FLEX LNG

ESG REPORT 2022

SASB STANDARDS
Now part of IFRS Foundation

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

Contents

About FLEX LNG LTD

FLEX LNG Ltd. (“Flex LNG”) is a growth-oriented owner and commercial operator of fuel efficient, fifth generation LNG carriers with large cargo capacity, focusing on the growing market for Liquefied Natural Gas (LNG). Flex LNG is listed on the Oslo Stock Exchange (OSE) and on the New York Stock Exchange (NYSE) under the symbol FLNG.

Our fleet consists of 13 state-of-the-art LNG carriers with the latest generation two-stroke propulsion (MEGI and X-DF). These modern ships, built between 2018 and 2021, offer significant improvements in fuel efficiency and thus, a lower carbon footprint including methane slip compared to the older steam and four-stroke propelled ships. During 2022, we built up a significant contract backlog while maintaining market exposure to capture the opportunities in the growing LNG shipping market.

SASB Activity Metrics

ACTIVITY METRIC	UNIT OF MEASURE	DATA 2020	DATA 2021	DATA 2022	SASB REFERENCE
Number of shipboard personnel[n]	Number	144	338	**338**	TR-MT-000.A
Total distance travelled by vessels[o]	Nautical miles (nm)	820 438	1 408 137	**1 339 981**	TR-MT-000.B
Operating days[p]	Days	2 683	4 573	**4 628**	TR-MT-000.C
Deadweight tonnage	Deadweight tonnes	936 884	1 221 177	**1 221 177**	TR-MT-000.D
Number of assets in fleet[q]	Number	10	13	**13**	TR-MT-000.E
Number of vessels port calls[r]	Number	149	151	**243**	TR-MT-000.F

*All letter references are indexed and listed on page 25 in this document, containing definitions and assumptions to the information provided.

About this report

This report is our fifth comprehensive and stand-alone sustainability report. The report meets the disclosure requirements of the Sustainability Accounting Standards Board (SASB) Marine Transportation Standard (2018). A separate GRI Index is available in the Appendix. The report presents our material environmental, social and governance (ESG) performance, along with how we manage material sustainability topics, for the financial year ending December 31, 2022.

For report questions or feedback, contact ir@flexlng.com

Key highlights

0.33
LOST TIME INCIDENT FREQUENCY

348
REVENUE USD MILLION

0
NUMBER OF SPILLS

The Liquefied Natural Gas (LNG) value chain

1 EXPLORATION & PRODUCTION **2** LIQUEFACTION **3** SHIPPING **4** STORAGE & REGASIFICATION **5** END USERS

Access to energy is vital for economic and social development, and natural gas is one of the mainstays in the global energy mix. Liquefied natural gas (LNG) is natural gas that has been cooled down to liquid form for ease and safety of non-pressurized storage or transport. It is odorless, colorless, non-toxic and non-corrosive. The liquefaction process involves removal of certain components, such as dust, acid gases, helium water and heavy hydrocarbons.

Where it replaces more polluting sources of energy, it improves air quality and limits emissions of carbon dioxide. LNG, thus, plays a key role in reducing carbon intensity across all segments of the energy system including power generation, industry, the residential sector and transport. At Flex LNG, we believe that supplying LNG to the market by the most efficient seaborn transportation makes an important contribution to the broader global agenda.

For a brief informational video about Flex LNG please go to https://www.flexlng.com/sM3rF4PwtTI

Introduction / CEO letter

The failure to mitigate climate change, failure of climate-change adaptation, natural disasters and extreme weather events as well as biodiversity loss and ecosystem collapse have been considered the top four global risks by severity over the next 10 years in the annual Global Risks Perception Survey (GRPS). Nature is indeed critical to meeting the Sustainable Development Goals and limiting global warming to 1.5 degrees.

The response at Montreal in 2022 by the international community has evidenced a global commitment to guide action through 2030 to halt and reverse nature loss.

For the shipping industry, the priority to tackle climate change has translated into new regulatory developments. The EU and the IMO are adopting new regulations and Flex LNG welcomes the decision to include shipping in the EU Emissions Trading Scheme from 2024, together with methane and nitrous oxide from 2026 which will help to contribute to a more balanced sustainability landscape. For Flex LNG, this widening of the scheme will enable it to buy and surrender substantially less EU emission allowances per mt transported than the older steam and four-stroke propelled ships.

Furthermore, the return to normality following the COVID-19 pandemic was quickly disrupted by the outbreak of war in Ukraine, ushering in a fresh energy crisis. In parallel to this, the IEA continues to see, as part of its Net Zero Emissions scenario by 2050, the need for deploying low-carbon gases such as biogas and biomethane to meet these decarbonisation targets.

For Flex LNG, which has a fleet consisting of 13 state-of-the-art LNG carriers with the latest generation two-stroke propulsion (MEGI and X-DF), this puts us in a strong position both from a fuel consumption and emissions reduction perspective, compared to other companies in the shipping industry.
Flex LNG's ambition is to ensure a safe and diverse place to work, that human rights are respected, that all workers have decent working conditions and to improve the well-being of all our employees. To support this in 2022, we carried out a Human Rights Risk Assessment in accordance with the requirements of the newly implemented Norwegian Transparency Act to better assess key areas of risk.

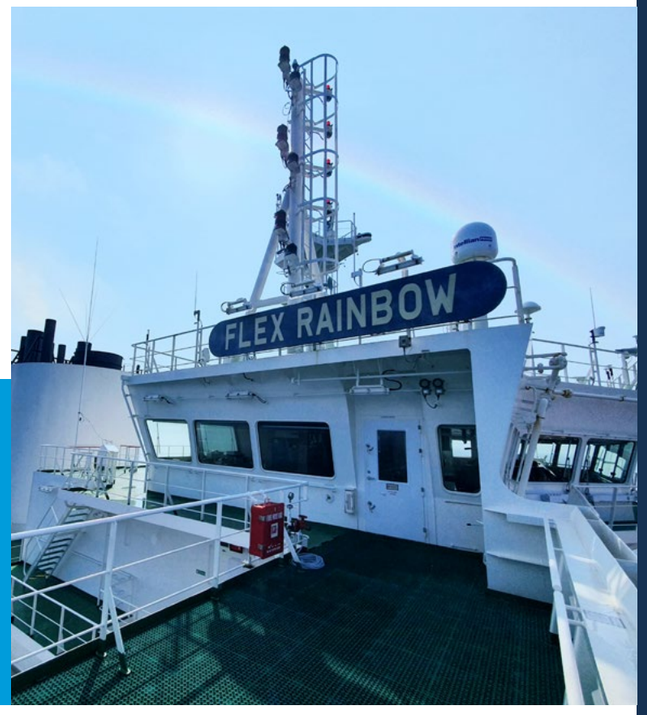
Overall, the company continues to keep a very strong track record when it comes to lost time incidents. Since we started publishing our annual ESG reports in 2019, the Lost Time Incident Frequency (LTIF) remained at zero (0) until 2021. Since that time, we have experienced one incident at Flex Rainbow in 2021 and one on Flex Ranger in 2022. These two events meant we had an LTIF of 0.34 in 2021 and 0.33 in 2022. We will keep a strong focus on safety in all operations to avoid risk adverse health impacts to our staff and seafarers.

Overall, these developments align with our company commitment to ensure ESG risks and opportunities remain at the core of its business strategy. To help drive this focus, Flex LNG created an ESG Committee in 2022 setting out key KPIs for sustainability, including an ESG KPI in the company bonus program.

ØYSTEIN KALLEKLEV
CEO
Flex LNG Management AS

Our approach to ESG

At Flex LNG, ESG is a core aspect of how we work, and it is fully integrated into our business model. We believe that clear guidance and robust control mechanisms are essential to safeguard the proper handling of sustainability risks in our daily operations. We have established policies and control processes to manage our employees and partners and to ensure compliance with all applicable international and local laws and regulations. Our ESG framework reflects the incorporation of the UN Global Compact principles in our operations in general, and our enhanced ESG management system in the form of a digital platform.



FLEX LNG'S GOVERNING INSTRUMENTS ON ESG:

+ Corporate Code of Business Ethics and Conduct
+ Ship Recycling Policy
+ Environmental Policy
+ Financial Crime Policy
+ Know Your Business Partner Policy
+ Sanction Policy

RESPONSIBILITIES

The Board of Directors (BoD) is responsible for ESG at Flex LNG. The BoD oversees the ESG strategy, ensures that appropriate and effective ESG-related risk management and internal control systems are in place, and annually reviews our corporate governance framework. In line with the Norwegian Corporate Governance Code, the BoD has considered important ESG matters throughout the year and has reviewed our annual ESG report. The BoD's Audit Committee monitors reports and complaints received by the company relating to internal controls and compliance. All incidents are reported to the BoD in an annual review.

In December 2022, the BoD delegated responsibility and authority to its dedicated ESG Committee to act as a preparatory and advisory body for the BoD in exercising its responsibility for the consideration and preparation of ESG matters. The Committee meets on a semi-annual basis, and on an ad hoc basis if needed, to address sustainability topics and is responsible for overseeing the Company's policies, reporting practices as well as its ESG-related programmes. An independent director of the Company is the Chair and sole member of the ESG Committee.

The Chief Executive Officer (CEO) carries the responsibility for the daily implementation of ESG-related policies at Flex LNG, as well as ensuring performance and risk management. The CEO is responsible for our technical manager, who's role is aimed at optimising fleet operations in terms of emission management and is the first in line to handle incidents. Crewing and ship management are both outsourced to third parties that are closely supervised and assessed by our fleet manager.

The Compensation Committee's process for determining our executive management's remuneration aims to link the performance-related element of remuneration (options and bonus) to key performance indicators of the Company which include value creation for shareholders, financial performance of the Company and qualitative environmental, social and governance measures.

MATERIAL TOPICS

To identify areas that are material to our business, we undertook a comprehensive materiality assessment in 2020 following the GRI 3 Materiality Standard and the SASB Marine Transportation Standard (2018). In 2022, we reviewed these topics against stakeholder feedback from employees, investors and customers; market, regulatory and technological developments; the reporting of our peers; as well as completing an internal validation exercise that included independent expert opinion. Our review of potential material impacts considered both the severity and likelihood of our impacts on the environment, society and the economy, as well as financial materiality. The following topics have been deemed by the BoD as material to our ESG efforts:

+ Climate-related risks
+ Direct emissions
+ Energy mix
+ Marine casualties involving crew and assets
+ Corruption risk
+ Ship recycling
+ Spills and releases
+ Compensation and remuneration
+ Training – compliance training and training on board (e-based)

Flex LNG will continue to work to improve performance in these areas and have developed specific ESG targets:

	SDGS	METRIC	ACTUAL 2020	ACTUAL 2021	ACTUAL 2022	TARGETS
E	13 Climate Action	Overall fleet weighted average carbon intensity rating	Not reported	A	**B**	A
S	3 Good Health and Well-Being	Lost time incident rate	0	0.34	**0.33**	0
G	17 Partnerships for the Goals; 8 Decent Work and Economic Growth	% of new business partners screened in compliance with our Know Your Business Partner Policy	Not reported	100%	**100%**	100%

INDUSTRY COOPERATION

Some of the challenges our industry is facing require joint action. Through cooperation with other stakeholders—including industry and regulatory authorities—we aim to stay ahead of the curve on material risks and opportunities and stay up to date on the newest technological developments.

Together with industry peers such as Avance Gas, Frontline, Golden Ocean and SFL, Flex LNG has established an ESG forum with an expressed purpose to design industry-leading approaches to ESG risk management and reporting parameters. In addition, we actively participate in and support the following initiatives:

- **The Neptune Declaration**
- **The Maritime Anti-Corruption Network (MACN)**
- **The International Association of Independent Tanker Owners (Intertanko)**
- **Oil Companies International Marine Forum (OCIMF)**

Sustainability Governance

COMPLIANCE APPROACH

Flex LNG has a comprehensive Compliance Program led by our in-house Compliance Officer. The program ensures that we conduct our business in an honest and ethical manner. In June 2022, our Compliance department was further strengthened with the hire of a legal counsel. We have established policies and procedures outlining how the Company manages ESG issues to help mitigate potential risks. All of Flex LNG's policies and procedures were updated in Q3 2022.

To enhance our communication in respect of the compliance risks we are facing, Flex LNG provides training to all employees and management through in-person training sessions and an e-learning platform. This training is also made available as an option for the BoD. For instance, we have a separate section on the Company's intranet that makes all policies, training materials and news easily available for all employees. Our communication and training regarding compliance and governance helps our company follow laws, reduce risks of corporate and personal liability and operate effectively.

In 2022, we conducted a full Compliance Risk Assessment to identify and mitigate the compliance risks Flex LNG is exposed to. The assessment resulted in a risk map covering all identified risks, with sanctions and cybercrime dominating the risk map. Since the start of 2022 and Russia's invasion of Ukraine, the UK, EU and US have imposed extensive sanctions against Russian interests targeting, inter alia, entities, individuals, oil and oil products. Flex LNG monitors its fleet on an ongoing basis through IHS Markit's Maritime Intelligence Risk Suite (MIRS). We use this system for screening purposes, and we receive alerts if any of our vessels are in proximity to sanctioned areas. In addition, third-party testing, strict due diligence requirements, monitoring of business partners and contractual risk mitigation are all measures that can also significantly reduce the risk of any sanction violation.

Maritime cyber risk refers to a measure of the extent to which a technology asset could be threatened by a potential circumstance or event, which may result in shipping-related operational, safety or security failures due to information or systems being corrupted, lost or compromised. The highest level of cyber risks for Flex LNG include being targeted for ransomware attacks with extortion or email phishing. As a result, in 2022, we conducted cyber training and phishing tests. The awareness training for employees and key third parties such as our ship manager is considered a key risk-mitigating action in this regard. Owing to the various compliance systems and controls implemented, Flex LNG has been able to address and manage the above-mentioned challenges.

TOP COMPLIANCE RISKS IN 2022

	Existing business partners being targeted by sanctions or owned by an entity or individual that becomes subject to sanctions
	Other direct or indirect breaches of sanctions (suppliers, sub-charterers, port agents, etc.)
	Ransomware attack with extortion
	Email phishing leading to payment to wrong bank-account/owner (fraudulent payments)
	Employee misuses, sells, or voluntarily shares sensitive/confidential information (including insider trading)
	Corruption, bribery payments at yards used for new-buildings and dockings
	Corruption, bribery on board vessels
	Severe breaches of human- and labour rights (including safety incidents) at yards used for new-buildings (e.g., the danger to life and health, child labour, forced labour)
	Severe breaches of human- and labour rights (including safety incidents) at yards used for dockings (e.g., the danger to life and health, child labour, forced labour)
	Facilitation payments on board vessels (e.g., port customs)

	Low-risk level: *As a starting point, no need for further risk mitigation*
	Medium risk level: *Further risk mitigation actions should be evaluated to reduce the probability for the risk incident to occur*
	Substantial risk level: *Further risk mitigation actions must be evaluated to reduce the probability for the risk incident to occur*
	High-risk level: *As a general guidance – immediate risk mitigation actions are required to reduce the probability for the risk-incident to occur. A strong focus on further strengthening steering and control is requested*

ANTI-CORRUPTION AND BUSINESS ETHICS

Flex LNG is committed to conducting its business honestly and ethically, as outlined in our Corporate Code of Business Ethics and Conduct ("the Code") and Financial Crime Policy. Our Financial Crime Policy further commits us to the most stringent rules and regulations and is aligned with the New York Stock Exchange (NYSE) guidelines.

In addition to the sanctions and cybercrime risks, we continued to face bribery and corruption risks in 2022. These risk areas are subject to continued risk-mitigating actions, such as due diligence on business partners, reporting on facilitation payment demands to MACN, anti-corruption and bribery clauses in contracts and the training of employees and key third parties. We also provide training to all employees and key third parties in identifying potential non-compliance with such policies, both by e-learning and seminars.

Our anti-corruption and money laundering policies are modelled after the UK Bribery Act and US Foreign Corrupt Practices Act (FCPA). The policies apply to all entities controlled by Flex LNG's officers, directors and employees, as well as workers and third-party consultants, wherever they are located. Assessing and monitoring business processes, training and controls are fundamental tools in implementing our anti-corruption policy. The Code describes our expectations and requirements relating to:

- Compliance with laws and regulations
- Honest and fair dealing
- Conflict of interest and corporate opportunity
- Anti-corruption
- Confidentiality and privacy
- Proper use of company assets
- Anti-discrimination and harassment
- Integrity of corporate records.

The Code specifies how violations of the Code are managed and obliges employees who observe or become aware of a situation they believe to be in violation of the Code to promptly notify their manager.

As part of our Financial Crime Policy and associated compliance procedures, training are provided to employees as part of their onboarding and ongoing development. Suspected deviations from our policy are to be reported to the line manager or our anonymous whistleblowing platform provided by Ethicspoint. The platform is open to everyone, including staff, seafarers and those outside of our organisation. The whistleblowing facility is tested quarterly by Flex LNG's Compliance Officer.

We have had zero whistleblowing and zero litigations concerning any form of corruption in 2022.

Flex LNG has been a valuable member of MACN since 2020 and, by its membership, commits to their vision of a maritime industry free of corruption. Through MACN, Flex LNG has joined forces with other members of the shipping industry to share information and approaches, but also to engage with authorities and civil society. MACN members collaborate with local authorities to develop solutions that are beneficial to all parties and are realistic to implement. Based on reports from our ship manager, we report facilitation payment demands to MACN every quarter. Any facilitation payments made, regardless of value, are investigated in cooperation with our operations team and ship manager. MACN also provides ad hoc assistance if required.

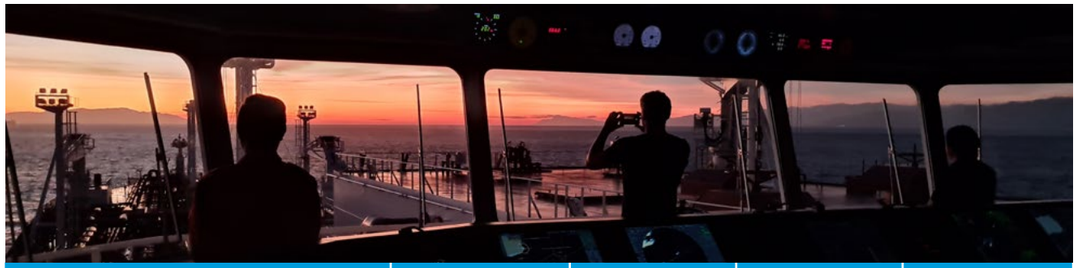
We use Transparency International's Corruption Perception Index (CPI) when assessing and mitigating risks our business is facing. Our compliance program also includes quarterly reporting on bribery attempts or concerns, contractual risk mitigation, third party testing, creating awareness and encouraging reporting of concerns through Ethicspoint. It also includes screening and 24/7 monitoring of business partners and beneficial owners in respect of adverse media relating to corruption and bribery. Our integrity due diligence contributes to mitigating risks in our supply chain, and we expect our business partners to meet our standards.

Our main target going forward is continuing our efforts fighting corruption by ensuring ongoing education of employees and key third parties, in addition to taking part in best practice discussions with other key players in the industry. We aim to have zero monetary losses resulting from any form of corruption also in 2023.

SYSTEMS FOR SUPPLIER MONITORING

Flex LNG uses the DowJones RiskCenter platform for third party screening and monitoring. All employees receive training in using the system for onboarding new third parties. The Compliance Officer is responsible for screening and ensures the approval process is in accordance with our internal policy.

With a few exceptions, such as Special Purpose Vehicles (SPVs) and related parties, all third parties are onboarded, screened against sanction lists and other official lists and monitored on an ongoing basis. The screening process is sometimes extended to include searches in other online databases, third party Integrity Due Diligence reports (Infospectrum) and through external legal advice on a case-by-case basis. We conduct checks internally once a year towards spend reports from accounting, and our auditor conducts spot checks on an ad hoc basis. Our company policy provides further information on the above process.



ACCOUNTING METRIC	UNIT OF MEASURE	DATA 2020	DATA 2021	DATA 2022
CORRUPTION INDEX				
Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perceptions Index	Number	5	12	**11**
CORRUPTION				
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	0	0	**0**

Environment

At Flex LNG, we recognise our responsibility to manage and limit our environmental impact. The main environmental and ecological risks posed by the shipping industry are related to emissions, discharges and spills. We work diligently to manage such risks, and our efforts are critical for protecting the environment and the societies in which we operate, as well as our customers and our own business. We regularly review all identified environmental risks to establish appropriate safeguards and mitigate any adverse impacts on the environment.

Our Environmental Policy outlines how we are to reduce harmful emissions through the optimal operation of vessels, new technologies and diligent work with our Ship Energy Efficiency Management Plan (SEEMP). Through the Shipman agreement our ship manager is required to comply with Flex LNG's Environmental Policy. The ship management company ensures distribution of this policy to all relevant parties and incorporates it in the respective vessel's Safety Management System.

The management systems are annually audited in accordance with the International Safety Management (ISM) Code, and ISO 9001 and ISO 14001 where appropriate. If any breach of the policy occurs, we are committed to ensure that an investigation is carried out to establish the root causes and corrective actions to prevent recurrence.

ACCOUNTING METRIC	UNIT OF MEASURE	DATA 2020	DATA 2021	DATA 2022
CO2 EMISSIONS				
Gross global Scope 1 emissions	Metric tonnes (t)CO2-e	485,793	759,086	**800,461**
Emission efficiency	gCO2/DWT-nm	6.25	5.51	**6.35**
EEDI				
Average Energy Efficiency Design Index (EEDI) for new ships [1]	Grammes of CO2 per ton-nautical mile	4.57	4.55	**Not applicable[2]**
Average Energy Efficiency Design Index (EEDI) for fleet	Grammes of CO2 per ton-nautical mile	4.15	4.24	**4.11**
OTHER EMISSIONS TO AIR				
NOx (excluding N2O)	Metric tonnes (t)	11,700	18,982	**5,402[3]**
SOx	Metric tonnes (t)	60.3	220	**208**
Particulate matter	Metric tonnes (t)	68.8	144	**171**

[1] Average figure for vessels entering the fleet during the reporting year
[2] No new vessels during 2022
[3] NOx drop due to conservative estimates used during previous reporting years

CLIMATE CHANGE AND AIR EMISSIONS

The year 2022 bore witness to unprecedented and extreme weather conditions, underscoring the pressing need to tackle the underlying causes of climate change. Despite being 16 times more energy-efficient than other transport modes on average[1], there is no doubt that our industry needs to take decisive action to deliver significant energy efficiency and emission reduction. This will require close collaboration with governments and other stakeholders to develop and implement effective policies and regulations that incentivise the adoption of low-carbon technologies.

Meanwhile, investments in research and development, infrastructure, and alternative fuels are critical to driving the necessary innovation and facilitating the industry's transition toward a more sustainable future. Flex LNG believes improved logistics, enhanced hydrodynamic technology, better machinery and cleaner fuels, will be important components in our work toward a more sustainable shipping industry.

LNG remains the most prevalent option in the near term for ship owners in pursuit of decarbonisation. It has emerged as the most popular alternative marine fuel to oil-based bunker fuel as other zero-carbon options do not have the same fuel availability and supply infrastructure as LNG.

Our owned fleet has an average age of 3.1 years. Hence, we are operating one of the youngest and most energy-efficient fleets in the industry. In addition to investing in new ships, we have modified our existing fleet to be more efficient, as emissions are directly linked to fuel consumption. Our long-term focus on maintaining a modern, energy-efficient fleet has positioned us well to mitigate our risks and capitalise on opportunities provided by increasingly stringent environmental laws and regulations, as well as customer expectations.

IMO's emissions reduction targets are scheduled to be revised at the Marine Environment Protection Committee (MEPC 80) session in July 2023. This revision is expected to be followed by a wave of regulations, including requirements supporting the use of greener shipping fuels as well as market-based measures putting a price on carbon. In addition, 2023 marks the initial reporting year for the Carbon Intensity Indicator (CII). The CII determines the annual reduction factor needed to ensure continuous improvement of a ship's operational carbon intensity within a specific rating level. This rating level, where the threshold will become increasingly stringent towards 2030, ranges from 'A' (major superior) to 'E' (inferior).

Based on our 2022 emissions data verified by DNV, our owned fleet would achieve an overall weighted average carbon intensity rating of B under the CII.

In 2022, Europe faced an unprecedented situation, which resulted in shortage of energy supply. Flex LNG played an active role in securing energy for Europe from alternative sources and have more than tripled the number of European port calls compared to 2021. This situation has caused an significant increase in harbour and manoeuvring time which is impacting the CII negatively. Compared to 2021 the increase in harbour and manoeuvring is almost 40%. On the positive side, shorter voyages and additional port calls is the additional cargo turnover which has increased by 17% compared to 2021.

[1] *Lindstad, E. et al. (2022).*

DECARBONISATION JOURNEY TOWARDS 2030-2050

In 2020, we initiated our “Decarbonisation journey towards 2030-2050”. The purpose of this strategy is to provide us with a solid understanding of how to further optimise our fleet and operations in a cost-efficient and sustainable way using a holistic and systematic approach.

Our strategy puts us in an optimal position to make operational and strategic decisions based on verified data, and we are already experiencing compelling benefits, such as

- Lower overall costs
- Being better positioned toward our charter market
- Being better positioned toward cargo owners and end-consumers
- A more carbon-robust fleet with lower emissions
- Future-proofing compliance with upcoming regulations

As of 2022, the project has delivered:

FULLY DIGITALISED SHIP PERFORMANCE AND EMISSION DATA:
Our digital monitoring platform Veracity enables live tracking of each vessel’s emissions and energy consumption. It is an important tool to closely monitor, manage and report on ESG-related KPIs as well as our performance against regulations. Flex LNG’s performance and emissions data are online, and hence, guided figures for main KPIs, such as CII, EEOI and CO2, can be provided instantly. DNV is our selected vendor for verification.

EEXI COMPLIANCE:
Flex LNG fleet is already compliant to the IMO's Energy Efficiency eXisting Ship Index (EEXI) regulations as built, a confirmation of our state-of-the-art fleet composition.

CII ROADMAPS FOR EACH VESSEL:
A ten-year Carbon Intensity Indicator (CII) roadmap is established for each of our vessels. We have identified the technologies needed and quantified the required investments. These roadmaps have given us a solid understanding of how to optimise our operations more efficiently and sustainably, and we consider ourselves well-positioned toward future regulatory demands.

EU ETS READINESS:
In December 2022, the EU’s legislative bodies decided to include shipping in the EU’s Emission Trading System (EU ETS) from 2024 onwards. The EU ETS, initially covering CO2 emissions, will be widened to include methane and nitrous oxide from 2026. We support this upcoming regulation, as it serves as a testament to our cutting-edge fuel efficiency. Flex LNG’s fleet is installed with the most efficient high-pressure, two-stroke engines (MEGI and X-DF) and would thus need to buy and surrender substantially less EU emission allowances per mt transported than the older steam and four-stroke propelled ships. Indeed, while Flex LNG is only expected to pay an extra Eur5/mtCO2e for its methane leakage, older vessels would face Eur76/mtCO2e additionally under EU ETS based on an EU emissions allowance of EUR87/mtCO2e[1].

EDGE COMPUTING:
Flex LNG is continuously investing in Edge computing, obtaining digital twins for all vessels entering our fleet. High frequent data increase our ability to identify future hazards and to take timely and qualitative actions, maintaining our position as a premium operator.

GAS MANAGEMENT AND MACHINE LEARNING:
In 2022, Flex LNG entered into an agreement with the data and analytics company Arundo. Through our previous investment in edge computing, we can make all relevant data available for data analytics and machine learning. This improves the performance of gas management onboard with Arundo’s software and models which again allows us to become more efficient and save fuel emissions.

CDP RATING:
In 2022, Flex LNG disclosed how the Company monitors climate risks and strategically manages its impacts to the CDP. We received a "B-" on our reporting from CDP and view our score as an incentive to implement additional measures and expand our current programmes, such as those forming part of our decarbonisation journey.

CDP
DRIVING SUSTAINABLE ECONOMIES

[1] *S&P. (2022)*

FLEX LNG'S DECARBONISATION TOOLBOX

Flex LNG’S fleet is equipped with various energy-saving technologies and, in 2022, we updated our decarbonisation toolbox to provide an accurate picture of our progress when it comes to implementing various measures. The technologies used are divided into four main categories:

TECHNICAL EFFICIENCY

Flex LNG has, through its affiliation with Front Management, extensive experience in handling new vessel construction. This experience has enabled us to implement energy-saving technologies fleet-wide, including modern hull designs, pre-swirl ducts, propeller optimization and LED lighting.

FUTURE PROPULSION

The future of ship propulsion is looking towards alternative fuels, assisted propulsion and onboard carbon capture. Nine of our vessels are powered with M-type, Electronically Controlled, Gas Injection (MEGI), Tier III engines, and four ships are powered with Low Pressure Gas Injection X-DF technology. These are the most efficient LNG vessels on the water. By applying the latest technology in our fleet, we contribute significantly to reducing emissions. We actively work with regulators and vendors to identify the most suitable long-term solution for eco-friendly propulsion.

OPERATIONAL EFFICIENCY

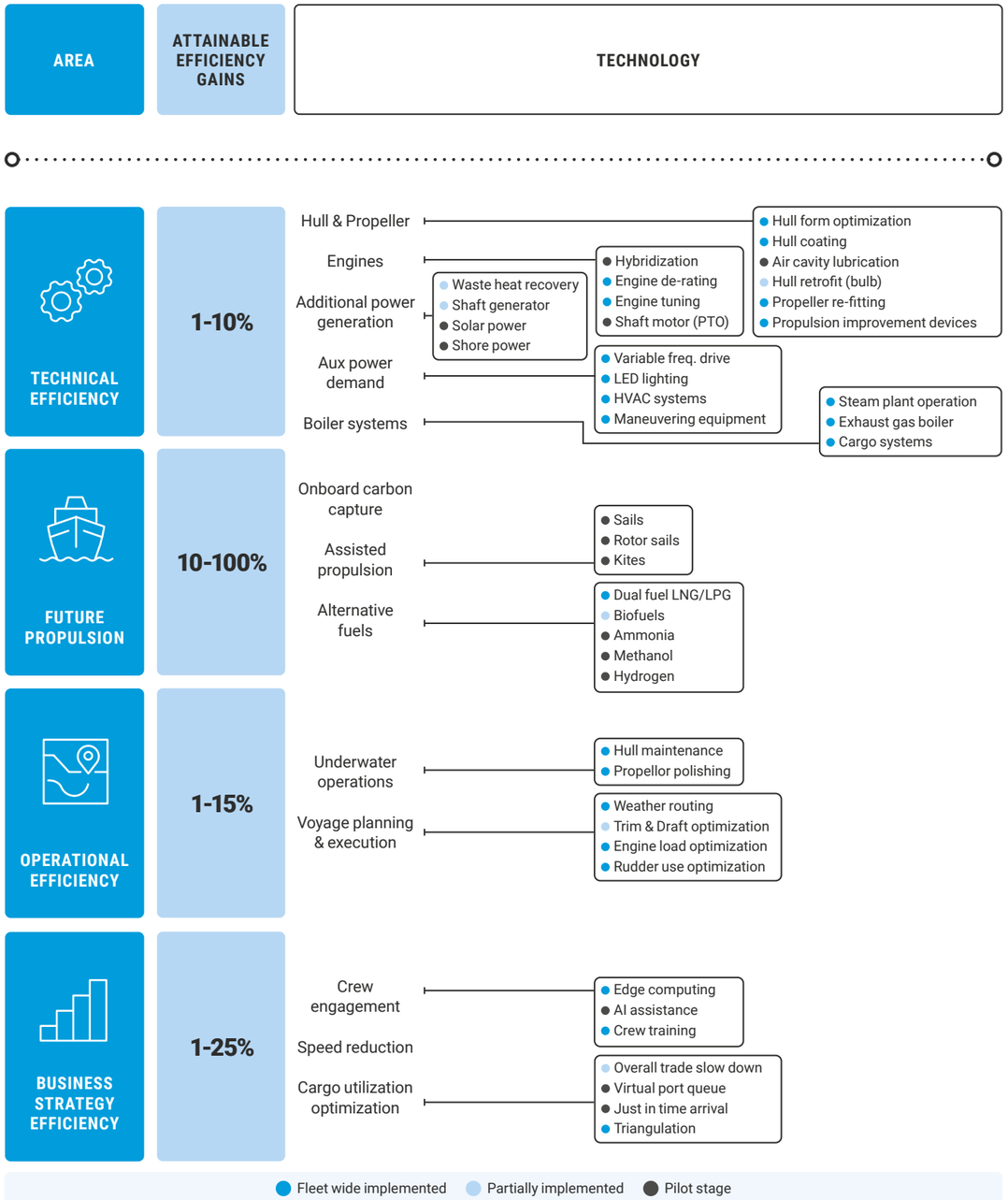
Operational measures, such as hull cleaning, propellor polishing and weather routing, are fully implemented across our fleet. These are cost-effective measures that can result in significant fuel savings, making them a win-win solution that reduces both emissions and fuel costs. To promote cooperation and faster decision making, we utilise real-time data sharing—where ship and shore have a common operational picture.

In 2022, Flex LNG installed an emission monitoring system on one of our vessels in close co-operation with the charterer. This system will allow for exact CO2 and methane slip measurements. The system is using Heated Filter Probes and Heated Sampling Lines, Hot-Wet sampling in a ‘round-robin’ basis. Based on our experience with this first installation, we will consider expanding this emission monitoring system to other vessels in our fleet.

BUSINESS STRATEGY EFFICIENCY

We continuously focus on strategies such as crew training, just-in-time arrival and speed adjustments to optimize the efficiency and performance of our fleet. We will continue to develop our strategy, as building a competitive and greener fleet is key to protecting Flex LNG’s position as a leading LNG carrier.

FLEX LNG'S DECARBONISATION TOOLBOX



CLIMATE-RELATED RISKS

Climate change poses physical, technological, regulatory and reputational risks to Flex LNG. The Task Force on Climate-related Financial Disclosures (TCFD) provides a useful framework for assessing these risks, and this is a summary of Flex LNG's current approach:

GOVERNANCE:

Climate-related risks and opportunities are regularly reviewed by the Board of Directors (BoD) as part of its overall responsibility for risk governance. Management provides the BoD with regular updates on climate-related risks, including emerging regulations, developments in the company's performance on the decarbonization strategy – emissions reduction trajectories and technological developments. In 2022, the BoD delegated responsibility and authority to a dedicated ESG Committee to act as a preparatory and advisory body for the BoD in exercising its responsibility for considering and the preparing of ESG matters.

STRATEGY:

Having a relatively new fleet, LNG carriers were built between 2018 and 2021, climate-related risks and opportunities have not influenced the company's strategy this year. According to DNV, approximately 25% of global energy supply in 2050 will be LNG, meaning that there will continue to be a demand for LNG and thus transportation of LNG. Where it replaces more polluting sources of energy, it improves air quality and limits emissions of carbon dioxide. LNG plays a key role in reducing carbon intensity across all segments of the energy system including power generation, industry, heating, the residential sector and transport.

RISK MANAGEMENT:

Climate risk identification is incorporated into our general risk management and internal control system. Every year the BoD reviews climate-related risks and opportunities, as part of a general risk review process. This includes risks and opportunities for complying with the EEXI and CII that entered into force in 2023. In this approach financial risk is isolated to study operational risks. We asses risks in a short-term and a five-ten-year perspective. This is then shared with the BoD. Market risks and financial risks are assessed every day. Regulatory changes and technological development have been the two most important risk drivers for the company. However, Flex LNG belongs to a segment that is considered to be a part of the green transition and LNG is forecasted to be part of the energy mix through to 2050.

TARGETS AND METRICS:

Our CII values is calculated using the Average Efficiency Ratio (AER) measured as grams of CO2 per deadweight ton-nautical mile. The CII rating level, where the threshold will become increasingly stringent towards 2030, ranges from 'A' (major superior) to 'E' (inferior). Flex LNG is committed to an A-rating.

RISK TYPES CONSIDERED IN FLEX LNG'S CLIMATE-RELATED RISK ASSESSMENTS

TOPICS	DESCRIPTION
Current regulation	The company's activities are regulated both nationally, regionally by the EU and internationally by the IMO. Over the past few years, climate-related regulations have proliferated. Compliance is critical, which is why we monitor current regulations regularly and participate in industry- and multistakeholder initiatives.
Emerging regulation	We also monitor emerging regulations regularly, e.g., EEXI, CII and EU ETS in addition to developments in the EU taxonomy and LNG's status as a transition fuel. The status of LNG as a transition fuel is important to the future growth of the company, and global reduction of thermal coal in national energy grids is vital to reducing GHG emissions in general.
Technology	Technology risks are relevant to our business, especially regarding the company continuing being in the forefront of ESG when it comes to technology for emission and cost reductions. In a transition period, and when investing in new technology, technology risks are prominent because Flex LNG is committing to large investments for a long time-period. For instance, we saw a change in demand from Tri-Fuel Diesel Electric (TFDE) to fifth generation X Dual Fuel ("X-DF"), and to M-type, Electronically Controlled Gas Injection ("MEGI") LNG carriers due to vessel overall performance and methane slip considerations.
Legal	National and international laws are rapidly evolving. Therefore, the company is closely monitoring legal risk around climate change.
Market	Currently LNG relates to reducing air pollution and limit the rise in energy-related emissions by displacing coal and oil. Carbon prices is likely to increase the demand for LNG compared to thermal coal. In July 2022, the European Parliament backed EU rules labelling investments in gas and nuclear power plants as climate friendly. This will further strengthen the position of LNG as an attractive source of energy in the foreseeable future. Geopolitical developments may also lead to the need for transporting LNG over larger distances than what has traditionally been the case, leading to an increase in demand for marine transportation of LNG.
Reputation	LNG is considered a cleaner substitute to fossil fuels, such as oil. Being a provider of modern LNG carriers affects our reputation positively.
Acute physical	There is a low risk for climate changes like extreme weather affecting our fleet substantially, e.g., ships being taken by the weather. Extreme weather can cause delays and changes to routes.
Chronic physical	There is a low risk for climate changes like extreme weather affecting our fleet substantially, e.g., ships being taken by the weather. Extreme weather can cause delays and changes to routes.

SPILLS, DISCHARGES AND ECOLOGICAL IMPACTS

Emissions, discharges and potential spills present environmental risks, as well as reputational and operating risks for Flex LNG. We recognize our responsibility to safeguard the environment and give great prominence to improving our environmental performance and protecting biodiversity. Marine transportation is associated with risks to the surrounding environment with negative impacts on biodiversity. These impacts are related to ship pollution, collisions, noise, grounding and anchor damage, and transportation of invasive species.

Flex LNG is aware that larger volumes of oil spills have serious and long-lasting negative impacts on ecosystems. Incidents may cause the degradation of ecosystems, grave injuries or fatalities. We carry LNG, a gas which is non-toxic, non-corrosive and, thus, does not represent a large spill risk, as it will simply evaporate. Flex LNG experienced zero oil spills or other types of releases to the environment in 2022. If an incident related to spills were to occur, our ship manager is obliged to notify us without delay and follow up with a situation report. A full investigation report is then to be submitted no later than 14 days after the incident has taken place.

Whilst ballast water is essential for shipping operations, it may also represent serious ecological, economic and health risks, as ships become a vector for the transfer of organisms between ecosystems. Through the International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM Convention), the IMO has imposed guidelines for ballast water management systems specifying the maximum amount of viable organisms allowed to be discharged from a vessel's ballast water. All our vessels comply with the updated guideline.

Unsafe waste management and disposal from ships can readily lead to adverse environmental and health consequences. The prevention of pollution by waste from ships is regulated by the International Convention for the Prevention of Pollution from Ships (MARPOL) Annex V, which prohibits the discharge of most waste into the ocean.

Flex LNG has installed water filtration systems onboard all vessels, and our ship managers have implemented policies for the use of reusable water bottles. Moreover, in 2019, we introduced strict procedures for ensuring that all debris containing plastics is collected and disposed of safely. In 2022, Flex LNG introduced electronic record keeping (e-logs) with replication to office which allows us to monitor waste generation and handling in real-time.

Going forward we intend to develop a baseline from our 2022 waste figures and to reduce 2023 figures by 3% against that baseline. From there, we will consider whether the 3% reduction was ambitious enough and set a new target for 2024 and the following five years, with an aim to halve our waste disposal by 2029.

Ships contain hazardous materials, and ship recycling must, therefore, be performed according to strict standards to protect human health, safety and the environment. Flex LNG endeavours to comply with all applicable legislation in respect of the recycling of its end-of-life vessels where relevant, such as The Basel Convention, the United Nations Convention on the Law of the Sea, The EU Waste Shipments Regulations, MARPOL and the European Ship Recycling Regulation. Even though the Hong Kong Convention is not yet in force, Flex LNG intends to voluntarily comply with the Convention where possible. This regulation aims to ensure that ships, when recycled after reaching the end of their operational lives, do not pose a risk to the safety of workers or to the environment.

Our oldest vessel was built in 2018, and recycling is, therefore, currently not considered. Flex LNG has a Ship Recycling Policy to make sure that any future recycling of our ships may only take place at an approved yard compliant with the Hong Kong Convention, and that our MOAs with cash buyers include a compliance warranty. This policy is reviewed and updated periodically to reflect changes in legislation and ongoing learning and good practice. We always assess the risk of recycling when selling any vessel. With that in mind we include adequate clauses pertaining to further trading and ship recycling in the contract for sale. Any recycling must be conducted in an ethical, safe and environmentally friendly manner, in line with the ten principles of the UN Global Compact.

Social

Flex LNG's ambition is to ensure a safe and diverse place to work, that human rights are respected, that all workers have decent working conditions and to improve the well-being of all our employees. Our actions are guided by industry and international standards, in line with what is expected by our key stakeholders. In this section, we explain how we are meeting our strategic commitments to health and safety, human rights and labour rights protection, diversity and inclusion and human capital development.

HEALTH AND SAFETY

At Flex LNG, our number one priority is the health, safety and well-being of our people, both at sea and onshore. We value diversity and cultural differences and aim to have an inclusive workplace that provides equal opportunities for all employees regardless of sex, religion, skin colour, sexual orientation or disability. The health, safety and general welfare of the crew is a top priority and we have implemented several measures in this regard, not only towards requirements to our ship manager, but also when it comes to crew training and the facilities onboard our vessels.

Through our involvement with the Neptune Declaration, we have supported our ship manager with the implementation of well-being initiatives and have ensured that all seafarers have access to mental health support. For instance, during the pandemic, we rolled out the SayFlex app for all our seafarers. SayFlex uses gamification and digital tools to improve and monitor the health state onboard. This app allows us to monitor weak signals and act proactively to support crew and strengthen safety. In 2022, new content was introduced, and officers onboard our ships have received a session run by a psychologist on mental health awareness. Access to entertainment is also important at sea. Flex LNG has made Bazeport available on all vessels. Bazeport synchronises the latest news, movies and tv-series, and make them available to the crew onboard – both on the commonroom TV and on the cabin laptops. Since roll-out, the feedback has been overwhelmingly positive.

Given the safety and security risks connected to operations at sea, these must always be managed carefully to safeguard crew, vessels, cargo and the environment. Our company has a zero-accident ambition and operates according to the principle that no serious injury or environmental incident is acceptable. All work tasks at Flex LNG are evaluated in terms of the hazards inherent to the job prior to the work itself being undertaken. Work is planned on a monthly, weekly and daily basis with an evaluation of the relevant hazards, indicating where risk assessments should be developed to fully explore the risks and apply the hierarchy of controls to eliminate hazards and reduce risks. For work considered particularly hazardous, such as enclosed entry or work from heights, a "permit to work" system ensures that the work planned, and the risk assessment developed is reviewed by relevant personnel from the HSEQ and the Technical department onshore. The safety management system and predictive maintenance system ensure that routine work is planned to allow due attention to the hazards and risks inherent in the work offshore.

Flex LNG ensures that key systems, such as the safety management system, are audited at a minimum on an annual basis by independent auditors. In addition, individual vessels are inspected at regular intervals by PSC inspectors and by our customers. A Ship Inspection Report Program (SIRE inspection) is conducted when dealing with LNG carriers. Our technical department, through the HSEQ function, also performs audits on an annual basis.

Crew and personnel onshore can report a range of work-related hazards or hazardous situations through near miss reporting and unsafe acts reporting systems. We recognize that fear of reprisals may hinder some people from raising concerns and, therefore, we have a Stop Work Policy where it is made clear that any person may stop work if they deem the work unsafe. In addition, we promote a culture of "learner mindsets" where mistakes are seen as opportunities to learn and develop. Our crew has a direct reporting line to the Designated Person Ashore (DPA) and an anonymous whistleblowing hotline that allows them to report on any circumstance that gives rise to concern.

Work-related incidents are investigated using robust accident investigation techniques and include methods appropriate to the incident, such as technical examinations and interviews of staff along with recreating the accident trajectory. Reporting follows DNV's Marine Systematic Cause Analysis Technique, and data is captured in an incident reporting system which allows for analysis of the root causes of the incident. Corrective actions are identified and tracked until implemented. The incident reporting system allows analysis of incident trends and aims to strengthen barriers to avoid similar incidents from taking place in the future. Our document control system ensures that lessons learned, whether from an incident or best practice observed in handling routine or

non-routine work, are shared across the fleet. We are ambitious in developing core data analytics capabilities where having a solid data foundation is key. Our reporting systems form part of this foundation and are intended to be built on with artificial intelligence capabilities in due course.

THE MARITIME PARTNERS IN SAFETY PROGRAM

The Maritime Partners in Safety Program has been fully implemented on all vessels in the fleet. As part of the program, the Managing Director of Flex LNG Fleet Management is actively engaging directly with crew members with an objective to understand how each seafarer understands risks and the safety protocols in place. This engagement gives an opportunity for leaders to gain first-hand knowledge of concerns onboard as well as sharing good practices. Furthermore, seafarers of all ranks have the ability to engage directly with top management, which in turn helps to break barriers between ship and shore.

HUMAN RIGHTS

Flex LNG is fully committed to respecting fundamental human rights and human rights due diligence in our business operations and value chain. We recognize the rights set out in the UN International Bill of Human Rights and International Labour Organisation's (ILO) Core Conventions on Fundamental Principles and Rights at Work, and we act in accordance with the UN Guiding Principles for Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises and national laws, such as the Norwegian Transparency Act.

In 2022, Flex LNG carried out a Human Rights Risk Assessment in accordance with the requirements of the newly implemented Norwegian Transparency Act. Norwegian law firm Wiersholm was contracted to carry out an assessment and GAP analysis of our operations and assess what adverse impact risks they might have on human rights and decent working conditions.

We conducted an overall human risk analysis of the Group's business operations and value chain in accordance with the steps of the UNGPs and the Transparency Act. The purpose of the analysis was to map and better understand the human rights risks we are facing, and to determine the need for further follow-up measures in addition to general measures already implemented, such as revising our Code of Conduct and further strengthening our focus on human rights in our risk assessments and business partner screenings.

The analysis enabled us to distinguish three prioritised human rights risk areas going forward, which are:

- Shipbuilding, ship repairs and dry-docking
- Sale of ships and ship recycling
- Crew

This risk prioritization detailed on page 21 does not in any way entail that we will not continuously assess and manage other risk areas, such as procurement, but these are the three areas we will give extra focus to going forward in our human rights work. We strive to ensure that our business partners and suppliers share our human rights commitment and standards.

We also conduct compliance testing of a selection of our business partners with the purpose of identifying and mitigating compliance risks, including human rights risks. Focusing on the importance of openness, we urge employees and third parties to speak out about concerns or report suspected misconduct or violations of our Code of Conduct through our external whistleblowing channel. As a member of MACN, we report facilitation payment demands every quarter to help defeat corruption, as we view its presence as weakening the overall protection of human rights.

The training we offer employees and management (including at the Board level) aims to build competence and knowledge amongst our employees on a wide range of compliance matters, including human and labour rights. We aim to provide training on human rights issues to 100% of our employees.

To further ensure that human rights are not violated, we include audit rights and termination clauses in our contracts with business partners. In doing so, we aim to provide regular and randomized book audits (incl. assessment of wages and working hours), announced and unannounced on-site visits,

ACCOUNTING METRIC	UNIT OF MEASURE	DATA 2020	DATA 2021	DATA 2022
LOST TIME INCIDENT RATE				
Lost time incident rate (LTIR)	Rate	0	0.34	0.33
MARINE CASUALTIES				
Incidents	Number	0	0	0
Very serious marine casualties	Percentage (%)	0	0	0

HUMAN RIGHTS RISK AREAS

SHIPBUILDING, SHIP REPAIRS AND DRY-DOCKING

Shipbuilding and repairs are labour-intensive activities that may concern a series of human and labour rights issues, both when it comes to risks of accidents and injuries and when it comes to risks of worker exploitation. As part of our general compliance program, compliance testing and screening of current and potential business partners are carried out. Our screening includes the use of concrete follow-up measures for improvements toward business partners and highlights where it is preferable to terminate business relationships.

SALE OF SHIPS AND SHIP RECYCLING

The risks related to the sale of ships and ship recycling mainly relate to the risk of ships ending up in a process of ”beaching” or an informal shipbreaking process, involving risks related to workers as well as local communities and the environment. Although the modernity of our fleet makes ship recycling less probable, it is to be noted that any form of ship recycling, also a formalised process, is a labour-intensive activity that warrants specific attention to human and labour rights risks. The risks will be similar to the ones associated with shipbuilding, and if relevant, we will apply the same type of measures to prevent and mitigate any risks.

CREW

There are several human and labour rights risks related to seafaring. The working environment on a ship, with extended periods offshore, can create limited oversight and weak law enforcement, which increase the risks of worker exploitation. This can take the form of excessive working hours, poor wage levels and risks of modern slavery. To address such risks, we select our ship managers carefully through thorough due diligence and assessment. This means that crewing and ship management are outsourced to leading third-party ship management companies who are supervised, closely monitored and assessed throughout our business relationship. We further encourage, expect and require all ship managers to comply with our standards of business ethics, human rights and labour standards.

inspections and interviews with the crew. This comes in addition to formalized annual meetings with all ship managers. We aim to include human rights clauses in 100% of contracts where relevant.

LABOUR RIGHTS AND DECENT WORKING CONDITIONS

We seek to ensure that our employees, onshore and offshore, are working under conditions that meet the requirements set out in the International Labour Conventions and the Maritime Labour Convention. As part of safeguarding seafarers' labour rights, these conventions include the right to collective bargaining and that no employee is discriminated against. The PSC and the OCIMF Ship Inspection Report Programme (SIRE) are implemented, ensuring that applicable labour rights are being complied with.

Flex LNG does not have a direct contractual relationship with our seafarers. This means that we do not enter into collective bargaining agreements with seafarers, although we require our ship managers to comply with the requirements of the International Transport Workers' Federation. We conduct screening and monitoring of our business partners, and we monitor our fleet pursuant to internal procedures, such as our Know Your Business Partner Policy, to ensure compliance with our ethical standards in all business relations, including human and labour rights.

DIVERSITY, INCLUSION AND HUMAN CAPITAL

Flex LNG prohibits discrimination against any employee, or any other person based on sex, race, colour, age, religion, sexual orientation, marital status, national origin, disability, ancestry, political opinion or any other basis. The Company prohibits unlawful harassment, and employees are expected to treat one another with respect. We also expect our contractors, suppliers and other business partners to aspire to similar standards of fair treatment and equal opportunities for their employees. Flex LNG is an international company with shipboard employees from across the world. The main nationalities amongst our employees are Thai, Bangladeshi, Indian, Filipino, Russian, Ukrainian, Sri Lankan and Georgian. Our employees at sea are predominantly men, however we encourage female seafarers and have had female cadets onboard our vessels.

Our success is built on the ability, determination and dedication of our staff, both onshore and at sea – and we are committed to hiring new employees solely based on their qualification, social skills and their readiness and ability to perform the work. We recognise the value of our staff and try to promote from within wherever possible. Employees are encouraged to identify training needs through their development plan. To assist with this, we provide several opportunities for employees to develop their skills and careers, including training. This includes training in skills to improve interpersonal competence such as leadership development and communication training – and technical skills relevant to the execution of their work, such as Electronic Chart Display and Information System (ECDIS) training or specific training courses for technical machinery.

E-learning is carried out when staff is onboarded on an annual basis. We have also integrated aspects within this training connected to GDPR and data protection. In-person training is also carried out in all our offices either once per year or bi-annually. In addition, we have several webinars throughout the year made available to all employees, such as Dow Jones RiskCenter training.

In 2022, 100% of our employees and management team completed our e-learning, including watching a mandatory webinar held by Wiersholm about insider trading. In 2023, Flex LNG will introduce a "Compliance Awareness Week" to increase awareness and to continue to improve our e-learning and in-person training sessions.

Appendix

SUSTAINABILITY ACCOUNTING STANDARD DISCLOSURES

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	2020	2021	2022	SASB CODE
Greenhouse gas emissions	**CO_2 EMISSIONS**					
	Gross global Scope 1 emissions: Financial control [a]	Metric tons (t) CO_2-e	485 793	759 086	**800 461**	TR-MT-110a.1
	Discussions of long-term and short-term strategy or plan to manage Scope 1 emissions, emission reduction targets, and an analysis of performance against those targets	Qualitative description	See page 12-16			TR-MT-110a.2
	Indirect emissions: Scope 2, purchased electricity [b]	Metric tons (t) CO_2-e	Not reported	9.4	**Location based: 0.1 Marked based: 5.4**	Additional (GRI 305-2)
	Indirect emissions: Scope 3, business travel [b]	Metric tons (t) CO_2-e	Not reported	2 680	1 184	Additional
	ENERGY CONSUMED					
	Total energy consumed	Gigajoules (GJ)	8 533 076	12 856 573	**14 823 799**	TR-MT-110a.3
		Percentage of energy from heavy fuel (%)	0%	0%	**0%**	TR-MT-110a.3
		Percentage of energy from renewable/low-carbon sources (%)	0%	0%	**0%**	TR-MT-110a.3
	EEDI					
	Average Energy Efficiency Design Index (EEDI) for new ships [c]	Grams of CO2e per ton-nautical mil	4.57	4.55	**Not applicable / no new vessels during 2022**	TR-MT-110a.4
	Average Energy Efficiency Design Index (EEDI) for fleet	Grams of CO2e per ton-nautical mil	4.15	4.24	**4.11**	
	AER					
	Average Efficiency Ratio (AER): weighted average	Grams of CO2e per ton-nautical mile	6.25	5.51	**6.35**	Additional
Air Quality	**OTHER EMISSIONS TO AIR**					
	NOx (excluding N20) [d]	Metric tons	11 700	18 982	**5 402**	TR-MT-120a.1
	SOx [d]	Metric tons	60.3	220.0	**208**	
	Particulate matter [d]	Metric tons	68.8	144.0	**171**	
Ecological impacts	**MARINE PROTECTED AREAS**					
	Shipping duration in marine protected areas or areas of protected conservation status [e]	Number of travel days	39.8	17.9	**84**	TR-MT-160a.1
	IMPLEMENTED BALLAST WATER					
	Exchange [f]	Percentage (%)	100%	100%	**100%**	TR-MT-160a.2
	Treatment [f]	Percentage (%)	0	0	**0**	TR-MT-160a.2
	SPILLS AND RELEASES TO THE ENVIRONMENT					
	Incidents	Number [g]	0	0	**0**	TR-MT-160a.3
	Aggregate volume [g]	Cubic meters (m3)	0	0	**0**	TR-MT-160a.3

SUSTAINABILITY ACCOUNTING STANDARD DISCLOSURES (CONT.)

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	2020	2021	2022	SASB CODE
Business ethics	**CORRUPTION INDEX**					
	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perceptions Index [h]	Number	5	12	**11**	TR-MT-510a.1
	CORRUPTION					
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	0	0	**0**	TR-MT-510a.2
	FINES AND SANCTIONS					
	Number of fines and total monetary value of fines	Number and reporting currency	0	0	**0**	Additional
	Non-monetary sanctions for non-compliance with laws and/or regulations	Number	0	0	**0**	Additional
Employee health and safety	**LOST TIME INCIDENT**					
	Lost time incident rate (LTIR) [i]	Rate	0	0.34	**0.33**	TR-MT-320a.1
Accident & Safety Management	**MARINE CASUALTIES**					
	Incidents [j]	Number	1	0	**0**	TR-MT-540a.1
	Very serious marine casualties [k]	Percentage	0	0	**0**	TR-MT-540a.1
	CONDITIONS OF CLASS					
	Condition of class or Recommendations [m]	Number	0	0	**0**	TR-MT-540a.2
	PORT STATE CONTROL					
	Deficiencies [l]	Rate	0	0.10	**0.23**	TR-MT-540a.3
	Detentions [l]	Number	0	0	**0**	TR-MT-540a.3
Diversity	**DIVERSITY**					
	Shipboard employees by gender	Percentage (%)	Male: 99.2% Female: 0.8%	Not reported	**Male: 98,85%** **Female: 1,15%**	Additional
	Shipboard employees by age group	Number	Under 30 yrs old: 77 30-50 yrs old: 165 Over 50 yrs old: 21	Not reported	**Under 30 yrs old: 51** **30-50 yrs old: 114** **Over 50 yrs old: 10**	Additional
	Onshore employees by gender	Number	Not reported	Not reported	**Male: 9** **Female: 0**	Additional
	Onshore employees by age group	Number	Under 30 yrs old: 3 30-50 yrs old: 17 Over 50 yrs old: 4	Not reported	**Under 30 yrs old: 3** **30-50 yrs old: 4** **Over 50 yrs old: 2**	Additional
	Individuals in the organisation's governance bodies by gender	Percentage (%)	Male: 100% Female: 0%	Male: 100% Female: 0%	**Male: 80%** **Female: 20%**	Additional

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.

[a] **CO2-emissions – scope 1:** Based on IMO emission factors. The "financial control" approach defined by the GHG Protocol has been applied. Scope 1: all vessels, based on fuel consumption for the year.

[b] **Indirect CO2 emissions:** Scope 2 is based on electricity consumption in reporting year and calculated using the AIB Residual Mixes 2021 conversion factors (location based and market based). Scope 3 is based on 1) business travel (onshore employees and crew) in the reporting year, with figures provided by travel agent and ship manager, and 2) shipments of spares and supplies to the vessels, with figures provided by MarineTrans. A further mapping of Scope 3 emissions will be considered in 2023

[c] **Average Energy Efficiency Design Index (EEDI) for new ships:** New ships average EEDI is based on new ships entering the fleet in 2021 (keel laid after July 2013).

[d] **Particulate matter (PM), NOx, SOx emissions (Metric tonnes):** The methodology has been developed with support from DNV, based on IMO factors.

[e] **Shipping duration in marine protected areas or areas of protected conservation status:** A marine protected area is not as defined by the International Union for Conservation of Nature (IUCN). However, the reported number does not necessarily include all Marine protected areas internationally established and regulated in International the Marine Organisation (IMO) Conventions and areas established nationally by member states. Shipping duration is the sum of the travel days (24-hour periods).

[f] **Percentage of fleet implementing ballast water exchange and treatment:** Only ships performing ballast water exchange with an efficiency of at least 95% 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 micrometres in minimum dimension and (b) less than 10 viable organisms per millilitre that are less than 50 micrometres in minimum dimension and greater than or equal to 10 micrometres in minimum dimension.

[g] **Spills and releases to the environment (Number, Cubic meters (m 3)):** The total number of oil spills to the environment (overboard), excluding contained spills.

[h] **Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perceptions Index (CPI):** In the event that two or more countries share the 20th lowest ranking, all have been included in the scope of disclosure. The list is based on the CPI for 2020.

[i] **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. Lost time incidents are Fatalities, Permanent Total Disabilities, Permanent Partial Disabilities and Lost Workday Cases. The rate is based on lost time incidents / 1,000,000 hours worked.

[j] **Marine Casualties:** Regarding SASB TR-MT-540a.1, the reporting is in accordance with the standard, however injuries to personnel as described in section 1.1.1 are reported as part of Health & Safety statistics (LTIR). The threshold for reporting on material damages as outlined in 1.1.4 and 1.1.6 is defined as USD 1,000,000. Section 1.1.7 "Severe damage to the environment" is reported under 'Ecological Impacts' and/or "Very serious marine casualties". Incidents concerned with oil spills, re SASB 1.1.7 "Severe damage to the environment" is covered under "ecological impact". For an event to be reported as a marine casualty, one or several out of the below criteria must be true: (1) the loss of a person from a ship, (2) the loss, presumed loss, or abandonment of a ship, (3) the stranding or disabling of a ship that triggered a Lloyds Open Form Salvage or the involvement of a ship in a collision that would seriously endanger the safety of life or property, or (4) material damage to marine infrastructure external to a ship, that could seriously endanger the safety of the ship, another ship or an individual.

[k] **Very Serious Marine Casualties:** A marine casualty involving the total loss of the ship, a death, or severe damage to the environment that is not related to oil spill. Any deaths shall be reported. If the death is decisively concluded not to have anything to do with a marine (very serious) casualty such as latent and unknown illness shall be addressed separately for a case-by-case discussion. Severe damage to the environment that is not related to oil spill is covered by "Very serious marine casualties".

[l] **Port State Control:** Number of port state control deficiencies (1) and detentions (2). Practices of port state controls reporting on deficiencies do not follow an entirely harmonised methodology making it less useful for reporting purposes without further explanations, hence we have chosen to report this number as a rate: number of deficiencies per Port State Control Inspection. Detentions are reported in number of actual cases. The figure represents number of detentions received from regional PSC organisations.

[m] **Number of Conditions of Class or Recommendations:** Those conditions/recommendations of class that has led to withdrawal of vessel certificates of otherwise has invalidated the ship's compliance are included in this figure.

[n] **Number of shipboard personnel:** 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.

[o] **Total distance travelled by vessels:** The distance (in nautical miles) travelled by all vessels during the reporting period.

[p] **Operating days:** Total operating days, i.e. total number of vessel-days for active vessels during the reporting year. Active vessels are referring to vessels which were in possession of the shipowner during the reporting year.

[q] **Number of assets in fleet:** Reported number of owned during the reporting year.

[r] **Number of vessels port calls:** Total number of port calls during the reporting period

Flex LNG prepared this report with assistance from **Position Green Advisory**

GRI INDEX

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: GENERAL DISCLOSURES 2021		
2-1	Organisational details	Page 2; Page 28. The Company's Headquarter is in Bermuda.
2-2	Entities included in the organisation's sustainability reporting	Pp. 2-3. Please also see the 2022 Annual report
2-3	Reporting period, frequency and contact point	Page 3; Page 28. The Annual ESG report published on [date]
2-4	Restatements of information	There were no restatements of information made in the reporting period.
2-5	External assurance	Partial assurance – Scope 1 CO2 emissions verified by DNV.
2-6	Activities, value chain and other business relationships	Page 2; Page 4
2-7	Employees	Page 25
2-8	Workers who are not employees	Page 25
2-9	Governance structure and composition	Corporate Governance report in the Annual Report for 2022 and Corporate Code of Business Ethics and Conduct
2-10	Nomination and selection of the highest governance body	Corporate Governance report in the Annual Report for 2022 and Corporate Code of Business Ethics and Conduct
2-11	Chair of the highest governance body	**Board of directors; Management**
2-12	Role of the highest governance body in overseeing the management of impacts	Pp. 6-7; Corporate Governance report in the Annual Report for 2022
2-13	Delegation of responsibility for managing impacts	Pp. 6-7
2-14	Role of the highest governance body in sustainability reporting	Pp. 6-7
2-15	Conflicts of interest	Pp. 9-10. **Corporate Code of Business Conduct**
2-16	Communication of critical concerns	Pp. 9-10
2-17	Collective knowledge of the highest governance body	The BoD consists of industry experts. The BoD has access to the company's e-learning modules
2-18	Evaluation of the performance of the highest governance body	Corporate Governance report in the Annual Report for 2022
2-19	Remuneration policies	Corporate Governance report in the Annual Report for 2022
2-20	Process to determine remuneration	Corporate Governance report in the Annual Report for 2022
2-21	Annual total compensation ratio	Not Reported.
2-22	Statement on sustainable development strategy	Page 5
2-23	Policy commitments	Pp. 6-7. **Governance**
2-24	Embedding policy commitments	Pp. 6-7; pp. 8-11; p. 18; p. 22
2-25	Processes to remediate negative impacts	Pp. 6-7
2-26	Mechanisms for seeking advice and raising concerns	Page 10; **Complaints procedure**
2-27	Compliance with laws and regulations	Page 8
2-28	Membership associations	Page 7
2-29	Approach to stakeholder engagement	Page 7
2-30	Collective bargaining agreements	Page 22

GRI STANDARD	DISCLOSURE	LOCATION
GRI 3: MATERIAL TOPICS 2021		
3-1	Process to determine material topics	Page 7; pp. 23-24
3-2	List of material topics	Page 7; pp. 23-24
MATERIAL TOPIC: DIRECT EMISSIONS		
3-3	Management of material topics	Pp. 11-16
305-1	Direct (Scope 1) GHG emissions	Pp. 12-16
305-2	Indirect (Scope 2) GHG emissions	Pp. 23-24
305-3	Indirect (Scope 3) GHG emissions	Pp. 23-24
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Page 13
MATERIAL TOPIC: ENERGY MIX		
3-3	Management of material topics	Page 12; pp. 14-16
302-1	Energy consumption within the organisation	Pp. 12-16
MATERIAL TOPIC: CORRUPTION RISK		
3-3	Management of material topics	Pp. 9-10
205-2	Communication and training about our anti-corruption policies and procedures	Pp. 9-10; Page 22
205-3	Confirmed incidents of corruption and actions taken	Pp. 9-10
MATERIAL TOPIC: SPILLS AND RELEASES		
3-3	Management of material topics	Page 18
306-3	Significant spills	Page 18
MATERIAL TOPIC: OCCUPATIONAL HEALTH AND SAFETY		
3-3	Management of material topics	Pp. 19-20
403-1	Occupational health and safety management system	Pp. 19-20
403-6	Promotion of worker health	Pp. 19-20
403-9	Work-related injuries	Pp. 19-20
MATERIAL TOPIC: DIVERSITY AND EQUAL OPPORTUNITY		
3-3	Management of material topics	Page 22
405-1	Diversity of governance bodies and employees	Page 22
MATERIAL TOPIC: SUPPLIER SOCIAL ASSESSMENT		
3-3	Management of material topics	Page 8; Page 10; Pp. 20-22
414-1	New suppliers that were screened using social criteria	Page 8; Page 10; Pp. 20-22

BERMUDA
FLEX LNG LIMITED
Par-La-Ville Place
14 Par-La-Ville Road
Hamilton

NORWAY
FLEX LNG MANAGEMENT AS
Bryggegata 3
0250 Oslo

UNITED KINGDOM
FLEX LNG MANAGEMENT LTD.
3rd Floor, 183 St Vincent Street
Glasgow G2 5QD

UNITED KINGDOM
FLEX LNG MANAGEMENT LTD.
4th Floor, 10 Eastcheap,
London, EC3M 1AJ