

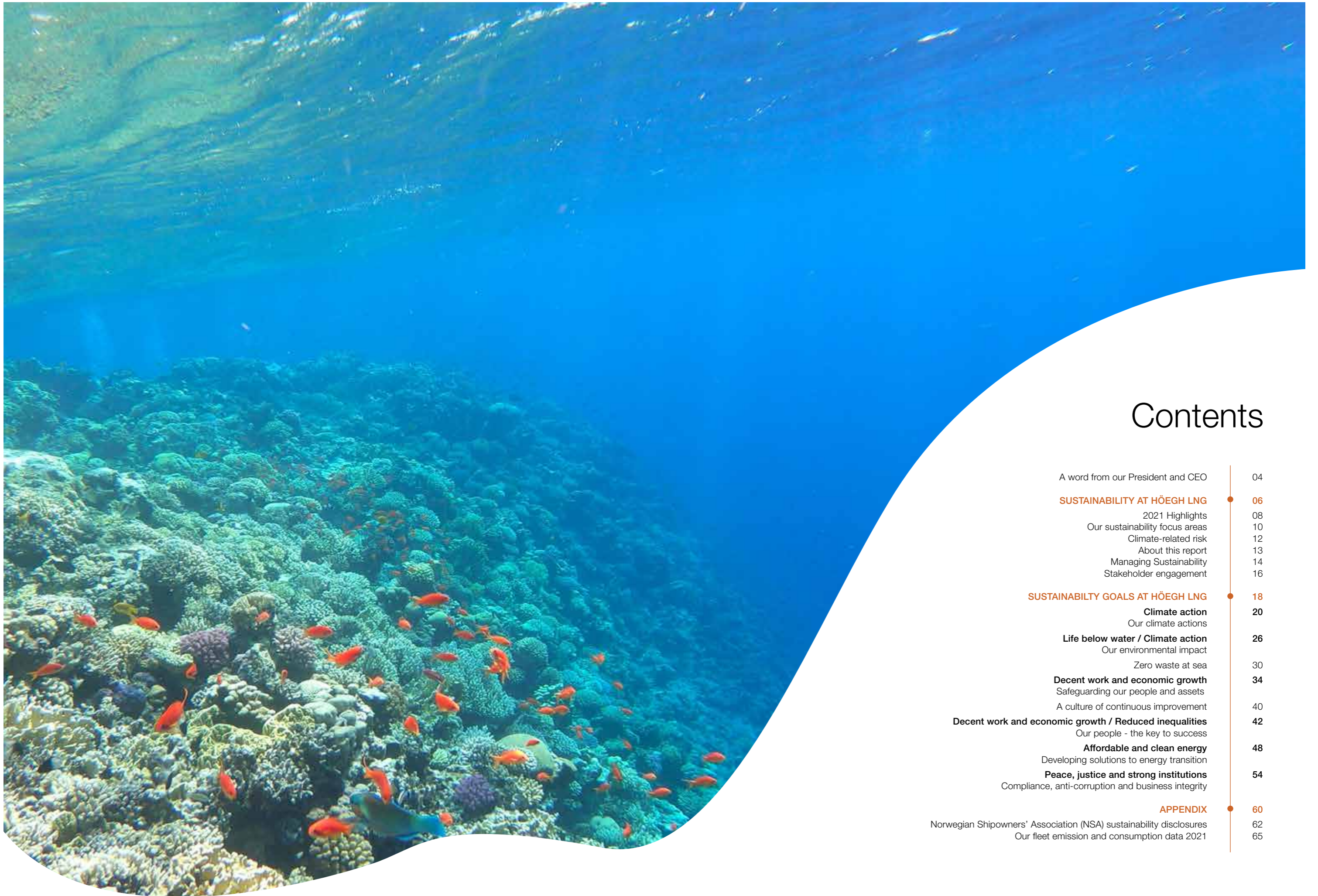


HÖEGH LNG



SUSTAINABILITY REPORT

2021



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A word from our President and CEO

LNG, as an energy carrier, is a crucial component in the transition to clean energy. In our mission to enable floating transportation and regasification of LNG, we firmly acknowledge our responsibility to drive the sustainability agenda through the development of our operations.

In the 2020 Sustainability Report, we set an ambition to finalise and implement our new vision and increase our sustainability focus.

With effect from the beginning of 2021, we changed our sustainability reporting framework to the UN Sustainable Development Goals (SDGs) and evaluated six SDGs relevant to our business context, where we believe we can make a positive impact.

We know responsible business practice is fundamental to becoming a sustainable business, and that sustainability is plainly good business.

Throughout the year of 2021, we have seen challenges but also achieved significant progress in our sustainability initiatives. We have worked systematically to achieve our sustainability goals and established dedicated functions with the aim of taking our sustainability efforts to the next level.

Höegh LNG's overall climate ambition is to reduce carbon emissions by 30% within 2025 and to be net zero by 2050. The main driver for reaching these goals is to improve energy efficiency in our current fleet, meaning energy management and monitoring and optimisation of our operations.

Another crucial aspect for us, is our people and their safety. During 2021, we improved our safety awareness culture by focussing on root cause and measures to prevent recurrences of incidents.

Regulators, investors, financial institutions, and clients are all part of driving the energy transition from planning, to action and accountability. We welcome international regulations on climate action as an opportunity for us to grow our role as an essential player in the transition to clean energy. We are proud to be a part of this transition.

Thor Jørgen Guttormsen
President and CEO



Statement – Sustainability manager

2021 has been a formative year for our sustainability focus and we are proud to say that we have collectively made great strides in establishing a robust framework for enhancing our delivery on sustainability - with the aim to be best in class in our sector.

During 2021 we have:

- Established clear roles and task groups that work specifically on sustainability issues
- Established a clear budget allocated to sustainability initiatives
- Established sustainability as a performance metric in new projects and our operations
- Further detailed our focus on our selected sustainability development goals.

Sustainability is high on our agenda, and the entire organisation has come together to align our focus. We observe that great strides are made in the regulatory landscape, that support our industry in contributing towards global challenges. At Höegh LNG - we aim to exceed the requirements that are set.

Sustainability is teamwork - and I am proud to say, that we are well on our way to establishing a firm sustainability culture in Höegh LNG.

Madeleine Hjemmen Storøy
Quality Integration and Sustainability Manager

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Sustainability
at Höegh LNG



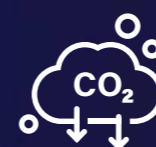


2021 Highlights



Annual
Efficiency Ratio

0,7



Reduction
(g CO₂ / dwt x nm)

Covid
Cases

0



On our fleet

Organic
waste

14%



Reduction

Safeguarding



Introduction of
“Duty of Care” and
“Duty of Loyalty” principles

Equality

44%



Female employees
onshore

Equality

1st



Female technical
superintendent



Our sustainability focus areas

To make a positive contribution, manage risks and lead by example, we prioritise and focus on the key sustainability issues that are most relevant to us and our stakeholders.

Our Commitment

HLNG supports the UN Sustainable Development Goals (SDGs), a collection of 17 global goals set by the United Nations General Assembly in 2015. We have prioritised six SDGs where we believe we can have the most positive impact. During 2021, we have

systematically worked towards our sustainability goals throughout the organisation. In 2022, we will continue to assess the selected SDGs to ensure that they are in accordance with what we have identified as our main objectives.

Our selected SDGs	Our 2030 Ambition
 <p>Climate action Take urgent action to combat climate change and its impact</p>	<p>Reduce total CO₂ emissions by 50% by 2030 with a 2020 baseline</p>
 <p>Life below water Conserve and sustainably use the oceans, seas, and marine resources for sustainable development</p>	<p>Zero negative incidents with impact on oceans and local ecosystems</p>
 <p>Decent work and economic growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p>A visible culture of promoting safety and human rights, without risk of forced work and ensuring the right of safe return to family after finishing work, for employees and suppliers</p>
 <p>Reduced inequalities Reduce inequality within and among countries</p>	<p>A visible culture of inclusion and equality in safe working conditions for employees and suppliers</p>
 <p>Affordable and clean energy Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<p>Preferred service provider in the zero-emission energy value chain</p>
 <p>Peace, justice and strong institutions Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels</p>	<p>Retain a strong reputation of honesty and integrity in management practices and in business transactions</p> <p>Be recognised as a socially responsible company by integrating social and environmental concerns in core business operations</p>

Climate-related risk

Höegh LNG's strategy, as well as mission and vision statements were revised in 2020, bringing sustainability and the transition to a carbon-free energy future into the core of our business strategy. Our Vision is to "Enable the transition to clean energy", through embracing the role of LNG in this process. As part of this strategic shift, Höegh LNG created a new business area called Clean Energy in the first quarter of 2021.

The impact of climate change is an integral part of Höegh LNG's risk assessment and risk management, Enterprise Risk Management (ERM). ERM in Höegh LNG is defined as the accumulated effect of any significant event or circumstance which could impact the achievement of Höegh LNG's strategic and key operational objectives, including strategic, operational, reporting (including financial) and compliance risks. Short and medium-term climate change risks are integrated into our risk management processes at strategic and operational levels. Risks related to the direct and indirect impact of climate changes on operations are acceptable under current contracts. Long-term climate change risks and potential impacts on our future business have been included in the development of our business strategy.

We continuously monitor and prepare the business to meet applicable regulatory changes within our industry,

by updating our business plans and actions. The International Maritime Organisation (IMO) supports the United Nations Sustainable Development Agenda, and IMO's initial greenhouse gas (GHG) strategy aims to reduce carbon emissions by 40% by 2030 (IMO 2030) from 2008's levels and cut at least 50% of the shipping industry's total GHG emissions by 2050 (IMO 2050).

To further strengthen our understanding of how our business may be impacted by climate change risks, Höegh LNG aims to perform a mapping and assessment in 2022. In this process, we plan to follow the Financial Stability Board's Task Force on Climate-related Financial Disclosures' (TCFD) recommendations. We believe that the TCFD assessment will enable Höegh LNG to improve how we include environmental considerations into the long-term planning of our business.




About this report

This is the first time we disclose a separate sustainability report for Höegh LNG. The report focuses on environmental, social and governance issues that affect our business and our key stakeholders for the calendar year from January to December 2021.

The report has been prepared using the ESG indicators recommended by The Norwegian Shipowners Association and the progress and targets of our selected Sustainability Development Goals (SDGs).

Contact us

We appreciate all the feedback we receive and are happy to answer questions related to this report or our operation. Any feedback or questions can be sent to:


 info@hoeghlng.com

Read more about us and how we contribute to the transition to a low carbon world

 <https://www.hoeghlng.com>

Engage with us

 <https://www.hoeghlng.com>

 <https://www.linkedin.com/company/hoeghlng>



Managing sustainability

Sustainability is a priority for Höegh LNG. We make decisions every day, that have an effect across our value chain: they affect people, customers and suppliers, as well as the environment in which we operate. Some of these decisions have a short-term effect, while others have a long-term impact on stakeholders and the environment.

Our Board of Directors own the sustainability strategy and are responsible for overseeing and safeguard the sustainability management in Höegh LNG. A detailed overview of our corporate governance can be found in our annual report.

Our President and CEO and Senior Management Team hold the operating responsibility for sustainability in Höegh LNG. They prioritise necessary resources and support to obtain an effective and continuous sustainability process throughout the organisation.

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Sustainability is seen as an integrated part of offering the best possible FSRU to our clients. Through innovative thinking, we develop solutions with the lowest environmental footprint for the joint benefit of our customers and ourselves. When working on a new opportunity project, we always review the technical specification from a sustainability point of view, to identify what can be achieved within the project constraints.

Øivin Iversen, Chief of Projects





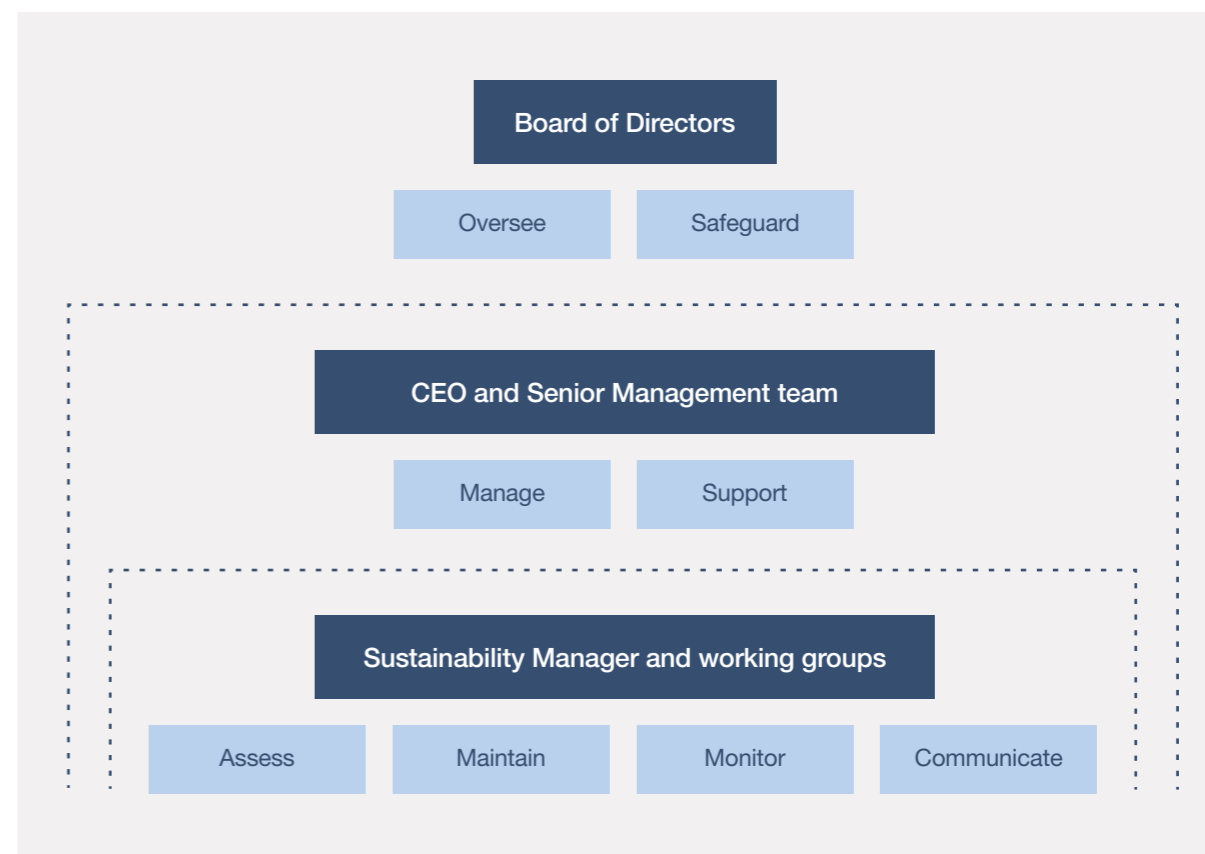
We have an active approach to utilising available technology to reduce our environmental impact.

The sustainability manager, under the Chief of Corporate Services (COS) and with support from sustainability working groups, manages identification, target setting, and activities related to sustainability across the organisation.

In 2021, we established a Sustainability Working Group consisting of representatives from different functions within the organisation. We continually focus on possibilities to improve our technology and improve the performance of our vessels. Our technical managers have in-depth knowledge of available

technologies, enabling us to utilise the solutions best suited to our projects and operations to reduce our environmental impact. Our operational performance team interact frequently with operations on board our vessels and provide guidance to achieving best practice, energy-efficient operations.

Even though we have an established sustainability governance model, we strongly believe that the whole organisation, on every level, plays an important role and contributes positively to our sustainability effort and work.



Stakeholder engagement

To make sure we prioritise the sustainability opportunities and challenges that matter the most to our stakeholders, we feel it is important to understand their sustainability priorities.

We have identified our primary stakeholders as those directly tied to Höegh LNG and our business through financial transactions, such as shareholders, managers, employees, customers and suppliers.

Our employees engage with various stakeholders on a daily basis and, therefore, played an important part in our stakeholder identification process. During 2022, we will increase monitoring and dialogue with our identified stakeholders. The assessment will include stakeholders' feedback and engagement through internal and external communication.

We consider our employees as one of our primary stakeholders and advocates. Therefore, during 2022, we aim to arrange an internal engagement survey on the ESG issues that matter the most, both onshore and offshore. Feedback will play an important role in prioritising areas of focus going forward.

Materiality assessment

An important part of our materiality assessment is to identify subjects which have a significant environmental, social, or economic impact or which are important to our stakeholders.

The following topics have been determined to be material for inclusion in our 2021 sustainability report:

- Occupational health and safety
- Operational performance and CO₂ emissions
- Waste management and environmental impact
- Employee engagement
- Supply chain management
- Diversity and equal opportunity
- Anti-corruption and business integrity
- Security management



We consider our employees as one of our primary stakeholders and advocates.



02

Sustainability
goals at
Höegh LNG





Reducing CO₂ emissions is one of our main priorities. Our ambition is to position Höegh LNG as a market leader in the transition to a low carbon economy.



Our climate actions

As part of the energy sector, we are focused on contributing to reducing carbon dioxide (CO₂) emissions as much as possible. Reducing CO₂ emissions is one of our main priorities and we actively engage with maritime organisations developing technology and driving change towards a low-carbon future.

We are a member of the Getting to Zero Coalition, which collaborates with the maritime industry, the energy sector and financial sectors, as well as governments and international governmental organisations, to find solutions for a climate-neutral fleet by 2050. This coalition is a partnership between the Global Maritime Forum, the Friends of Ocean Action and the World Economic Forum.

We are compliant with the new IMO DCS and EU MRV regulations, which require vessel owners and operators to monitor, report and verify greenhouse gas (GHG) emissions (annually) for vessels larger than 5 000 gross tonnes. All our vessels meet the new IMO regulations, including the low-sulphur fuel requirements which came into force in 2020.

Managing our footprint

Reducing emissions to air represents an important opportunity to improve environmental performance, cut costs, and drive business development. Vessel operation emits CO₂ and other substances, most notably sulphur oxides (SO_x) and nitrogen oxides (NO_x).

Our total energy consumption in 2021 was 4 534 GWh, compared to 4 588 GWh in 2020. GHG emissions from our fleet totalled 962 022 tonnes CO₂ equivalents (CO₂e) in 2021, up from 930 505 tonnes in 2020. We have chosen to include venting to our total fleet GHG emissions, as we believe this gives a more correct picture of the actual GHG emissions (scope 1). Our GHG emission reporting includes all vessels we operate, including vessels that we technically manage for third parties.

Fleet emissions and energy consumption

	2021	2020
CO ₂ emissions (metric tonnes)	962 022*	930 505
SOx emission (metric tonnes)	269	115
Energy consumption (GWh)	4 534	4 588

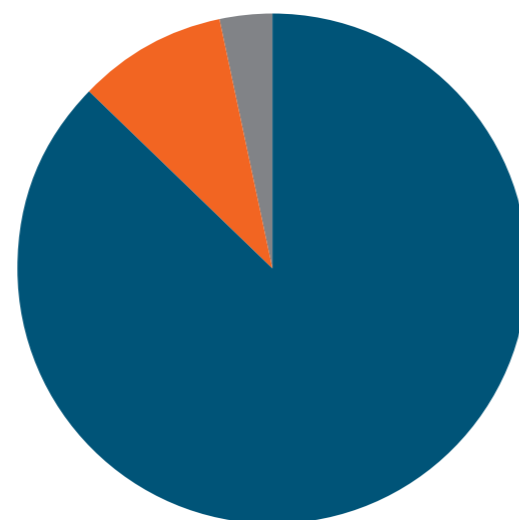
*Venting from gas freeing and emergency release (tank pressure control) included

Our intensity ratio and scope emissions

	2021	2020
Scope 1 GHG emissions	962 022 ton CO ₂ -e	930 505 ton CO ₂ -e
Scope 2 GHG emissions	82 ton CO ₂ -e	230.5 ton CO ₂ -e
Scope 3 GHG emissions	402 ton CO ₂ -e	368 ton CO ₂ -e
CII*	9.2	9.9
FSRU emission index**	0.13	0.11

*CII - Carbon Intensity Indicator (g CO₂ / dwt x nm)
 **Metric ton CO₂/metric ton send out

Our CO₂ emissions from fuel combustion and share of fuel source



■ Natural Gas 88.66%
 ■ Intermediate Fuel Oil 8.41%
 ■ Marine Gas Oil 2.94%

A detailed description of our calculation and methodology used can be seen in our Methodology statement <https://www.hoeghlng.com/Sustainability/default.aspx>

Modern fleet

Höegh LNG’s FSRU fleet is the most modern in the market and has the most efficient power production currently available for FSRU operations. All vessels are powered by engines running on natural gas, which gives the lowest CO₂ emissions of all commercially available marine fuels. The two LNG carriers in the fleet also have propulsion machinery running on natural gas. When natural gas is burnt in the engines, about 25% less CO₂ is emitted than with fuel oil. Fuel consumption, and thereby CO₂ emissions, depends largely on the mode of operation and the level of utilisation of our assets at any given time.

We have significantly reduced CO₂ and other emissions per vessel by applying energy efficient solutions and through growing the fleet with 10 modern FSRUs since 2009. We are continuing to develop and implement technological innovations in our vessels to reduce emissions. A key part of our approach has been the development of a digital platform to harvest big data from the fleet, in order to track and improve performance.

Energy efficient operation and carbon reduction

We are taking active measures to operate our vessels as energy efficiently as possible. We have implemented ship energy efficiency management plans for all our vessels to monitor fuel consumption and share data with charterers. We offer guidance to charterers on optimising energy consumption and seek to reduce the boil-off gas from LNG cargo tanks through technical modifications and optimised operations.

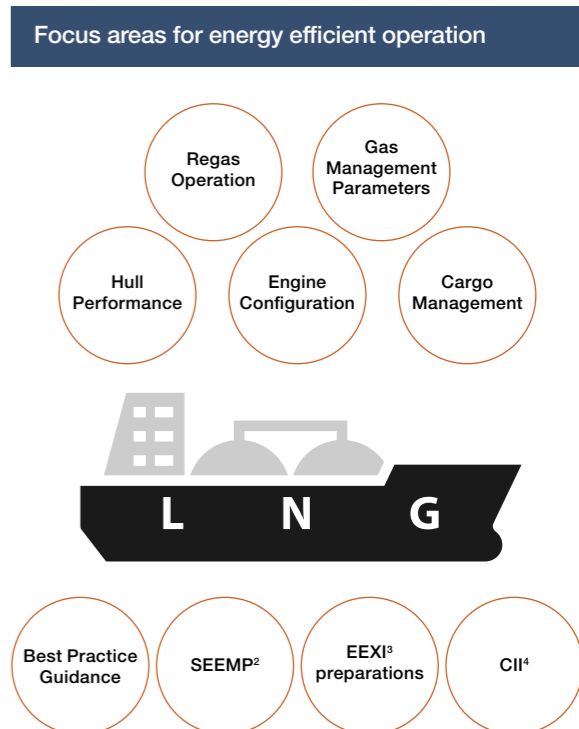
Additionally, our performance optimization team interact frequently with operators on board, providing guidance to achieve best practice operation. We focus on simple solutions that we know make an impact, as well as more advanced optimisation

¹ IMO: International Maritime Organization
² SEEMP: Ship Energy Efficiency Management Plan
³ EEXI: Energy Efficiency Index for existing ships
⁴ CII: Carbon Intensity Index

efforts. In the broad picture, energy efficient operation on board ships is very similar to efforts we all take to lower our electricity bill – the cheapest kWh is the one which is not used. Energy efficient operation is all about delivering optimal service and operating the ship safely with less energy used.

Our main efforts consist of configuring power production machinery, cargo management and keeping a close eye on hull performance. More complex optimisation efforts include for example tuning of gas management equipment parameters and identifying potential benefits in various regas operation modes. We manage all these aspects through modern data driven analytics, via the Vessel Data Harvesting digital initiative.

We are currently preparing vessels and our organisation for new IMO¹ rules which come into effect in 2023, focussing on energy efficiency and emission reduction, aimed at cutting the carbon intensity of all ships by at least 40% by 2030.



Targets

One of our sustainability targets for 2021 was to reduce 30 000 tonnes of carbon dioxide equivalents (t CO₂e) and achieve an “Avoided emissions” reduction of eight

million tonnes CO₂e through the successful start-up of the Jaigarh project in India. The start-up of FSRU operations at the Jaigarh project was deferred to 2022.


Our 2022 focus areas and targets are:

Focus areas 2022
Reduce CO ₂ emissions by changing vessels from LNG carriers to FSRU operation
Optimise power plant configuration with gas analysis pilot on one of our FSRUs
Establish a plan for priorities and necessary technical adjustments for each vessel to meet IMO requirements by 2023

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By making informed decisions and providing best practice guidance to our onboard operators, made possible through real-time data transfer from vessels to shore, we make sure that our vessels are operated in the most energy-efficient way. This reduces carbon footprint, saves costs for both Höegh LNG and our charterers, and reduces maintenance costs.

Lars Petter Revheim, Head of Maintenance and Performance Optimization



Responsible supply chain management

We require all agents, suppliers, and business partners, including shipyards, to sign and comply with our environmental, social, and ethical standards. These are outlined in our Supplier Code of Conduct, which covers such areas as human rights, labour standards, workplace conditions, HSE, anti-corruption and conflicts of interest. We apply safety performance records as criteria for shipyard selection, and our shipbuilding contracts require the shipyard to be certified in accordance with relevant international standards.

Incentra purchasing organisation

We are a member of the Incentra purchasing organisation owned by shipowners and managers. Incentra qualifies and audits suppliers on behalf of members in accordance with standards which are consistent with our Supplier Code of Conduct and

quality requirements. Four of our suppliers were identified and audited by Incentra in 2021, with no sustainability nonconformities found.

Supply chain initiatives and focus

During 2021, we have increased focus on our sustainability responsibility and ability to influence our supply chain. Most deliveries to our fleet are organised through our logistic and freight provider Marinetrans. Together with Marinetrans we plan the best possible solutions for optimal vessel supplies considering CO₂ emissions, time and cost.

During 2021, one of our aims was to reduce our CO₂ emissions (scope 3) by 10% with 2020 as baseline. We consider this a relatively ambitious target given the increased level of activity we have had in 2021. The total CO₂ emission increased in 2021 from 368 ton to 402 ton. However, the CO₂ per ton-kilometer decreased by 5,5% compared to 2020, meaning that the shipments in 2021 were more sustainable.

Target 2021	Status
10% reduction of CO ₂ emissions (scope 3)	Increase of CO ₂ emissions by 9,9% Decrease of CO ₂ per ton-kilometer by 5,5%

We will continue our work in 2022 to engage with our suppliers, and logistics and freight providers to make sure we all do our part in reducing our CO₂ emissions.

Although most of our CO₂ emissions are not actually related to transportation of goods, we believe it is important that we use our purchasing power to influence those we purchase from to focus on sustainability.

Furthermore, we have increased the quality of our assessment of new suppliers where we include environmental, social and governance as part of our selection criteria.

Focus areas 2022
Logistic supplier engagement programme to reduce CO ₂ emissions
Communicate and engage vendors/ suppliers in Höegh LNG's own sustainability ambition

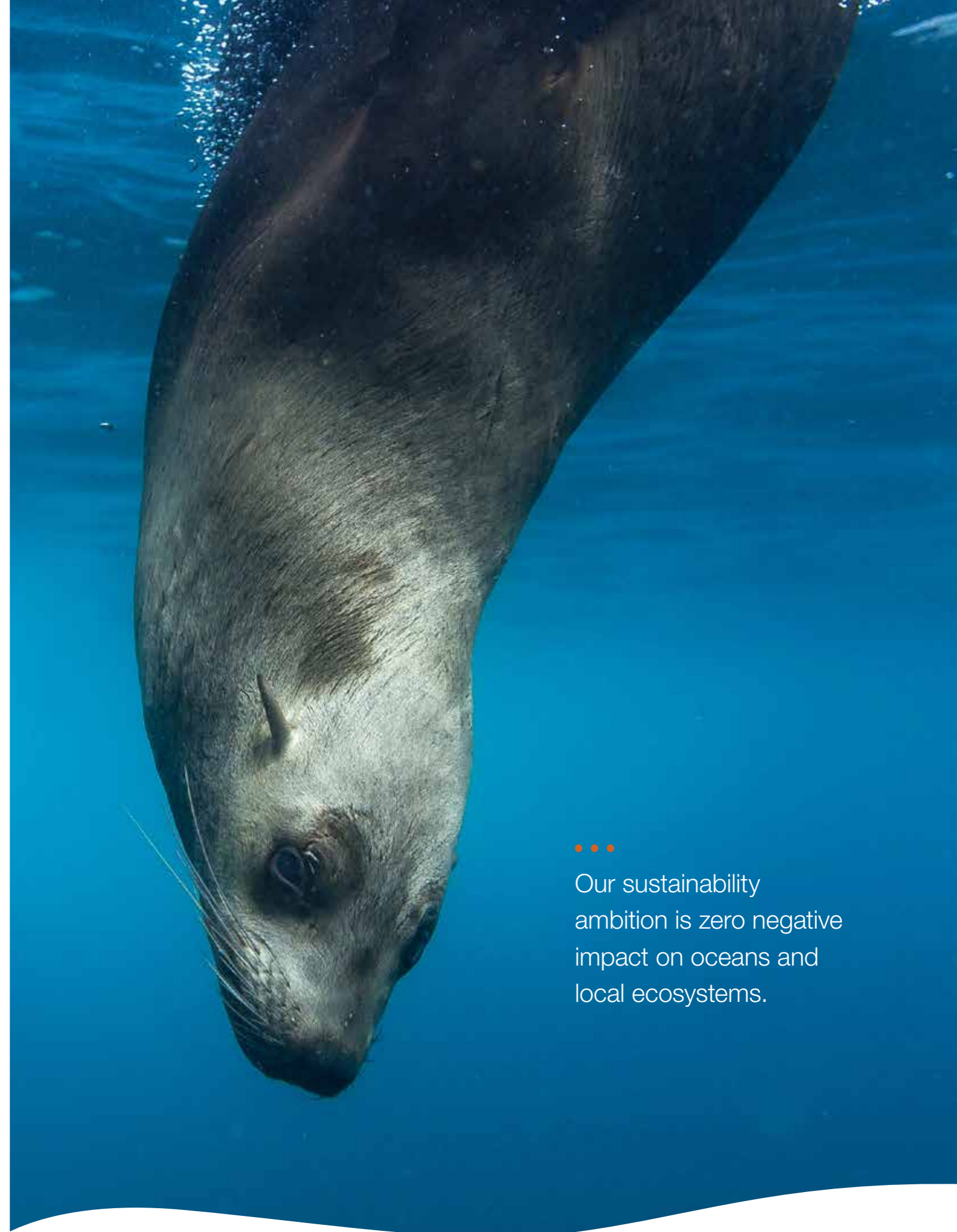


Our environmental impact

Our goal is always to limit any negative impact our operations might have on marine ecosystems and biodiversity. Our attention is focused on minimising the risk of spills and the discharge of excess biocides and cooling water. We not only comply with environmental regulations, we also take a more active approach to reducing our environmental footprint.

Since 2011, all new FSRUs with trading capability are equipped with ballast-water treatment and anti-fouling systems which comply with IMO's conventions on ballast water management and antifouling systems. We meet all local requirements on the release of excess biocides, as well as IFC World Bank Group

guidelines on the release of colder seawater from the LNG regasification process. In 2020 and 2021, we installed ballast-water treatment systems onboard our vessels Arctic Lady and Arctic Princess. During 2022, our plan is to also install ballast-water treatment system on the vessel Neptune.



•••
Our sustainability ambition is zero negative impact on oceans and local ecosystems.

Targets

2021 Targets	Status
Reduce food waste by 10%	Reduction in food waste by 14%
Reduce plastic waste by 10%	Plastic waste increased by 6%, mainly due to dry docking of three of our vessels
Reduce cost on printer toner and unnecessary prints	Identified improvement actions implemented

We managed our goal in reduction of food waste in 2021, through increased awareness onboard and training of our cooks. However, we did not manage to reduce our plastic waste as we aimed to.

We will therefore increase our focus in 2022 on seeking opportunities and solutions to reduce plastic waste, with special focus onboard our vessels.

Our identified areas to improve in 2022 are:

2022 Targets	Improvements
Reduce grey water waste	Modification of grey water and clean condensate system onboard 3 of our FSRUs
Reduce plastic waste	Continue focus and identify actions to reduce plastic waste
Reduce the use of plastic drinking bottles	Water treatment pilot project on one vessel Replacing reusable drinking water bottles in our fleet
Electronic recycle process	Mapping of current recycling process of electronic equipment on board vessels. Review potential improvement and actions

Spills to sea

Preventing spills to sea is anchored in our operational and environmental policies. Höegh LNG was not subject to any fines or sanctions for non-compliance with environmental laws and regulations in 2021. We had zero serious spills to sea in 2021. However, we had one minor spill incident aboard one of our vessels with a minor impact on the environment.

Total spills to sea:

Spill categories	2021	2020	2019
Serious	0	0	0
Moderate	0	0	0
Minor	1	0	0
Total	1	0	0

Local environmental impact

We have a proactive approach towards our existing and potential customers where environmental matters are concerned. An Environmental and Social Impact Assessment (EISA) is conducted for all new terminals, either by Höegh LNG or the terminal owner. These assessments typically involve local government bodies and experts, as well as local communities which could be affected. We continuously monitor to make sure we are informed and prepared for any changes to environmental guidelines and regulations.

Ship recycling

Although ship recycling reduces the pressure on metal resources such as iron and copper, contaminants that enter the seawater because of the recycling process can have a major impact on the marine environment. Safe working conditions and environmental protection are key priorities in our operations. Therefore, even with a relatively low average fleet age, and no recycling requirement expected for many years to come, we have a strict recycling policy in place.

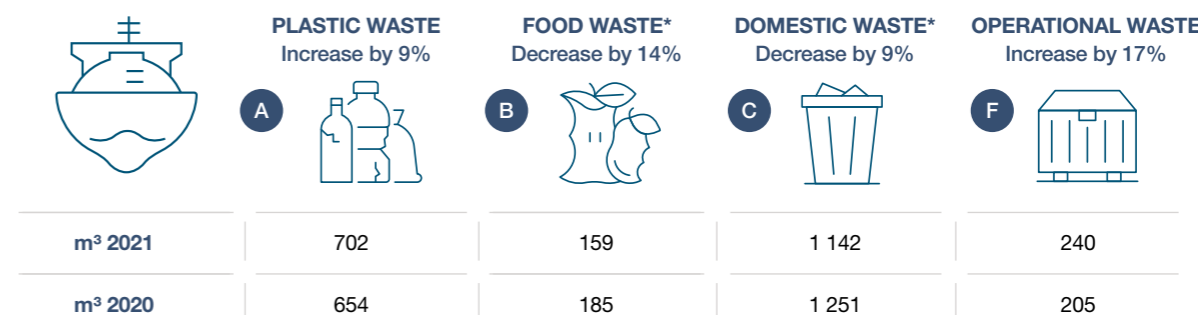
Environmentally certified vessels

All our vessels are certified in accordance with ISO 14001, the internationally recognised standard for environmental management systems. Our environmental management system ensures compliance with relevant environmental regulations and is focused on achieving continual environmental improvements. All our FSRUs built after 2012 have the clean notation, a voluntary environmental class notation for ships designed, built, and operated to high environmental standards. They also carry the Recyclable Class notation, identifying and demonstrating the presence of hazardous materials on board. The fleet's dual-fuel diesel-electric engines are certified as being within the applicable NO_x limits as defined by the NO_x Technical Code 2008 (EIAPP certificates).

We support the ratification of the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships ("the Hong Kong Convention"), the EU Ship Recycling Regulation ("SRR") and the Basel ("Basel") Convention, which bans export of hazardous waste from OECD countries to non-OECD countries.

We will act in accordance with the SRR in relation to all European flagged vessels, and the Basel and Hong Kong Conventions for all other vessels, to prevent and minimise risk and potential harm to people and the environment caused by ship recycling operations.

Garbage generated in 2021 – 4 top categories



* domestic waste consist of paper products, cardboard, glass, bottles, cans, metal, crockery



Zero waste at sea

Höegh LNG is going above and beyond regulations to protect the oceans from waste and pollution.

As a responsible ship owner, Höegh LNG cares about the ocean and environment in which we both operate as stationary FSRUs and sail as LNGCs. We have introduced a garbage disposal policy which is stricter than those required by the International Convention for the Prevention of Pollution from Ships (MARPOL).

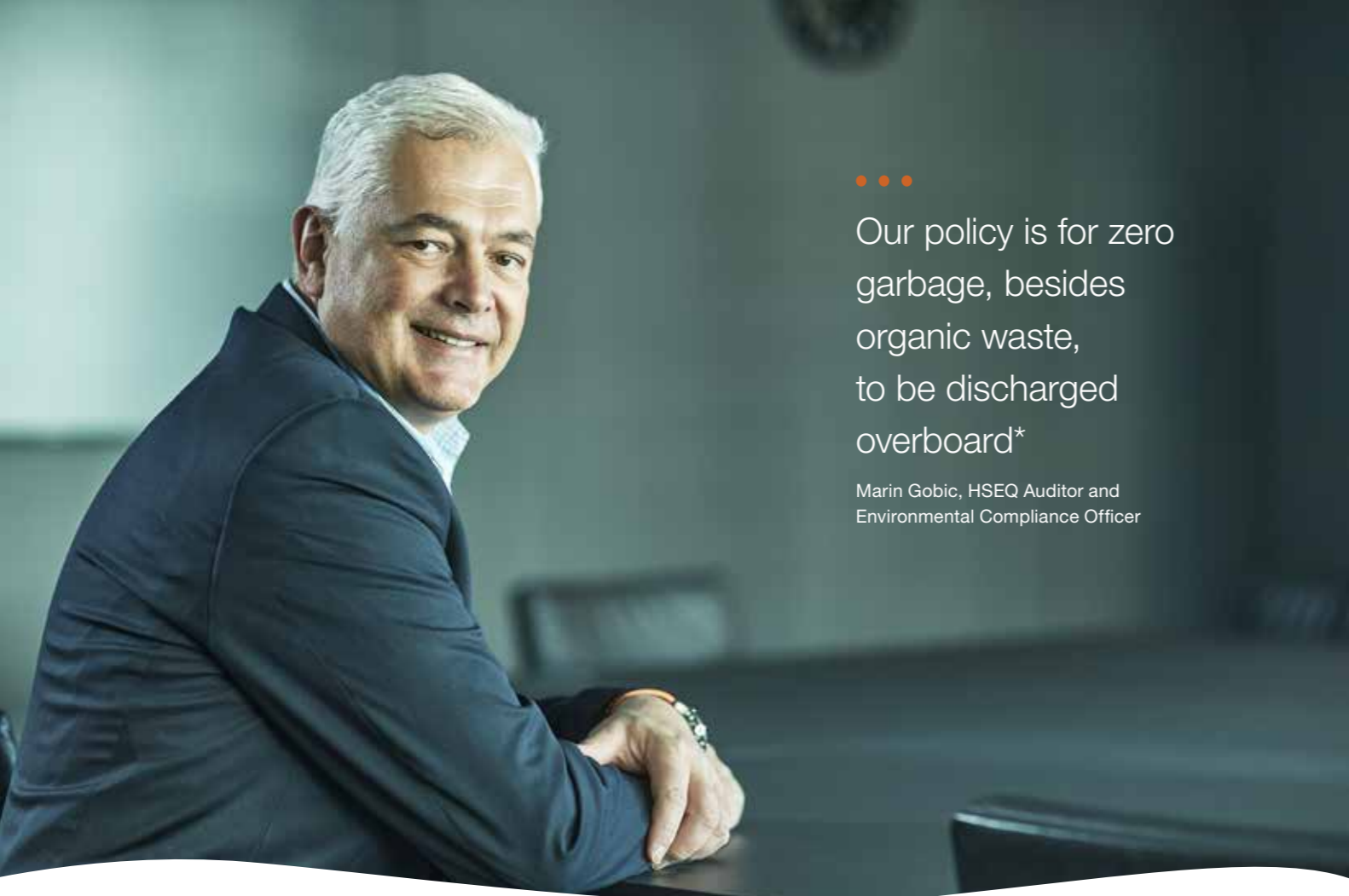
“Our company culture is characterised by a deeply

held belief that we need to take responsibility for the environment in which we operate,” explains Marin Gobic, HSEQ Auditor and Environmental Compliance Officer. “This is why we actively go further than the regulations in order to reduce our environmental impact wherever we can.”

Only organic waste into the sea

One area where Höegh LNG exceeds regulations is garbage discharge into the sea. According to Annex V of the MARPOL Convention, ships can dispose of several garbage types at a certain distance from shore, including paper products, rags, glass, metal, bottles, crockery, wood. However, Höegh LNG’s policy is clear: **No garbage is to be discharged overboard apart from organic waste.**

“We only allow the disposal of organic waste overboard – and this can only be done in open sea, no closer than 12 nautical miles from land. Everything else must be segregated and adequately stored onboard following strict procedures introduced through the ship specific garbage management plan and then disposed of at reception facilities, when the vessel calls in port. It’s something we take very seriously,” says Marin.



Our policy is for zero garbage, besides organic waste, to be discharged overboard*

Marin Gobic, HSEQ Auditor and Environmental Compliance Officer

Reducing organic waste by 14%

This strict approach helps protect our oceans by keeping overboard waste to a minimum. However, Höegh LNG is determined to reduce waste generation in general and in 2020 we introduced a new goal to cut food waste onboard our vessels, and thereby organic waste generation, by 10% in 2021.

The initiative has been a great success. Working with MCTC Marine Catering Training Consultancy, Höegh

LNG's cooks have introduced several measures to optimise food use onboard, including improved meal planning, menu design, utilising leftovers and procurement. These efforts led to a 14% reduction in organic waste across the fleet last year.

"We achieved very good organic waste results in 2021, but we will push ourselves to do even better in 2022. It is in our culture. As a company, we always want to improve," says Marin.

*According to Annex V of the MARPOL Convention ships can dispose of several garbage types at a certain distance from shore, including paper products, rags, glass, metal, bottles, crockery, wood.

Correct garbage management

Onboard a Höegh LNG vessel, garbage management is a key part of everyday life. All crews are trained to sort (segregate), store and dispose of garbage correctly. Every garbage disposal activity must be recorded in a garbage record book and indicate the date when the activity takes place, as well as the time when the activity starts and ends.

The total volume of each disposed garbage category is reported every month and closely monitored. In case additional attention is needed, detailed vessel

instructions will be provided. As Marin explains, this is necessary on vessels that trade internationally as waste disposal practices and regulations may vary from country to country.

"Our sailing vessels can be on a longer voyage and during this time waste can build up, so we use shipboard compactors to reduce the volumes and store garbage in dedicated storage areas. We then hand the garbage over for disposal to authorised reception facilities. Not all ports sort and dispose of waste in the same way but, by having waste well sorted, we help ensure that anything that can be recycled will be," he says.

Shipboard waste handling



All garbage onboard is segregated as part of Höegh LNG's ISO 14000 programme. Waste volumes are reported on a monthly basis and corrective measures implemented if needed.





Safeguarding our people and assets

Maintaining safe operations and minimising risk is the number one priority for Höegh LNG and is anchored in our occupational health, safety and working environment (OHS) policy. We believe all incidents can and should be prevented.

Occupational health and safety at sea
Our OHS policy reflects our company's code of conduct and includes the principle that we strive to ensure zero harm to our colleagues and an injury-free working environment.

There were no fatalities recorded in 2021. Our lost-time incident frequency (LTIF) was 0.63 (2 incidents) compared with 0.29 (1 incident) in 2020. The TRCF was 1.83 in 2021, compared with 2.0 in 2020. The total number of incidents is stable. For 2022 we will increase our focus on risk management training to continue improving our safety performance.

KPI	Target values 2021	2021	2020	2019
Fatalities	0	0	0	0
LTIF	<0.7	0.63	0.29	0.31
TRCF	<2	1.83	2.0	1.24



We recognise that our seafarers have had a challenging time during the pandemic. An impressive effort by our seafarers, has ensured that we have managed to avoid COVID-19, onboard our vessels both during 2020 and 2021. Visits onboard have been down to minimum and only when necessary. A challenging but necessary strict testing and quarantine scheme, both before travelling from home and in port, has been an important measure to protect our seafarers from COVID-19 exposure as much as possible when onboard. At the beginning of 2021, our seafarers started to get the vaccine in their home countries. We have arranged vaccination in ports, where possible, for all crew onboard, including first, second and booster doses.

One of our sustainability goals for 2021 was to run a successful campaign on occupational health and safety first for our fleet. Throughout 2021, we have run a safety campaign on our fleet with monthly variations, focussing on previous reported incidents and lessons learned.

The occupational health and safety management system for our fleet covers all activities and operations on board our vessels and is applicable to all employees, visitors, clients, and external service personnel. All vessel operations are certified to the IMO ISM Code. The health and safety standards we follow are based on risk management principles and focus on identifying hazards through a combination of experience, industry guidelines and requirements, as well as a structured hazard identification process.

We have a formal management of change process for implementing health and safety system changes, which includes verification of the effectiveness of the change. More comprehensive changes are organised as projects which include specialists and the involvement of all stakeholders. We ensure that all safety requirements are addressed and implemented when engaging in new activities.

Incident reporting

We encourage an open communication culture where reporting is perceived as a strength and a vital element for safety and improvement.

As a learning organisation, we depend on our employees to report incidents, hazardous situations and conditions, so we can prevent similar circumstances in the future. All employees can report anonymously and outside their line management. Analysis and investigation are performed either on board or by an independent investigator based on the severity and circumstances of an incident. Corrective actions are identified and implemented by risk owners. Analysis of incident reports are used to identify trends and similarities to develop new or further safety controls.

HSEQ training

We have a defined competence and training matrix for all ranks and positions in our fleet. Our seafarers are involved in improving HSEQ performance and working conditions on board through participation in monthly safety meetings, safety campaigns and conferences. Seafarers are briefed on HSEQ policies and important procedures and processes before signing on to vessels. We have a systematic process for verifying competence on board, as well as seafarer evaluation, where training needs are identified.

Seafarers wellbeing

Ensuring the well-being of our seafarers and that they are fit and healthy is important. Annual medical checks at certified clinics are mandatory for all seafarers. Approved medical competence and equipment are available on board, and telemedicine services can be accessed around the clock. All vessels are equipped with a gymnasium open to everyone and have a deck area which can be used for sport and leisure activities. All vessels have a welfare

budget for sports equipment and other types of welfare items. Seafarers are encouraged to participate in excursions and sports activities provided by the company while in port, where possible.

Occupational health and safety onshore

In Norway, a working environment committee (AMU) oversees employee occupational health, safety and welfare issues. It comprises a balanced number of members from management and safety representatives elected by the employees. The committee meets quarterly, and meeting reports are made available to all employees. Employees are encouraged to report any issues or concerns to the committee. The occupational health and safety management system covering our office employees in Norway has been developed in line with the Norwegian Working Environment Act.

The welfare and working environment of our employees based in the Philippines are covered by the Manila office handbook and a separate handbook aligned with local HSE regulations in the Philippines. Compliance with these regulations is monitored and verified on an annual basis.

In offices outside Norway and the Philippines, occupational health and safety is managed by the local office handbook in accordance with local HSE regulations. During 2021, our operation in Colombia became certified in accordance with OHSAS 45001. The Group aims to be fully compliant with ISO 45001 in 2022.

Health and safety for shipyard workers

We apply safety performance records as criteria in shipyard selection, and our shipbuilding contracts require the shipyard to be certified in accordance with relevant international standards. We are involved

in improving health, safety and labour conditions for shipyard workers engaged in our projects, with specific attention devoted to forced labour among migrant workers and sub-contractors due to growing concerns within the industry. We participate in efforts by the Norwegian Export Credit Guarantee Agency (GIEK) to monitor working conditions and forced labour risks in shipyards. These include surveys, audits and escalation to executive management if identified concerns are not addressed in a satisfactory manner.

Security and emergency preparedness

Equal to other industry players, we face a demanding, and in many cases unpredictable, risk picture on land and at sea. We meet these challenges with a group security and emergency preparedness function that ensures a holistic security risk management approach. This is achieved by close collaboration with the Group Security Officer and Cyber Security Officer.

Security capability measurement

To support our company goals, we regularly assess maturity of our security risk management compared with the threat and risk picture. When monitoring our performance, we achieve confidence and accountability in our management of risk.

Security committee

It is difficult to manage risks you have not anticipated. Høegh LNG's Security Committee therefore identifies changes in threat and factors that affect the risk for the company. During 2021, we have increased awareness particularly on the evolving and challenging cyber threat picture. The increased attention enables us to be better positioned to timely introduce effective risk controls.

Covid-19 and remote management

Covid travel restrictions and a somewhat dynamic risk picture has made it challenging to verify the effect of physical security measures at our land-based offices. We have solved this by remote verification of arrangements and close dialogue about situational development with our local management.

Security incident management

Crew and ship security officers are trained in security incident management. Our crews are trained to rescue and handle refugees in accordance with SOLAS and relevant rescue coordination centre (RCC) guidelines.

Security services at terminals are provided by

the terminal operator or port authority. To ensure adequate and responsible security practices, any third-party provider of security services should comply with the Voluntary Principles on Security and Human Rights. Audits, security surveys and emergency response training are conducted on an annual basis to verify the effectiveness of our security and emergency response system.

Emergency preparedness

Höegh LNG's emergency preparedness organisation has been developed to enable an effective interface with national authorities and relevant stakeholders. We seek robustness, where we systematically develop and document the competence of our emergency response organisation.

Duty of Care in Hoegh LNG

During 2021, we have increased the availability and visibility of security information.

We have introduced Duty of Care and Duty of Loyalty principles with the aim of clarifying company risk management duties and employee behavior.



...
We do not compromise
on safety.

Guri-Anette Kjelgun, Head of Fleet Health,
Safety, Environment & Quality (HSEQ).

A culture of continuous improvement

A new approach to safety campaigns is driving continuous improvement across the Höegh LNG fleet.

At Höegh LNG, safety excellence is an area of no compromise. As a liquified natural gas carrier, the company operates in one of the world's most regulated industries, and uses international and national legislation as the basis for all its health and safety work. But safety excellence is about more than regulations, as Guri-Anette Kjelgun, Head of Fleet Health, Safety, Environment & Quality (HSEQ), explains.

"We can divide Safety Culture into three levels: what can be observed (policies); what is expressed and what determines behaviour. What determines behaviour is the hardest to build and influence. But it is also extremely important. At Höegh LNG, we work very hard to create a safety culture based around continual improvement. We have a zero-harm vision for personnel and the environment, and we do not compromise on safety. But, however good we think we are, we know we can always get better."

Always looking to improve

Höegh LNG has a dedicated HSEQ department for its fleet, which Guri-Anette leads. As part of our work, the department analyses safety data from across the fleet, including all recorded incidents, near misses and non-conformities. We use this data to identify areas that can be improved, so we can continually increase safety awareness through enhancing procedures and routines, risk management and training – and everything else required to ensure safety onboard an LNG vessel.

In 2021, the department utilised this data in a closed-loop approach to onboard safety training, using the crews' own experiences to improve safety. The training took place monthly and incorporated as many real-life examples from the fleet as possible.

"During the training, we presented an incident and asked questions like 'What was the root cause?' and 'How can we stop it happening again?' This improves the culture as it encourages people to think about root

cause – about safety first. But the responses we get are also very informative. So, we often use them in the next month's training, ensuring we continually learn from each other's experience," says Guri-Anette.

The goal is always zero accidents

The campaigns have made a difference. At the end of 2020, Guri-Anette's team noticed that personal injuries were increasing across the fleet. By focussing on personal injuries during monthly training, they managed to halt that increase in 2021.

Guri-Anette is clear on next years' goals: "For Höegh LNG, the safety goal will never change. We really care about each other and we don't want people to be hurt, so our goal is always zero accidents. If an accident does occur, we must deal with it correctly: we must report it, identify the root cause and correct it, so a similar incident will not happen again. That is how we get better."

Höegh LNG's commitment to safety excellence

We have a zero-harm vision for personnel and the environment and continuously work to build a strong safety culture. Our focus areas include:

- Building a strong culture of safety awareness
- Ensuring practical and well-considered risk management
- Learning through analysis of accidents and near accidents
- Continuous improvement of procedures and routines
- Using risk management to evaluate, mitigate and handle challenges



Our people - the key to success

Our people are key to the success of our business as they impact every part of it. We believe that diversity and inclusion are a source of competitive advantage and that employees from a range of backgrounds, working together and respecting one another's values, leads to even better business results.

Diversity and inclusion

We oppose any form of discrimination and strive to promote equality in all employment practices. Our recruitment base, particularly for maritime personnel, is predominantly male and this is reflected in our demographics. In 2021, women accounted for five of 683 maritime personnel and 79 of the 178 onshore

employees. Although gender diversity is lower than we would wish, other demographic variables are more diverse – we have a truly varied group of employees in terms of age, nationality, and ethnicity, which strengthens our company culture. Senior Management Team has one female and five male members. The board comprises five male and two female directors.



Strengthen diversity and inclusion

By 2025, we aim to have a gender balanced leadership, both in the senior leadership team and other leadership layers of the organisation. Furthermore, we want our leadership layers to become fundamentally diverse, based on a broad range of factors. To move towards this ambition, we will initiate several activities and actions in 2022:

Recruitment process

- Review all job advertisements to ensure inclusive language and that it appeals to a diverse pool of candidates
- Mixed gender and age recruitment decision makers
- Always both genders represented on the employer's side in the final interview
- Require both genders and more than one origin of candidates from external recruitment companies and head-hunters

Organisational improvement:

- Ensure all development initiatives internally have a diverse participant group, and that all promotions fundamentally consider diversity as a goal
- Perform an analysis of how diversity and inclusion is perceived in the company, among our employees
- Promote and share stories of diversity and inclusion successes, internally and externally

Our onshore people

We have 178 onshore employees in Norway, Singapore, UK, Indonesia, Lithuania, Egypt, USA, Colombia, China, and the Philippines.

Annual performance reviews are conducted for every onshore employee using a digital appraisal system. The appraisal process for 2021 was completed by 159 employees and the goalsetting for 2021 by 172 employees. Employee turnover for onshore personnel was 10% in 2021 down from 10.8% in 2020. We do consider this higher than desired, and we will continue to focus on individual development plans to increase employee retention for our onshore staff.

Average sickness absence among office employees was 2.6% in 2021, compared with 1.04% the year before. We believe the relatively low level of absence in 2020 was related to employees working from home and their flexibility to work whenever suitable. The situation has stabilised to a certain extent where we believe our employees have adapted to the situation more and our current absence level reflects a normal situation. Although this has increased somewhat compared to last year, we are still within our target of less than 3%.

Office employee engagement surveys

Employee engagement surveys are conducted every 18 months. During 2021 we conducted an engagement survey where we focused on organisational culture. 70% of our employees completed the survey.

Based on the result of the organisational culture survey conducted in 2021, we will strengthen our company culture being more adaptable, customer centric and transparent.

Our Maritime employees

We had 683 maritime employees on 31 December 2021.

We seek to recruit and retain competent and qualified personnel and have high retention rates, achieved through years of strategic employee development.

We have FSRU specialised maritime personnel. In 2021, we increased our 24 month maritime personnel retention rate by 2% to 98%. All maritime employees receive a written performance review at the end of each service period, including recommendations for further training and promotion. Senior management onboard are evaluated once a year by onshore management.

It is important for us have and maintain good process when recruiting, training, and developing our officers. Additionally, we support maritime education and training in countries where maritime personnel are recruited, including specific programmes for cadets.

The 2 year retention rate for our maritime personnel

	2021	2020
Seniors	98.1	97
Junior	98.6	98.8
Total	98.4	98.2

Rating is 100% for all years

* Retention rates are calculated as per common industry practice

All our maritime personnel have written engagement contracts covered by collective bargaining agreements.

Open and transparent culture

We always encourage an open and transparent culture, where all employees can report suspected or actual breaches of company policies through designated reporting and whistleblowing channels outlined in the code of conduct. Employees can report incidents anonymously, without fear of retaliation and in their own language via the independent external whistleblower channel. All reported incidents are submitted to the Chief of Legal & Compliance Officer.

Working from home

Like most other global companies in the world, we have also experienced challenges related to the pandemic. It is no secret that this lasted longer than we all initially thought. Throughout much of 2021, in all office locations, most employees worked from home offices.

A survey has been made of the challenges our office employees have experienced by working from home. As far as possible, we have offered our employees the help they have needed, whether it be better internet, work furniture or IT equipment.

Furthermore, it has been identified that our younger employees have found it more difficult to work alone in a home office.

We have focused on two main measures related to this challenge:

- Actively participated with support staff to help moving to relatives in the provinces to alleviate feelings of despair and risk of depression
- Employees located in Oslo who either live in small apartments without a suitable workplace or completely isolated in the apartment have been able to work from the office when it has been legally possible

Nevertheless, we have generally seen that being forced to communicate digitally has given us the opportunity to become a better global team. When the world reopens, the hybrid way of working has been determined as our path forward. We are rebuilding our corporate office in Oslo to further strengthen a more flexible and modern working environment.

Employee development

We fully recognise that our employees, both at sea and on land, are the most critical factor for a successful future. Furthermore, with a rapidly changing market and a volatile world, we know that continuous learning



Families that we support in the SOS Children's village in Philippines, House of Joy in Alabang, Muntinlupa City

is imperative. We are committed to further developing a healthy working environment with development opportunities for our employees.

All onshore employees set goals each year and get feedback in the appraisal both halfway through the year and in the year-end review. Individual development goals, and assessment of results, are part of the appraisal. All our employees are given the opportunity to develop their professional skills and the knowledge needed to efficiently deliver according to their responsibilities.

In 2022, we want to further strengthen development opportunities for our employees.

We plan, amongst other things, to conduct an engagement survey with the purpose of mapping employee's perceptions of internal development possibilities. A key focus will be to identify training and awareness programmes and interventions that will support leaders' development as diversity and inclusion champions and practitioners.

The identified areas for employee surveys planned for 2022 are employee engagement, compliance, development opportunities and talent retention, security culture, diversity and inclusion, and ESG and clean energy.



Hoegh LNG is strongly committed to the principles of non-discrimination and equal opportunities. We have around 20 different nationalities in our workforce and had 861 employees on 31 December 2021.

Supporting our local communities

In many ways, we benefit from the places in which we live and work. We support the following programmes, both financially and through employee engagement:

Catalyst mentor programme

Høegh companies in Oslo are partnering with Catalysts in their mentoring programme for young people (15 – 20 years old) who have recently moved to Norway. The purpose of the mentoring is to help them with their choices for schooling and career choices in Norway. We have supported the Catalysts mentor programme for youths in Oslo in 2021 and will continue this work in 2022.

Support and donation management

As a member of the Norwegian shipowner association, we support and contribute to donations when environmental disasters occur. For Norwegian shipowners, including ourselves, Filipino seafarers make up an important part of the crew. In 2021, we contributed to the donations managed by the Red Cross and the Norwegian Shipowners' Association to help the victims of the Ray typhoon.

SOS Children's Villages Philippines

Over a three year period, we have supported the SOS Children's Villages in the Philippines. Høegh LNG sponsorship has contributed directly to SOS families in Manila and Tacloban. When the educational system in the Philippines was conducted virtually, we donated laptops to the SOS children and youths to contribute to continuity in their education. In 2022, we will continue the support and make donations to children at SOS Children's Villages.

Developing solutions to energy transition



We are actively seeking areas where we can contribute to the transition to a low carbon world while growing our business in a commercially sustainable manner.





Building on the experience and knowledge from establishing floating infrastructure for delivery of natural gas through LNG, we believe there

are several areas where maritime concepts are appropriate and where the company can provide competitive solutions.

As part of our energy transition, we have defined the following targets for 2021:

Target	Status
Develop a recommendation for a technical solution related to the injection of Hydrogen into the output from FSRUs and undertake a feasibility study of the full value chain infrastructure for CCS.	Completed – and CCS project will continue in 2022

In 2021, we joined forces with Altera Infrastructure to jointly develop the Stella Maris CCS project. This concept encompasses the carbon capture and storage (CCS) chain from collection to permanent storage in an offshore reservoir. The innovative technology allows the use of large shuttle tankers for liquid CO₂, which significantly increases the capacity to handle large quantities of CO₂ and achieve cost reductions needed to make CCS a commercially viable solution to many carbon emitters. Floating collection hubs in harbours

will also enable medium sized emitters to utilise CCS, and a floating injection unit offshore will enable the choice of a suitable storage reservoir without the need to consider the cost and complications of a pipeline connection. A benefit of using floating solutions is that the concept can be duplicated anywhere in the world, and the potential for this technology to help hard to abate industry sectors cut their carbon emissions is very promising. It is expected that the first Stella Maris CCS chain will start operation by 2026.

In 2022, we will continue our effort to seek areas to contribute to the transition to a low carbon world in the following ways:

Focus areas and targets 2022
Integration of existing terminals with onshore services with the aim of improving process efficiency, reducing emissions, and complementing renewables.
Plan future terminal compatible with green hydrogen, green ammonia, e-fuels, or bio-LNG.
Contribute to Stella Maris, a cross-industry partnership aimed at applying LNG technology to the CCS value chain.



As the market evolves and changes, we will continue to update our plans for employment of these assets to support the energy transition.



We have also invested in Gen2Energy, a company which plans to produce green hydrogen from hydroelectric power in Norway and distribute by ship to potential customers in Europe. We are supporting Gen2Energy with the shipping solutions needed to create a safe and efficient transportation chain with minimal emissions and are confident that there is a need for green hydrogen and floating transportation solutions to bring this valuable energy to market in the decades to come.

We are participating in several research and development projects to prove or scale-up technologies related to production or conversion of carbon free energy carriers. These technologies have weight and space requirements, as well as functionality that makes them suitable for installation and operation on floating units and which could, in the future, be important offerings to customers with an interest in making low carbon energy available through our units.

Ammonia is currently being promoted by many as a fully carbon-free marine fuel for the future and it is gaining momentum. Both engine manufacturers and shipyards are preparing to offer multi-fuel propulsion systems, which can be converted to run predominantly on ammonia once this becomes available as a commodity and there is infrastructure in place to conduct bunkering operations in appropriate locations. There are toxicity challenges related to using ammonia on ships which need to be

taken into account when considering this fuel, and these are currently being addressed.

Some of our existing assets could, to a certain extent, be modified to provide services related to carbon free energy supply, and these opportunities will continue to be in focus. As the market evolves and changes, we will continue to update our plans for employment of these assets to support the energy transition.



Compliance, anti-corruption and business integrity

With operations worldwide, we face a variety of local regulations and practices, requiring that we pay great attention to ethical behaviour, compliance, and risk mitigation.

Our vision is to enable the transition to clean energy and our mission is to supply innovative and reliable floating infrastructure solutions. We create value for our customers, shareholders, employees, and the

local communities in which we operate. We aim to reduce the impact on the environment from both our own business and that of our partners and clients.

Target 2021	Status
Sign-up for the Maritime Anti-Corruption Network (MACN) Collective Action (>1 participants)	Completed, where we identified three countries which we signed up for on Collective Action participation



Our core values are innovative, competent, committed and reliable.

We are guided by our core values

Innovative and competent in finding new business and technical solutions, committed to developing them, and reliable and trustworthy in delivering of services. Vessels operating under our in-house technical management have additional values for their safe operation: committed, competent, cooperative, honest, and straightforward.

Sustainability policy

The sustainability policy is set by the Board with the purpose of providing the framework for setting clear goals and objectives for the Company's Sustainability activities. The policy outlines our commitment to acting as a responsible group by integrating social,

environmental and strong compliance considerations in our core business operations.

Our governance system

Our governing codes, policies and procedures document how we comply with applicable laws, regulations and standards. An overview of ESG topics covered by our governance system is presented below. The standards and requirements set out in our governing documents cover all actions performed by employees on behalf of Höegh LNG. We require all suppliers and business partners to operate in accordance with the same environmental, social, and ethical standards as our employees, including the shipyards we use for construction of our FSRUs and for recycling our vessels.

	SDGs relevance	Our corporate governing documents
E	<ul style="list-style-type: none"> Affordable and clean energy Climate action Life below water 	<ul style="list-style-type: none"> Environmental policy Fleet operational performance monitoring functional policy Ship recycling policy HSE policy Sustainability policy
S	<ul style="list-style-type: none"> Decent work and economic growth 	<ul style="list-style-type: none"> HSE policy Supplier code of conduct Ship recycling policy Sustainability policy
G	<ul style="list-style-type: none"> Peace, justice and strong institutions 	<ul style="list-style-type: none"> Governance principles policy Code of conduct Supplier code of conduct Anti-corruption compliance procedure Insider trading compliance policy Dividend policy Competition compliance Sustainability policy

Corporate culture

A strong corporate culture is a prerequisite for an effective compliance system. We operate with clear communication of values from board to management, and from management to the rest of the organisation. These values are expressed and implemented through written guidance on compliance and ethics training, business-partner risk management efforts and an effective reporting system. The group's incentive systems for employees also feature a compliance component to be assessed on an annual basis.

To further strengthen the continuous attention devoted by the leadership to anti-corruption and compliance, the chief legal and compliance officer was included in the corporate executive team from 2018. A compliance manager with a background in accounting and internal auditing was appointed in 2019 to strengthen our compliance function.

Implementation of the 2021 annual business integrity and compliance plan included port risk assessment, launch of the MACN e-learning tool, consolidated reporting and monitoring of onboard transactions, sanctions screening as part of the risk assessment of new and existing business partners and identification of countries for the MACN Collective Action.

More information on our corporate principles can be found in our Corporate Governance Report.

Anti-corruption

Höegh LNG anti-corruption governance programme

We have zero tolerance of bribery and corruption. Every employee is responsible for acting in accordance with our code of conduct and for complying with the laws and regulations of the countries where we operate. Our chief legal and compliance officer is responsible for ensuring compliance with the code of conduct and related governing documents.

The board's governance, compliance and compensation committee support the directors

in fulfilling their responsibilities for ethics and anticorruption. The board approves the code of conduct and other relevant policies. All governing documents are subject to review on an annual basis.

The chief legal and compliance officer reports to the President and CEO, the Board of Directors and the executive team on an ongoing basis.

Anti-corruption policies and procedures have been communicated to all our directors.

All employees are required to complete mandatory training on anti-corruption. This includes face-to face training sessions and e-learning courses. All employees are required to sign the code of conduct and other relevant compliance policies upon commencement of employment. In 2020, a survey was conducted by the chief legal and compliance officer to all new employees, to check their understanding of the code of conduct and other compliance policies after their induction orientation.

We encourage an open and transparent culture, where all employees can report suspected or actual breaches of company policies through designated reporting and whistleblowing channels outlined in the code of conduct. In 2018, the group established an external whistle-blower channel where employees can report incidents anonymously and in their own language, without retaliation. All reported incidents are registered with the chief legal and compliance officer.

In 2021, the Legal & Compliance division performed a port risk assessment to identify the countries where we can sign up for the Maritime Anti-Corruption Network (MACN) Collective Actions. Our participation on this MACN initiative supports the organisation's strategy for driving and leading sustainable change in the operating environment and reducing corruption in the maritime industry. Together with the Fleet Management group, the port operations procedure will be revised to reflect MACN's guidelines for captains prior to arrival in ports and in the event of any corruption related incidents during port calls. The implementation of the revised procedure will provide the company additional

resources should we need assistance in high-risk ports when facing corruption challenges.

Risk-based anti-corruption approach

We are exposed to a variety of corruption and bribery risks both in obtaining new business and in its ongoing operations. Typical risks include unclear local operating requirements and enforcement, extortion schemes and facilitation payments. Corruption risks related to business partners, including suppliers, agents, customers, consultants, and intermediaries, are monitored very closely, as Höegh LNG could be held accountable or suffer great consequences from corrupt behaviour by its business partners. Therefore, we place great importance on only engaging in business with parties with comparable anti-corruption and ethical standards, as outlined in our anti-corruption policy and suppliers code of conduct.

The group has an enterprise risk management process in place, in addition to a risk-based internal control over financial reporting systems, which both address anti-corruption risks. Moreover, all countries where Höegh LNG has operations are subject to a quarterly high-level corruption risk assessment.

We perform risk assessments of all new business opportunities, including new business partners. The Business Partner Risk Assessment template was reviewed and will be integrated in the new Business Partner Assessment form which will be implemented in January 2022. Medium and high-risk business partners may be subject to further due diligence, depending on the responses of the discipline responsible in the different risk criteria and the result of the sanctions

screening performed by the Compliance Manager. New customers, joint-venture partners and certain other business partners acting on behalf of Höegh LNG are subject to due diligence processes and board approval, prior to any firm commitments. All business partners are required to sign the company's supplier code of conduct (SCoC).

Audit of anti-corruption compliance is included in our internal audit programme. In 2021, all offices in the group were audited according to plan.

Maritime anti-corruption network

Beyond our own internal measures, Höegh LNG believes in collective action to achieve our ethical and compliance goals. We are an active member of the Maritime Anti-Corruption Network (MACN), which provides valuable insights into specific anti-corruption challenges in the maritime industry. As a member, Höegh LNG is committed to implementing the MACN anti-corruption principles. Incident reports and newsletters from the MACN are also published on the intranet and shared to the fleet management team.

In 2021, the Legal & Compliance team launched the MACN Anti-Corruption e-learning course for selected employees. The roll-out of the course will continue in 2022 for members of the Operations team and offshore employees. Höegh LNG has decided to sign up for the MACN Collective Action in Egypt, Nigeria and India starting 2022.

We have therefore chosen to continue the successful work achieved with the MACN Collective Action programme and e-learning in 2022.



2022 Focus and action	KPI
Sign-up for MACN Collective Action	>2 countries
Cascade e-learning course to operational team and seafarers	80% of enrollees

Tax

We have systems in place to ensure compliance with relevant tax legislation in all the jurisdictions where we operate. Our taxes are reported in accordance with the International Financial Reporting Standards (IFRS). Consolidated reporting for Höegh LNG Partners LP is based on US generally accepted accounting

principles. We have implemented a tax policy which provides a framework for managing our applicable taxes. This covers legal and regulatory requirements and further defines roles and responsibilities and describes implementation requirements and compliance procedures. A tax risk management system facilitates the identification, mitigation, testing and reporting of tax risks.



03

Appendix

Norwegian Shipowners' Association (NSA) sustainability disclosures

Disclosures in line with the recommendations by The Norwegian Shipowners' Association (NSA). For thorough description of disclosures, see the full report on: <https://rederi.no/rapporter/>

Environmental

CLIMATE RISK AND CLIMATE FOOTPRINT	UNIT	DATA	CODE
Scope 1 GHG emissions	Metric tonnes CO ₂ -eq.	962 022 Venting from gas freeing and emergency release (tank pressure control) included	SASB TR-MT-110a.1 GRI 305-1 Poseidon Principles SDG 13 CDP C6-C8
Scope 2 GHG emissions	Metric tonnes CO ₂ -eq. (location based and market based approach)	82	GRI 305-2 SDG 13 CDP C6-C8
Scope 3 GHG emissions	Metric tons CO ₂ -e	402	GRI 305-3 SDG 13 CDP C6-C8
Carbon Intensity Indicator (CII):	Ratio g CO ₂ / t-nm	9.2	GRI 305-3 SDG 13 CDP C6-C8
GHG emission management		Pages 21-24	SASB TR-MT-110a.2 GRI-DMA 305-1 GRI 305-5 SDG 13
Climate risk reporting		Page 12	TCFD GRI 201-2 (Sector std 11.2.1) SDG 13 CDP C1-C4
Energy mix	Gigajoules, Percentage (%)	Total 16 323 905 gigajoules	SASB TR-MT-110a.3 GRI 302-1 SDG 13 CDP C8
Sulphur emissions		SOx total Mt 269 Page 21	MARPOL Annex VI Reg. 14 (IMO Global Sulphur Cap 2020)

AIR POLLUTION	UNIT	DATA	CODE
Other air emissions	Metric tonnes (t)	See page 22	SASB TR-MT-120a.1 GRI 305-7 (Sector std 11.3.2) SDG 3

SHIP RECYCLING	UNIT	DATA	CODE
Responsible ship recycling	ref text TBC	Page 29	Hong Kong Convention EU Ship Recycling Regulation (EU 1257/2013) Forskrift 2018-12-06-1813 and Basel Conv. SDG 8, 12, 14

ECOLOGICAL IMPACTS	UNIT	DATA	CODE
Shipping duration in marine protected areas and areas of protected conservation status	Number of travel days	610 days	SASB TR-MT-160a.1 SDG 14 GRI 304-2 (Sector std 11.4.3) UNEP World Conservation Monitoring Centre (UNEP WCMC)
Number and aggregate volume of spills and releases to the environment	Number, Cubic meters (m ³) or Metric tonnes	0.1 cubic meters	SASB TR-MT-160a.3 SDG 14 GRI 306-3 (Sector std 11.5.4)
Waste generated	Percentage of waste to onshore waste handling Number, metric tonnes	85% of total waste to onshore waste handling Total waste generated 195 metric tonnes.	GRI 306-1 (Sector std 11.5.2) GRI 306-3 a

Social

ACCIDENTS, SAFETY AND LABOUR RIGHTS	UNIT	DATA	CODE
Lost Time Incident Frequency (LTIF)	Rate	0,63	SASB TR-MT-320a.1 GRI 403-9 IMO ISM Code SDG 8
Diversity	Percentage (%)	See table below	GRI 405-1 SDG 5, 10
Labour rights		Page 56-57 Code of Conduct para 5.1.1	
Port state control	Number	Average deficiencies per Port state inspection: 0.75 No detentions	SASB TR-MT-540a.3 SDG 8, 14
Marine casualties	Number	0	SASB TR-MT-540a.1 SDG 8

DIVERSITY	MALE	FEMALE	AGE BELOW 30	AGE 30-50	AGE ABOVE 50
Board of Directors	5	2		3	4
Office employees	100	79	33	107	39
Senior Management Team	5	1		3	3
Leaders reporting to Senior Management	13	5	1	7	10
Department Managers	8	4		9	3
Maritime employees	678	5	216	384	83

Governance

BUSINESS ETHICS	UNIT	DATA	CODE
Corruption risk	Number or value (reporting currency)	No calls at ports or revenue in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	SASB TR-MT-510a.1 SDG 16
Facilitation payments	Number reported	0	SDG 16
Fines	Figure Reporting currency	0	GRI 419-1 SASB TR-MT-510a.2 SDG 16

ESG GOVERNANCE	UNIT	DATA	CODE
Policies and targets		Page 56 Each chapter includes related targets	GRI Disclosure of Management Approach (GRI 3-3) GRI 205-2 (Sector std 11.20.3) GRI 308 1&2 GRI 414-1& GRI 207 GRI 415-1 a

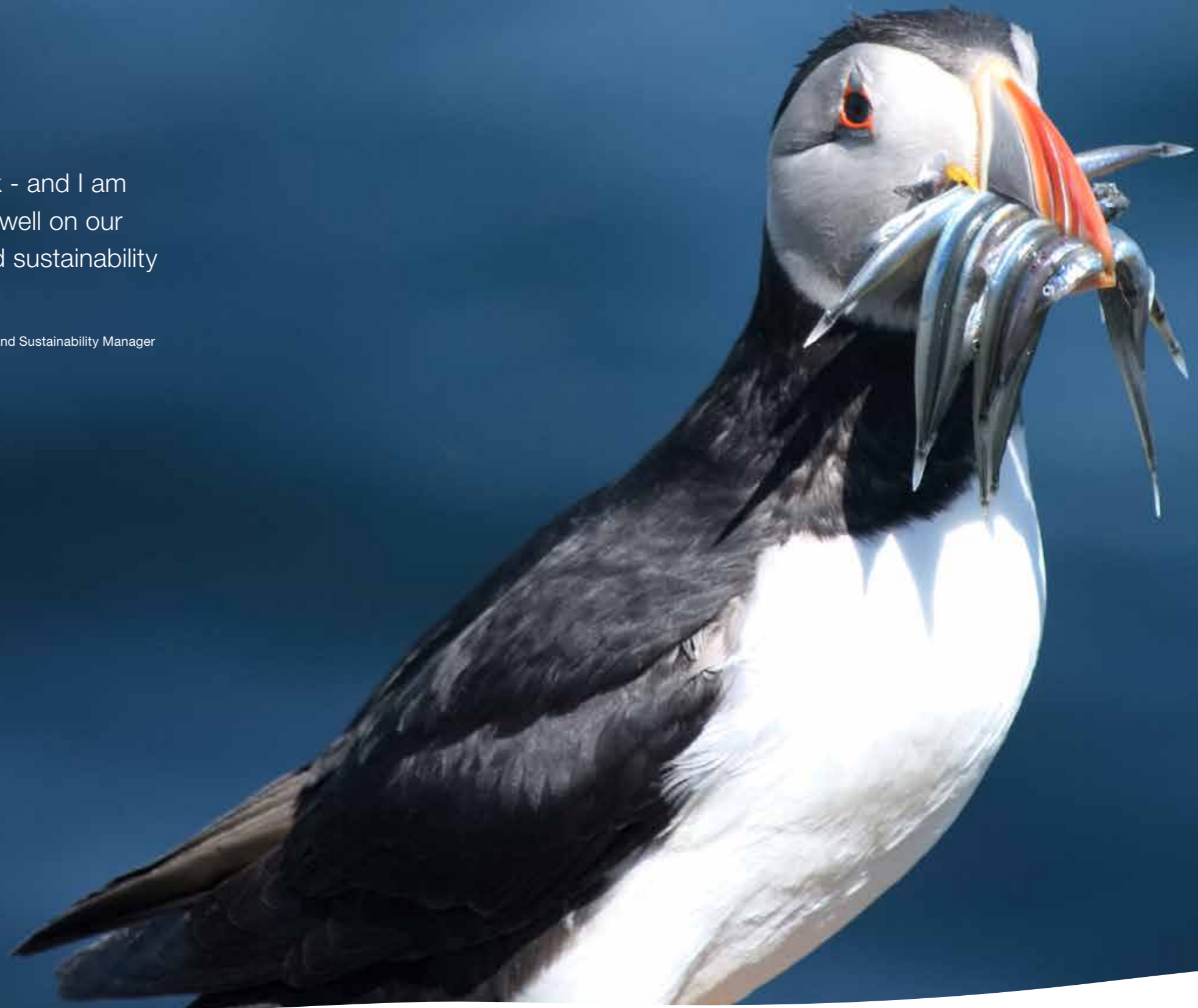
Our fleet emission and consumption data 2021

FUEL TYPE	Consumption (metric tonnes)	Consumption%	SO _x emission (metric tonnes)	CO ₂ emission (metric tonnes)	CO ₂ emissions%	Energy factor MWh/metric tonne fuel	Energy consumption (GWh)
Natural gas	295 716	88.66%	Trace (negligible)	813 219	87.26%	13.776	4 074
Venting 2021 (CO ₂ e)				30 087			
Intermediate fuel oil	28 041	8.41%	256.2	87 319	9.37%	12.031	337
Marine diesel oil / Marine gas oil	9 793	2.94%	13.4	31 397	3.37%	12.579	123
Total 2021	333 550	100%	269.7	962 022	100%		4 534



Sustainability is teamwork - and I am proud to say, that we are well on our way to establishing a solid sustainability culture in Høegh LNG.

Madeleine Hjemmen Storøy, Quality Integration and Sustainability Manager





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