percentage (%)	0
CONDITIONS OF CLASS		
Number of Conditions of Class or Recommendations	Number	0
PORT STATE CONTROL		
(1) deficiencies	Number	2
(2) detentions	Number	0

6. ANTI-CORRUPTION AND BUSINESS ETHICS

Corruption impedes access to global markets and undermines economic and social development. For the shipping industry, corruption is also associated with increased costs, and poses legal and reputational risks while also potentially threatening the safety of the crew.

When ships enter a port, there are many interactions with authorities at various levels. During a port call, the captain manages several such interactions, i.e. immigration, customs, and environmental inspections. In the past, in some areas of the world, these officers were paid by the ships, so there is a still strong tradition for a token of appreciation. What was once seen as a gift or a friendly compensation, is today regarded as petty corruption.

Flex LNG has a zero-tolerance policy towards bribery as stated in our Company Code of Conduct and Financial Crime Policy, which applies to all entities controlled by the Company and officers, directors, employees as well as workers and third-party consultants acting on behalf of the Company, wherever they are located. Assessing and monitoring business processes, training and controls are fundamental tools in implementing our anti-corruption policy.

As part of our Financial Crime Policy and associated compliance procedures, appropriate risk-based communication and training is provided to employees and business partners as part of their on-boarding and ongoing development. Any suspected deviation from our policy is to be reported to the closest manager or by making use of our telephone or web-based compliance hotline as outlined in our Complaints Procedure (Whistleblowing).

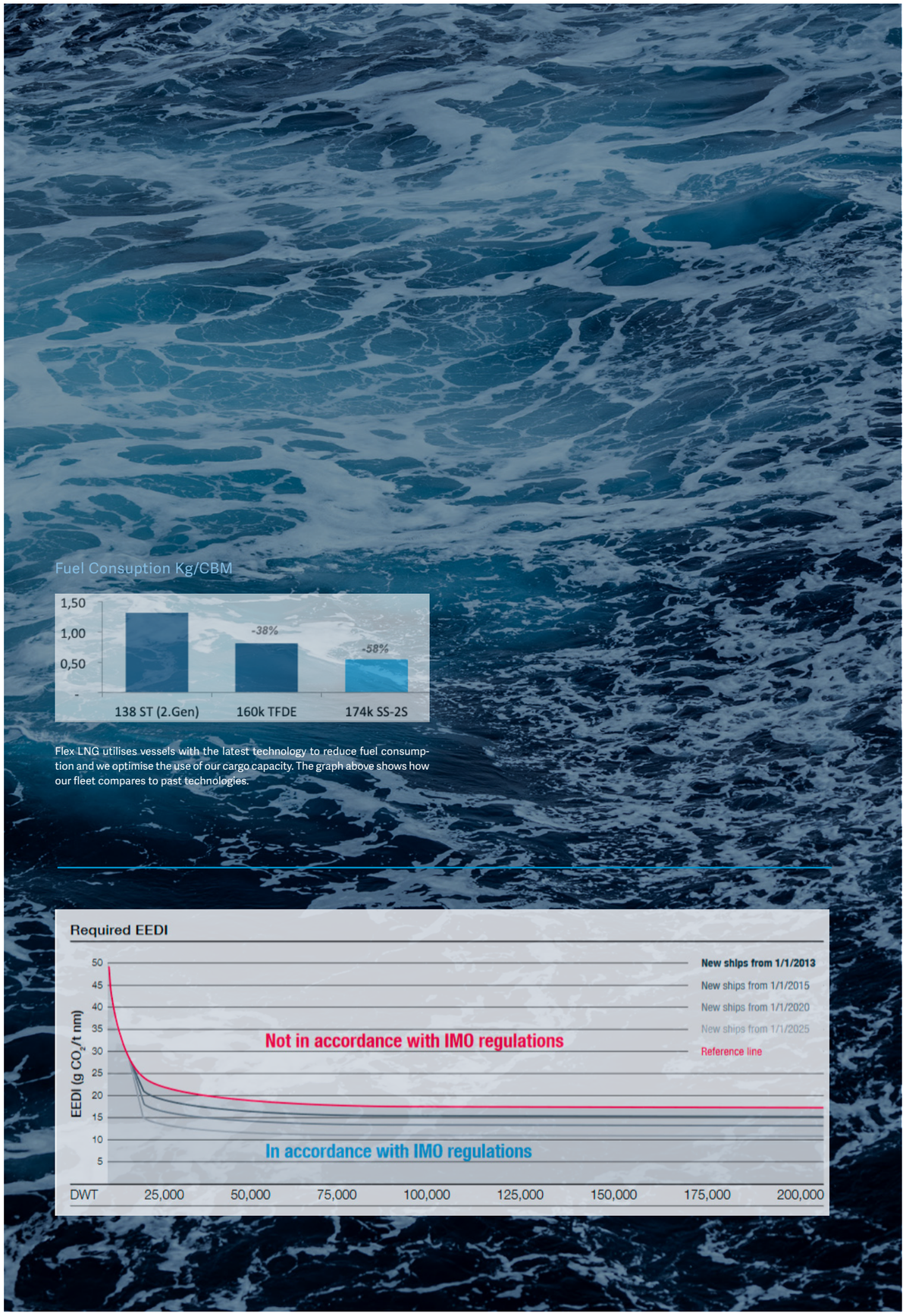
Tackling systemic integrity challenges requires collective action, and through The Marine Anti-Corruption Network (MACN), Flex LNG benefits from members of the shipping industry sharing information and approaches, but also to engage authorities and civil society. The essence of the MACN collective action approach is that successful, lasting changes in the operating environment will take effect only if they are enabled and supported by and beneficial to key stakeholders.

Through joint action, MACN members collaborate with local authorities to develop solutions that are both beneficial to all and realistic to implement. In MACN collective action projects, member companies unite with stakeholders including port and customs authorities, NGOs, and local governments to undertake root cause analyses and then implement a range of 'recommended actions' that tackle corruption in ports and across the maritime supply chain. MACN's collective actions have generated major outcomes, including for example: reductions in demands for facilitation payments in the Suez Canal; new regulations in Argentina that make it more difficult for officials to demand bribes; and improved ease of operations in Lagos, Nigeria, with the implementation of standardized operating procedures and grievance mechanisms.

Flex LNG tracks the positions of our ships, and we keep a record of ships having visited harbours of the countries rated with the highest corruption risks according to Transparency International. Flex LNG was not involved in any legal proceedings associated with bribery or corruption during 2018.

SDG target 16 aims at substantially reducing corruption and bribery in all their forms. We support the important fight against corruption.

BUSINESS ETHICS	UNIT OF MEASURE	DATA
CORRUPTION INDEX		
Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Number	0
CORRUPTION		
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	0



7. DISCLAIMER AND ASSUMPTIONS FOR THE SASB REPORTING

The information provided is based on the best data available at the time of reporting. The ESG disclosures should be used to understand the overall risk management of sustainability related issues, however, in some areas data are based on estimates, please see comments below.

Number of shipboard employees: Only the number of employees on board ships at any time are recorded, this does not reflect the aggregate number of shipboard employees during the year.

Ω Total distance traveled by vessels: The distance (in nautical miles) travelled by all vessels during the calendar year as obtained from GIS metrics (IHS).

Operating days: Operating days are calculated as the number of available days in a reporting period minus the aggregate number of days that the vessels are off-hire due to unforeseen circumstances (i.e., a measure of days in a reporting period during which vessels actually generate revenue).

Number of vessels in total shipping fleet: This includes owned, chartered, bare boat – as per December 31 in the financial year.

CO2 emissions (Metric tons (t) CO_2-e): Based on IMO emission factors. The "financial control" approach defined by the GHG Protocol has been applied. Scope 1: Owned vessels, based on fuel consumption for the year.

***Particulate matter (PM), NOX, SOX emissions (Metric tonnes):** NOX and SOX emissions from the combustion of fuels from owned vessels have been calculated based on the tool established by Danish Shipping.

Total energy consumption (TJ): Calculated based available data on fuel purchases by using the fuel properties defined by DEFRA, Conversion factors, 2019.

¤ Average Energy Efficiency Design Index (EEDI) for new ships: The EEDI provided represents Flex Rainbow. The figure should not deviate significantly from new builds in 2018 as the ship and technology are similar to the other vessels acquired in the period. Please see the graph on page 14 for IMO regulations and required EEDI – our fleet is within that range indicated.

Ω Shipping duration in marine protected areas or areas of protected conservation status: A marine protected area as defined by the International Union for Conservation of Nature (IUCN): Any area of intertidal or sub-tidal terrain, together with its overlying water and associated flora, fauna, historical and cultural features, which has been reserved by law or other effective means to protect part or all of the enclosed environment, listed in the World Database of Protected Areas (WDPA) and mapped on Protected Planet. Protected Planet is the most up to date and complete source of information on protected areas, updated monthly with submissions from governments, non-governmental organizations, landowners and communities. It is managed by the United Nations Environment World Conservation Monitoring Centre. However, the reported number does not necessarily include all Marine protected areas internationally established and regulated in International the Marine Organization (IMO) Conventions and areas established nationally by member states. The data on shipping duration in Marine Protected Areas has been obtained through our tracking system (IHS).

Percentage of fleet implementing ballast water exchange and treatment: Only ships performing ballast water exchange with an efficiency of at least 95 percent volumetric exchange of ballast water have been included. When it comes to treatment, approved systems must discharge (a) less than 10 viable organisms per cubic meter that are greater than or equal to 50 micrometers in minimum dimension and (b) less than 10 viable organisms per milliliter that are less than 50 micrometers in minimum dimension and greater than or equal to 10 micrometers in minimum dimension.

~ Spills and releases to the environment (Number, Cubic meters (m^3)): Any overboard spills and releases – intentional or accidental – shall be reported, even if the quantity is low and i.e. only causes a thin film or slight sheen upon or discoloration of the surface of the water**.**

Lost time incident rate (LTIR): A lost time incident is an incident that results in absence from work beyond the date or shift when it occurred. The rate is based on: (lost time incidents) / (1,000,000 hours worked). .

Ω Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index (CPI): In the event that two or more countries share the 20th lowest ranking, all have been included in the scope of disclosure. Data has been obtained through our tracking system (IHS).

Ω Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index (CPI): In the event that two or more countries share the 20th lowest ranking, all have been included in the scope of disclosure. Data has been obtained through our tracking system (IHS).

Marine Casualties: Regarding SASB TR-MT-540a.1, the reporting is in accordance with the standard, however injuries to personnel as described in point 1.1.1 is reported as part of Health & Safety statistics. The threshold for reporting on material damages as outlined in 1.1.4 and 1.1.6 is defined as USD 1,000,000.

Number of Conditions of Class or Recommendations: The scope of disclosure only includes Conditions of Class that resulted in withdrawal, suspension, or invalidation of a vessel's Class certificate..

Number of port state control (1) deficiencies and (2) detentions: (1) A deficiency is defined as a condition found not to be in compliance with the requirements of specific conventions, i.e. MARPOL, SOLAS, STCW, AFS or the ILO Maritime Labour Convention.

(2) A detention is defined as an intervention action by the port state, taken when the condition of a ship or its crew does not correspond substantially with the applicable conventions and that a ship represent an unreasonable threat of harm to the marine environment etc.

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Photos: Neil Thomas (back), JF van Veen (p.12)