

Höegh Autoliners Methodology Statement

Introduction

This document contains information about how emission from Höegh Autoliners' operation is collected, calculated, and presented. The company is striving to create a report that is as accurate, transparent, and complete as possible. Therefore, the methodology is based on the GHG Protocol Corporate Accounting and Reporting Standard.

Organisational boundaries

Höegh Autoliners uses the control approach to consolidate the emissions from its operations. As such, Höegh accounts for 100% of the GHG emissions from the operations over which we have control. In this case – control is defined in operational term – not financial.

Operational boundaries

The reporting of emissions is divided into three scopes: scope 1 consists of the emissions from burned fuels from our vessels, scope 2 covers emissions related to electricity consumption in our offices, and scope 3 describes emissions related to transportation of purchased fuels and business flights for our employees.

Scope 1

Each vessel under Höegh Autoliners' operation sends a report containing several relevant parameters to the company daily. The data is stored in a data base and Oracle BI is used to create and extract reports. All vessels under Höegh Autoliners operation during each calendar year (1st of January though 31st of December) is included in scope 1 emissions.

The consumption of fuel from main engines, auxiliary engines and boilers of all vessels under Höegh Autoliners operation is measured, reported and included in scope 1. Electricity generated on board is either produced from the auxiliary engines or a generator on board, therefore this is included in the emissions from the fuel consumption. Lube oil consumption is not included as only a neglectable part is combusted and instead discharged in port.

Scope 2

Scope 2 emissions are reported, using both the location-based method and the market-based method. In the location-based method, the average grid mix of each office is used to calculate the corresponding emissions. For the market-based method, each office location is evaluated to determine if there is a functioning market for purchasing green certificates. Offices located in markets where green certificates can be purchased, will use the residual mix factor, adjusted for any purchased green certificates. Offices located in areas without a proper market for purchasing guarantees of origin or similar, are reported with the same factor as in the location-

based method. All Höegh Autoliners offices report electricity consumption, however, agent offices where Höegh may have resources working from, are in this report excluded from Scope 2.

The electricity consumption is reported annually to the Sustainability team and is included in the monthly office lease invoice. The electricity is supplied from the state grid for all offices. The monthly electric consumption stated on the electric bill from January 2022 to December 2022 is being recorded for the scope 2 emission calculation.

Scope 3

Höegh has started a process to report our scope 3 emissions and is working to increase the reporting maturity going forward. For 2022, we have included emissions from employees' business flights and well-to-tank emissions from consumed fuel.

Emissions outside scope

Underlying consumption data used to calculate non-GHG-emissions are collected with the same method as scope 1.

Calculations

All the GHG emissions from scope 1 and 2 will be calculated as followed in the sub-chapters. In line with the GHG Protocol Standard, the emissions will be presented in CO₂ equivalents.

Scope 1 calculations:

To facilitate comparability, we follow industry standards to calculate our reporting figures. We follow the IMO methodology and DEFRA factors when calculating our CO₂, N₂O and CH₄ figures.

For each fuel type used, the following calculations are made:

CO₂: Fuel consumed (tonnes) x relevant conversion factor.

N₂O: Fuel consumed (tonnes) x relevant conversion factor

CH₄: Fuel consumed (tonnes) x relevant conversion factor

Refrigerants: Refrigerant consumed (tonnes) x relevant conversion factor x annual leakage factor

The conversion factors and leakage factor used are taken from the Third and Fourth IMO GHG Study 2020, DEFRA and www.lovdata.no.

To ensure high quality of data and minimize risk for typos, all noon reports are sent to StormGeo for quality checking. In case unrealistically good or poor performance data is entered, the vessel will get a notification and request to correct the entry. The fuel consumption data is based on tank measurement readings and manual input.

In case a vessel for some reason hasn't been able to provide noon reports, ROB figures should be compared and consumption manually calculated.

Scope 2 calculations:

The annual electric consumption of the offices is multiplied by the country's emission factor (CO₂ per kWh) as indicated in location-based emission computation. Location- and market-based emission factors are taken from International Electricity Factors (Carbon Footprint Ltd) and IGES (Institute of Global Environmental Strategies).

The data is manually verified and checked by each office before submitted to the Sustainability team.

Scope 3 calculations:

Emissions from airline travels is gathered from the travel agencies HA uses, for every flight.

Emissions from transportation of fuel is calculated as followed:

Well to tank = Fuel consumed (tonnes) x well to tank emission factor (Dr. Elizabeth Lindstad, Chief Scientist, SINTEF Ocean Maritime)

Reporting emissions outside the scopes

Biogenic emissions: Direct CO₂ emissions from burned biomass/biofuels

NOx: Fuel consumed (tonnes) x relevant conversion factor.

SOx: Fuel consumed (tonnes) x relevant conversion factor from Sulphur content in fuel. We use the average delivered Sulphur contents of each year provided by VeriFuels.

PM: Fuel consumed (tonnes) x relevant PM conversion factor.

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