



HÖEGH AUTOLINERS

ESG report 2021



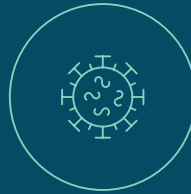
Highlights 2021



First carbon
neutral
voyage



Launch of
Aurora class
vessels



COVID-19
response



Admission
to trading
on Euronext
Growth



Sales
performance
≈ 1.5 M CEU
transportation

COVID-19 Response

- Signatory of the Neptune Declaration on Seafarer wellbeing and crew change
- 95% of our seafarers being fully vaccinated and none staying beyond 11-month contract period

Admission to trading on Euronext Growth

Höegh Autoliners was admitted to trading on Euronext Growth Oslo on 29 November 2021.

Launch of Aurora class vessels

- The Aurora class is a zero carbon ready vessel
- The Aurora class will be the largest and most environmentally friendly car carrier ever built

Höegh Autoliners signed a Letter of Intent (LoI) with China Merchants Heavy Industry to build a series of its Aurora class vessels. Under the terms of the LoI, the first two vessels will be delivered already in the second half of 2024, while the next two are slotted for the first half of 2025.

With its capacity to carry up to 9 100 cars Aurora will be the world's largest and most environmentally friendly car carrier ever built.

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Statement from CEO

“With the solid foundation we have built in 2021, we will continue our strategic development to lead the way towards a net zero emissions future for our industry and support our customers in decarbonising their supply chain.”

Andreas Enger, Chief Executive Officer

With the on-going COVID-19 pandemic experienced in 2021, Höegh Autoliners continued its efforts on safeguarding its people and financial position, while sustaining its ocean services. It was a challenging and tough time for many. Thanks to the hard work and dedication our people continued to demonstrate both at sea and on shore, 2021 was an extraordinary year for Höegh Autoliners.



I would like to highlight the many milestones we achieved:

- Becoming a signatory of the Neptune Declaration on Seafarer wellbeing and crew change
- Successful trial of our first carbon neutral voyage from Europe to South Africa
- Launch of our zero carbon ready Aurora class vessel
- Joining the Getting to Zero Coalition-call to Action for decarbonising shipping
- Admission to trading on Euronext Growth

With a focus on getting our seafarers back home to their families, I am pleased to report that by the fourth quarter, none of our crew members stayed onboard longer than the 11-month contract period. And, through combined efforts we were able to source vaccines for our crew, which has resulted in 95% of our seafarers being fully vaccinated.

We continuously developed our service offering driven by our strong commitment to sustainability. In March 2021, we successfully completed our first carbon neutral voyage from Europe to South Africa which demonstrated that the use of advanced biofuels to run existing fleets has a strong potential to significantly reduce emissions today, while new ship technologies evolve.

Höegh Autoliners set a clear ambition to reach net zero emissions by 2040. Launching our zero carbon ready Aurora class vessel in April 2021, represents a definitive step in reaching that target. With DNV's ammonia and methanol ready notations, together with a capacity to carry up to 9 100 cars, the Aurora class will be the world's largest and most environmentally friendly car carriers to be built.

In November 2021, the Company was admitted to trading on Euronext Groth, solidifying our solid business strategy to accelerate our path to zero, expand the fleet and strengthen our market position in delivering low-to-zero emission transportation services to customers.

Höegh Autoliners continues to support the ten principles of the UN Global Compact. These principles are an integral part of our culture and important to us and our stakeholders. We believe that being transparent is key to everything we do and to us, it reflects running our business with high ethical standards.

With the solid foundation we have built in 2021, we will continue our strategic development to lead the way towards a net zero emissions future for our industry and support our customers in decarbonising their supply chain.

Andreas Enger, *Chief Executive Officer*

Introduction

Our approach to sustainable business

As a signatory to the UN Global Compact (UNGC) and patron of the UN Global Compact Action Platform for Sustainable Ocean Business, we are committed to conducting business in a safe, responsible, and transparent manner.

In this annual communication on progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture, and daily operations.

We also commit to sharing this information with our stakeholders using our primary channels of communication.

Four pillars of our framework



**A responsible
business partner**



**Reducing our
environmental footprint**

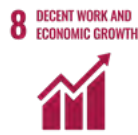


**Creating a safe and
inclusive place to grow**



**Protecting life
below sea**

UN Sustainable Development Goals



About this report

This report entails the highlights of our non-financial performance for 2021 which includes disclosures on Environmental, Social, and Governance (ESG) performance, targets, KPIs, policies and sustainability oriented projects.

Reporting Standards

The 2021 ESG Report is in line with the Global Reporting Initiative (GRI) Core Option, Task Force on Climate-Related Financial Disclosure (TCFD), UN Sustainable Development Goals (SDGs), and GHG (Greenhouse Gas) Protocol.

Getting to Zero Coalition and Call to Action

In September 2021, we reaffirmed our long-standing commitment to sustainability by becoming a signatory of the “Getting to Zero” coalition’s Call to Action for Shipping Decarbonisation. The Call to Action presents three demands: commitment to decarbonising international shipping by 2050; support industrial scale

zero emission shipping projects through national action; and deliver policy measures that will make zero emission shipping the default choice by 2030.

Science Based Target Initiative – SBTi

Science Based Target Initiative is an organisation that helps companies reduce their greenhouse gas emissions. This is done through targets aligned with both the businesses ambitions, and the 1.5°C and 2°C goals of the Paris agreement. In September 2021 we joined the initiative and committed to set our target to well-below 2°C by 2030. SBTi is a partnership between organisations such as CDP, UNGC, WRI, WWF.

Third-Party Verification

PricewaterhouseCoopers (PwC) was commissioned to verify our scope 1 and 2 GHG emissions. They have verified our data, data sources and HA’s reporting methods. Their statement can be found in the appendix.

Stakeholder engagement

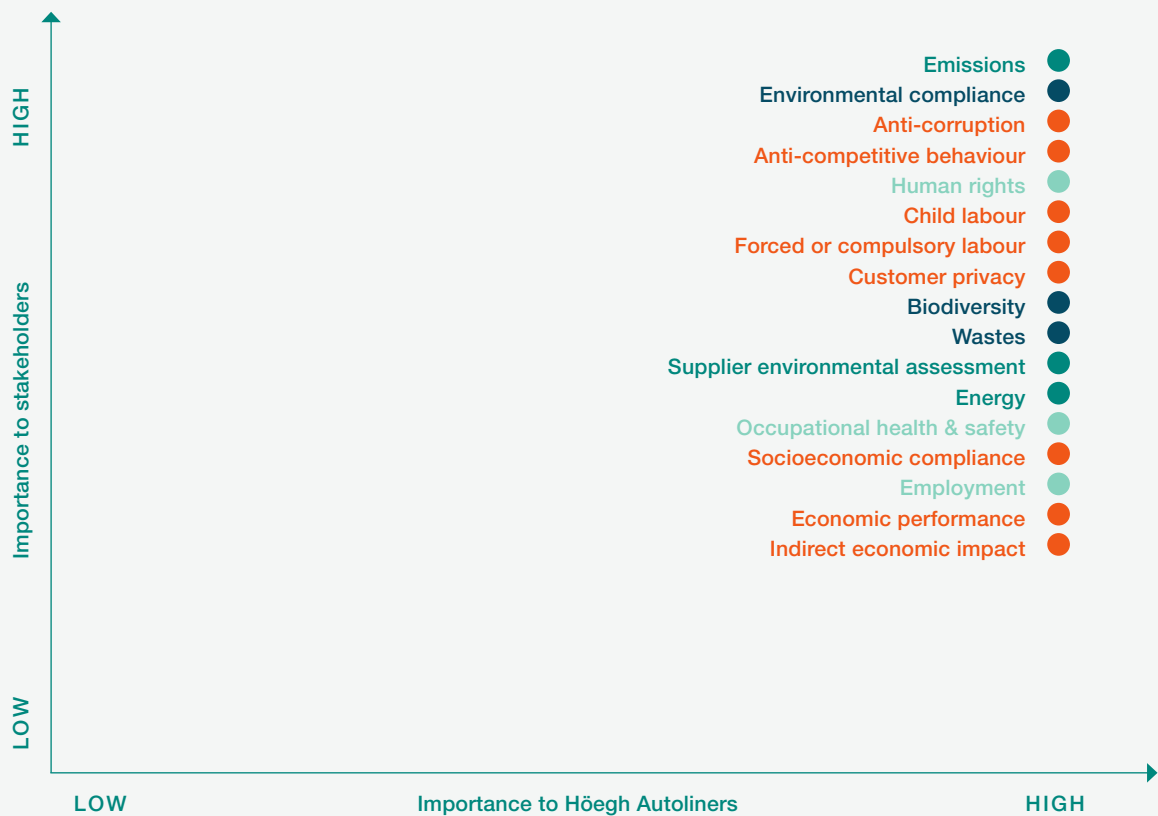
The priorities and focus areas in this report are considered material to Höegh Autoliners. These material topics are defined through Höegh Autoliner’s continuous dialogue with banks, investors, customers, employees and other relevant stakeholders. Höegh Autoliners’ stakeholders are particularly concerned about green house gas emissions, water pollution, water pollution, ship recycling, human rights, work safety, anti-corruption and business ethics.

Therefore, we have defined four areas, or pillars, through which we address our environmental, social and governance (ESG) responsibilities:

- A responsible business partner
- Reducing our environmental footprint
- Creating a safe and inclusive place to grow
- Protecting life below the sea

More information about our stakeholders, what material topics are important to them and how we communicate can be found on page 55.

Matrix of materiality assessment



- Reducing our environmental footprint
- Responsible business partner
- Protecting life below the sea
- Creating a safe and inclusive place to grow

Materiality assessment

Our materiality assessment helps us understand what matter most to us and to our stakeholders; how our business and related activities are perceived along our value chain. It further enables us to capture our impact across a range of non-financial parameters relevant to our business operations, and prioritize and define our strategy going forward. The material topics considered most important to Höegh Autoliners and our stakeholders is presented in the matrix on page 8.

Höegh Autoliners at a glance

Höegh Autoliners operates some of the most efficient and largest Pure and Truck Carrier (PCTC) vessels in the world. The Horizon series can transport up to 8 500 car equivalent units (CEU) and has been designed to minimise its impact on the environment. The Horizon class is built on state-of-the art technology resulting in approximately 40% less CO₂ emitted per shipped unit and nautical mile compared to a standard car carrier.

In total, Höegh Autoliners transports around 1.5 million CEU as well as other rolling and static cargo. In addition to the deep sea trades, the company provides shortsea services in the Caribbean with a wide selection of ports.

Höegh Autoliners operates some of the most efficient and largest PCTC vessels in the world.

About Höegh Autoliners



Our corporate head office is located in Oslo, Norway



Nature of business: Deep sea RoRo provider



≈ 375 office employees from 22 nationalities



≈ 1 250 seafarers through our crewing offices in the Philippines and China



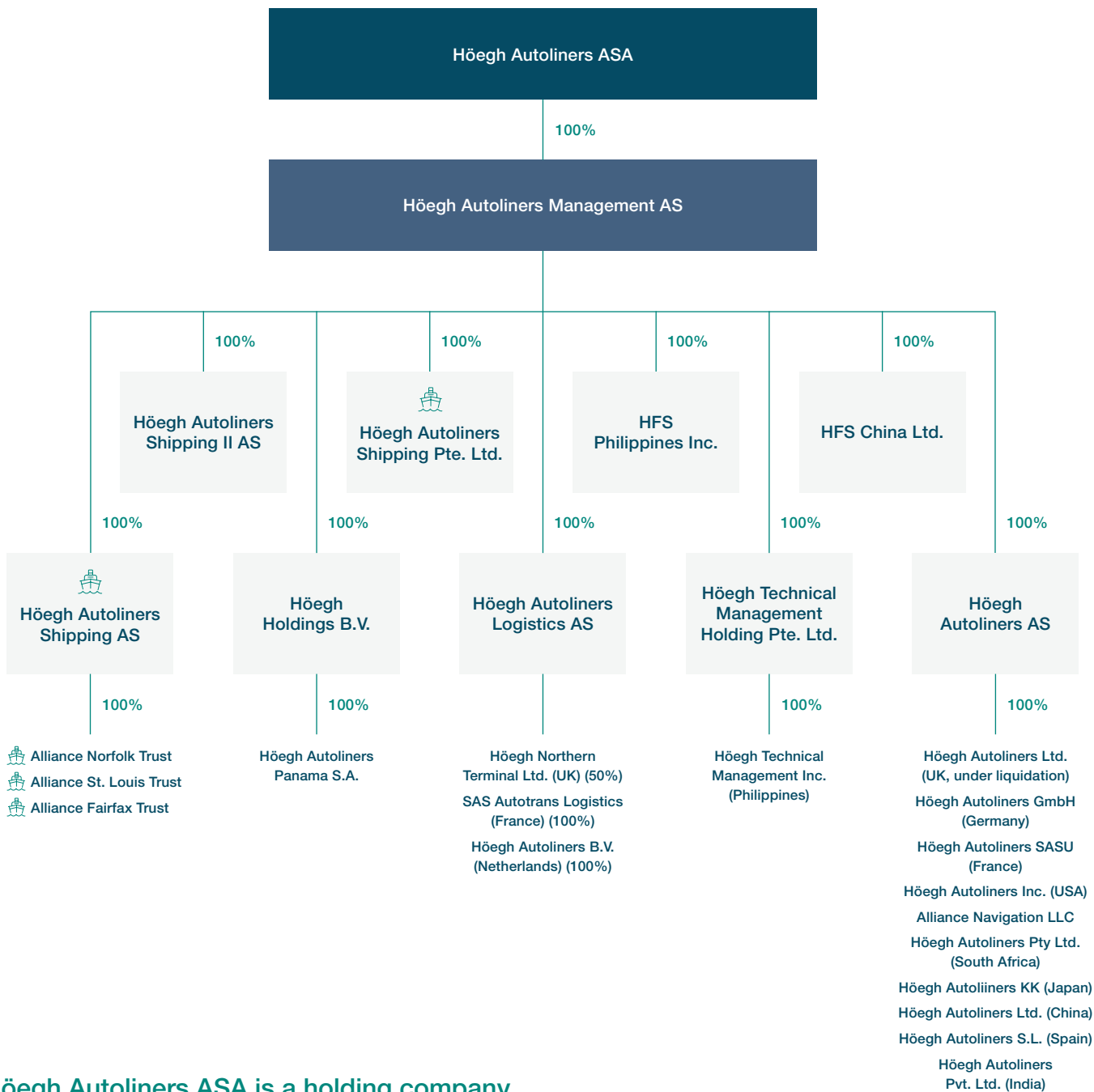
39 vessels (26 owned and 13 chartered in) with a capacity ranging from 2 300 to 8 500 CEU



The average age of the fleet is 14.5 years

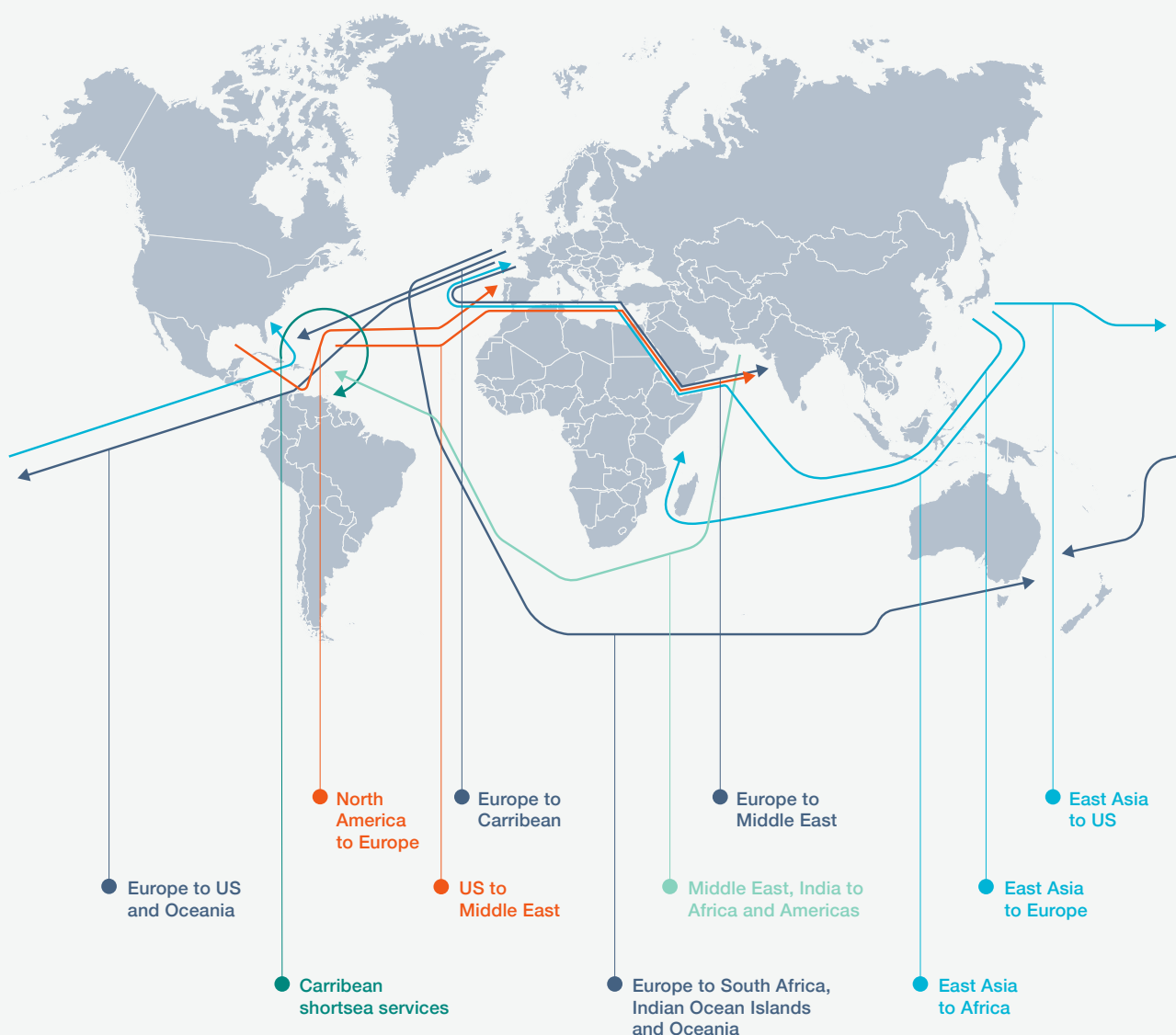
Höegh Autoliners ASA's legal structure

 Shipowning



Höegh Autoliners ASA is a holding company and the operations are carried out through the Company's operating subsidiaries.

Trade routes



Höegh Autoliners operates 11 global deep sea trades and engage in a shortsea service in the Caribbean. With more than 3 000 port calls annually, we offer our customers a global network of ports.



Shipping for the future

In this interview with Leif Høegh, Chair of Høegh Autoliners, we explore the zero carbon potential of the Aurora class vessels, and the Company's sustainable strategy.

– As an inherent business value, sustainability has been and is at the core of Høegh Autoliners' operations. The Company has a solid history on emission cuts and long-term efforts to combating climate change and is on a clear path towards a zero emissions future. For us it is not about compliance, but sustainable leadership says Leif Høegh, Chair of Høegh Autoliners.

The auto shipping industry is changing. Supply and demand for zero emission vehicles is increasing, and Høegh sees clearly that a further investment in a zero emission future is both the responsible thing to do and what the customers demand.

– Høegh Autoliners is at the forefront in sustainable deep sea RoRo shipping, operating the most fuel-efficient fleet in the segment. Between 2008–2021, we achieved an improved carbon intensity of 30% across our fleet and we are already in a good position to meeting the IMO 2030 target of 40% reduction, Høegh adds.

Leading the way towards net zero

The adoption by the International Maritime Organization of a reduction of GHG by at least 50% by 2050 has sent a strong signal to the industry and one which Høegh has made an ambitious move towards.

– We want to lead the way towards net zero emissions and have made significant headway with our transformational green fleet renewal strategy. Our zero carbon ready Aurora class

“We want to lead the way towards net zero emissions and have made significant headway with our transformational green fleet renewal strategy.”

Leif Høegh, Chair of Høegh Autoliners

vessels will have DNVs “ammonia ready” and “methanol ready” notations, making the vessels the first in the segment to be ready to operate on zero carbon ammonia, says Høegh.

Shipping is a capital-intensive industry and the vessels Høegh Autoliners design today will be operating for up to 30 years. Therefore, flexibility is key as the Company does not know what the technology will look like in 10 years. Securing the first two vessels already by 2024, Høegh is making a bold move towards net zero.

– Sustainability is our strategy, and with this move we are positioning the Company for a first to zero leadership position.

Sustainable business model

With a deep commitment to sustainable business, Høegh Autoliners has been working strategically in partnership with customers to support in decarbonising their supply chain.

– We have seen a shift in the market over the past few years with the demand for zero emission vehicles, the needs of our customers and the

tightening of regulations. All of these elements contribute to the increasing demand for more sustainable solutions throughout the supply chain.

As such, the Company is moving towards a net zero emission supply chain. But it is not just about supporting customers, the Company is also working with partners to find innovative new ways to meet the challenges ahead.

– We have high standards when choosing our suppliers and believe it's critical that we work in true partnership with them. The latest partnership with China Merchants Heavy Industry (CMHI) is a good example of working with one of the most reputable and largest shipbuilding groups in China to ensure our new vessels are delivered in compliance with our high ethical standards.

– Social sustainability is an integral part of our company culture, both on shore and at sea. We take pride in employing our own seafarers to operate our vessels, and we have a strong focus on compliance throughout our organisation, Høegh concludes.

Task Force on Climate-related Financial Disclosure (TCFD)

The Task Force on Climate-related Financial Disclosure (TCFD) is a standardised reporting method. The method establishes a framework for reporting on companies governance, strategy, risk management, metrics and targets for handling climate related risk. This is increasingly important for stakeholders.

Governance

The board’s oversight of climate related risks and opportunities

The board is the governing body that approves the overall strategy of the Company. Through approving and issuing new and revised policies, the board incorporates all aspects of Höegh Autoliner’s business, including matters related to climate and other ESG aspects.

The management’s role in assessing and managing climate related risks and opportunities

Management regularly engages with industry experts in developing recommendations for the board on climate-related risks and opportunities. The management perform a quarterly risk review where environmental regulations and related risks are included. The risk report is also shared with the board. The management group also monitors, reviews and sets targets for each ESG KPI regularly. An example of a target that the management has set in 2021, was our ambitious goal to reach net zero carbon emission by 2040.

Potential financial impact

Small	< 3 USD million
Medium	3–6 USD million
Large	> 6 USD million

Physical impacts of climate change

Risk category Physical

Description

Short term (0–3 years):
Reduced air quality, flooding of ports and canals, hurricanes, wave heights etc. can harm both personnel, cargo and assets. This may lead to operational downtime and increased operational costs.

Medium term (3–10 years):
Extreme weather conditions may affect suppliers or local infrastructure (access to port/locks). This can potentially lead to disruptions and project delays, which, again, can have financial and reputational impact.

Long term (>10 years):
Climate changes can lead to extreme conditions, causing conflicts, instability, disruptions and migrations. This can affect Höegh Autoliners’ operational profile and lead to increased operational expenditure.

Potential Financial Impacts

Extreme weather may lead to increased idling time and inefficient trading patterns, which may result in loss of revenue for Höegh Autoliners and increased operational costs.

Potential financial impact Small

Risk short term Low

Risk medium term Medium

Risk long term Medium

Mitigating actions Accurate and reliable weather routing system may become more important in the future to avoid rough weather and seas.

Transition to a low carbon economy

Risk category Regulatory	Risk category Reputational	Risk category Market & Technology
<p>Description The future emission and environmental regulations are necessary for the maritime industry to reduce its footprint. Non-compliance with these regulations may lead to fines or even non-approval of documentation of compliance. There is some uncertainty related to future environmental regulations. In case carbon taxes are implemented, operational cost for Höegh Autoliners will increase.</p>	<p>Description Perception among parts of general public is that shipping is a polluting industry. There is a reputational risk related to not meeting future environmental regulations. Poor carbon intensity performance may result in bad reputation and loss of credibility among investors.</p>	<p>Description In a world with changing regulatory landscape, making investments in vessels and technology involves risk. The lifetime of a vessel within Höegh Autoliners is 30 years and the vessels ordered now will have to meet the emission regulations of the future. Market value of older tonnage may decrease in case they don't comply with the coming environmental regulations. There is uncertainty related to future propulsion and fuel technology.</p>
<p>Potential Financial Impacts To comply with future emission regulations, Höegh Autoliners can either choose to run on low carbon fuels, reduce operational speed, implement fuel saving measures or renew the fleet. These alternatives will likely increase operational cost and/or require investments. Speed reduction will likely also affect revenue of each vessel. There is also uncertainty around how to comply with possible future unknown regulations. Increased operational costs may affect Höegh's market position and customer base.</p>	<p>Potential Financial Impacts Not having a green profile may impact outcome of tender processes and result in a negative revenue.</p>	<p>Potential Financial Impacts Investment in converting existing tonnage and fleet renewal may be necessary. Older vessels may become non-compliant possibly leading to early recycling or decrease in asset value. Betting on the "wrong" fuel may become costly.</p>
<p>Potential financial impact Medium</p>	<p>Potential financial impact Medium</p>	<p>Potential financial impact Large</p>
<p>Risk short term Low</p>	<p>Risk short term Medium</p>	<p>Risk short term Low</p>
<p>Risk medium term Medium</p>	<p>Risk medium term Low</p>	<p>Risk medium term Medium</p>
<p>Risk long term Medium</p>	<p>Risk long term Low</p>	<p>Risk long term Medium</p>
<p>Mitigating actions Höegh Autoliners is currently undergoing a fleet renewal program. We are currently operating some of the worlds' most fuel-efficient vessels in the segment and the Aurora class will elevate efficiency to a new level. Höegh Autoliners also funds a research group called Smart Maritime to get access to the latest research results in the field of low carbon shipping.</p> <p>We are proud members of the Getting to Zero coalition, Call to Action and frequently in dialogue with DNV and Norwegian ship owners' association in order to acquire latest information about technological and regulatory developments. Höegh Autoliners continuously works on improving the fuel efficiency of the operated flapproach to regulatory compliance.</p>	<p>Mitigating actions Being proactive and preparing for all coming environmental regulations. Maintaining a close dialogue with banks, customers, regulatory bodies and other stakeholders.</p>	<p>Mitigating actions Höegh Autoliners is part of research program Smart Maritime, which gives us access to their latest research. Höegh Autoliners works closely with its customers to stay ahead of future demands for technology and solutions. This positions us to make the right decisions for the future. Höegh Autoliners Aurora class vessels are designed with a dual fuel engine that can run both on LNG and MGO. The vessel is also designed with ammonia and methanol ready class notations, which provides fuel flexibility for future operation on carbon neutral fuels.</p>



Climate related opportunities

As a result of increased focus on mitigating climate change and reducing the environmental footprint of the industry, new opportunities arise for Höegh Autoliners. The ones we have identified as most important are:

- Improved fuel efficiency doesn't only mean complying with emission regulations, it also means reduced operational cost. With high fuel prices and implementation of proposed taxes, fuel efficiency will continue to be important. Compliance with and exceeding targets will become an opportunity to reduce operational cost.
- Exceeding environmental targets and regulations will also help the Company to strengthen its branding around sustainability. Most of the large customers say that sustainability is one of the selection criteria in tender processes.
- Low carbon intensity figures and reaching ambitious goals may also open for green financing and capital.
- During the past years, we have seen an increase of electrical vehicles being shipped. The change from fossil fuels to electric cars will likely generate opportunities for Höegh Autoliners. The Aurora class vessels are designed to carry the heavier electrical vehicles on all cargo decks. In Sustainable Development Scenario assumptions of International Energy Agency – World Energy Outlook 2020, around 50% of the sold global light vehicle fleet will be carbon neutral by 2030 (electric or hydrogen powered).
- The transition to a carbon neutral maritime industry will affect all shipping companies. Being smaller and more agile may be an advantage in this transition. With the possibility of 12 Aurora class vessels, the Höegh fleet will already be in a very good position to meet IMO's proposed target carbon intensity by 2030.
- At current operational speed, the Aurora class vessel is designed to meet IMO's proposed CII target by 2030. While most other vessels in the world fleet will have to reduce speed, run on low carbon fuels or implement fuel saving measures.

Risk management

The first step in identifying and assessing risks is data and intelligence gathering. Höegh Autoliners pays close attention to the work of IMO, relevant research, global macro trends and the development of local and global regulations. The second step is to evaluate the potential impact of each regulation or event, along with the likelihood of its occurrence. The risk is a product of impact and likelihood and is continuously updated. The result of the risk assessment is included in the Company’s quarterly risk report.

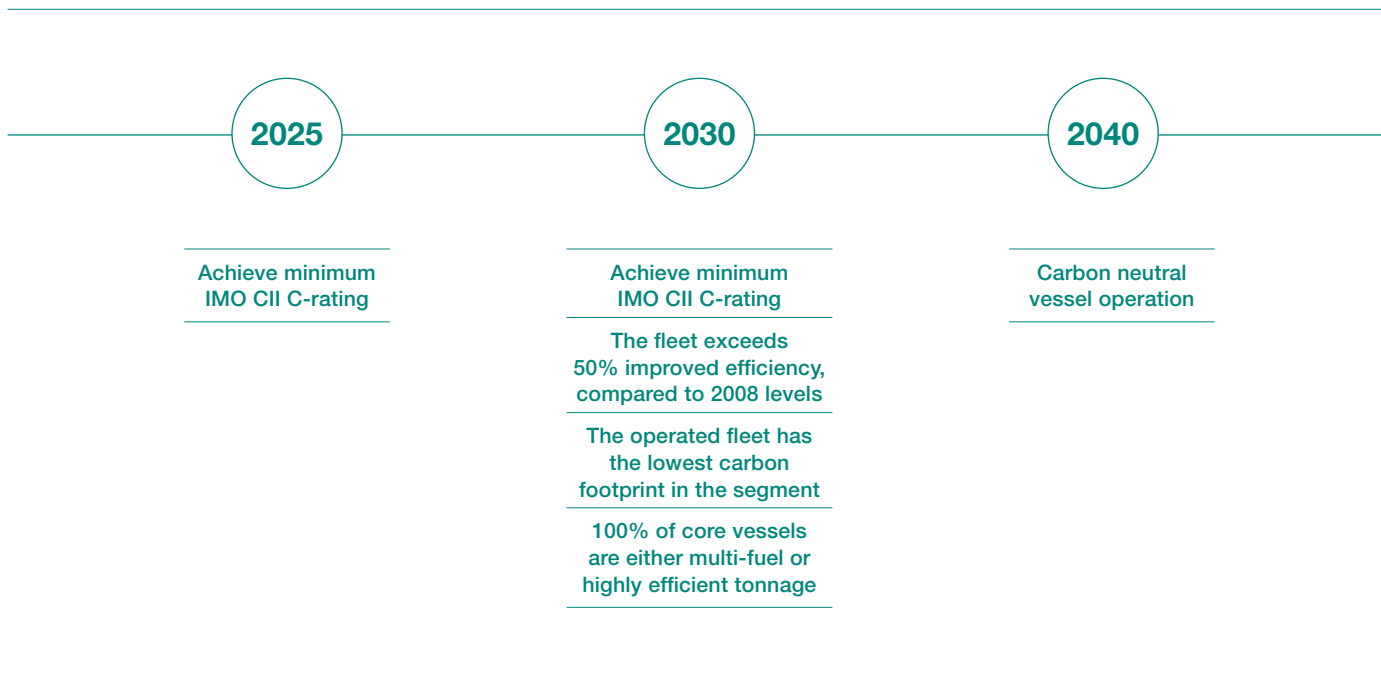
In order to manage and mitigate risk, Höegh Autoliners include various scenarios for development of regulations, fuels prices, ETS, CO₂ levy, technologies and the market, in its budgeting and forecasting. The recent efforts to become and maintain our position as the PCTC operator with the lowest carbon footprint among the large actors is a result of such a risk assessment process.

The cross functional ESG group is responsible for identifying and assessing climate related risks and mitigating actions. Head of Sustainability informs the steering committee about risks and suggested mitigating actions. The committee informs the Board.

Targets used to manage climate-related risks and opportunities

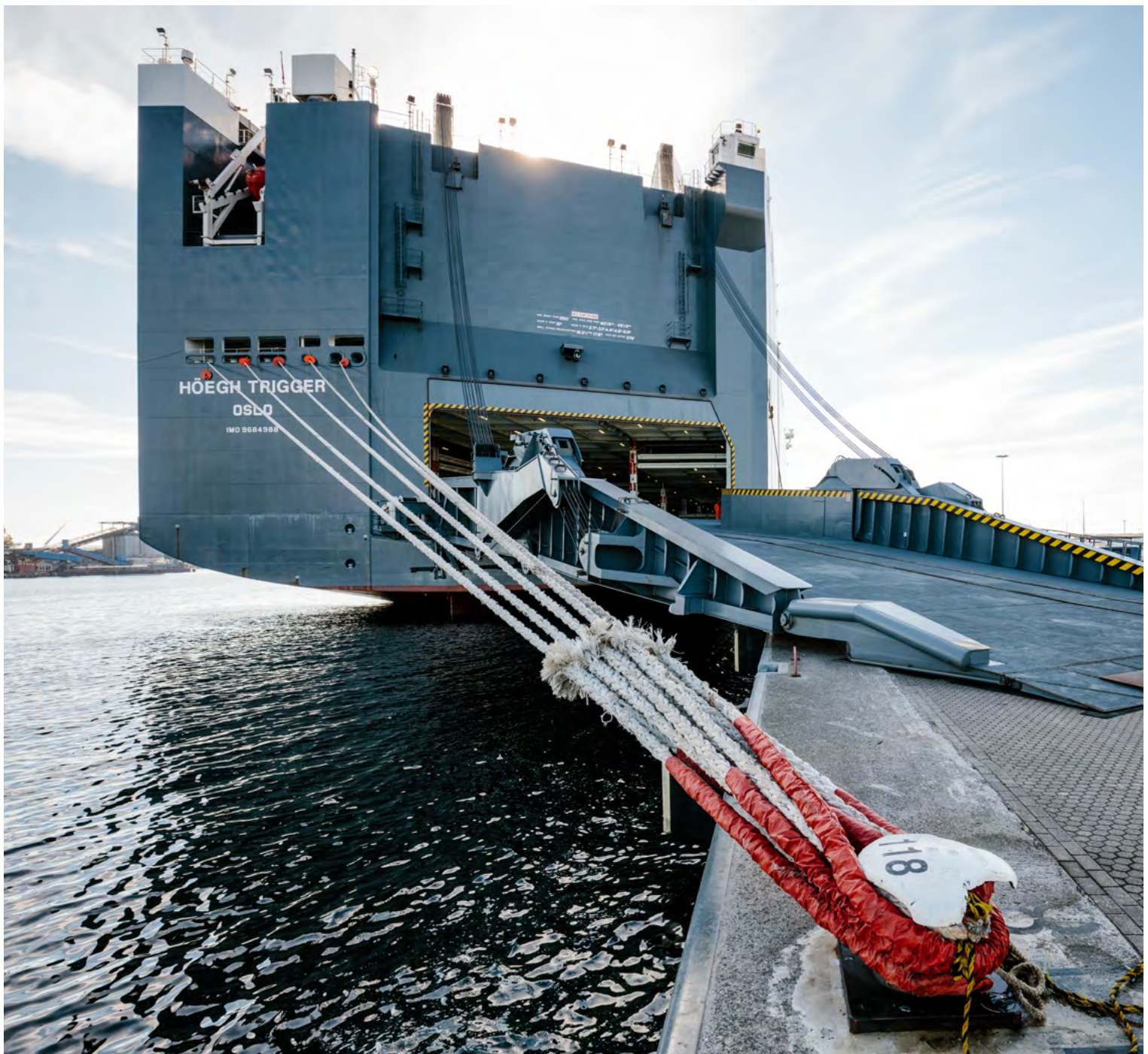
Höegh Autoliners’ ambition supports our customers in decarbonising their supply chains through providing cost effective and sustainable ocean transport. The emission goals that the management of the company has set are divided into short (2025), medium (2030) and long term (2040) goals.

Emission goals 2025, 2030 and 2040



The transition to a carbon neutral maritime industry will affect all shipping companies. Being bold, agile and professional will become an advantage in this transition.

With the possibility of 12 Aurora class vessels in the Höegh fleet, we will be in a good position to meet IMO's proposed target carbon intensity 2030.



Sustainability focus

Page 20 Responsible business partner

Page 24 Reducing our environmental footprint

Page 30 Creating a safe and inclusive place to grow

Page 40 Protecting life below the sea

SUSTAINABILITY FOCUS

Responsible business partner

Höegh Autoliners is committed to deliver the best service to its clients and stakeholders, while ensuring compliance with ethical business principles, applicable laws, and environmental and community norms.

Economic performance
Indirect economic impact
Anti-corruption
Child labour

Forced or compulsory labour
Socioeconomic compliance
Customer privacy



Economic performance, Indirect economic impact

GRI 201-1, 201-3, 201-4, 203-2

The Group has two operating segments, Shipping services and Logistics services. The Logistics segment represents around 0.5% of the Group’s total revenue, profit or loss and assets. The Group has decided that the segment is not material to the Group for the period ended 31 December 2021 and has reported information as one combined segment. Total revenues for 2021 was USD 947 million compared to USD 737 million for 2020. Operating expenses for 2021 amounted to USD 743 million, compared to USD 572 million for 2020. Included in operating expenses are shipping related operating costs and administrative expenses (including employee wages and benefits). The net profit for 2021 was USD 125 million compared to a loss of USD 19 million for 2020. Included in the net profit for 2021 is a reversal on impairment loss of USD 96 million.

The Group provides defined contribution plans, defined benefit plans and other post-employment benefits. Contribution plans comprise plans whereby the companies make annual contributions to the employees’ pension plan. The return on the plan assets of each employee will decide the ultimate pension benefit. Contributions to the plans are expensed as pension costs. Norwegian employers are obliged to have an occupational pension scheme for their employees under the Act on Mandatory occupational pension. The Group is in compliance with these regulations. The Group has per year-end 2021 defined benefit plans for employees in China and the Philippines. The schemes in China and the Philippines are considered immaterial, hence no detailed disclosures are provided.

The Group has not received any financial assistance from government or governmental organisations during the reporting period. No government is present in the shareholding structure of Höegh Autoliners ASA.

In 2021 the Company initiated a mentoring programme in Oslo for young adults with an immigrant background. The initiative will continue in 2022. The Company also contributed

with a donation to the Red Cross in support of those affected by Typhoon Odette. Staff in Manila donated to chosen charities during the Christmas period.

Anti-corruption

GRI 205-1, 205-2, 205-3

Calls at ports or net revenue in countries that have the 20 lowest rankings in Transparency International’s Corruption Perception Index	21
Number of incidents where bribes/facilitations payments have been requested	5
Total monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and/or regulations	0
Whistleblowing complaints registered	0
Employees taking anti-corruption training	86

In addition, all our 77 new employees have completed anti-corruption training as part of their onboarding assignments.

For more information regarding anti-corruption data, please see Anti-corruption Data Appendix.

Target for 2022 is that 100% of the employees should have completed the anti-corruption training. In 2021 we launched a digital training platform making training more accessible.

Höegh Autoliners takes a stand against corruption and work on several arenas to abolish the use of corruption, bribery and facilitation payments. Höegh Autoliners enforces a zero-tolerance policy for corruption of any kind.

We are committed to conducting business in accordance with the high ethical standards reflected in our Anti-Corruption Policy and Code of Conduct. We monitor our activities closely in ports located in countries on Transparency International’s Corruption Perception Index list of the 20 lowest ranked countries.

We actively seek to build a compliant culture by:

- having a zero-tolerance line against corruption
- regular messages from the management emphasising the importance of compliant behaviour

- having clear policies and trainings
- encouraging people to speak up against corruption in the line or through our confidential whistleblowing portal
- provide support to people in the organisation who face threats or harassment when saying no to facilitation payments

All persons representing Höegh Autoliners and its subsidiaries are required to follow our Anti-Corruption Policy and Code of Conduct. We require all suppliers to adhere to the requirements in our Supplier Code of Conduct.

In line with our work against corruption, Höegh Autoliners takes pride in being one of the co-founders and an active member of the Maritime Anti-Corruption Network (MACN).

MACN is a global business network working towards its vision of a maritime industry free of corruption that enables fair trade to the benefit of society and therefore for all. By adopting the MACN Anti-Corruption Principles, communicating progress on implementation, sharing best practices and creating awareness of industry challenges, we are promoting good corporate practice for tackling bribes, facilitation payments and other forms of corruption.

Since 2015, Höegh Autoliners has taken part in MACN's collective actions campaigns, including the 'Say No'-campaign in the Suez Canal to reduce demands for facilitation payments for passage or routine services.

We provide regular guidance and trainings to the organisation on anti-corruption, to ensure that everyone is aware of their responsibilities and are ready to handle any difficult situations in relation to corruption, bribery or facilitation payments.

Tailored guidance is provided to seafarers to assist them fighting demands for facilitation payments. In 2021 a new training provided by MACN on how to handle corrupt demands and facilitation payments was distributed to all seafarers and to targeted onshore operational personnel. In 2021, a targeted survey was distributed to the seafarers to better understand the challenges with corrupt demands, as well as the need for communication and training. We have

developed and distributed a 'Say NO to corruption'-leaflet to our vessels as well as signs relating to our Anti-Corruption Policy, as a reminder of our strong stance against corruption. All incidents are recorded and reported to the Legal department. The seafarers have contact lines to local assistance and directly to the legal department for urgent assistance handling difficult situations.

Höegh Autoliners has created, developed and implemented learning programmes for all Höegh Autoliners' employees and agents that summarises the laws, policies and procedures to which we must adhere. We use a variety of learning approaches, ranging from gamified training via app, to online learning resources available on demand and deep dive sessions with our legal team.

For purposes of incident reporting, we have an external whistleblowing portal for all employees to secure that incidents or complaints are reported and dealt with correctly and ethically.

In the event of a supplier, sub-supplier, prospective supplier or any other person or group believes Höegh Autoliners Supplier Code of Conduct have been violated or breached, this person(s) may report such activity with strict confidentiality to Höegh Autoliners' legal department.

Child labour, Forced or compulsory labour, and Socioeconomic compliance

GRI 408-1, 409-1, 419-1

Incidents of child labour	0
Incidents of forced or compulsory labour	0
Reports of breach in the socioeconomic compliance area	0

For 2022 and 2025, we continue to have a target of zero incidents for child labour, forced or compulsory labour and non-compliance with laws and regulations for socioeconomic areas. The initiated supplier assessment will also cover child labour and socioeconomic compliance.

Customer privacy

GRI 418-1

Complaints received from outside parties and substantiated by the organisation	0
Complaints from regulatory bodies	0
Identified leaks, thefts, or losses of customer data	1
If the organisation has not identified any substantiated complaints, a brief statement of this fact is sufficient	N/A

During 2021 several phishing attempts targeting employees were detected and stopped. We had one case of compromised user credentials for a land-based employee, but there was no data loss (verified by third-party forensics).

Majority of privacy related handling of data, and thereby risk, is related to employees, and particularly the crew serving onboard our operated vessels. Personnel data is required for processing of crew contracts and verification of these by government agencies in our crewing markets, as well as for permissions needed for the crew to sign on vessels in ports around the world. Personnel data of next of kin is also in Höegh Autoliners storage in case of an emergency. The data is kept in the personnel system where access is limited to select employees who require access to data to perform their work. The crew and employees are duly informed of the requirement for personal data collection and the use of data.

We are committed to comply with the laws, but not limited to the General Data Protection Regulation (GDPR). As data privacy is important to us, we ensure that all information is secure even outside the European Economic Area (EEA). Our data privacy policy ensures that we inform the data owner of our practices such as: what and how the data will be used, to whom the data will be shared, and their rights as the data owner. Our Regional Operating Headquarters (ROHQ) in Manila has launched their data privacy manual and appointed a data privacy officer in compliance with the GDPR and Republic Act 10173 (Data Privacy Act of 2012 (DPA)). Privacy policy is managed by Legal, Global HR and HFS Philippines/HFS China.

Data Privacy targets for 2022 will be to focus on assuring that existing and future vendor relationships comply with the Schrems II ruling, in regards to data transfers between the EU and other foreign countries. The 2025 targets are to maintain the system integrity and resilience to ensure protection of the privacy data processed.

Data Privacy targets for 2022 will be to on assuring that existing and future vendor relationships comply with the Schrems II ruling.

SUSTAINABILITY FOCUS

Reducing our environmental footprint

Höegh Autoliners is committed to continuously reduce its environmental footprint. We are taking into account every activity and we seek to minimise our impact to the environment.

Emissions & Energy

Supplier environmental assessment



Emissions & Energy

GRI 302-1, 305-1, 305-2, 305-3

The fleet wide KPI for fuel efficiency is AER (AER data is based on preliminary reported figures and has yet not been verified by an independent third-party), and in 2021 the average AER of the vessels in HTM and our US Flag fleet was 5.26 g CO₂/GT*Nm. The EEOI of the same vessels was 24.6 g CO₂/km*t. The goal is to improve the AER and EEOI score by 2% by end of 2022 and 8% by end of 2025.

Emissions scope 1, 2 and 3

The emissions from consumed fuel and refrigerants used onboard have been registered and the greenhouse gases calculated to CO₂ equivalents. This is in line with the GHG protocol and amounts to a total of 1 330 000 MT CO₂e. Emissions in scope 2 mainly consist of emissions from purchased electricity. Scope 2 emissions are reported using both the location-based method and the market-based method. Location based emissions amount to 323 MT and market based emissions amount to 532 MT CO₂e. Emissions from purchased fuels and flights are covered in scope 3. 230 000 MT CO₂e is from transportation of fuel purchased, and 3 300 MT CO₂e is from flights, adding to a total of 233 300 MT CO₂e. 733 MT of direct CO₂-emissions was generated from burning 232 MT biofuel. In accordance with the GHG Protocol this has not been included in scope 1, as the emissions come from the fast carbon cycle.

Emission reporting is done in accordance with Höegh Autoliners' GHG methodology statement, which can be found on our webpages.

Emissions scope 1–3 in MT CO₂e

Scope 1	1 330 000
Scope 2	
Location-based	323
Market-based	532
Scope 3	233 300

Other emissions to air in MT

NOx	33 695
SOx	3 405
Particular Matter (PM)	2 847
Volatile Organic Compounds (VOC)	1 304
Black Carbon (BC)	115
CO	1 194

Energy mix

In 2021 the total amount of energy consumed was 17 500 GJ. From this, 0.1% was consumed from biofuel (232 MT), the rest from fossil fuels. 2000 MT CO₂ was offset.

Sulphur emissions

Höegh Autoliners only uses fuel that is compliant with IMO Global Sulphur Cap, 2020. No scrubbers have been installed and none will be installed on the Höegh fleet. Using scrubbers will increase fuel consumption as it requires additional auxiliary power.

Emissions

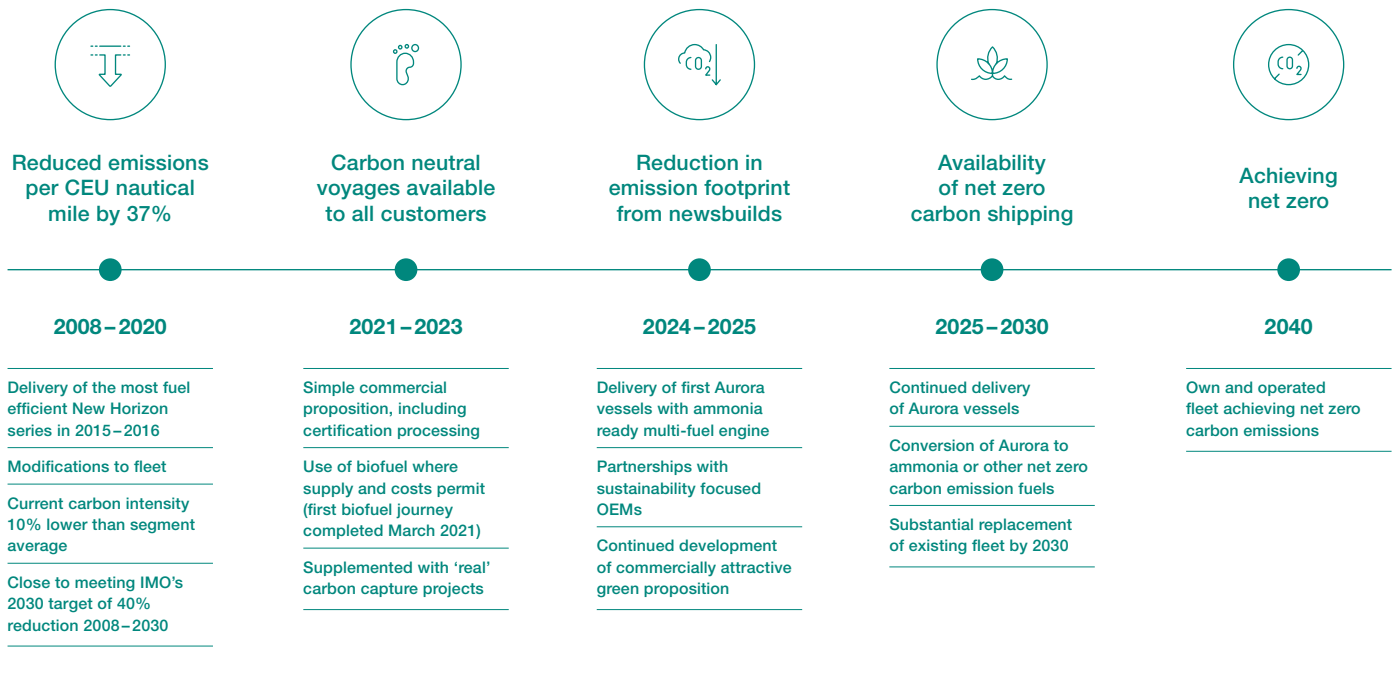
Höegh Autoliners' overarching ambition and target is to be carbon neutral by the year 2040. It is an ambitious target that we only can meet through hard work and in collaboration with our partners and customers. Sustainability and decarbonisation is an integral part of our business strategy and we believe that we are in a good position to reach our targets.

The strategy and milestones are described on page 26.

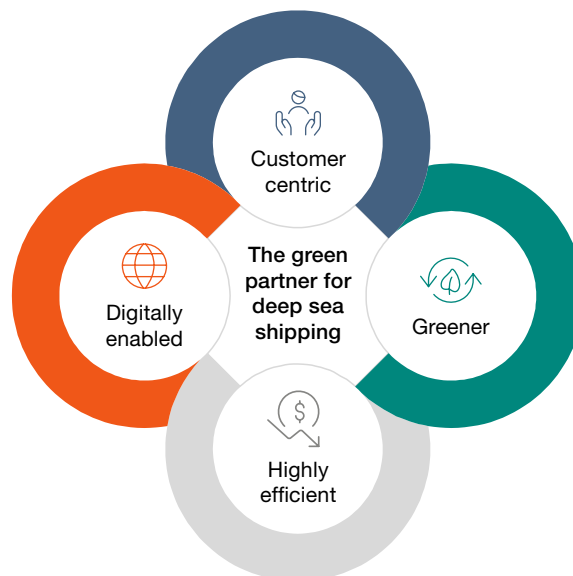
The Executive management team of Höegh Autoliners has identified four core strategic priorities which will bring the company to the goal of being "The green partner for deep sea shipping" of our customers. Low carbon and sustainable maritime solutions are at the core of the path to the strategic position Höegh Autoliners aspire to take within four years' time.

The core strategic priorities are shown on page 26.

Strategy and milestones



The core strategic priorities



Höegh Autoliners furthermore fully supports IMO’s 2030 and 2050 targets to reduce greenhouse gas emissions from shipping. IMO’s targets are to improve carbon intensity by 40% by 2030 and 70% by 2050 compared to 2008 levels. In addition IMO’s ambitions aims to cut GHG emissions at least by 50% by 2050. Our goal is to improve carbon intensity by minimum 50% by 2030 compared to 2008 levels. This means reducing emissions directly from fuel used during sailing, as well as minimising emissions from third-party services, for example flights and fuel transportation.

The foundation of the performance management system within Höegh Autoliners is the ship to shore reporting system (SSR). Every noon, arrival and departure, the vessels send detailed information about draught, fuel consumption, position, sailed distance etc., which enables the organisation to analyse the performance of the vessels and generate relevant reports that are shared widely within the organisation and used as a basis for decisions.

Höegh Autoliners has actively been working to improve the energy efficiency of its owned and controlled fleet for many years.

The effort has resulted in a structured approach towards more fuel-efficient operations and reduced fleet wide fuel consumption.

Biofuel trail voyage

In March 2021, Höegh Autoliners accelerated its decarbonisation efforts and successfully completed its first carbon neutral voyage from Europe to South Africa. During the voyage, the Horizon vessel Höegh Trigger ran on advanced biofuels meeting the highest sustainability standards. The successful trial voyage showed that biofuel is a viable choice for vessels in the fleet. Biofuel is unlikely to become the long-term solution for decarbonising the maritime industry, but we view it as a transition fuel until new ship technologies evolve.

Fuel saving measures in 2021

Our continued efforts to reduce our carbon footprint has positioned us as a leader in our segment, however we will continue to evaluate and implement measures that will reduce emissions further.

During 2021 we implemented the fuel saving measures shown in the table below.

Fuel saving measures in 2021

Measure	Estimated saving	Comment
Reduced propeller polishing intervals	0.2–0.4%	More frequent propeller polishing leads to reduced friction. The measure was implemented in H2 2021 so full effect is not visible in the 2021 numbers.
Fleet renewal program	0.5%	Phasing out of inefficient tonnage and initiating new building program.
Hull cleaning	1–4% per vessel	11 hull cleanings done in 2021.
Silicon antifouling	2–4% per vessel	The silicon anti-fouling was applied to two vessels in 2021. Results are to be evaluated.
Biofuel	100%	One test voyage of 232 MT biofuel was completed in March 2021. We are now offering operation on biofuel to all customers.

How to reach our 2022 goals

Our ambition is to maintain our position as the deep sea PCTC operator with lowest environmental footprint in the industry. Our ambitious goals require investments in energy saving solutions and continuous improvement.

The table below contains some of the measures we plan to implement or evaluate in 2022.

How to reach our 2025/2030 goals

We have developed a detailed plan for meeting the AER targets in 2025 and 2030. Improved efficiency, use of low carbon fuels and fleet renewal will enable Höegh Autoliners to meet or exceed the targets set by IMO and EU.

During 2021 Höegh Autoliners designed the Aurora class, which will have DNV's ammonia and methanol ready notations. The class will be the first in the PCTC segment ready to operate on zero carbon ammonia. Together with the capacity to carry up to 9 100 cars, the industry leading Aurora class will be the world's largest and most sustainable car carriers. The planned initiatives and fleet renewal program will further improve the fleet efficiency by approximately 20%.

Supplier environmental assessment

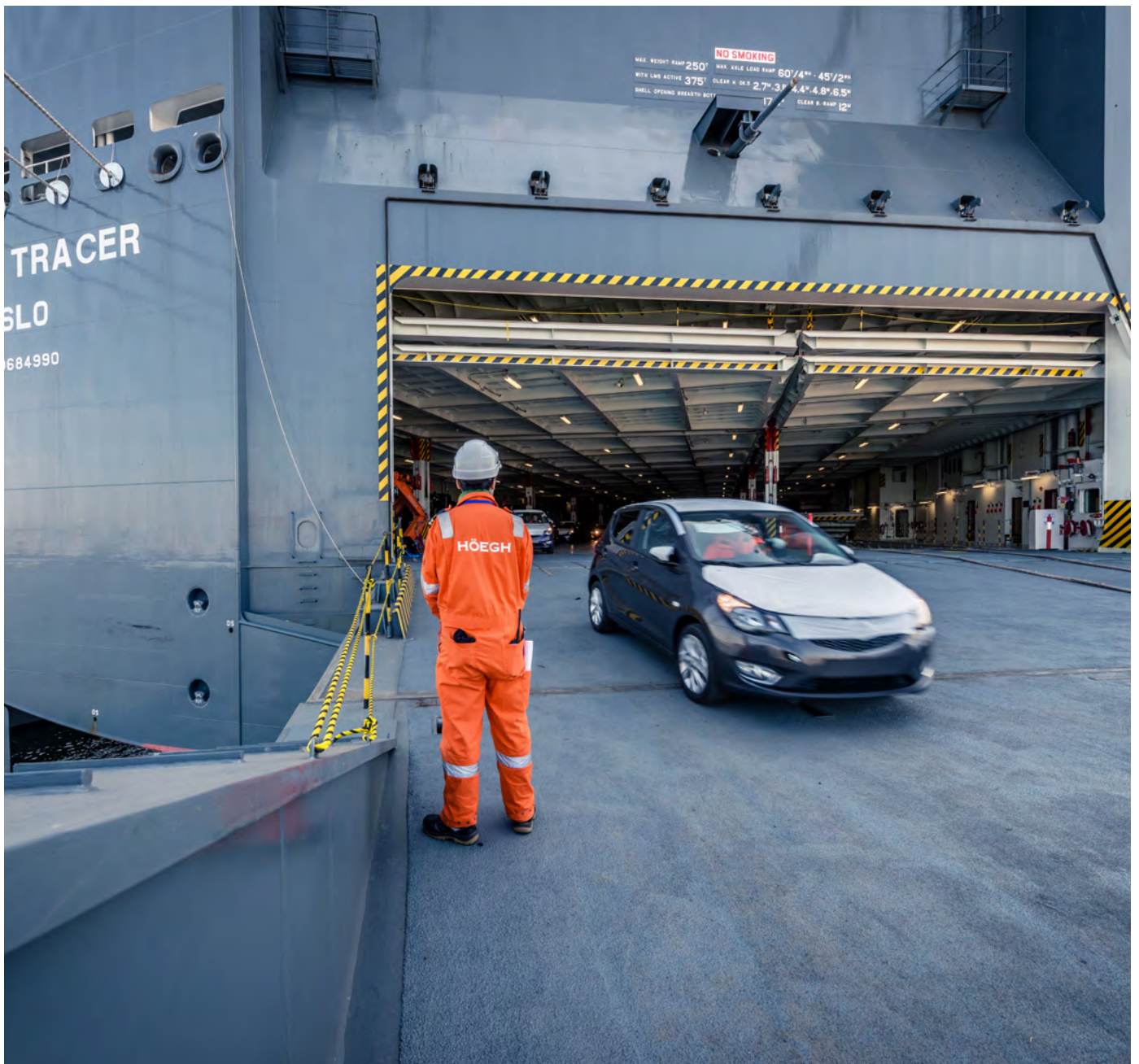
GRI 308-1, 308-2

All suppliers are required to sign Höegh Autoliners' Supplier Code of Conduct. To further enhance the ESG risk assessment in our supply chain we have launched a supplier assessment and monitoring program via a third-party partner. The system is online based and will be sent out annually. Through the system we will map and assess environmental, social and governance risks in our supply chain. Our goal for 2022 is to assess 50 suppliers and the goal for 2025 is to assess 90% of our suppliers through this portal.

When assessing new larger suppliers such as a new ship yard, we follow our procedure and checklist for inspection of external service providers and OCIMF's yard HSE inspection checklist. In November 2021 we performed an audit and assessment of the yard selected to construct the Aurora class. The assessment covers relevant aspects and risks of E, S and G.

How to reach our 2022 goals

Measure	Estimated saving	Comment
Reduced propeller polishing intervals	0.2–0.4%	More frequent propeller polishing leads to reduced friction. The measure was implemented in H2 2021 so full effect will be visible in the 2022 performance data.
Fleet renewal program	0.1%	Continue to phasing out of inefficient tonnage in 2022.
Hull cleaning	1–4% per vessel	Increased number of hull cleanings and testing of innovative in service hull cleaning technology on at least one vessel in 2022.
Main engine modification	5–10%	This measure holds high improvement potential but is also expensive to implement. During 2022 we will continue to evaluate saving potential and possibly make an investment decision.
Biofuel	100%	We are now offering shipping on biofuel to all customers.



Höegh Autoliners has actively been working to improve the energy efficiency of its owned and controlled fleet for many years. The effort has resulted in a structured approach towards more fuel-efficient operations and reduced fleet wide fuel consumption.

SUSTAINABILITY FOCUS

Creating a safe and inclusive place to grow

Höegh Autoliners is committed to providing a safe and inclusive workplace for everyone.

Employment

Human rights

Occupational health & safety



Employment

GRI 401-1, 401-2, 401-3

We had a voluntary turnover rate at 6.7% and 10% turnover in general in 2021, whilst we hired 76 new employees globally. Our global policy and practices ensure our temporary and part-time employees receive the same level of benefits as permanent employees. For 2022 and 2025 our ambition is to have a voluntary turnover of 5% or less.

Höegh Autoliners has a global parental leave policy, to ensure all employees are granted the opportunity to spend time with their new-born child or adopted child. The Company follows local rules and regulations for parental leave to ensure both the primary caregiver and co-parents have leave when they become a parent either through birth, surrogacy, or adoption. If leave is not provided by the government, the Company provides a set number of days granted to the employee immediately after the birth/adoption of their child.

Effective hybrid working arrangements globally will be a critical factor in improving and supporting parents and their careers. Additionally, hybrid working arrangements provides flexibility and work-life balance for our people. We will measure our success through engagement and wellbeing surveys with a target of positive year on year development on the specific measurements included in the surveys.

Parental leave by gender

Total number of employees that were entitled to parental leave	25 employees F = 13, M = 12
Total number of employees that took parental leave	25 employees F = 13, M = 12
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	25 employees F = 13, M = 12
Return to work and retention rates of employees that took parental leave	F = 100% M = 100%

For more employment data, see HR Data Appendix table.

Looking back at 2021, COVID-19 impacted day to day working life across the globe. The benefit of flexibility and more time at home during the pandemic, has been an important part in maintaining the wellbeing and work-life balance of our employees. In 2022 and the coming years we will focus on supporting people in caring for their families and monitor the use of benefits available such as parental leave, CARE days as well as unpaid leave as we move towards a hybrid working environment across our locations. Looking towards 2023–25 we will continue to implement our wellbeing strategy and will include wellbeing measures in our suite of surveys.

Human rights

GRI 412-1

Höegh Autoliners is committed to upholding human rights and we seek to raise awareness in our organisation related to human rights issues.

We have done a risk assessment as preparation for the implementation for the Norwegian Transparency Act. The due diligence assessment focused on compliance with basic human rights and decent working conditions, based on a proportional and risk-based mapping of our internal employees, operations, and our supply chain. Based on the due diligence assessments, we will implement measures to prevent or reduce negative effects on human rights and decent working conditions in our operations and our supply chain.

A systematic approach to supplier assessment, including human rights, has been initiated. [More information about this can be found under Supplier environmental assessment on page 28.](#)

We will also create a Human Rights policy in 2022 to ensure a systematic approach to this work.

Our compliance training is regularly updated and provided to all employees. The training is also mandatory for our agents and other external partners. Our target for 2022 is to update

our learning offerings include key human rights issues that are relevant to our operations, as well as seek a completion rate of 80%. Our 2025 target is to update and roll out an annual training for our employees and partners, and to seek a completion rate of at least 80%.

Occupational health & safety

GRI 403-1, 403-3, 403-8, 403-9, 403-10, 405-1

In 2021, we did not have any marine casualties. And zero defined as very serious marine casualties. Our target for 2022 and 2025 is to have zero casualties.

We continue to ensure the safety of both our employees on-shore and at sea, during the on-going COVID-19 pandemic. We have undergone several rotations between home working and hybrid working due to new COVID-19 variants.

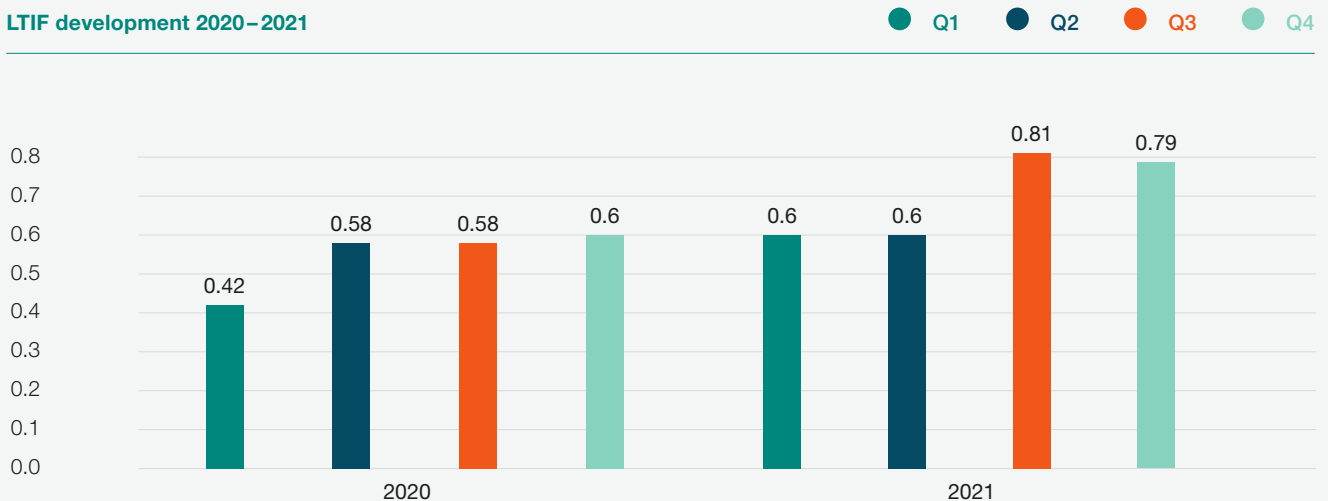
We have during 2021, through combined efforts from our crewing offices, port agents and Seafarers Welfare Centres been able to source vaccines for our crew. Currently, over 95% of our seafarers are fully vaccinated. Further, we are providing

crew with booster vaccines as well. Our crew continues to follow stringent routines both on board and at port, ensuring we deliver reliable logistical services to our customers. One of the greatest challenges during the pandemic has been to perform crew changes on time and within the COVID-19 restrictions, both in home country and country of embarkation/disembarkation. A special focus has been on carrying out scheduled crew changes and repatriating as many as possible by the end of their contract period. By the end of Q4, none of our crew stayed beyond the maximum period onboard of 11 months, as required by the Maritime Labour Convention.

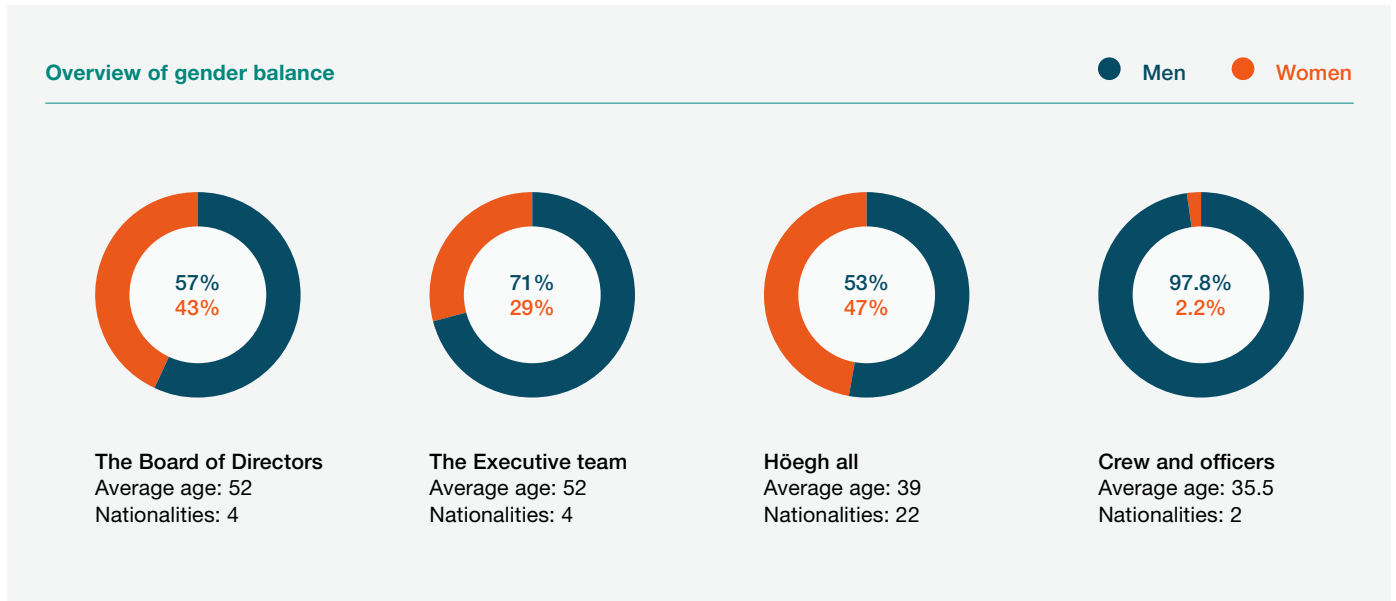
Höegh Autoliners deploys active safety management systems in both off- and on-shore environments to protect staff and safeguard against occupational hazards. We initiated a safety campaign onboard our vessels in late 2020, to reduce our exposure to unwanted events. The safety campaign involves remotely assisted training and assessments performed by a third-party service provider, internal training and follow up by our technical team.

In offices and onboard vessels, we have organised safety committees that ensure that workers participate in all matters of importance for the maintenance of a safe and healthy work practices.

LTIF development 2020–2021



More than 40% of the LTI cases for 2021 are related to onboard sport activities.



The crew on board is encouraged to perform physical exercises with regular intervals. Unfortunately, this has led to two Loss Time Incidents in 2021. The Company experienced five work related Loss Time Incidents in 2021. Four of the injured crew have fully recovered after the incidents, and one is still undergoing treatment.

The Safety management system is designed as a risk-based management system. Risks are identified and mitigated by applying a hierarchy of control awareness as part of the work preparation and execution.

The Company formally included ISO 45001 Occupational Health and Safety standard in the system in 2021 and was audited against the standard in November 2021. We aim to be certified according to ISO 45001 within Q1 2022.

Learning about the ISO 45001 standard, what it means to employees and the responsibilities everyone holds is one of the annual targets included in the plan for 2022.

Employee data

The recorded absence rate in the Company due to illness was 0.25% globally in 2021. Absence is a complex field with significant variations from country to country and the HR team together with leaders work together to follow up on absences. We carry out preventive activities to avoid future illness absence by offering health checks, ensuring good Health & Safety practices and following up on any concerns to make improvements.

The company will from 2022 monitor Loss Time Illness cases and Total Illness days for crew. All crew undergo medical health check prior to each deployment onboard. In 2022 and 2025 the organisation aims to have a LTIF <0.70 that is backed up by the safety campaign performed in 2021 and reinforced in 2022. Crew awareness is vital in having a low LTIF and the said activities will help on retaining a low LTIF. In cases where injuries and accidents occur, a policy on handling such situations is followed. All employees and crew are covered by occupational health and safety code.

Diversity and equal opportunity

As a company, we actively promote equality for all employees at sea and onshore and we are committed to strive for an inclusive organisation where each employee feels valued and welcome.

We offer career advancement opportunities, flexible working arrangements and employee engagement activities that supports our employees’ diverse backgrounds. We firmly believe that building and sustaining an inclusive and equitable working and learning environment within the organisation leads to a better workplace and stronger ideas. Our ambition is to continue to build an inclusive environment, making our employees feel valued and part of the company’s success. In promoting a safe and inclusive workplace the organisation has zero tolerance to harassment and discrimination.

We have a clear Diversity & Inclusion statement and policy when recruiting and onboarding new hires and for crewing in

particular proactively seek to attract more women by ensuring we offer equal opportunities and wages irrespective of gender.

To learn more about gender distribution across our locations and onshore employee categories, please see pages 44 and 45 in the appendix.

Gender distribution targets

For crewing, the aim for 2022 and 2025 regarding gender diversity is >2.2% and >2.5% respectively. For our onshore employees the aim for 2022 and 2025 regarding gender diversity is 48% and 50%.

Our D&I analysis shows we need to focus on supporting our diverse pipeline

As part of our diversity and inclusion efforts during 2021, we have conducted a global diversity and inclusion analysis for onshore employees in the fourth quarter. We will complete this analysis on an annual basis. The analysis reviews our policies, practices, routines as well challenges that we aim to address going forward to advance our diversity and inclusion work globally. The analysis has been part of the collaborative work between the human resources team and the employee participation group (AMU) in Norway.

For our 2021 analysis, you can read about the areas we have reviewed and our targets for 2022 and 2025 on the next page.

Our equal pay audit 2021

As part of our diversity and inclusion work we have also completed an equal pay audit. We have used an equal pay analysis tool from PIHR to conduct our analysis in 2021. We have used our job evaluation methodology HAY as the basis for the grouping of employees.

Based on our analysis and in line with our overall diversity and inclusion work we have decided on the following actions to continue our efforts within Equal Pay:

1. Improve our gender distribution at all levels.
2. Made adjustments in our 2022 salary review to close the gaps in identified areas.
3. Communicate the results of this Equal Pay audit to internal and external stakeholders.
4. Evaluate the Equal Pay Audit process for 2022 and plan next years work.

To read our analysis and learn about our findings, please go to pages 46 and 47 in the appendix.

Crew diversity

Nationality: HFSC = Höegh Fleet Services China, HFSP = Höegh Fleet Services Philippines

	Female		Male		Total			% female of total pool	
	HFSC	HFSP	HFSC	HFSP	HFSC	HFSP	Total	HFSC	HFSP
Officers	4	10	168	327	172	337	509	2.3%	3.0%
Cadets	2	4	35	86	37	90	127	5.4%	4.4%
Ratings	1	6	208	359	209	365	574	0.5%	1.6%
Total	7	20	411	772	418	792	1210	1.7%	2.5%

Area	Overview and 2021 focus	2022 and 2025 targets based on risk analysis
Recruitment	<p>In our analysis we highlight that bias can be a D&I risk in recruitment processes. To counter this, we have a competency-based approach to search, selection and recruitment that focuses on what skills candidates have rather on who they are. We have created a D&I statement in 2021 to guide our approach to recruitment and highlight our commitment to potential employees. We have also included bias awareness training for recruiting leaders.</p>	<ul style="list-style-type: none"> • 80% completion rate for bias awareness training for recruiting leaders to strengthen our pipeline of diverse potential leaders. • Include global participants in the NSA Maritime trainee program.
Compensation & Working conditions	<p>Our review identify wage disparities due to market differences across our locations as a potential risk. However, we use an internationally recognised job evaluation methodology and external benchmarking to define compensation globally. We also conduct an annual equal pay analysis in advance of our salary review process to help make better pay decisions. We review regularly the contracts and employee handbooks to ensure we capture any changes in relevant regulations and laws locally. In 2021 we have updated the Philippines, Norway, Japan, China and Germany employee handbooks and contract templates.</p>	<ul style="list-style-type: none"> • The results of the analysis show at an overall level there is an equal pay gap, mostly at the staff level which correlates to there being a difference in the type of positions men and women hold and the difference in market rates in different countries. • Our focus going forward is to promote more gender balance within functions as well as women in leadership positions.
Working environment	<p>Hybrid working was introduced in 2021, and differential treatment based on office/remote working is a potential risk. To avoid this, we provide best practices guidance and learning content. We have implemented a suite of surveys in 2021 including candidate experience, on and off-boarding and engagement surveys to understand and update areas where we can improve our employee experience. The focus has been on empowering local teams driving local actions, whilst at a global level we look to update our employee experience based on the feedback. A positive result from our 2021 engagement survey was the statement “There are no harassment or discrimination here” which increased by 6 points and within the top scores. We have employee representation groups across many countries who provide feedback and support local actions to improve the local working environment.</p>	<ul style="list-style-type: none"> • In 2021 we achieved very high engagement scores and the focus from the results was on communication, learning and supporting flexible working. • Our focus in 2022 will be based on our results from our next survey planned in May 2022 and we will introduce an inclusion KPI to measure this going forward.
Development	<p>A potential risk is differences based on location. Our approach is to offer everyone access to learning and development through our digital learning platform, promoting internal opportunities where possible to all, supporting continuing professional development and empowering our leaders to actively support development through dialogue with their people. Leaders have a critical part to play in our diversity and inclusion work and we continue to run leadership programs to support them in their roles. Our main challenge is ensuring people prioritise development in a busy day to day environment and we have worked on providing more engaging mandatory training through a partnership with Attensi in 2021.</p>	<ul style="list-style-type: none"> • 80% completion rate for bias awareness training for all employees in 2022. • Participate in the Catalyst mentorship program in Oslo in 2022. • Build an equal opportunities future skills building program beginning with analytics. Project management and ESG will follow. • Our target for 2025 is that we have a 50%/50% split of men and women appointed to recruited leadership positions. This will require higher level of diversity in leadership programs and gender balance in shortlisted candidates.
Supporting people with disabilities	<p>For 2021, adjustments for pregnant employees is highlighted as potential risk with the remote working. We offer ergonomic assessments and will make any reasonable adjustments for our people who either have or develop a disability. Our HR team is well equipped to support leaders in assessing and implementing reasonable adjustments. We do this in line with the local regulations, though from our analysis we have not had many people who have needed support however we will continue to provide individual support to those who have a need on a short term or long-term basis.</p>	<ul style="list-style-type: none"> • Our focus will be to clearly communicate our employee value proposition about being and bringing your whole self to work and promoting an inclusive culture where diversity is valued.
Wellbeing	<p>For 2021, extended working hours has been a potential risk, due to the remote working situation. To support employees in their work-life balance, we provide flexibility and guide leaders on the wellbeing of their teams. We have also spent time on planning for a safe return to hybrid working globally. Whilst in many countries there has been greater work-life balance with home working, mainly due to reduced commuting, there has been an increased risk in longer working pointed to above. We have had a flexible approach to where people have worked based on personal needs whilst still taking into account local guidance to balance the risk of infection and overall wellbeing. Our approach to planning hybrid working has been to involve employees in designing an initial suitable hybrid working solution to test and refine over time.</p>	<ul style="list-style-type: none"> • Given the easing of restrictions varies from country to country implementing hybrid working will continue to be a focus in 2022. The main challenge will be to find suitable solutions that balance business and personal needs.



Freedom of association and collective bargaining

In relation to freedom of association and collective bargaining, all crew and onshore employees are free to organise, and partake in Collective Bargaining Agreement, negotiations through labour unions. All onshore employees are employed on local contracts with employment handbooks based on local legislation. Crew working hours are within MLC and STCW requirements, as well as CBA.

All crew are employed per contract, however, in all respects, treated as fixed employees of the Company. All enjoy the same opportunities in training and succession irrespective of gender and nationality. We have chosen to have crew supplied from the Company's managed crewing office in China and the Philippines, offering employment to crew from China and Philippines respectively.

Labour rights

Höegh Autoliners recognises our responsibility to help ensure fair business practices in our value chain and direct supply chain. We are committed to respect labour rights in all our activities, and to support our stakeholders in realising their labour rights obligations. The rights to collective bargaining, elimination of child, forced labour and elimination of discrimination in respect of employment and occupation are recognised within our policies. Going forward, our commitment will continue and be followed

through with due diligences and monitoring, as well as a grievance and complaints process which is publicly available.

Highlights of upcoming internal targets in this area is our work towards reporting on fair living wages. For 2022, we will prepare a living wage cost analysis for one of our locations with the ambition, to use this as a basis for other countries in 2023–2025. As for our continual compensation and benefit work, we have an annual salary review process, and as preparation to the process we gather external benchmarking and use a job evaluation methodology. Almost 100% of all employees receive a salary increase each year. As mentioned above, equal pay audits are included as part of the salary review process.

Hybrid working is the new normal

A key focus relating to working hours during 2021 has been the adaptation of new practices around hybrid working to ensure the wellbeing of our people and focus on work-life balance. Across our locations we have successfully trialled different hybrid working solutions with the involvement and consultation of employees regarding preferred working practices. The review and adjustments have been based on feedback from the employees in combination with local regulations. We implemented a global Employee Assistance Program (EAP) which provides access to psychologists and advisors, to support all our employees who may need professional help during a challenging time.

Our LEAD leadership program ran in 2020/2021 and was tailored to support leading teams in remote/hybrid team settings. In 2021 we started Leadership Hour, monthly one-hour virtual workshops, to address and tackle challenges faced in the day-to-day remote team setting. It has been a key focus for us to create and promote relevant learning channels in our digital learning platform for all employees, to address the topics of wellbeing, hybrid working, leadership, and collaborating and contributing virtually. We have continually updated local guidance and advice and conducted risk assessments to ensure the safety of our people. We have monitored these measures and activities through our engagement and wellbeing survey results, for employee input on our performance and gain feedback on our practices so that we adjust along the way.

For targets moving towards 2025, we will be investigating implementation of new ways of working based on learnings from COVID-19. We will continue to monitor engagement, trust, wellbeing and overall people measures through active use of surveys and pulse measures, so we are in position to follow up and measure the impact of new working practices and work-life balance.

Human resource development – onshore organisation

At the core of our people development approach is the availability of a multitude of learning opportunities and continuous competence development. To us, offering robust development opportunities for everyone, is ensuring that our learning offering supports a diverse population and builds a leadership pipeline for tomorrow.

Building a culture of learning

Our learning strategy consists of a combination of learning and development through on-the-job challenges, mobility opportunities, formal courses and programs. We have focus on building a culture of learning through digital learning for all, development planning, trainee program for graduates and leadership programs such as our virtual program LEAD so that our succession and development approach works together. In 2020/21 we invested in a comprehensive learning platform and during 2021 we have continued to develop new learning tools like gamification and made updates to our digital learning to support the remote working situation.

In 2021, the majority of our learning activities were digital due to the pandemic. For the digital learning platform, we had a total of 1 900 learning hours distributed over 390 employees and 4 719 sessions. In addition, we delivered virtual leadership development initiatives to 72 leaders, online compliance training to 120 employees and covered individual learning needs through a variety of activities or team sessions. In 2021 we had two employees taking part in our trainee program and have had 22 mobility moves internally.

We measure how we meet the learning and development needs of our employees through our annual engagement survey, and for 2021 our learning scores were positive and had a positive development (YoY) across the KPI's. In addition, learning and development is a separate item in the performance review all employees partake in with their leader. For 2021, performance review conversations were held during December and all employees completed this process. As part of the business goal setting process employees set separate development and learning goals in January for the year ahead.

Targeting a new people strategy

In 2022 we have specific targets on upskilling within digital and analytics competencies, project competencies, integrated reporting competencies as well as ESG competence. We have targets for increased adoption of our digital learning offering and 80% completion of our new compliance training two months after launch as well as YoY increase in our learning KPI's. An important overall target for 2022 is to establish a new people strategy to support the business strategy, which will set global strategic priorities, ambitions, targets and activities. In addition, it will include a defined process for annual update and revision. The global priorities will be addressing capabilities and competencies we are building towards 2026 and beyond. Our ambition is to have a high-performing and sustainable work environment, where learning is continuous and an integrated part of our culture. We want all employees to know that acquiring new skills and competencies, strengthening their capabilities, and taking active ownership of their development is fundamental to the execution of our business strategy.

“Diversity is at our core”

In this interview with Laura Exner, the Chief HR and Communications Officer points out how sustainability is about the entirety of the company. Exner shows how a diverse and inclusive working environment is a necessity in the process of developing Höegh Autoliners as robust and environmentally friendly shipping company.



Shipping is an inherently diverse industry. Business is conducted across nationalities, regions and continents, and the workforce more often than not reflects this. Of course, this still means that there is constantly evolving work to define and refine what a diverse and inclusive company looks like.

– We are continuously working to make sure everyone in Höegh Autoliners feels included and valued for who they are and how they can best contribute to our strategy and operations. At the same time, diversity really is a baseline for everything we do. It is a core value, says Laura Exner, Chief HR and Communications Officer at Höegh Autoliners.

The last few years have been exceptional and a lot of Exner's time has been spent on creating a safe and inclusive work environment during the COVID-19 pandemic. Exner's ambitions for 2022 are clear.

– 2022 will be the year where we set concrete goals and continue to work systematically to achieve our goals and build a firm and clear position on what diversity means in Höegh.

A global view

As Exner points out, Höegh Autoliners is at its base a diverse company. With employees of 22 different nationalities based in 16 countries the Company is shaped by a range of perspectives. This does not mean that inclusiveness is a given.

– We regularly evaluate our procedures and our ways of working to

identify areas where we directly or indirectly might exclude certain groups. This might be in our recruitment process, onboarding of new employees, approach to promotions or in how we offboard those leaving the Company. Really the whole employee experience lifecycle in Höegh, says Exner.

This could result in changes to the way the Company designs its approach to recruitment, for example by being more specific in its diversity and inclusivity statement, or ensuring gender neutral language in adverts. Or it might be in less visible areas such as how to support working parents in different cultural settings.

– I believe that the perception of the shipping industry as a male dominated industry is outdated. For instance, 47% of our employees are women and we have many women in senior positions. However, if one dives deeper there still are differences among departments where we have an imbalance between men and women for many different reasons. Doing the analysis annually, and involving our employee representatives to get different perspectives, helps us both be aware of where we can improve but also take action. For example, we now ensure that we have equal weighting of candidates for our external recruitment for all roles where possible.

“2022 will be the year where we set concrete goals and continue to work systematically to achieve our goals and build a firm and clear position on what diversity means in Höegh.”

Laura Exner, Chief HR and Communications Officer at Höegh Autoliners

A safe environment

The COVID-19 pandemic has brought on new challenges in securing an inclusive work environment. Especially for a company with offices across the world.

– The pandemic has had a different impact on everyone; both professionally and personally. It has changed the world in many ways including how we work and interact with each other. During the pandemic we ramped up our work on employee wellbeing by focusing on supporting leaders with relevant leadership development, reviewing and updating benefits to promote wellbeing and taking a local perspective to what was needed, says Exner.

At the same time Exner stresses that a vital part of making Höegh an inclusive company is making the Company a safer working environment. The Company was recently certified in accordance with the ISO standard 45001 on occupational health and safety.

– To become certified the focus was on documenting everything we are already doing in accordance with the standard. It also mandates continuous improvement. This has further structured our progress in becoming a safer place to work.

SUSTAINABILITY FOCUS

Protecting life below sea

Höegh Autoliners is committed to continuous performance improvement of our vessels to ensure that no marine life is damaged on our voyages.

Wastes

Biodiversity

Environmental compliance



Wastes

GRI 306-3, 306-4

Number and aggregate volume of spills and releases to the environment: 3 cases registered in 2021 with accumulated spills of less than 1 cbm.

- ASIA 2179 Stern Ramp Leak
- TOKY 2107 Hydraulic Oil Spill
- STPE 2158 Droplets of Hydraulic Oil from Stern Ramp Locking Cylinder

Total waste generated except fluorescent lamps: 13 590 m³

Breakdown in m³

Hazardous (except fluorescent lamps)	13 323 (98%)
Plastics	693
Aerosol cans	6
Bilge water	5 911
Carbon soot from economizer	1
Domestic waste	435
Expired pyrotechnics	3
Incinerator ash	24
Operational waste	217
Used batteries	34
Sludge / waste oil	5 840
Non-hazardous	255 (2%)
Cooking oil	59
Food waste	173
Scrap iron from ER	23
Fluorescent lamp	17 540 pcs

Oil spill response and checklists are in place in case of emergency situations. Our crew is well trained and know how to act in case of an oil spill. The target for 2022 and 2025 is zero incidents of oil spill. To achieve this goal, the following activities are conducted: enhanced crew awareness, regular PMS of the vessel and equipment maintenance (BWTS and OWS). These assure that the vessel is in good condition and performing at its best along with the best trained crews.

Waste generated in the vessels is segregated in separate containers and we practice a zero waste overboard principle. Recycling of waste is performed at approved shore facilities. The waste reduction target for 2022 is 10% replacement of the 2021 busted fluorescent lamps and 5% plastic generation reduction from 2021 data. For 2025, the goal is for all new buildings delivered to have 100% LED onboard and 15% plastic generation reduction from 2021 levels.

Biodiversity, Environmental compliance

GRI 304-2, 307-1

Travel days spent in marine protected areas and areas of protected conservation status	1 978
Marine casualties and zero defined as very serious marine casualties	0
PSC Inspections	101
Deficiencies	57
Detentions	0
Non-compliance of environmental laws and regulations	0
Share of fleet with ballast water treatment systems installed	94%

The introduction of invasive species into new marine environments is a major challenge for international shipping, and one that Höegh Autoliners takes seriously. Being at the forefront of environmental protection at sea, the Company has taken vital steps to ensure these pests are not carried either in the vessel's ballast water or on the vessel's hull. To stop the spread of these unwanted guests, Höegh Autoliners takes necessary steps through compliant Ballast Water Treatment Systems and anti-fouling system. By the end of 2022, all our vessels will have advanced BWTS installed. We also apply anti-fouling paints of the highest standards to reduce risk of spread of invasive species and to reduce hull resistance.

The vessels ensure that there are no damages to marine life when any shipping activities takes place and when they pass through marine protected areas, environmental critical areas, and areas for protected conservation status. Preventing marine casualties is one of the top priorities regarding environmental

performance. This involves continuous crew awareness, training regarding safety navigation and vessel stability.

These two are the activities that when mismanaged could lead to serious marine casualties.

Port state control assesses the vessel's safety during operation including the crew's safety. For 2022 and 2025, we have a target of zero detentions and a maximum deficiency per inspection ratio of 0.70 which is the company standard as well.

For 2021, the deficiency ratio was 0.56. In the continuous improvement of vessel's performance, the following measures are conducted regularly to the vessel. To further improve fleet performance, we have initiated a crew awareness campaign and perform frequent technical and safety inspections through third-party service providers. These include crew awareness during safety operations including reminders to vessels and prepare according to PSC checklist and enhanced technical and safety inspections via third-party provider.

The goal remains zero non-compliance of environmental laws and regulations for 2022 and 2025. To carry out the 2021 performance until 2025, continuous vessel performance review, monitoring, and crew awareness are practiced.

Sewage disposal

All vessels have their own sewage treatment plant (STP) and follows the MARPOL Guidelines Annex IV which provides the set of regulation regarding the proper sewage discharge of ships in marine waters. As stated in the guideline, ships are allowed to discharge treated and disinfected sewage to the sea when at least 12 nautical miles from the nearest land, with a speed of no less than 4 knots. A company policy is also in place regarding sewage disposal to ensure compliance of the guidelines. In making sure that all vessel discharges are treated, each STP is approved by the "Class Society" and verified annually to ensure all vessels are complying with the regulations.

Ship recycling

Höegh Autoliners executes disposal of old vessels in a manner that is safe to both humans and the environment. All obsolete vessels, sailing and declared total loss, are recycled based on the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships. Vessels are dismantled under strict requirements in approved shipyard facilities. Since committing its first vessel to green recycling in 2009, the Group has only disposed ships through green recycling.

The recycling facility is required to be certified in accordance with:

- "Statement of Compliance" in accordance with the 2009 Hong Kong convention and the IMO 2012 "guidelines for safe and environmentally sound ship recycling". (Issued by an IACS member Classification society)
- ISO 14001 Environmental management systems
- ISO 45001 Occupational Health and Safety
- ISO 9001 Quality Management

Höegh Autoliners did not recycle any ships in 2021.

Höegh Autoliners executes disposal of old vessels in a manner that is safe to both humans and the environment.

Appendix

Diversity and equal opportunity (Section 1)

Gender distribution

Gender distribution overview for onshore employees

Based on our global diversity and inclusion analysis we have a gender imbalance within functions or job families, for example predominantly women in Accounting and Customer Services, and predominantly men in more operational positions. In addition, we have work to do to strengthen the percentage of women leaders globally. We will focus our recruitment, development and career progression efforts to address this imbalance as it is important for us to support diversity.

See the table “Gender distribution for onshore employees by employee category” on the next page.

We have also broken down our gender distribution by country, and this shows that there are a few countries with higher numbers of women e.g. Germany, Panama and Philippines. This demonstrates our ability to attract, develop and retain women in shipping, however we have further work to do to address the imbalance mentioned above.

See the table “Gender distribution by location” on page the next page.

We have also reviewed the gender distribution when it comes to employment categories and this shows that among temporary and part time employees we have both women and men. Our global sickness rate is the same for men and women, and as for parental leave there is 1.39 weeks difference on average number of weeks 2021.

Gender distribution for onshore employees by employee category

Employee category	No. of employees	Women (%)	Men (%)
Leaders (excluding SMT)	70	21	78
Staff	299	52	48
Total	376	47	53

Gender distribution by location

Location	No. of employees	No. of women	No. of men	Women (%)	Men (%)
Norway	68	17	51	25	75
Germany	19	11	8	58	42
Thailand	1	1	0	100	0
USA	19	8	11	42	58
Panama	16	10	6	63	37
UAE	5	0	5	0	100
South Africa	8	4	4	50	50
France	11	3	8	27	73
Spain	7	3	4	43	57
Philippines	154	96	58	62	38
Australia	3	1	2	33	67
India	11	3	8	27	73
China	34	11	23	32	68
Singapore	1	1	0	100	0
Japan	19	7	12	37	63
Total	376	176	200	47	53

Reporting requirements in Norway for Activity duty

	Temporary employees	No. of weeks parental leave*	No. of employees working part-time	No. of employees involuntary part-time	Sickness rate
Women	3	10.65	4	0	0.25%
Men	1	9.26	1	0	0.25%

* Numbers are only reported for Norway, due to differences in local legislation across global locations. For Norway, we have reported the average number of weeks of parental leave for women and men which was taken in 2021, per men / women. The number does therefore not reflect (average) weeks of leave in total.

Diversity and equal opportunity (Section 2)

Our equal pay audit 2021

In-depth analysis globally

We have used an equal pay analysis tool from PIHR to conduct our equal pay analysis in 2021. We have used our job evaluation methodology from HAY as the basis for grouping employees. HAY methodology evaluates the complexity of a role based on these three main factors: know-how, problem solving and accountability.

The tool has produced analysis that looks at the differences in salaries paid to women and men doing equal work on an individual level for all positions. In addition, we have reviewed the differences between a group of employees doing work that is or is usually regarded as being equivalent based on HAY grades. We have chosen to further look at female-dominated roles in comparison with non-female dominated roles.

Positions are classed as 'female-dominated' if women hold more than 59% of them. Positions are not classed as 'female-dominated' if women hold 59% or less of them. All 'female-dominated' positions are then compared with each of the equivalent non-female-dominated positions. The objective is to investigate whether the female-dominated positions are systematically undervalued and as such are being discriminated against with regard to salary.

The analysis uses median pay when comparing women and men's comparison.

In Norway there are many individual positions with specific salary market benchmarking for each position. Therefore, the main differences relate either to a difference in level of experience, difference in market rates for different job families and difference in the HAY grades within the groups. We have excluded groups that have less than five women and men in the table, however the total organisation includes all of the employees.

See the table "Norway" on the next page.

In the Philippines we have a range of different functions spanning IT, HR, Legal, Accounting, Crewing, Procurement, Operations and Customer Support. As with Norway, the salary differences can be explained by a difference in experience, market rates for different job families and/or HAY grades within the groups.

We have only been able to provide country overviews where there has been at least five women and five men in a category and the other offices unfortunately do not meet this minimum requirement. However, we have conducted analysis for each country.

See the table "Philippines" on the next page.

General conclusions from equal pay audit

From the equal pay audit 2022, we can conclude that generally the identified salary differences are objective, unbiased and lack direct or indirect relation to gender. We have found a few individuals that we have made adjustments to in our 2022 salary review to close the gaps. We will continue to map and analyse salary differences annually to ensure that we apply fair and equal pay.

To continue our efforts within Equal Pay we have decided on the following actions:

- Improve our gender distribution at all levels.
- Made adjustments in our 2022 salary review to close the gaps in identified areas.
- Communicate the results of this Equal Pay audit to internal and external stakeholders.
- Evaluate the Equal Pay Audit process for 2022 and plan next years work.

Norway

Group (Hay grades)	No. of positions	No. of equal positions	No. of female-dominated positions	No. of employees	Share of women (%)	Share of men (%)	Women's median pay in % of men's median pay
15–16	13	1	3	17	24	76	96
17–18	22	0	8	22	36	64	93
Total organisation*	62	2	15	67	25	75	85

* The total organisation includes all employees including the Executive team, whilst the table shows those Hay grades with more than five men and women.

Philippines

Group (Hay grades)	No. of positions	No. of equal positions	No. of female-dominated positions	No. of employees	Share of women (%)	Share of men (%)	Women's median pay in % of men's median pay
11–12	14	4	12	32	84	16	97
13–14	21	1	16	47	81	19	79
15–16	36	4	18	51	55	45	60
Total organisation*	81	9	49	140	69	31	62

* The total organisation includes all employees including the Executive team, whilst the table shows those Hay grades with more than five men and women.

Anti-corruption Data Appendix

Anti-corruption reporting

b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	0
c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	0
d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases	0

HR Data Appendix

Information on employees and other workers (2021)

a. Total number of employees by employment contract (permanent and temporary), by gender.	Total number: 376 Permanent: 372 (Male 199/Female: 173) Temporary: 4 (Male 1/Female 3)
b. Total number of employees by employment contract (permanent and temporary), by region.	Permanent/Temporary Australia: 3 China: 34 France: 11 Germany: 19 India: 11 Japan: 19 Norway: 67/1 Panama: 16 Philippines: 151/3 Singapore: 1 Thailand: 1 United Arab Emirates: 5 United States of America: 19 South Africa: 8 Spain: 7
c. Total number of employees by employment type (full-time and part-time), by gender.	Fulltime: 371 (Male 199/Female: 172) Part-time: 5 (Male 1/Female 4)
e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries).	This is does not apply to Höegh Autoliners.
f. An explanation of how the data have been compiled, including any assumptions made.	We have compiled the data per countries where Höegh Autoliners is represented.

HR Data Appendix *continued*

Information on employees and other workers

Total number of joiners and rate of new employee hires per age group, gender and country.
During the reporting period January–December 2021.

Age	Total	Rate
Under 30 years old	31	40.26%
30–50 years old	36	46.75%
Over 50 years old	10	12.99%
Total	77	100.00%

Gender	Total	Rate
Male	35	45.45%
Female	42	54.55%
Total	77	100.00%

Based on employee's country	Total	Rate
Australia	1	1.30%
China	3	3.90%
Germany	12	15.58%
India	2	2.60%
Japan	3	3.90%
Norway	9	11.69%
Panama	7	9.09%
Philippines	37	48.05%
USA	3	3.90%
Total	77	100.00%

HR Data Appendix *continued*

Information on employees and other workers

Total number of leavers and rate of employee turnover per age group, gender, country.
During the reporting period January–December 2021.

Age	Total	Rate
Under 30 years old	16	36.36%
30–50 years old	22	50.00%
Over 50 years old	6	13.64%
Total	44	100.00%

Gender	Total	Rate
Male	24	54.55%
Female	20	45.45%
Total	44	100.00%

Region (based on employee's location)	Total	Rate
China	1	2.27%
Germany	1	2.27%
France	1	2.27%
Japan	1	2.27%
Norway	5	11.36%
Panama	3	6.82%
Philippines	24	54.55%
USA	7	15.91%
South Africa	1	2.27%
Total	44	100.00%

GRI Index

Disclosure no.	Disclosure title	Reference
Organisational Profile		
102-1	Name of the organisation	Page 9
102-2	Activities, brands, products, and services	Page 9
102-3	Location of headquarters	Page 9
102-4	Location of operations	Page 9
102-5	Ownership and legal form	Page 9
102-6	Markets served	Page 11
102-7	Scale of organisation	Page 9
102-8	Information on employees and other workers	Pages 48–50
102-9	Supply chain	Page 9
102-10	Significant changes to the organisation and its supply chain	Page 2 (Admission to trading on Euronext Growth)
102-11	Precautionary Principle or approach	Page 6
102-12	External initiatives	Page 7
102-13	Membership of associations	SBTi, GTZC, MACN
Strategy		
102-14	Statement from senior decision maker	Page 4–5
Ethics and integrity		
102-16	Values, standards, principles and norms	Our vision and values www.hoeghautoliners.com/about-us/our-vision-and-values
Governance		
102-18	Governance structure	Corporate Governance www.hoeghautoliners.com/about-us/corporate-governance
102-19	Delegating authority	Corporate Governance www.hoeghautoliners.com/about-us/corporate-governance
102-20	Executive-level responsibility for economic, environmental, and social topics	Corporate Governance www.hoeghautoliners.com/about-us/corporate-governance
102-21	Consulting stakeholders on economic, environmental, and social topics	Corporate Governance www.hoeghautoliners.com/about-us/corporate-governance
102-22	Composition of the highest governance body and its committees	Corporate Governance www.hoeghautoliners.com/about-us/corporate-governance
102-23	Chair of the highest governance body	Corporate Governance www.hoeghautoliners.com/about-us/corporate-governance
102-24	Nominating and selecting the highest governance body	Corporate Governance www.hoeghautoliners.com/about-us/corporate-governance
102-25	Conflict of interest	Corporate Governance www.hoeghautoliners.com/about-us/corporate-governance
102-26	Role of highest governance body in setting purpose, values and strategy	Corporate Governance www.hoeghautoliners.com/about-us/corporate-governance
102-27	Collective knowledge of the highest governance body	Corporate Governance www.hoeghautoliners.com/about-us/corporate-governance
102-28	Evaluating the highest governance body's performance	Corporate Governance www.hoeghautoliners.com/about-us/corporate-governance

GRI Index *continued*

Disclosure no.	Disclosure title	Reference
Governance		
102-29	Identifying and managing economic, environmental and social impacts	Page 14
102-30	Effectiveness of risk management processes	Page 17
102-31	Review of economic, environmental, social topics	Page 14
102-32	Highest governance body's role in sustainability reporting	Page 14
102-33	Communicating critical concerns	Corporate Governance www.hoeghautoliners.com/about-us/corporate-governance
102-34	Nature and total number of critical concerns	Page 22
102-35	Remuneration policies	Höegh Autoliners uses a compensation framework, which benchmarks its positions to those in similar industries in the different locations where it operates. When defining, assessing and allocating salary and benefits to positions within the organisation, this external data is used to ensure a relevant comparison. The assessment of functions and positions is normally carried out every two years with local salary and benefits data evaluated on an annual basis. The Company uses statistics to evaluate positions according to their content, responsibility and level of accountability. Line managers are involved with the assessment of positions reporting to them, with the HR Department responsible for the evaluation of input data and the production of compensation frameworks.
102-36	Process for determining remuneration	
102-37	Stakeholder's involvement in remuneration	
102-38	Annual total compensation ratio	These data are not disclosed due to confidentiality constraints. Disclosing would mean that employees and their individual compensation data would be identifiable depending on team sizes and thereby be in breach with privacy guidance.
102-39	Percentage increase in annual total compensation ratio	
Stakeholder Engagement		
102-40	List of stakeholder groups	Page 8
102-41	Collective bargaining agreements	Page 36
102-42	Identifying and selecting stakeholders	Page 55
102-43	Approach to stakeholder engagement	Page 55
102-44	Key topics and concerns raised	Page 8
102-45	Entities included in the consolidated financial statements	2021 Consolidated Financial Statement www.hoeghautoliners.com/investors/reports-and-presentations
102-46	Defining report content and topic Boundaries	Report content is based on global operations and data obtained from owned operated vessels.
102-47	List of material topics	Page 8
102-48	Restatements of information	N/A (There is no reinstatement of information for the reporting period)
102-49	Changes in reporting	Page 7 (Reporting Standards)
102-50	Reporting period	Annually
102-51	Date of previous report	FY 2020
102-52	Reporting cycle	January 2021 – December 2021
102-53	Contact point	Henrik Andersson, Head of Sustainability and Project Development Adrian Lim, Sustainability Manager
102-54	Claims of reporting in accordance with the GRI Standards	Page 7
102-55	GRI content index	Höegh Autoliners ESG Report 2021 GRI Index
102-56	External assurance	Our scope 1 and scope 2 GHG emissions have been audited by PricewaterhouseCoopers, see assurance statement on page 56

GRI Index (Topic Specific Disclosures)

Standard no.	Disclosure name	Disclosure no.	Page
GRI 201	Economic performance	201-1	Page 21
		201-2	Pages 14–15
		201-3	Page 21
		201-4	Page 21
GRI 203	Indirect economic impact	203-2	Page 21
GRI 205	Anti-corruption	205-1	We have started a risk mapping exercise of our operations and our supply chain. The purpose of the mapping is to have a clearer visibility of the supply chain and to understand the potential negative impact of our operations for basic human rights and decent working conditions.
		205-2	Page 22
		205-3	205-3 (a), Confidential Information 205-3 (b-d), page 48
GRI 206	Anti-competitive behaviour	206-1	Confidential Information
GRI 302	Energy	302-1	Page 25
		302-2	Page 25
		302-3	Page 25
		302-4	Pages 25–28
		302-5	Pages 25–28
GRI 304	Biodiversity	304-2	Pages 41–42
GRI 305	Emissions	305-1	Pages 25–28
		305-2	Pages 25–28
		305-3	Pages 25–28
		305-4	Pages 25–28
		305-5	Pages 25–28
		305-7	Pages 25–28
GRI 306	Waste	306-3	Page 41
		306-4	Pages 41–42
GRI 307	Environmental compliance	307-1	Page 41
GRI 308	Supplier environmental assessment	308-1	Page 28
		308-2	Page 28
GRI 401	Employment	401-1	Page 31
		401-2	Page 31
		401-3	Page 31

GRI Index (Topic Specific Disclosures) *continued*

Standard no.	Disclosure name	Disclosure no.	Page
GRI 403	Occupational health and safety	403-1	Pages 32–33
		403-3	Pages 32–34
		403-8	Pages 32–35
		403-9	Pages 32–35
		403-10	Pages 32–35
GRI 405	Diversity and equal opportunity	405-1	Pages 33–34
GRI 407	Freedom of association and collective bargaining	407-1	Pages 36
GRI 408	Child labour	408-1	Page 22
GRI 409	Forced or compulsory labour	409-1	Page 22
GRI 412	Human rights and labour rights	412-1	In 2022, a human right risk assessment performed by each department in order to ensure that all locations where our subcontractors have their operations, are assess for potential risk of any human rights violation. Further to address mitigating actions imposed by HA to minimize the likelihood of human rights violations could occur in our supply chain. Review of the Risk Assessment will be performed on the suppliers assessed to have an initial risk level of moderate risk and above, at annual interval.
GRI 418	Customer privacy	418-1	Page 23
GRI 419	Socioeconomic compliance	419-1	Page 22

Stakeholders and how we communicate with them

Category	Type	Primary focus	Secondary focus	How we communicate with them
Marketplace	Customers	Emissions, safety, anti-corruption	Environmental compliance, labour and human rights, economic performance, ship recycling	Meetings, social media, exhibitions, website
	Subcontractors	Emissions, safety	Environmental compliance, labour and human rights, economic performance, ship recycling, anti-corruption	Meetings, social media, exhibitions, website
	Suppliers	Emissions, ship recycling, anti-corruption	Environmental compliance, labour and human rights, economic performance, ship recycling, safety	Meetings, social media
Workplace	Employees	Emissions, employment, safety, labour and human rights	Environmental compliance, economic performance, ship recycling, anti-corruption	Internal communication, intranet
	Consultants	Employment, economic performance	Emissions, environmental compliance, labour and human rights, economic performance, ship recycling, anti-corruption, safety	Internal communication, intranet
Financial community	Shareholders	Emissions, safety, anti-corruption	Environmental compliance, labour and human rights, economic performance, ship recycling	Press releases, stock exchange notices, meetings, emails, exhibitions, annual and interim reports
	Banks	Emissions, safety, anti-corruption	Environmental compliance, labour and human rights, economic performance, ship recycling	Press releases, stock exchange notices, meetings, emails, exhibitions, annual and interim reports
	Insurance	Safety, ship recycling	Emissions, environmental compliance, labour and human rights, economic performance, anti-corruption, safety	Meetings, press releases
Society	International policy makers	Emissions, environmental compliance, labour and human rights, anti-corruption, ship recycling, safety	Economic performance	Press releases, websites
	Governmental regulators	Emissions, environmental compliance, labour and human rights, anti-corruption, ship recycling, safety	Economic performance	Press releases, websites
	General public	Emissions, environmental compliance, safety	Labour and human rights, economic performance, ship recycling, biodiversity, anti-corruption	Press releases, websites



To the Board of Directors of Höegh Autoliners ASA

Report on Höegh Autoliners' Greenhouse Gas emissions reporting

We have undertaken a limited assurance engagement of the Greenhouse Gas scope 1 and scope 2 emissions as presented in the Höegh Autoliners' ESG report for the year ended December 31, 2021. The Greenhouse Gas emissions as presented in the ESG report covers all of Höegh Autoliners' operations throughout the world. The scope of our audit includes Scope 1 emissions (1,330,000 metric tons CO₂e), location-based scope 2 emissions (323 metric tons CO₂e), and market-based scope 2 emissions (532 metric tons CO₂e).

Our limited assurance engagement comprises whether Höegh Autoliners has prepared the Greenhouse Gas emissions in accordance with the Greenhouse Gas protocol (GHG protocol) Corporate Standard (criteria).

Management's Responsibility

The management in Höegh Autoliners is responsible for the preparation of the Greenhouse Gas emissions as presented in the ESG report in accordance with the GHG protocol Corporate Standard. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the Greenhouse Gas emissions as presented in the ESG report that are free from material misstatements, whether due to fraud or error. Greenhouse Gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Control

We have complied with the independence and ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Greenhouse Gas scope 1 and scope 2 emissions as presented in the ESG report based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3410, *Assurance Engagements on Greenhouse Gas Statements* ("ISAE 3410"), issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance on whether the Greenhouse Gas emissions as presented in the ESG report are free from material misstatements.

A limited assurance engagement undertaken in accordance with ISAE 3410 involves assessing the suitability of Höegh Autoliners' use of the GHG protocol Corporate Standard as the basis for the preparation of the Greenhouse Gas emissions as presented in the ESG report. This also involves assessing the risks of material misstatements of the Greenhouse Gas emissions as presented in the ESG report whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Greenhouse Gas

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emissions as presented in the ESG report. A limited assurance engagement is substantially smaller in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal controls, and the procedures performed in response to the assessed risks.

The procedures performed were based on our professional judgment and inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we've:

- Made inquiries to Höegh Autoliners' ESG management and reporting team, including those with responsibility for reporting consumption figures from onboard vessels, to obtain an understanding of the control environment and information systems relevant to emissions quantification and reporting.
- Evaluated the design of the key structures, systems, processes and controls for managing, recording and reporting Greenhouse Gas scope 1 and 2 emissions.
- Performed analytical procedures to assess the completeness of the emissions sources, data collection methods, source data and relevant assumptions applicable to the group's operations.
- Performed limited substantive testing on a selective basis of the Greenhouse Gas scope 1 and 2 emissions to check that data had been appropriately measured, recorded, collated and reported.
- Considered the disclosure and presentation of the Greenhouse Gas scope 1 and 2 emissions.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Höegh Autoliners' Greenhouse Gas emissions as presented in the ESG report have been prepared, in all material respects, in accordance with the GHG protocol Corporate Standard.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Höegh Autoliners' Greenhouse Gas scope 1 and scope 2 emissions as presented in the ESG report for the year ending on December 31, 2021 is not prepared, in all material respects, in accordance with the GHG protocol Corporate Standard.

Bergen, March 23 2022
PricewaterhouseCoopers AS

Hanne Sælemyr Johansen
 State authorised public accountant

Abbreviations

BWTS Ballast Water Treatment System	HA Höegh Autoliners	PwC PricewaterhouseCoopers
CBA Collective Bargaining Agreement	HFSC Höegh Fleet Services China	ROHQ Regional Operating Headquarters
CDP Climate Disclosure Project	HFSP Höegh Fleet Services Philippines., Inc.	SBTi Science Based Targets Initiative
CEU Car Equivalent Units	HTM Höegh Technical Management	STCW The International Convention on Standards of Training, Certification and Watchkeeping for Seafarers
CMHI China Merchants Heavy Industry (Jiangsu) Co., Ltd.	ILO International Labour Organisation	STP Sewage Treatment Plant
DPA Data Privacy Act	IMO International Maritime Organisation	TCFD Task Force on Climate-Related Financial Disclosure
EAP Employee Assistance Program	ISO International Organisation for Standardization	UNGC United Nations Global Compact
EEA European Economic Area	LOI Letter of Intent	WWF World Wide Fund for Nature
ESG Environmental, Social and Governance	LTIF Lost Time Incident Frequency	WRI World Resources Institute
ETS Emission Trading System	MACN Marine Anti-Corruption Network	
GDPR General Data Protection Regulation	MLC Maritime Labour Convention	
GHG Greenhouse Gas	MARPOL International Convention for the Prevention of Pollution from Ships	
GHR Global HR		
GIS Governing Information System	MT Metric Ton/s	
GRI Global Reporting Initiative	OWS Oil and Water Separator	

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