Golar LNG

Environment, Social and Governance Report 2020

LNG: A BRIDGE TO A CLEANER ENERGY FUTURE

Golar LNG

GAS PLUS RENEWABLES

WE WALK THE TALK

PRO ACTIVE

TRANSITION FUEL

CLEANER ENERGY FUTURE

VERSATILE

DELIVERING CARBON GOALS

AIMING FOR ZERO UPLANNED EMISSIONS

L N G

TRANSITION FUEL

CLEANEST FOSSIL FUEL

DIVERSE WORKFORCE

TRANSPARENCY INSIGHT LEADERSHIP

20 YEARS AS THE LNG INDUSTRY INNOVATOR

Founded 75 years ago as a general-purpose shipping company, Golar has for the last 20 years focused exclusively on its LNG assets.

20 years ago carbon and air pollution were not the mainstream issues that they are today and the renewables business was very small. The opportunity to transport a large volume of energy from one part of the world to another to close big gaps in energy and gas prices is what initially inspired our dedication to the LNG business. **POOR COUNTRIES WITH GROWING POPULATIONS WERE PAYING TOO MUCH FOR POWER, TYPICALLY FROM THE MOST CARBON-INTENSIVE SOURCES.** LNG had the potential to create a bridge between cheap gas reserves and these high-priced power markets. At that time the LNG industry was dominated by a handful of players who showed little interest in making this happen.

Golar's initial efforts at building that bridge commenced with the ordering of LNG carrier new builds to service what was then a fledgling LNG spot market. Golar then moved along the value chain in 2007 with the pioneering conversion of one of its older LNG carriers into a Floating Storage and Regasification Unit (FSRU). FSRUs are now mainstream and have facilitated the opening of most new LNG markets since. However, to really close the energy price gap Golar also needed to move upstream, as well as further downstream.
In 2014 Golar took its next pioneering step initiating the conversion of an LNG carrier into a floating liquefaction vessel (FLNG). Two years later we set up a joint venture to build Latin America's largest thermal power station and establish a downstream LNG distribution business. **IN 2018 WE SUCCESSFULLY DELIVERED THE WORLD'S FIRST FLNG CONVERSION, WITH A CARBON FOOTPRINT THAT MATCHES SHORE-BASED "MEGA PROJECTS" DESPITE OPERATING AT SMALLER SCALE.**
In 2020 the power station, Brazil's most efficient thermal plant, commenced operations. In early 2021 we crystalized the value of that downstream business, more than tripling the value of our invested equity over a five-year period.

Over the last 20 years the need to reduce CO_2 emissions and air pollution has developed into global priorities, renewables have become the fastest growing source of energy and China's energy consumption has tripled.

TODAY, APPROXIMATELY 800 MILLION PEOPLE DO NOT YET HAVE ACCESS TO ELECTRICITY[1] AND 61% OF THE WORLD'S ENERGY REMAINS COAL AND OIL BASED[2].
The world urgently needs to decarbonise whilst ensuring that clean, modern energy is available and affordable for all.

RENEWABLES CANNOT ACHIEVE THIS TRANSITION ALONE. According to the International Renewable Energy Agency, the transition to renewable sources requires balance to overcome challenges related to variable output. **GAS IS IDEALLY SUITED FOR THIS – CLEANER THAN OTHER FOSSIL FUELS AND ABUNDANT, CHEAP, AND FLEXIBLE.**
That is why LNG is now the second fastest growing source of energy, after renewables. Switching from coal to gas for electricity production saves on average 50% of carbon and methane emissions[3], alongside dramatic reductions in air pollution. It is increasingly cost competitive with coal too. We understand that lowering emissions isn't the same as eliminating them which is why Golar is also actively working on even cleaner solutions including floating blue ammonia and carbon capture for FLNG.

Through our pioneering low-cost innovations and investments, we have built a company that can liquefy, ship, and regasify LNG, commoditizing and democratizing access to cleaner LNG based energy. In our unique and proven FLNG offering we can now produce the world's lowest cost LNG from gas that would otherwise be flared or re-injected and can do this profitably in a $30 oil environment. **WE CAN DO ALL THIS NOW. NOT IN 20 YEARS. NOW.**

We intend to maximize the value of this strategic position over the next 20 years. Our focus will be on acquiring stranded gas assets and using our world beating low cost infrastructure solutions, operational experience and strong industry partnerships to deliver that gas to emerging markets whilst also looking to a future where marine infrastructure supports the growth of hydrogen and ammonia as a viable alternative. This, we believe, is sustainable value creation that will see Golar through to its centenary.

Tor Olav Trøim
Chairman of the Board

[1] UN estimate (https://sdgs.un.org/goals/goal7)
[2] International Energy Agency (2019). BP Energy Outlook (2019)
[3] International Energy Agency (https://www.iea.org/reports/the-role-of-gas-in-todays-energy-transitions)

CONTENTS

01

ABOUT GOLAR

Golar is one of the world's most innovative and experienced independent owners and operators of marine-based LNG infrastructure.

> "We aim to use our marine expertise and innovative floating LNG assets to provide the most competitive LNG solution to monetise natural gas reserves and deliver LNG."

Golar is a fully integrated LNG midstream services provider covering floating LNG liquefaction (FLNG), LNG shipping (LNGC) and floating storage and regasification (FSRUs).

In January 2021 we announced the sale of our downstream focussed business interests to New Fortress Energy. Golar now owns a fleet of 9 LNGCs, 1 FSRU and 3 FLNGs (1 operating, 1 under conversion and 1 candidate for conversion), and focus our attention on the development of our upstream capabilities. We continue to manage and operate the fleet of 6 LNGCs and 8 FSRUs acquired by New Fortress.

VISION

We believe that gas has a critical role to play to provide cleaner and cheaper energy globally for many years to come.

Our pioneering infrastructure assets provide safe, competitive and sustainable ways of liquefying, transporting and turning gas into energy across the world.

MISSION

- Be recognised as a learning organisation with an outstanding reputation for safe, reliable and cost-effective operations.
- Employ and develop talented people who can see the impact of what they do.
- Develop a pipeline of new LNG infrastructure opportunities and convert the best into world class projects.
- Be a great business partner, where combining skills and resources make a big difference.

A TRACK RECORD OF INNOVATION

We embrace fresh thinking and our lean organisational structure enables us to develop new ideas quickly. Our two most significant innovations have been:

WORLD'S 1ST

FSRU CONVERSION
THE GOLAR SPIRIT
commenced operations in 2008

FLNG CONVERSION
THE HILLI EPISEYO
commenced operations in 2018

In both cases, we offered rapid schedule and cost effective solutions to industry problems, and redefined industry cost per MMbtu at both ends of the LNG value chain.

We continue to be pioneers in our industry. We have now developed a larger newbuild FLNG solution and are collaborating with another industry leader to investigate solutions for the floating production of blue and green ammonia as well as carbon capture in LNG production.

GOLAR AT A GLANCE

Experience
50 years of experience in the LNG midstream sector.

Market Penetration
Regasified 1,200+ LNG cargoes in LNG importing countries using Golar operated FSRUs.

Innovation
The first company to convert ships into FSRUs and FLNGVs and harness waste energy to improve the efficiency of both.

Simplicity
New combinations of existing technologies that offer simple, low-cost solutions to a complex business.

Integration
Working with upstream resource holders to incorporate our FLNG solutions to monetise stranded gas and with downstream partners to deliver that gas to emerging markets.

Growth
Able to invest and grow our business with LNG prices as low as $4/mmbtu.

> **Our unique industry leading FLNG offering provides a commercially viable route for the development of smaller gas resources - matching and competing with land-based "mega projects" on emissions and cost per tonne. To date, Golar has produced more LNG from a floating facility than any other operator.**

OPERATING IN A PANDEMIC

Responding to the COVID-19 pandemic, Golar's focus was to keep our people and their families safe whilst continuing to operate as a vital part of the global energy supply chain.

Whilst the COVID-19 pandemic spread across the globe, as part of the global energy supply chain our operations had to continue. We are proud of the response of our employees – despite the extraordinary circumstances they have taken extra care of each other in challenging times and have gone to great efforts to continue our operations. In particular, we believe seafarers are one of the "unsung heroes" of the pandemic. They provided a vital role in maintaining the flow of vital goods that people everywhere needed, in our case LNG for energy, whilst not being recognised as key workers and experiencing prolonged periods at sea as a result of government regulations restricting crew changes.

In response to the pandemic, Golar identified three key priorities which guided us throughout the year:

1 Keep our people, both at sea and onshore, safe from the virus

Even more so in these challenging and uncertain times, safety was our top priority. We implemented new measures to ensure that we keep our seafarers, staff, their families and our wider communities safe.

- We screened all our seafarers to identify higher risk conditions for COVID.
- We restricted access to our vessels to reduce the risk of transmission to crew. This included working with Port Authorities to ensure that the minimum number of officials came on board the ship, and that they did so in a safe manner.
- We provided all our shore-based staff with the equipment required to successfully work from home.

2 Look after our seafarers and their families during extended periods at sea

Crew changes were severely restricted throughout the year. This led to extended stays at sea for many of our seafarers, who stayed onboard far beyond their contracts. We worked tirelessly to provide crew changes, but faced challenges from changing local requirements, quarantine restrictions and the significant reduction in flights.

We were able to deliver crew changes for all our vessels, but we are aware that others were not so fortunate. In February 2021, we joined over 400 maritime businesses and organisations in signing the Neptune Declaration, recognising a shared responsibility to resolve the crew change crisis and calling for seafarers to be recognised as key workers with priority access to vaccines.

This crisis also impacted crew members who were unable to start their contracts. Whilst typically under maritime standards and the Maritime Labour convention, seafarers are not paid whilst on leave, we offered financial support to all Golar crew members on shore leave to ensure they were paid some of their salaries whilst unable to board a vessel to support them and their families.

3 Continue our operations and serve our customers

In addition to protecting our people, we ensured that we continued to deliver on our commitments to customers and kept the fleet operating. The pandemic caused widespread disruption to supply chains, but our FLNG and FSRU vessels continued to operate to nomination and our LNG carriers continued to sail.

There are many examples of our teams finding creative solutions to the challenges presented by the pandemic, including implementing remote solutions for maintenance and mandatory ship audits, supporting our suppliers and flexible planning to minimise disruption to major projects. In particular, we were able to convert the Golar Viking into the FSRU LNG Croatia in China and deliver her on time despite all the schedule challenges arising from the pandemic.

02

OUR SUSTAINABILITY STRATEGY

Sustainability is critical to Golar's strategy – we champion LNG as a key transition fuel and a bridge to a cleaner energy future. With an industry reputation for innovation, we are committed to supporting the growth of LNG to ensure that modern cleaner energy is affordable for all.

Our approach to sustainability is embedded in our vision and business strategy. We believe that LNG will grow as a companion fuel to renewables, and that flexible marinized infrastructure will have a huge role to play in the development of the smaller gas resources and in time the development of carbon-free fuels such as hydrogen and ammonia.

VISION

We believe that gas has a critical role to play in providing cleaner energy for many years to come.

Our pioneering infrastructure assets provide safe, competitive and sustainable ways of liquefying, transporting and turning gas into energy across the world.

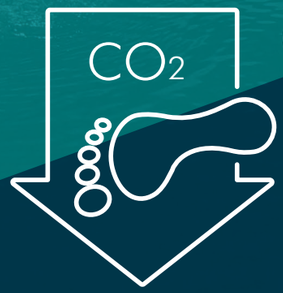
OUR SUSTAINABILITY PRIORITIES

1 Champion LNG as a transition fuel

Working as a companion fuel to renewables, LNG will enable emerging markets to move away from burning dirtier oil and coal. This can deliver immediate emissions reductions and support the UN's goal that reliable, clean and affordable energy is available to all whilst paving the way for a cleaner energy future.

2 Efficient and responsible operations

Whilst championing LNG as a transition fuel, we recognise that it is critical that the industry reduces its environmental footprint. As industry innovators, we aim to take a leading role and make tangible change in the areas that really matter. We have identified five key focus areas where we feel we can make a real difference in support of the UN Sustainable Development Goals, which are set out in this report.



3 Support the development of low carbon and carbon free fuels

Ultimately, for the energy transition to succeed, renewables cannot bear the load alone. Low carbon and carbon free alternative fuels must be identified and developed into scalable, cost effective solutions. Golar will work on developing floating solutions that work to support the development of the most promising candidates, starting with the hydrogen economy through ammonia and carbon capture.

03

ESG GOVERNANCE AND MATERIALITY

At Golar, we take our responsibilities towards sustainability and transparent ESG reporting seriously. Our governance framework applies equally to executing our strategy in support of the energy transition, monitoring our ESG performance, and managing climate-related risks.

Governance of sustainability at Golar is led by the Board through the Safety, Environment and Ethics Committee and the leadership team. Their oversight ensures executive ownership of ESG priorities and leads to an integrated approach, embedded within our strategic decision making, performance management, planning and risk management.

OUR SAFETY ENVIRONMENT & ETHICS COMMITTEE

Our Board-level Safety, Environment and Ethics ("SEE") Committee, oversees our ESG performance and the execution of our sustainability strategy.

During 2020, the Committee spent most of their time on development of our key performance indicators and 2030 ambitions, ensuring that these reflected our strategy and were underpinned by detailed action plans. They continued to review and challenge our ESG performance, including safety and emissions, and manage our climate-related risks and opportunities. The Committee reported regularly to the Board of Directors on its progress.

POLICIES AND COMPLIANCE

We have various policies and procedures that govern our ESG practises, such as our Environmental, Security, Health and Safety, Risk Management, Speak-up and Anti-bribery and Corruption policies, just to mention a few. We update our policies regularly and provide training on them to our staff.

Compliance with our policies and procedures are a fundamental part to our success, therefore we undergo regular compliance audits, both internally and externally, to give management and the board comfort that they are followed and are operating as intended. In 2020 we also engaged an independent third party to provide assurance over the completeness and accuracy of our emissions data. We will increase the scope of the audit each year, to ultimately include all our ESG reporting figures.

IDENTIFYING AND ADDRESSING SUSTAINABILITY RISKS

Sustainability and the opportunities arising from the energy transition are key parts of our strategy. Therefore, the key risks to these objectives, and climate and sustainability related risks more broadly are already embedded in our risk management processes.

The Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) established recommendations for voluntarily reporting such risks and opportunities in 2017. We believe these disclosures are important in allowing stakeholders to understand our response to key climate issues.

In 2020, we are disclosing more information on our governance and risk management practice to align to TCFD expectations in those areas. Going forward, we will further align our reporting to the full set of TCFD disclosure requirements.

Our climate related risk and opportunities can be seen in Appendix 2.

SAFETY, ENVIRONMENT & ETHICS COMMITTEE

Oversight of ESG projects, KPI performance and external reporting. Chaired by an independent Board member, with the CEO, COO, CFO and DHSEQ as Committee members. This Committee meets at least twice a year.

OPERATIONS

Cross functional Committee chaired by the Chief Operating Officer focusing on health & safety, the environment and energy efficiency of the LNGC and FSRU fleet. Monitors priority aspects, improvement plans, KPI delivery and regulatory compliance.

PEOPLE AND COMMUNITIES

Working group led by the Global Director of HR which brings together shore based and offshore programmes. Focused on diversity, training and development and coordinating our community engagements across the globe.

GOVERNANCE & ETHICS

Working group chaired by the Chief Accounting Officer overseeing Golar's ethics and compliance programmes. This includes conduct training, our anti-bribery and anti-corruption programme and supply chain human rights management.

Onboard safety and environmental Committees are chaired by the Master / Offshore Installation Manager. They continually review the performance of the vessel against set KPIs, delivery of action plans and identifying improvements.

> **"The Board established the Safety, Environment and Ethics Committee in 2019 to govern how the business executes our sustainability strategy. The Committee is responsible for overseeing key ESG improvement initiatives and our response to climate-related risks and opportunities."**

FOCUSING ON WHAT MATTERS MOST

Our approach to sustainability is built upon what matters most to us as a business and where we can make a meaningful difference.

As mandated by our Board, Golar is committed to taking an impact-based approach to setting sustainability goals, and making regular, ongoing ESG disclosures in line with our reporting guidelines. This means that we do not apply a specific overall reporting standard but focus on the ESG issues that matter most to Golar, are relevant to our business model and are of most interest to our stakeholders.

To determine these topics, we conducted a comprehensive "materiality" assessment in 2019. We applied the Global Reporting Initiative ("GRI") principle of materiality, defined as topics that reflect significant economic, environmental and social impacts and/or substantively influence stakeholders' assessments of the organization's ESG performance.

Our assessment included:

- Internal workshops across our business
- External engagement with key sustainability stakeholders
- Assessment of our existing internal reporting
- Benchmarking against proxy peers and other public reports documenting key issues for LNG
- Review of applicable industry and ESG standards such as SASB, GRI and IPIECA

This led to the development of the five key areas of focus outlined on page 14, and the linked KPIs to measure our performance shown on page 22.

DETERMINING THE CONTENTS OF THIS REPORT

The content and quality of this report is driven by a focus on the most material issues identified and incorporates guidance from major sustainability and industry specific reporting guidelines, as well as leading ESG rating agencies, including those listed above and Sustainalytics, CDP and MSCI.

In determining the scope of our reporting, we have considered the following principles:

- Operational control is applied for safety, waste and spills data, following where we have the governing authority and responsibility.
- For emissions data, whilst operational and financial control resides with our charterers, we disclose emissions on all vessels owned by Golar's entities. Therefore, unless otherwise noted, this report includes the operations and practices for the entire Golar fleet (LNGC, FSRU and FLNG) in 2020, encompassing assets owned and operated by Golar LNG, Golar LNG Partners and Hygo Energy Transition (although NFE acquired Golar LNG Partners and Hygo assets in 2021).
- The GHG Protocol is followed for greenhouse gases, however we consider Scope 2 (indirect emissions from purchased electricity) to be immaterial compared to the emissions from our operational vessels and assets.

The detail behind the calculations can be seen in appendix 1 of this report and our methodology statement on our **website**.

UN SUSTAINABLE DEVELOPMENT GOALS

Pursuant to our own goals, Golar is proud to support the principles of the 2016 United Nations Paris Agreement and the wider UN sustainability agenda, including the associated Sustainable Development Goals (SDGs). While Golar supports all of the SDGs, we identified four goals that align most to our strategy and sustainability priorities:

- Our low cost and speed of delivery reduces the cost per MMbtu of LNG, increasing the ability of emerging economies to access LNG and adopt a "gas plus renewables" mix to replace coal and oil.
- Through Hygo Energy Transition, we have actively worked to develop infrastructure that can supply LNG to commercial, industrial and retail customers.

- Safety is our number one priority, both in our own operations and within our supply chain.
- Respecting human rights in all aspects of our business, both for our own staff and contractors but also across our supply chain.
- Creating local jobs and procuring locally wherever it makes sense to support local development in our communities.

- Setting challenging carbon reduction targets for all of our existing assets and continuing our innovative approach to the design of new assets, ensuring they are cleaner in line with industry developments.
- Investing in research to provide floating infrastructure solutions to carbon-free alternative fuels, starting with blue and green ammonia and carbon capture, sequestration and storage.

- LNG is the cleanest fossil fuel. As a proven and affordable technology, it can replace dirtier fuels today and support the energy transition as a companion fuel to renewables. We support this transition through our low cost, quick delivery infrastructure, providing opportunities for emissions reduction.
- We take action to minimise our environmental footprint, focused on fuel use and efficiency to drive down carbon and other air emissions.

GOLAR'S FIVE KEY FOCUS AREAS

We conducted a series of internal and external workshops to determine which Environment, Social and Governance topics are most important and significant to Golar and our stakeholders. Based on the results we were able to identify five key focus areas.

Health, Safety and Security

Maintaining safety through learning and cooperation, fostering a sense of community, and minimising risk.

Environmental Impact

Operating responsibly and working with charterers to make commercial decisions that limit our environmental footprint.

Innovation and Transition

Recycling our vessels and the incorporation of pioneering FLNG technology into our operations.

People and Community

Encouraging development across our diverse workforce and support for our host communities.

Governance and Business Ethics

Committing to principles of transparency, human rights, anti-bribery and anti-corruption.

Karl Fredrik Staubo
Chief Executive Officer

We have been paying attention to the company's environmental impact, social contribution and corporate governance for many years. As signatories of the UN Global Compact, we commit to operating in line with the ten principles on responsible business conduct and to contributing positively to relevant UN Sustainable Development Goals.

Last year we published the first web-based ESG report which outlined our general journey to date and direction for the future. This year we produce our first stand-alone ESG report, available in limited paper copies and web based, and in it we lay out our 2030 targets against our five key focus areas.

Achieving these targets will require teamwork and a continuous focus throughout each year but, in Golar, we believe these focus areas are important and by delivering against them we will become a better employer, reduce our emission footprint and continue to contribute to a better world.

> "we believe these focus areas are important and by delivering against them we will become a better employer, reduce our emission footprint and continue to contribute to a better world."

04

2030 AMBITIONS

We have developed a range of bold but achievable goals designed to make a positive impact on our ESG footprint by 2030. These reflect our belief that whilst it is not possible to predict exactly what form the energy transition will take, or how our sector will react, action is required now to meet decarbonisation ambitions.

Health, Safety And Security

Safety is our number one priority. We want to protect our people, their families and our communities. We want to be the preferred employer and aspire to a culture of zero harm.

BELOW 0.80 LTIF

ZERO FATALITIES

Our targets are to:

- Achieve zero fatalities and sustain a lost-time injury frequency below 0.80 per million exposure hours.
- Maintain a "best in class" safety framework compliant with the highest standards in our industry.

Innovation and Transition

We are proud of our reputation for implementing innovative ideas in our industry. We will continue to identify and develop pioneering floating solutions to support the energy transition. Our targets include:

- Developing technically and commercially viable floating application of green and blue technologies, focusing on hydrogen, ammonia and carbon capture.
- Identifying and marinizing carbon capture technologies which could fit into the footprint of future FLNG units, providing charterers with the option to significantly reduce carbon emissions from liquefaction.

Environmental Impact

FLNG

Our FLNG approach offers an efficient, fully marinized solution with highly competitive CO2e emissions, but we are actively exploring how we can further reduce our footprint in future FLNG vessels.

Our targets are to:

- Consistently achieve our benchmark emissions intensity on Hilli of 0.30 TCO2e / TLNG.
- Maintain highly competitive greenhouse gas footprints. We have ready to implement FLNG design cases which deliver in the range of 25% reduction in intensity.
- Continue to explore technologies which could deliver even greater improvements in emission intensity, such as carbon capture technologies or integration of our power management system with renewable sources.

EXPLORE NEW TECH

CO_2

LATEST DESIGN CASES 25% REDUCTION

25% FLEET WIDE CARBON INTENSITY REDUCTION

LNGC

We are committed to delivering improvements in efficiency and emissions reductions which meet the IMO's reduction targets. We have made significant progress towards the 2030 target (40% savings in carbon efficiency compared to 2008), saving around 30% compared to our estimate of 2008 emissions.

Our targets are to:

- Deliver a further 25% reduction in emissions intensity by 2030, based on the annual efficiency ratio against our 2019 performance.
- Work closely with our charterers to maximise the use of boil off gas, which reduces total lifecycle emissions for the LNG we transport.
- Take action to reduce methane emissions arising from "methane slip" through discussion with engine manufacturers.

WASTE AND SPILLS

We are committed to reducing our total environmental footprint, not just emissions. Our targets include:

- Zero serious environmental events
- Reducing total waste (oily and non-oily) by 20% compared to our 2019 benchmark.

20% REDUCTION IN TOTAL WASTE

ZERO SERIOUS ENVIRONMENTAL EVENTS

Our People

We aim to be a preferred employer through our culture as a learning organisation and our focus on the development of our staff. Our targets are to:

- Achieve a retention rate of 95% for crewing and 90% for office staff.
- More than 90% of our staff demonstrate living by the Golar values.

RETENTION
95% CREWING
90% OFFICE STAFF

Our Communities

As our business develops we are more involved in our communities than ever before. We take our role seriously, and aim to have a lasting positive impact in the development of our communities through:

- Charitable work to support community growth.
- Hiring and procuring locally, where we can.

LOCAL HIRING & PROCURING

Governance And Ethics

We are committed to maintaining the highest standards of governance and ethical conduct wherever we are in the world. We acknowledge the challenges in our industry, and take action to ensure they do not exist in our organisation or supply chain. Specifically, we focus on:

- Ensuring human rights are respected in our supply chain.
- A robust system to comply with anti-bribery and corruption laws and regulations and maintaining our culture of compliance.

05

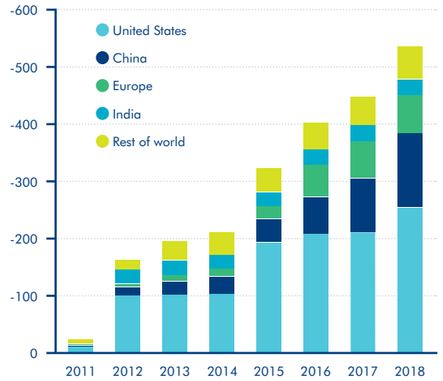
CLIMATE AND LNG

We champion LNG as a key transition fuel to our collective carbon neutral future: a sustainable, economical alternative to other fossil fuels that supports renewable development.

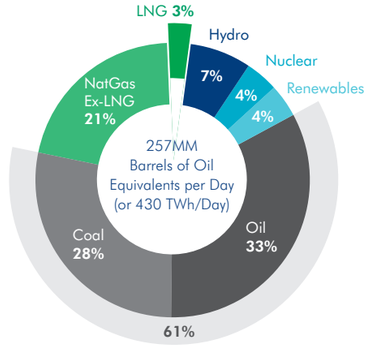
> **LNG is the cleanest burning fossil fuel – it generates 40%-50% less CO_2 than coal and can dramatically lower air pollution.**

LNG: THE BRIDGE TO A CLEAN ENERGY FUTURE

CO_2 savings from coal-to-gas switching in selected regions compared with 2010, 2018



Global Energy Consumption
LNG has potential to displace coal and oil, which currently represent 61% of Global Energy Consumption



Demand for energy is set to rise, the challenge of the energy transition is to deliver reliable, modern energy for all whilst expediently reducing emissions and pollution. Further, energy must be available and affordable for all – the UN estimates that today, 798 million people lack access to electricity. Finding a solution that supplies energy to more people, protects the climate, maintains air quality and ensures affordability is one of the biggest challenges facing the world today.

A COMPANION FUEL TO RENEWABLES

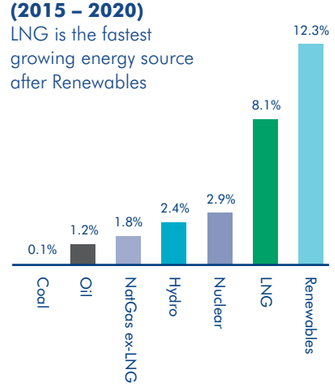
Fuel displacement is critical to achieving the Paris Agreement goal of less than 2°C warming. Currently 61% of the Global Energy consumption is made up of coal and oil[1], and we must rapidly change this energy mix to reduce emissions. The urgency of this transition is increasing, with more and more countries setting out net-zero targets for 2050, including China, Japan, New Zealand, the US, the UK and Denmark.

We believe that it is imperative that we act now and displace dirtier fossil fuels and reduce global emissions rather than waiting for new developments or technologies. Natural gas is an ideal companion fuel for renewables and carbon-free alternative fuels. According to the International Renewable Energy Agency (IRENA), the transition to variable renewable sources requires balance to overcome challenges related to limitations in output and reserve requirements.

This transition is already underway - over the last five years LNG has been the fastest growing energy source after renewables as countries adopt this model. The IEA estimates that replacing dirtier fossil fuels with LNG has already helped limit the rise in global emissions since 2010 and has avoided over 500 million metric tonnes of CO_2 emissions between 2010 and 2018[2].

Golar has played an active role. Through Hygo Energy Transition we built Latin America's most efficient thermal power plant in Porto de Sergipe, Brazil, which backs up hydro power to ensure continuity of supply in the region.

CAGR Based on Mtoe (2015 – 2020)
LNG is the fastest growing energy source after Renewables



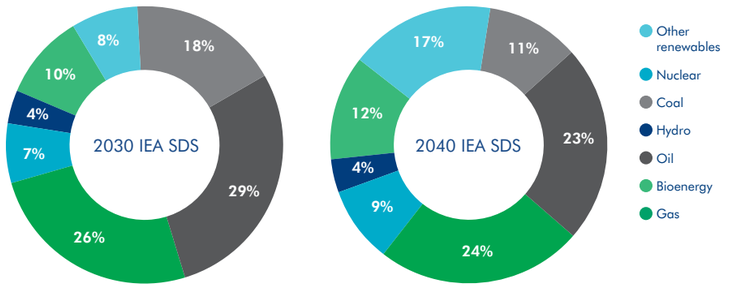
Sources
[1] International Energy Agency
[2] International Energy Agency. (2019). World Energy Outlook 2019.

THE ONGOING ROLE OF GAS

All realistic energy models, including those aligned to Paris Agreement goals, show that gas will continue to play a major role in the energy mix for years to come. Whilst achieving a carbon neutral energy mix is the eventual endgame, it will take time for alternative fuels and renewable technologies to develop and achieve meaningful market share. It is not possible to predict the exact shape and form for the energy transition and so the more immediate, compelling, and realistic economic proposition lies first with replacing dirtier fossil fuels as fast as possible. This means that gas, and LNG in particular, will be a critical part of the energy mix for decades to come.

This view is supported by both the IEA's Sustainable Development Scenario and BP's Rapid Scenario in their 2020 Energy Outlook, with gas outperforming other fossil fuels.

Primary Energy Demand – Sustainable Development Scenario

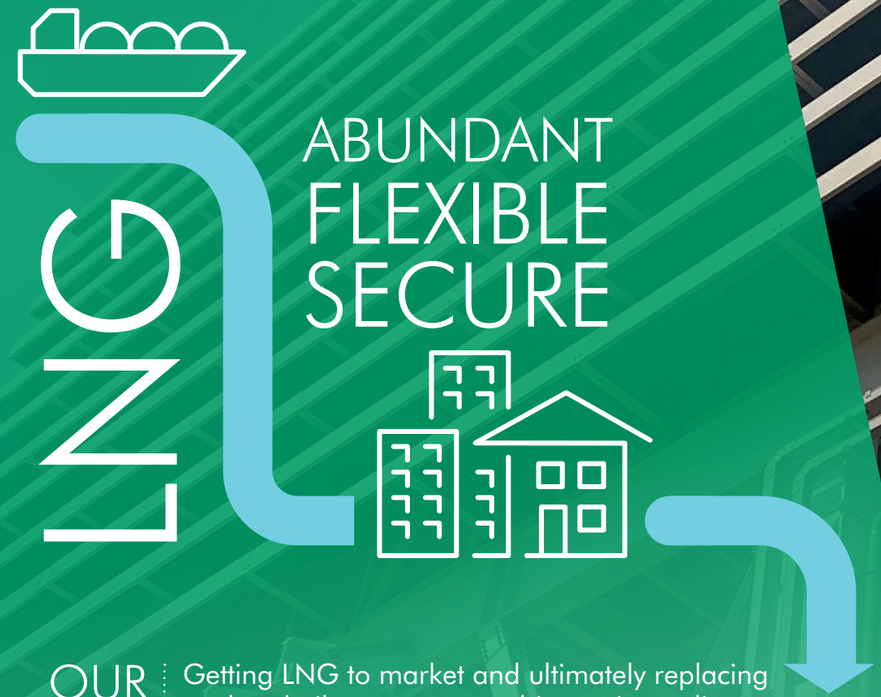


Source
International Energy Agency (2019)

LNG IS THE SOLUTION

LNG can meet rising energy demand with a fuel that is more affordable, practical, and cleaner than any of its fossil fuel competitors. In particular:

- LNG is the most cost-efficient alternative to its fossil fuel competitors, making it an affordable and accessible source of energy.
- LNG is the cleanest burning fossil fuel – it generates 40%-50% less CO_2 than coal and can dramatically lower air pollution.
- LNG will support renewables to make up the shortfall.
- LNG has a wealth of practical applications including combined heating, power and transportation, thus allowing LNG to comprehensively support the global transition to a clean energy future.



OUR ROLE

Getting LNG to market and ultimately replacing coal and oil represents our biggest immediate opportunity to mitigate climate change, we recognise our obligation to reduce and manage our own environmental footprint, promote sustainability in all our operations and investigate and address problems within our industry.

To fulfil the role of natural gas in the energy transition the industry must reduce greenhouse gas emissions and other environmental impacts throughout the value chain whilst keeping costs down. This includes taking immediate action on key challenges such as fugitive emissions and methane slippage. Golar's approach assists the industry by reducing the onshore footprint of liquefaction and regasification terminals. We are also taking action to investigate and estimate the impact of these issues within our operations, including reviewing methane slippage from our gas engines and investing in technology to identify sources of fugitive emissions.

OUR KEY INDICATORS

We have developed key performance indicators for each of our key focus areas to assess our performance and help us to achieve our goals and objectives. We constantly monitor our performance and progress is reported to the Safety, Environment and Ethics Committee to enable Board oversight.

0

FATALITIES

0

SERIOUS MARINE INCIDENTS

NUMBER OF HOURS SPENT ON SAFETY TRAINING FOR OFFSHORE STAFF

74,725

AVERAGE HOURS SPENT ON SAFETY TRAINING

53

2020 AIR QUALITY IMPROVEMENT FLEETWIDE

NOx	SOx	PM
13%	93%	64%

SAFETY PERFORMANCE

LTIF 0.95

TRCF 1.59

ZERO SPILLS

CARBON INTENSITY

LNGC 8.71

FSRUs 0.05

FLNG 0.30

LNGC
AER, per tonnage mile

FSRU
Per tonne send out

FLNG
Per tonne LNG produced

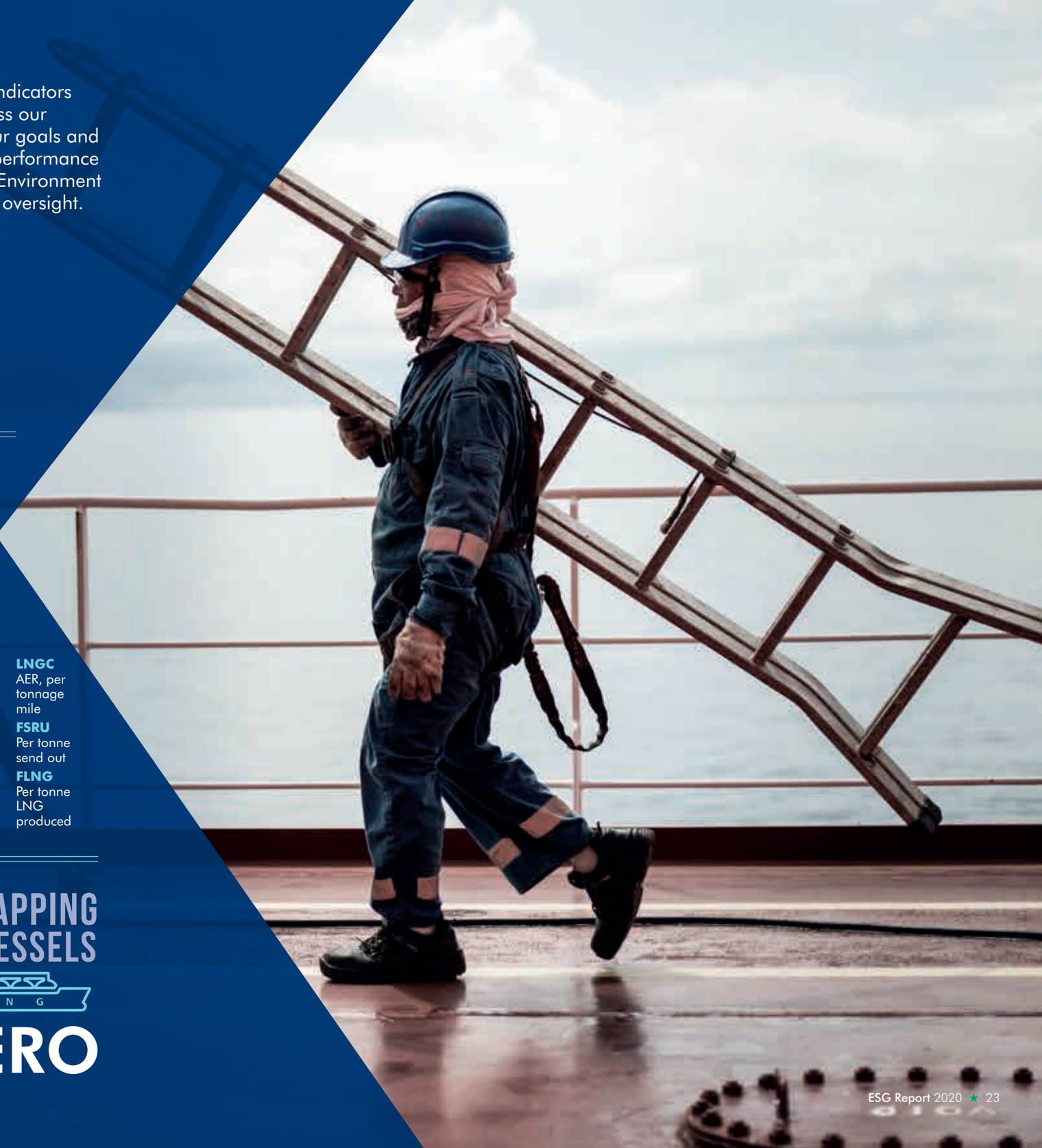
CADET PROGRAM

25

SCRAPPING OF VESSELS

L N G

ZERO



06

OUR KEY FOCUS AREAS

FOCUS AREA
HEALTH SAFETY AND SECURITY

The safety and security of our teams and everyone who works with us is our number one priority. Experience, cooperation and learning are critical to achieving this.

We aspire to a culture of zero harm – meaning a workplace which is injury free. This ambition is integral to Golar's company culture.

We know that it is impossible to create a system where failure never happens, but we believe that serious issues can be prevented by focusing on understanding why minor issues occur and learning from them.

DELIVERING ON AN AMBITION OF ZERO HARM

We pursue zero harm through four key areas:

- Building a company culture which reinforces safety awareness among our employees.
- Ensuring practical and well-considered risk management onboard and onshore.
- Learning through analysing accidents and near accidents.
- Continual improvement of procedures and routines, including skills of personnel and emergency preparedness.

SAFETY THROUGH EXPERIENCE, COOPERATION AND LEARNING

We believe that a transparent and in depth understanding of our culture is critical to keeping our staff safe. We have worked hard to foster a culture based on the concepts of experience transfer and being a learning organisation.

Put simply - we view mistakes and issues identified as pivotal learning opportunities. We believe that discussing mistakes, learning from them and cooperating through sharing experiences with other vessels ensures that our team is stronger and safer as a result.

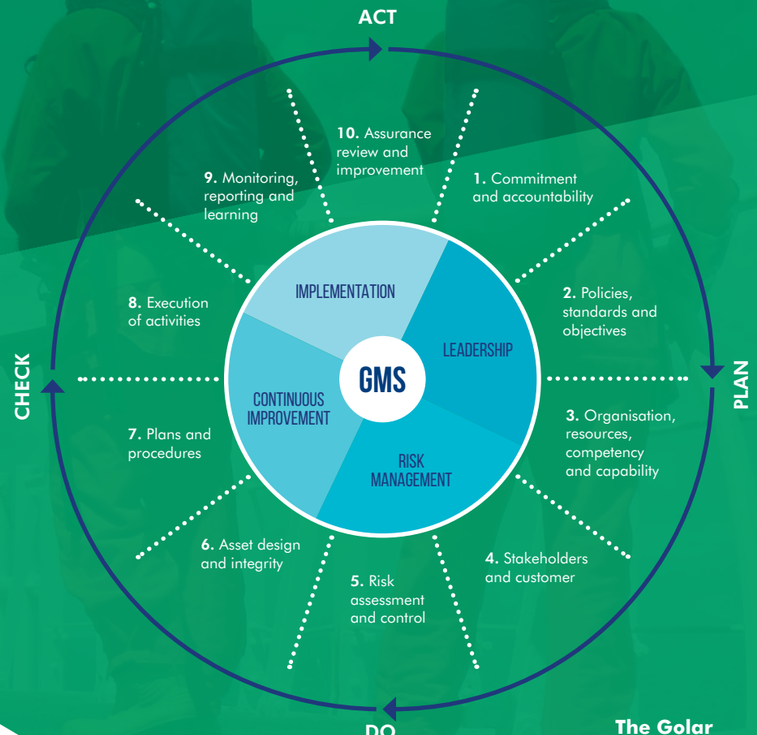
We regularly monitor our culture in detail through periodic surveys, most recently in 2019, making assessments against eight leadership behaviours: Trust; Openness; Feedback; Team; Care; Learn; Speak up; and Dilemmas.

The Golar Management System ("GMS") is certified to ISO9001, ISO14001, ISO45001, ISO27001 and ISM Code

These standards underline the robustness of our system and commitment to continuous improvement

Golar provides comprehensive training to our employees to ensure that we are able to meet our objectives and targets

We implement extensive audit and assurance activities to verify compliance with the requirements



The Golar Management System

MAINTAINING HIGH SAFETY STANDARDS

Our ambition is to maintain a best in class safety framework. We have a robust safety management system which is compliant with ISO45001, the ISM Code, SOLAS and the IGC Code as well as ISO9001, ISO14001 and ISO27001.

We conduct rigorous internal audits for all of our vessels against our safety framework and additionally we are regularly audited by flag states, port states, charterers and other stakeholders to ensure that our vessels meet or exceed all required standards. This includes the requirements of the Tanker Management and Self-Assessment programme (TMSA) and the Ship Inspection Report Programme (SIRE).

SECURITY

Shipment of cargoes at sea involves an element of inherent security risk, especially in high risk areas for piracy.

Sadly, one of our crew members was kidnapped from one of our vessels in a piracy attack at an oil major operated terminal, in the Gulf of Guinea in 2020. We were able to successfully secure his release, but we realise there is more for us to do, to learn and to improve to ensure that we keep our staff, vessels and cargo safe at all times. We identified multiple factors that contributed to the piracy attack being successful and are implementing improvements to minimise the risk of recurrence.

2020 PROGRESS AND RESULTS

COVID-19 presented a unique challenge to our safety management system. As outlined in this report, as a vital part of the energy supply chain Golar continued to operate, and we took a number of steps to keep our crew, staff and their families safe, including working tirelessly to perform crew changes as soon as we could, restricting access to our vessels and maintaining COVID-19 secure workplaces. We also had to adapt our safety management system due to the restrictions on travel, moving to remote auditing and training.

Performance highlights for 2020 include:

- We had another year with zero fatalities or serious marine incidents (2019: zero).
- We achieved certification to ISO45001 for all our locations.
- Our focus on improved reporting of incidents and opportunities for improvement continued to deliver results, with over 2,300 high quality safety observations being reported.
- We were able to maintain our high level of safety training through moving to remote training, with crew and offshore workers completing an average of 53 hours each (2019: 56 hours).
- Lost time injury frequency increased to 0.89 per million exposure hours (2019: 0.86), but we saw a decline in total reportable cases to 1.49 per million exposure hours (2019: 1.72). The drivers for this relate to our ongoing programme to increase the volume of reporting, and also that our team aboard the Hilli Episeyo are becoming more familiar with the vessel since it went into operations in 2018.

LTIF and TRCF

We achieved certification to ISO45001 for all our locations.

FOCUS AREA

INNOVATION AND TRANSITION

We are proud of our reputation for innovation having completed the world's first FSRU and FLNG conversions. We apply this pioneering spirit to maximise Golar's contribution to the energy transition.

As set out in this report, we recognise the need for disruption and change in the world's energy market to decarbonise whilst meeting rising energy demand and ensuring reliable modern energy is available and affordable for all.

We believe that marine infrastructure can play a critical role making the energy transition happen at pace. This relates both to delivering cheaper, cleaner energy today through LNG replacing oil and coal, whilst also looking to a future where marine infrastructure supports the growth of hydrogen and ammonia as a viable alternative to traditional energy sources.

Golar is a proven implementor of innovative and disruptive solutions, and this experience positions us well to develop novel marine contributions to the challenges of the energy transition.

DELIVERING CLEANER LNG AT SMALLER SCALE

Golar's FLNG approach is able to match and compete with land based "mega projects" on emissions and cost-per-tonne of LNG produced despite operating at much smaller scales.

This provides a commercially viable route for the development of smaller or stranded gas resources, which will in turn deliver more gas to market to fuel the energy transition.

Our FLNG approach has a number of advantages to traditional shore-based facilities, including:

- Maintaining capital efficiencies at much lower scale whilst delivering a highly competitive emissions footprint, in large part due to effective use of heat recovery.
- Quicker return on investment due to the shorter period from FID to commercial operation.
- Ability to extend the life of infrastructure and develop smaller gas resources that cannot anchor a 25 year plus land-based project, as floating assets are not fixed to one location.

But we know we can do more - our engineers continue to improve our FLNG offering to deliver greater reliability and availability alongside reduced emissions.

CHEAPER, CLEANER FUEL IN EMERGING MARKETS

We developed Hygo Energy Transition to bring LNG to markets which currently lack gas access in order to facilitate the switch from dirtier fuels, such as coal, diesel and oil. This can have a transformative effect on local energy markets – not only is LNG cheaper than alternatives but it is far less polluting.

Hygo currently focusses on the Brazilian market, which is one of the most attractive markets for such a switch globally, but they are also pursuing similar opportunities across the world, including in other Latin American counties, Southeast Asia, the Indian Subcontinent, West Africa and Europe.

In Brazil, this innovative business model is having a real impact. Hygo established an FSRU terminal in Sergipe, to supply the Porto de Sergipe I power plant (which is 50% owned by Hygo). This FSRU has become a "hub" from which to import LNG and offer gas to a range of retail, industrial and commercial users through supply chains and associated infrastructure.

A key initial focus has been on a diesel to LNG switch for trucks and commercial vehicles, as Brazil has a fleet of over 16 million such vehicles. We have partnered with Brazil's largest distributor of liquid hydrocarbons, BR Distribuidora, to supply LNG through their distribution network.

In January we announced the sale of Hygo Energy Transition to New Fortress Energy ("NFE"). We are proud of the achievements of Hygo and believe that the valuation placed on the business by the transaction demonstrates the success of the business model. Its combination with NFE will allow the business to further strengthen its footprint and accelerate its vision to deliver low carbon energy solutions globally.

WHAT COMES NEXT?

Achieving the goals of the Paris Agreement and combatting the climate crisis requires a new generation of affordable, scalable energy alternatives to fossil fuels. We believe in LNG as a transition fuel, but this must go hand in hand with the development of low carbon alternatives if the energy transition is to succeed.

We believe that marine infrastructure will have a critical role to play, and in November 2020 we entered into a collaboration agreement with our long-term FLNG partners, Black and Veatch, to explore floating ammonia production, carbon capture, green LNG and hydrogen.

In February 2021, we launched our first thought leadership paper through this collaboration – "Floating blue ammonia production: Creating a zero-carbon emission fuel". The paper explores:

- How blue ammonia can be the catalyst for development of the hydrogen economy.
- The benefits of ammonia compared to transporting hydrogen and how this can accelerate the transition to carbon free energy in energy intensive industries through use of existing infrastructure.
- The role that floating ammonia production can play in making this a reality, and potential carbon capture benefits.

> **The replacement of coal, fuel oil and diesel with cleaner burning LNG represents one of the easiest and most cost-effective near-term steps to decarbonize the worlds energy mix. The next step is to plan for a net zero carbon energy mix. As a company with an established history of championing and delivering disruptive solutions to problems in its industry, we believe we can play a leading role in developing floating ammonia and hydrogen production, carbon capture, and other decarbonisation initiatives.**

Case study

FSRU SALT-WATER DISCHARGE TURBINE

Most FSRUs utilize sea water as the main source to heat Liquefied Natural Gas: sea water is lifted 25 meters up from sea level by heavy duty pumps to the regasification module located on the main deck. This takes a lot of energy - 1.4MW is required to maintain the required volume of up to 18,000 m3/h. For conventional FSRUs the water is drained back to sea level after heat exchange, meaning this energy is wasted.

GOLAR'S SOLUTION

Our engineers came up with the idea of utilising a hydro electric turbine in the sea water discharge to harness this energy. There was no readily available solution on the market – so we designed this ourselves and delivered it in partnership with a system supplier. The system delivers:

- Reduced fuel consumption through a 7% improvement in total system efficiency – the equivalent of 5 tonnes per day in fuel.
- Reduced emissions with estimated annual savings of up to 5,000 tonnes of CO_2 – the equivalent of taking 1,000 cars off the road.
- Improved flow dynamics through the turbine controlling the rate of discharge, with more even flow leading to reduced pressure fluctuations, vibrations and the visual "foam effect" created by FSRUs.

In 2020 we successfully completed our proof-of-concept trial aboard the Golar Igloo, demonstrating that we can harvest over 1.1MW at peak. Golar holds IP rights for this solution and is exploring commercial approaches that will allow the entire FSRU community to share in these improvements.

FOCUS AREA

ENVIRONMENTAL IMPACT

We are committed to being a responsible operator. This means transparently assessing our environmental impact and taking action to improve energy efficiency and minimise our environmental footprint.

At Golar, our ambition is to be an industry leader in terms of understanding our environmental impact and working towards reducing air emissions and energy consumption. We believe this is critical in making LNG a successful transition fuel and long-term component of global energy supply.

The vast majority of our environmental impact comes from emissions produced by fuel used onboard – so our priority is to increase energy efficiency to deliver more output for less fuel.

A CLEANER FUEL MIX

LNG is cleaner than other vessel fuels and therefore the more time we can utilise our LNG cargo as fuel the lower our emissions will be. However, from time to time we do consume small amounts of LSMGO, LSFO, MDO/LSMGO and MGO where such usage is stipulated by customers.

Further, most of our vessels also run on recycled cargo boil-off gas that would otherwise go to waste. Boil-off gas relates to the natural and unavoidable evaporation of the LNG stored in our tanks which has to be removed to maintain the pressure of our cargo – on average this equates to 0.1% per day of the LNG we transport. By recycling this gas to fuel, our vessels ensure that gas is not wasted whilst also limiting our air emissions significantly when compared with traditional marine fuel.

LNG USED IN **MARINE TRANSPORTATION**

L N G

CAN REDUCE

UP TO

CO_2 **23%**

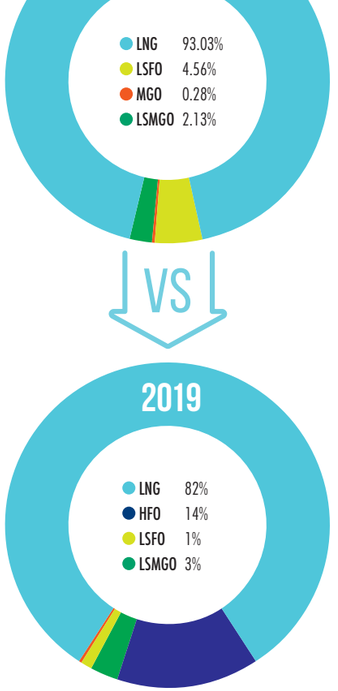
NOx **95%**

PM **99%**

SOx **ALMOST 100%**

Source
SEA-LNG, https://sea-lng.org/2021/04/independent-study-confirms-lng-reduces-shipping-ghg-emissions-by-up-to-23/

IN 2020 WE **SIGNIFICANTLY IMPROVED** OUR FUEL MIX



DRIVING EFFICIENCY IMPROVEMENTS

We monitor the impact of our vessels on an intensity basis to maintain focus on efficiency and seek out initiatives which can help us improve. Our innovative culture means our staff are encouraged to challenge the status quo and implement improvements.

Currently we have ongoing efficiency initiatives in relation to speed optimisation, engine loading, efficient data-based voyage planning and vessel trim monitoring, and monitor these through internal benchmarking of fuel consumption at different speeds. We have seen the impact of our efforts in the performance of the fleet in 2020, saving an average of 4.6 tonnes of fuel per day per vessel against our speed/consumption benchmark compared to 2019.

MONITORING OUR IMPACT

As required by our environmental policy, we regularly monitor, track and report environmental performance, including GHG emissions. Our operations team is responsible for managing and monitoring our environmental impact against targets and baseline performance levels, reported through to the Safety, Environment and Ethics Committee.

We also hold ISO 14001 environmental management system certification, alongside ISO 9001 quality management system certification.

We believe that transparency is important to drive change in the sector. Our processes ensure that we not only meet emissions reporting requirements but are able to make the voluntary disclosures within this report and provide our charterers with meaningful insight on how our environmental impact can be reduced.

SPEED REDUCTION &

OPTIMISATION OF BOIL-OFF GAS WILL BE NECESSARY TO ACHIEVE IMO CARBON REDUCTION TARGETS

PROGRESS IN 2020

We have maintained a strong focus on minimising our environmental footprint. We have:

- Rolled out our energy management rewards programme across the fleet, with the highest performing vessels and those with the most improvement receiving awards on a quarterly basis. Performance is assessed using our data driven approach to energy efficiency and emissions.
- Developed ambitious long-term targets for emissions intensity from our fleet. These targets reflect the level of Golar's ambition in reducing emissions and our commitment to meeting, and where possible exceeding, increasing regulatory demands from the IMO and others.
- Continued to improve our data and reporting of environmental impact and emissions, including publicly disclosing more than ever before through this report. Our emissions data has also been subject to external assurance for the first time in 2020, providing increased confidence in its completeness and accuracy.
- We have performed extensive reviews of many of the key emissions saving technologies and operational solutions available today, with some of the most promising currently being piloted by selected Golar vessels.

2020 PERFORMANCE

Our performance at a vessel-by-vessel level was strong in 2020, coming off the back of a year when many of our LNG carriers completed a dry dock. Our challenge now is to continue to make progress.

FLNG HILLI EPISEYO

Maintained consistent efficiency and emissions per tonne

Our 2020 performance maintained what we achieved in our 2019 benchmark year, with an emission intensity of 0.30 tonnes CO_2 equivalent per tonne LNG produced (2019: 0.30). This headline emissions rate is competitive with larger scale shore-based liquefaction plants, all of which have a higher cost per tonne produced and have the benefits of operating at a much greater scale. Achieving that relative performance with floating infrastructure is a significant achievement, and demonstrates the efficiency we can deliver, particularly through effective use of heat recovery steam generators integral to our design.

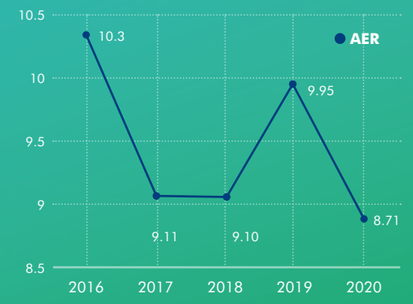
Further, this performance has been achieved during a very challenging year, with the COVID-19 pandemic disrupting crew changes on Hilli and delaying the delivery of spare parts to the vessel. In some instances, this has resulted in temporary unavailability of equipment, impacting the delivery of emission reduction plans.

We regularly report our environmental impact to Perenco and the National Hydrocarbons Corporation of Cameroon ("SNH") and are actively monitored on our performance, focused on energy efficiency through the amount of feed gas used as fuel in the liquefaction process.

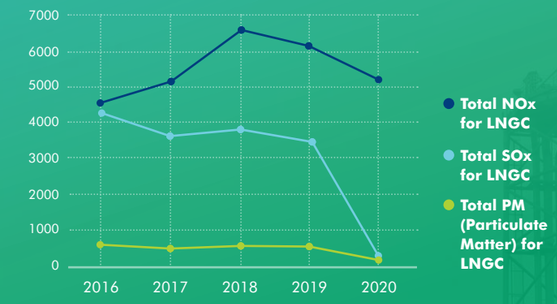
0.30 TONNES HILLI CO_2e EQUIVALENT

TOTAL LNG PRODUCED **SINCE 2018** **3.4M TONNES**

LNGC fleet intensity figures



LNGC NOx, SOx and PM
(in metric tons)



SHIPPING

Significant year on year improvement

Internally, Golar focuses on the Annual Efficiency Ratio (AER) to assess our overall efficiency. This ratio removes the impact of a busier or quieter LNG market by focusing on deadweight tonnage, enabling more direct assessment of the impact of our emissions reduction measures.

We delivered a significant improvement in performance in 2020, with fleet AER of 8.71 (2019: 9.95). This reduction was delivered despite an average speed increase across the fleet of 1 knot, which typically would cause increased emissions.

There are a number of drivers for this improvement in 2020, including:

- Improved fuel mix, with LNG delivering 93% of the fuel use in 2020 (2019: 82%).
- High technical condition of the TFCD fleet, including hull condition, as a result of dry docks performed in 2019.
- Impact of our data analysis and Energy Management Awards focusing attention on engine load, trim optimisation and voyage planning, leading to stronger performance.

LOOKING FORWARD

The IMO has set a target for shipping to save 40% of CO_2 emissions by 2030 compared to a 2008 benchmark year. To put this into perspective, we estimate our performance in 2008 equated to an AER of 13, meaning that we have reduced emissions by approximately 30% over that timeframe. In the last 5 years alone, Golar has delivered a 13% reduction in emissions (2016: 10.03).

We still have a long way to go to meet our target and will continue to focus on identifying and implementing operational efficiencies and assessing new emissions reduction technologies for use on our vessels. We are trialling some high priority technologies currently and will closely assess the results to ensure we apply the best solutions across the fleet.

> **"Studies by SEA-LNG show that, depending on engine technology, using LNG as a marine fuel offers greenhouse gas emissions reductions of up to 30% on a Tank-to-Wake basis and 23% on a Well-to-Wake basis compared to conventional marine fuels."**

FSRU

Variable performance based on send out rates

We saw a high level of variance in the use of our FSRU assets during 2020, largely as a result of charters managing gas offtake in response to highly variable energy demands arising from the COVID-19 pandemic. Further, the Golar Nanook entered operations in 2020 at the Porto de Sergipe power plant in Brazil but experienced very low send out rates. This lack of "steady state" operations and ultimately the reduction in total gas send out (we observed an 8% reduction year on year, even with the Nanook coming into commercial operations) made for challenging conditions for energy efficiency and management of emissions

OTHER PERFORMANCE INDICATORS

FLEETWIDE
REDUCTIONS

NOx 13%

SOx 93%

PM 64 %

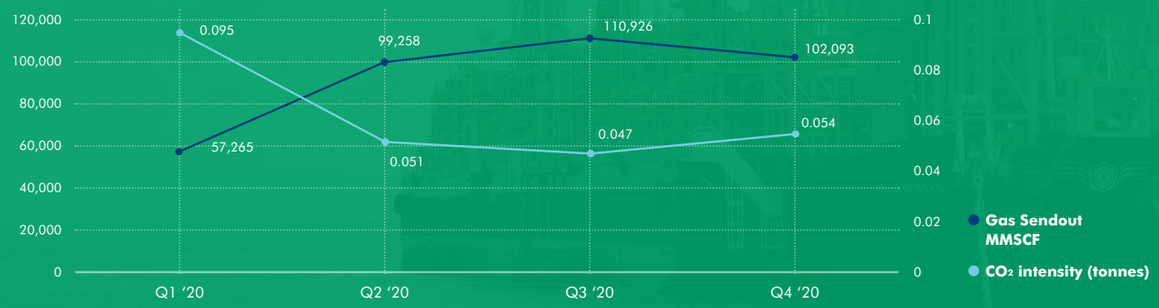
0 SERIOUS MARINE INCIDENTS

0 ENVIRONMENTAL SPILLS

39% OILY WASTE

9% GENERAL WASTE

FSRU emissions intensity
CO_2 emissions per gas send out (MMSCF)



FOCUS AREA
PEOPLE AND COMMUNITIES

It is our ambition to continue to build a workplace that is both ethical and inclusive, ensuring that our organisation is a place where corporate responsibility pervades all business operations and decisions.

2020 was a uniquely challenging year. Our employees showed remarkable resilience in response to the COVID19 pandemic, and our main focus was to support them in these uncertain times and keep them and their families safe.

EMPLOYEE SATISFACTION AND EXPERIENCE

The satisfaction of our employees begins with ensuring adherence to internationally recognised human rights and labour standards in all our workplaces and by following our internal principles set out in our Code of Business Ethics and Conduct.

Retention rate is a crucial and standardised indicator of employee satisfaction. In 2020, we have maintained our high retention rates for seafarers of 97% (2019: 97%) and 86% (2019: 86%) for our office-based staff. We are proud to achieve consistently high retention rates and we believe it is a testament to our robust culture.

WE ARE A LEARNING ORGANISATION.

At Golar, we recognise that providing opportunities for learning and development allows our team to reach its full, innovative potential ensuring Golar's reputation as a learning organisation.

For example, our cadet programme aims to promote career growth for young seafarers by giving them an opportunity to develop the necessary skills to become top Golar officers.

Since we started the program in 2013, 76% of all our cadets are still employed with us, 11 of whom have become senior officers on our vessels.

76% OF ALL OUR CADETS STILL EMPLOYED WITH US

"We are guided by our living values and with a culture of strength and support that resides in all areas of Golar."

8 DECENT WORK AND ECONOMIC GROWTH

IN 2020
WE HAVE MAINTAINED OUR
HIGH RETENTION RATES

97% FOR OUR SEAFARERS

86% FOR OUR OFFICE STAFF

THE COMMUNITIES WE OPERATE IN

In recent years, Golar has become more directly involved in local communities through our FLNG projects and Hygo Energy Transition's activities in Brazil. We recognise our responsibilities in aiding the development of the economic and social conditions of local communities, and our approach to community engagement continues to evolve through our experience.

We focus our support through:

Hiring locally, where we can
Having local teams has proven invaluable to our business and the development of our operations. Throughout the last 2 years we maintain a local employment average rate of 88% for our office staff.

This also applies to our vessels. For example, on the Hilli Episeyo, despite only commencing operations in 2018, Cameroonian employees already make up 35.4% (2019: 30.5%) of the crew. We aim to increase this every year and share all vacancies on board with the villages local to Kribi, providing equal opportunities to all who wish to join the Golar team.

Procuring locally, where we can
We work with local suppliers and endeavour to develop strong relationships with a wide range of local businesses. Our aim is to procure local goods and services and to support the economies of the areas in which we operate. In 2020 we spent more than $10 million on local purchases in Cameroon. We are working closely with current and potential suppliers, as we aim to increase our local procurement.

COMMUNITY ENGAGEMENT

Our engagement with community stakeholders is a critical step in our aim of having a lasting positive impact wherever we operate.

Cameroon
We have worked with community leaders in Kribi to identify how we can help. Listening led to the development of three main focus areas: Education, Training and Health. In 2020 the key highlights were:

- We commenced a scholarship program that will allow students from Kribi to graduate from university or a higher education program.
- We agreed to refurbish a primary school in Kribi, however this was delayed due to the pandemic. We are hopeful to commence the refurbishment in 2021.

Brazil
Hygo Energy Transition and CELSE, the joint venture constructing the Porto de Sergipe power station, are committed to making positive impacts on the local community and leaving a legacy in the state in addition to delivering affordable energy security for the region. This has led to significant social programmes being implemented over the last three years, including:

- Setting up a dedicated resume receiving centre in Sergipe to promote local applications – 87% of the workforce were locals during the installation phase.
- Leading development programs and training for local suppliers and contractors to enable a thriving support industry in Sergipe.
- Committing over R$20m to cultural and heritage work in the local area, including renovating a theatre, investing in the Public Library and Public Archive and a range of urban infrastructure improvements, such as road improvements, nursery schools and children's play areas.

MORE THAN
$10M
SPENT
ON LOCAL
PURCHASES IN
CAMEROON

CAMEROONIAN
EMPLOYEES ALREADY MAKE UP **35.4%**

FOCUS AREA

GOVERNANCE AND BUSINESS ETHICS

We are committed to the highest standards of governance and ethical conduct in everything we do. We support actions on the key issues in our industry and throughout our supply chain.

Our board is responsible for the overall leadership of Golar and plays an important part in ensuring that we conduct business responsibly and ethically, with a focus on sustainability and strict adherence to all regulations.

OUR BOARD

Our Board operates through a governance framework with clear procedures, lines of responsibility and delegated authorities to ensure that our strategy is implemented, and key risks are assessed and managed effectively.

As of 31 December 2020, our board consisted of seven members, five of which were independent directors. The percentage of women on our Board is 29%.

OUR BOARD COMMITTEES

The governance structure adequately differentiates governance and management functions from oversight, control, and strategic definition functions. Our Board has delegated some of its responsibilities to three Committees, namely the Audit Committee, the Nominations Committee, and the Compensation Committee. Our executive team oversee the day-to-day operational matters and report to the Board on these matters. Our board and our Committee's Charters can be found on our website.

We are always looking for ways to enhance and improve our governance. In 2020, the Board performed a self-assessment against recognised best practice. This enabled us to target specific areas of potential improvement to enhance the effectiveness of their governance and oversight.

ANTI-BRIBERY AND CORRUPTION

We have zero tolerance for bribery, corruption and other financial crimes and we explicitly prohibit behaviours that are not consistent with fair, respectful and decent business practices. A copy of our Corporate Code of Business Ethics and Conduct can be found on our website.

Our Anti-Bribery and Corruption Policy aligns with the U.S. Foreign Corrupt Practices Act (FCPA) and the U.K. Bribery Act of 2010, as well as best practices in anti-corruption compliance.

SUPPLIERS

We require our suppliers to uphold the Code of Ethical Conduct and our contractual agreements include ethics and compliance clauses covering these requirements. Prior to engaging with suppliers, we conduct risk-based, third-party due diligence on matters relating to ethical conduct including, anti-bribery and corruption, sanctions and trade restrictions, and human and labour rights.

BOARD OF DIRECTORS

1 Audit Committee	2 Nomination Committee	3 Compensation Committee	4 Safety, Environment and Ethics Committee
Responsible for financial reporting, auditing, internal controls and risk management processes	Responsible for Board composition, appointment of directors and succession planning	Responsible for reward and compensation for executive directors, the Chair and Senior Management	Responsible for oversight of ESG projects, KPI performance and external reporting

GOLAR'S APPROACH TO COMPLIANCE

We understand that our industry has historically been subject to investigations and ethical concerns, particularly regarding bribery and corruption. This drives our focus on compliance.

1. **TOP LEVEL COMMITMENT:** Our Code of Conduct and ABC Policy are clear, publicly available, and express our zero-tolerance for breaches of our high standards.
2. **RISK BASED FOCUS:** Specifically, high risk countries, interactions with government officials, our joint ventures and affiliates, and facilitation payments at port calls.
3. **REGULAR TRAINING:** All staff receive conduct and ABC training on induction. This is supplemented by advanced face-to-face training for those considered to be at higher exposure, and annual refresher training for all staff.
4. **THIRD PARTY MANAGEMENT:** We require all consultants and agents to sign up to these standards, and all suppliers to sign up to our bespoke Supplier Code of Conduct.
5. **AUDIT AND COMPLIANCE:** We regularly audit our key controls and procedures, and monitor compliance across the business.

> **"Golar is committed to the highest standards of governance and ethical conduct in everything we do. We support action on the key issues in our industry and expect all our staff and anyone working with Golar to uphold our high standards."**

SPEAK UP

We want our employees, contractors, vendors, third parties and other stakeholders to feel comfortable about speaking up whenever they have any concerns or issues of non-compliance. Therefore, we have a Speak up Hotline, managed by an external service provider. The Speak up line acts as a vehicle for employees, third parties and others to report anonymously, without risk of retaliation, potential violations of any our policy.

Concerns and enquiries can be raised through multiple channels: with line managers or other senior leaders, supporting teams, including human resources, legal, ethics and compliance and through work councils.

COMPLIANCE WITH LAWS AND REGULATIONS

Our industry is highly regulated under the international laws of the IMO, ship classification rules and others. Our vessels are audited regularly by our customers, Flag States, Class and Port State Control to verify compliance.

In 2020 we did not have any violation of any laws or regulations.

Corruption and bribery are industry wide challenges, and we know we cannot address them alone. We are active members of the Maritime Anti-Corruption Network, which aims to eradicate these issues in our sector, and support collaborative action efforts across the world.

MACN
Maritime Anti-Corruption Network

07

APPENDICES

APPENDIX 1

KEY FACTS AND FIGURES – GOLAR FLEET

We have identified the data and figures below in order to provide insight, transparency and comparability on what we consider to be our most important ESG topics. Where possible, we have aligned our reporting with industry standards to enable comparison, and where industry standards are not available, we use ESG frameworks (for example SASB or GRI) to support our calculation/ methodology. In some instances, there is no agreed comparable definition, and therefore in the footnote section we disclose how we have calculated the figure, including the definitions used and, where applicable, which standard we have followed.

The figures relate to the entire Golar fleet, encompassing assets owned and operated by ourselves, Golar LNG Partners and Hygo Energy Transition.

We engaged PricewaterhouseCoopers LLP ('PwC') to assure our 2020 emissions data, including our emissions intensity measures, in accordance with the ISAE3000 and ISAE3410 standards. The numbers subject to assurance are shown by '◊' in the table below, and PwC's assurance opinion can be found on our website **here** alongside our detailed methodology statements.

General Operation data

Description	Unit	2016	2017	2018	2019	2020	Footnotes
Total number of vessels in operation	Number	**21**	**21**	**23**	**24**	**22**	
- LNGC	Number	15	16	17	17	15	*1, 2*
- FSRU	Number	6	5	5	5	6	*1, 2*
- FLNG	Number	0	0	1	1	1	
Total number of employees	Number	**966**	**1,156**	**1,404**	**1,661**	**1,643**	
Office employee	Number	135	147	203	247	240	
Seafarer & offshore staff	Number	831	1009	1201	1414	1403	

Health, Safety and Security

Description	Unit	2016	2017	2018	2019	2020	Footnotes
Number of serious marine incidents	Number	0	0	0	0	0	*3*
Fatalities	Number	0	0	0	0	0	
Lost time injury frequency (LTIF)	Number	0.57	0.19	0.73	0.86	0.89	*4*
Total recordable case frequency (TRCF)	Number	0.76	0.19	0.91	1.72	1.49	*5*
Number of hours per seafarer/ offshore worker spent on safety training in the year	Avrg Hours		72	61	56	53	*6*

Environment

Description	Unit	2016	2017	2018	2019	2020	Footnotes
- LNGC Greenhouse Gas (CO_2) emissions (scope 1)	Metric tons	719,776	855,396	1,059,217	1,071,380•	1,136,382◊	*7,8*
- FSRU Greenhouse Gas (CO_2) emissions (scope 1)	Metric tons	313,840	288,891	302,704	435,504•	420,901◊	*7,8*
- FLNG Greenhouse Gas (CO2e) emissions (scope 1)	Metric tons			332,422	385,016	387,726◊	*7,9*
Total NOx for all fleet	Metric tons	**5,662**	**6,206**	**7,954**	**8,143**	**7,087**	
- LNGC NOx emissions Total	Metric tons	4,555	5,132	6,545	6,094•	5,168◊	*8*
- FSRU NOx emissions Total	Metric tons	1,107	1,074	1,081	1,694•	1,561◊	*8*
- FLNG NOx emissions Total	Metric tons			328	355	358◊	*9*
Total SOx for all fleet	Metric tons	**4,328**	**3,905**	**4,052**	**3,788**	**260**	
- LNGC SOx emissions Total	Metric tons	4,242	3,637	3,794	3,492•	240◊	*8*
- FSRU SOx emissions Total	Metric tons	86	268	249	290•	18◊	*8*
- FLNG SOx emissions Total	Metric tons			9	6	2.1◊	*9*
Total PM (Particulate Matter) for all fleet	Metric tons	**677**	**625**	**683**	**673**	**239**	
- LNGC PM emissions Total	Metric tons	643	567	604	578*	173◊	*8*
- FSRU PM emissions Total	Metric tons	34	58	56	70*	31◊	*8*
- FLNG PM emissions Total	Metric tons			23	26	35◊	*9*
Total general and oily waste (hazardous and non hazardous waste) for all fleet	m3	**3,545**	**3,599**	**3,838**	**4,307**	**3,223**	
Total general waste for all fleet	m3	1,713	1,846	2,010	1,983	1,809	
- LNGC general Waste	m3	1,163	1,154	1,187	1,232	1,068	*10*
- FSRU general Waste	m3	550	693	549	610	536	*10*
- FLNG general Waste	m3			275	141	205	*10*
Total oily waste for all fleet	m3	**1,832**	**1,753**	**1,828**	**2,324**	**1,414**	
- LNGC oily waste	m3	1,612	1,534	1,354	1,778	1,135	*11*
- FSRU oily waste	m3	220	219	314	478	247	*11*
- FLNG oily waste	m3			160	68	32	*11*
Total oil spills for all fleet	Metric tons	**0**	**0**	**0**	**0**	**0**	

Energy efficiency

Description	Unit	2016	2017	2018	2019	2020	Footnotes
LNGC % of energy consumed from heavy fuel oil	Percentage	28%	20%	17%	14%	0%	*12*
FSRU % of energy consumed from heavy fuel oil	Percentage	4%	6%	4%	3%	0%	*12*
Intensity measure							
LNGC - EEOI		24.76	20.66	21.74	24.74	20.88◊	*13, 16*
LNGC - AER		10.03	9.11	9.10	9.95	8.71◊	*13*
FSRU - Emission per tonne LNG send out					0.04	0.05◊	*13*
FLNG -Emissions per tonne produced				0.46	0.30	0.30◊	*14*

People and community

Description	Unit	2016	2017	2018	2019	2020	Footnotes
Employee Retention Rate (%) for Office staff	Percentage			87.29%	86.05%	86.20%	*15*
Employee Retention Rate (%) for Sea based staff	Percentage	98.20%	97.00%	97.10%	96.70%	97.10%	*15*
Diversity - Number of nationalities on board	Number	19	26	26	27	30	

* Restated figures. Due to improvements in our data collection and reporting processes, we have restated these figures to facilitate comparison between the reporting years.

“We have robust internal reporting procedures in place to ensure the fleet is routinely scored against key environmental indicators. This data is regularly shared with our Environmental Committee and shapes our overarching strategy.”

Footnotes

1. The figures indicate the total vessels operated as a LNGC or FSRU as at year end, including LNGCs/ FSRUs that operated as FSUs.
2. Some of our vessels that operated during the year but were in layup or in transit at the end of the year, is not included in our figures.

   In 2017 we had one FSRU that went into layup in August, in 2018 we had one FSRU that was in transit from September onwards and in 2020 we had one LNGC that went into layup in April.
3. Standard used: SASB "TR-MT-540a.1. Number of marine casualties, percentage classified as very serious" and also the IMO (RESOLUTION MSC.255(84)).
4. Calculation: LTIs x (1,000,000/ Exposure hours).

   Standard used: OCIMF standards.
5. Calculation: (LTIs + Restricted Work Cases (RWCs) + Medical Treatment Cases (MTCs)) x (1,000,000/ Exposure hours).

   Standard used: OCIMF standards.
6. Calculation: (hours spent on safety training)/number of offshore workers.

   The number of hours spent on safety training are based on the recommended amount of hours to complete the training module and includes both mandatory and non-mandatory training per year. An average will be calculated where training modules have to be repeated every few years.
7. Scope 1 emissions are direct emissions and Scope 2 are indirect emissions.

   We report only on Scope 1 emissions as Scope 2 would only be emissions from our offices as we do not purchase any electricity, steam, heat, or cooling for use by any of our fleet (LNGC, FSRUs or FLNGs). Therefore, our Scope 2 figure is highly immaterial compared to our operations.
8. Our emissions figures, including GHG emissions and other air emissions, are based on fuel consumption. A detailed description of our calculation and methodology used can be seen in our Methodology statement (“Golar LNG methodology statement”), located on our **website**.

   Conversion factors used: Third IMO GHG Study 2014 – final.
9. Our emissions figures, including GHG emissions and other air emissions, are based on fuel combustion, flaring, amine treating and venting. A detailed description of our calculation and methodology used can be seen in our Methodology statement (“Golar LNG methodology statement”), located on our **website**.
10. The sum of all waste generated throughout the reporting year which falls under the "general waste" type category within the MARPOL standards.
11. The sum of all waste generated throughout the reporting year which falls under the "Oily waste" type category within the MARPOL standards.
12. Calculation: Total HFO energy consumed/ Total energy consumed.
13. Calculations:

    • Energy Efficiency Operational Indicator (EEOI)= Annual average CO_2 emissions per transport work (volume) [g CO_2 / (MT x miles)].

    Standard used = IMO Calculation MEPC.1/Circ684

    • Average Efficiency Ratio (“AER”) = C02 emissions divided by design deadweight of the vessels multiplied by distance travelled.

    Standard used = Fourth IMO GHG Study 2020

    • FSRU – Emission per tonne LNG send out = Total C02 emissions divided by total LNG sent out ("production"). We only included the vessels that operated as FSRUs and excluded vessels that operated as FSUs during the reporting period.

    A detailed description of our calculation and methodology used can be seen in our Methodology statement (“Golar LNG methodology statement”), located on our **website**.
14. Calculation: Total CO2e excluding CO2e emission from Amine treating system / Total tonnes LNG produced.

    A detailed description of our calculation and methodology used can be seen in our Methodology statement (“Golar LNG methodology statement”), located on our **website**.
15. Calculated based on the INTERTANKO methodology which is set out by the TMSA. The calculation takes into account all terminations excluding unavoidable (retirements or long-term illness) and beneficial (staff whose departure benefits the company, e.g. under-performers) terminations divided by the average number of employees working for the company during the same period.
16. We have updated the standards that we use to calculate our EEOI during this reporting year. Previously we followed EU MRV guidance but are now applying IMO guidance. The difference between the calculation is the unit in which you measure transport work (M3 vs MT). We have restated our 2019 figure.

APPENDIX 2

CLIMATE RELATED RISKS AND OPPORTUNITIES

We support the aims of the Taskforce for Climate-related Financial Disclosures ("TCFD") to improve the transparency and reporting of climate related risks and opportunities. We are working towards full disclosure in line with the TCFD requirements, and relevant disclosures can be found throughout our report, specifically:

- **Governance** – ESG governance and materiality section
- **Strategy** – Our sustainability strategy and Climate and LNG
- **Risk management** – ESG governance and materiality section, and the risks and opportunities outlined in this Appendix
- **Metrics and targets** – Our ambitions, focus areas and Appendix 1 Key Facts and Figures

As recommended by the TCFD, the following section outlines potential climate related risks and opportunities that we identified for our business.

Opportunities

Topic	Brief opportunity description	Impact on our business, strategy and/or financials
ENERGY TRANSITION	• The energy transition, in terms of reducing emissions whilst meeting rising demand, results in greater demand for natural gas to replace other more polluting fossil fuels in power, transportation and industrial use.	• Increase in demand and LNG prices, resulting in increased shipping revenue and infrastructure returns.
	• Integration of sustainability in our strategy, operations and reporting supports the energy transition.	• Access to broader range of financing alternatives and lower cost of debt. • Increased access to capital and other reputational benefits through stronger stakeholder relationships.
MARKETS	• Growth in markets for LNG, with more countries importing gas to provide cheaper and cleaner energy.	• Increased shipping rates leading to increased revenue. • Opportunities for growth in floating liquefaction (to meet additional supply requirements) and gas to power projects.
PRODUCTS AND SERVICES	• Deliver maritime infrastructure to support the development of alternative fuels, such as hydrogen and ammonia, by applying our skills, experiences and track record of innovation.	• Growth opportunities, increased access to capital and reputational benefits.
	• Development of carbon capture, utilisation and storage services for gas maritime infrastructure reducing the carbon footprint for LNG even further resulting in an increase in demand.	• Supporting increased growth in LNG through reduction of upstream emissions leading to increased demand and therefore higher shipping rates and infrastructure returns.
RESOURCE EFFICIENCY	• Reduced energy usage / retainage through engaging with charterers and wider industry drive towards greater efficiency.	• Reduced operating costs, increase in operational efficiencies and reduced gap between the efficiency of current assets and new technology ultimately leading to greater profitability.
TECHNOLOGY	• FLNG technology improvements lead to cheaper gas and an immediate pathway to global emissions reductions. • Improvements in shipping efficiency.	• Reduction in operational costs.

Risks

The TCFD divides climate risks into two categories, physical and transition risks, both of which are addressed below;

Physical risks The potential risks related to the physical impacts of climate change.

We have identified 3 main physical climate risks with the potential to significantly effect the performance of our assets, namely:

- Increased severe weather events, causing operational downtime or damage
- Increased sea temperatures leading to reduced efficiency, and
- Increased air temperatures leading to reduced efficiency.

Our assets and vessels are designed according to current regulations to withstand extreme environmental conditions. For our permanently moored assets (FLNGs and FSRUs) detailed assessments have been performed to identify possible conditions over the course of the contract life, ensuring that our vessels can operate under those conditions.

Transition risks Potential risks related to the transition to a lower carbon economy.

OUR ASSETS AND VESSELS ARE DESIGNED TO WITHSTAND **EXTREME** ENVIRONMENTAL CONDITIONS

Topic	Brief risk description	Impact on our business, strategy and/or financials
POLICY & LEGAL	• Increased environmental regulations which our existing infrastructure and new project would need to comply with.	• Increased project development costs and operating costs to ensure compliance in obtaining and maintaining permits. • Increase administration and compliance costs.
	• Government policy changes, such as carbon policies and regulations and subsidies for low carbon or renewable energy sources, effects the attractiveness and cost competitiveness of LNG.	• Higher costs for LNG and reduced global demand leading to lower shipping rates, infrastructure returns and opportunities for growth.
	• Enhanced ESG and climate related reporting obligations.	• Increase admin and compliance cost.
MARKET	• Changing consumer preferences leading to reduction in global LNG demand.	• Reduced global LNG demand leading to lower shipping rates and reduced opportunities for future infrastructure projects.
	• Uncertainty in the balance of LNG supply and demand leads to increasing volatility in energy prices.	• Increased volatility in shipping rates leads to increased seasonality in revenue and greater challenges in obtaining market rates consistently. • Uncertainty in energy prices and LNG demand could lead to delays in investment decisions on new gas projects.
REPUTA-TIONAL	• Stigmatisation of the LNG industry as part of the fossil fuel sector. • Negative stakeholder feedback on Golar and it's contribution to the LNG supply chain.	• Challenges in obtaining financing for new projects or re-financing existing debt. • Challenge to social right to operate and the ability to attract and retain talent. Increased cost of capital and reduced revenue.
TECHNOLOGY	• Technological advancements leading to market share of low carbon and renewable energy sources exceeding current expectations and models.	• Reduced global LNG demand leading to lower shipping rates and reduced opportunities for future infrastructure projects. • Reduced revenue through shipping rates and infrastructure returns, and reduced opportunities for future projects.
	• Golar infrastructure and ships become technologically obsolete through competitors improving performance or through Golar investing in the "wrong" technology.	• Increase in cost through failed investments.

We value your feedback. You can email our corporate reporting team at golarlng@golar.com

OTHER REPORTS

Our 20F report

Details of our financial performance in our 20F.

Sustainability information

More ESG related information can be found on our website

Floating blue ammonia production: Creating a zero carbon emission fuel

Our first thought leadership paper through our collaboration agreement with Black & Veatch.

Golar LNG

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