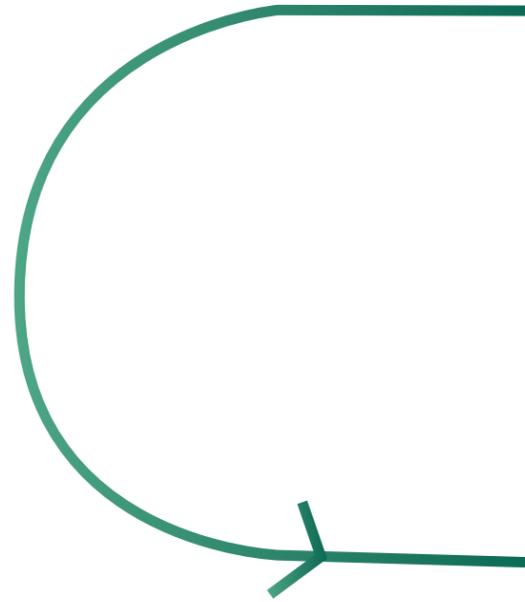


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SUSTAINABILITY REPORT



21



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MESSAGE FROM THE *management*

This is a report on an exceptional and very special year: the world in pandemic. A new reality that caught us by surprise, but also with the wherewithal to respond rapidly and in retrospect effectively, to the challenges we faced.

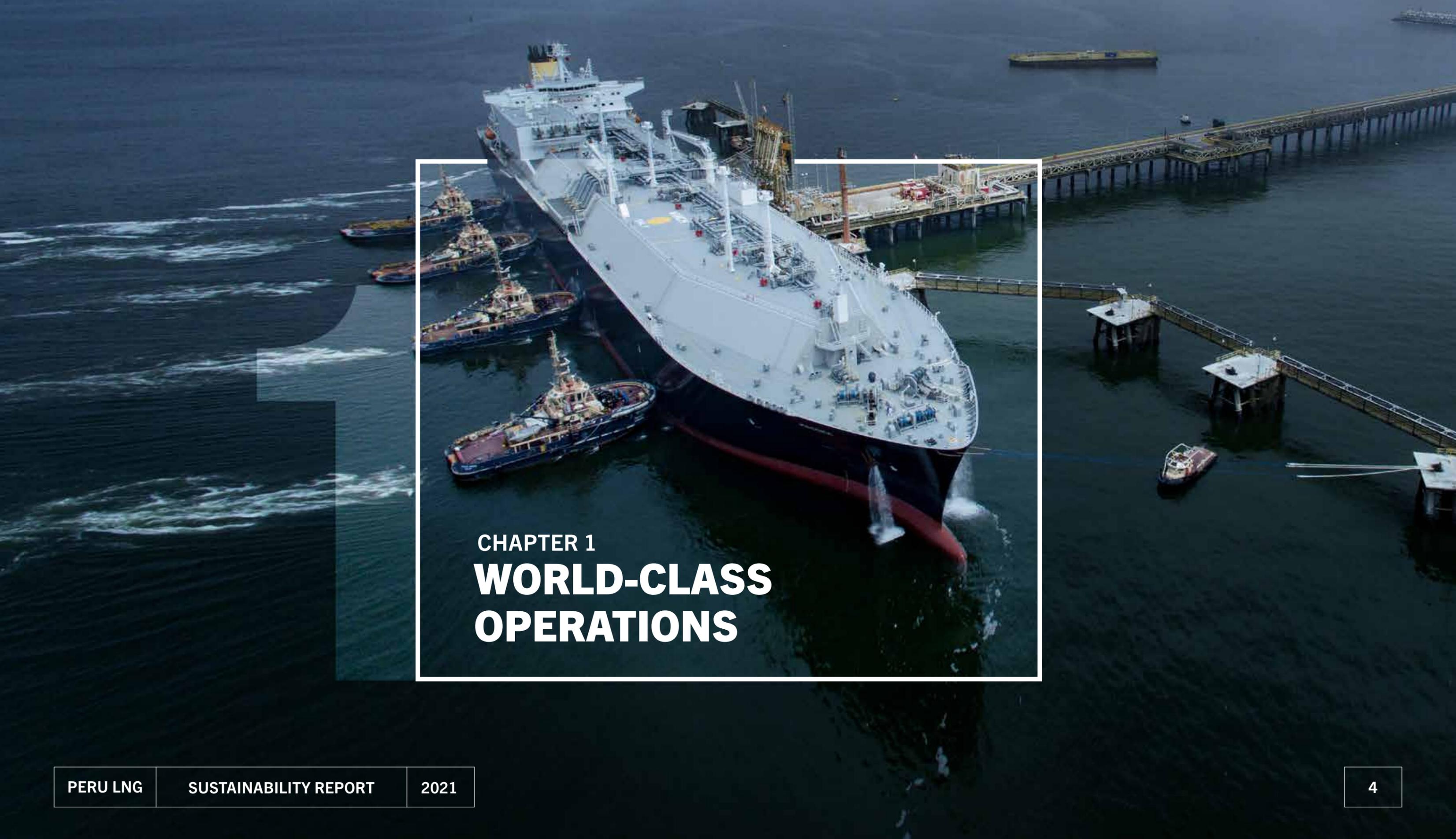
Supported by our company values, we in PERU LNG continually search for new ways to innovate in order to generate value for our stakeholders. Faced with the challenges of 2021 caused by the pandemic, we worked hard to guarantee the health and safety of our collaborators, make our operations more efficient and strengthen our commitment to sustainability.

The situation facing us since 2020 has not diverted us from our commitment to sustainable development, on the contrary, during the year we have become more convinced than ever of the importance of our social and environmental programs. One important milestone in this regard was the development of a Sustainability Strategy adapted to the circumstances, but based as always on the UN Sustainable Development Goals and taking into account the expectations of our stakeholders and the evolution of our business. This strategy enabled us to further strengthen our long-term commitment to our collaborators and the communities living in our area of influence. It also permitted us to review our alignment with our fundamental values.

This report is an invitation to learn more and to see why we are optimistic about the way ahead.



María Julia Aybar
Vice Chairman and General Manager
PERU LNG



CHAPTER 1
**WORLD-CLASS
OPERATIONS**

RESPONSIBLE AND EFFICIENT WORLD-CLASS OPERATION

PERU LNG is a Peruvian company that has positioned Peru as a leader in the region's liquefied natural gas industry. It was incorporated in 2003 and is made up of four leading world-class companies in the energy industry.



50 %



20 %

Marubeni

20 %



10 %

PERU LNG IS COMMITTED TO CONTRIBUTING POSITIVELY AND OVER THE LONG TERM, TO THE ECONOMIC AND SOCIAL GROWTH OF THE COUNTRY AND ITS ADJACENT COMMUNITIES. THIS COMMITMENT INCLUDES ADHERING TO HIGH ENVIRONMENTAL AND SAFETY STANDARDS, RESPECTO FOR PERUVIAN AND OTHER APPLICABLE LAWS AND LOCAL CUSTOMS.

PERU LNG'S OPERATIONS ARE THE RESPONSIBILITY OF HUNT¹

¹For the purposes of this document references to the operator HUNT include HUNT LNG Operating Company SAC and Hunt Services Company SAC, hereinafter referred to as the Operator.

COVID-19

Natural gas liquefaction operations were not interrupted. The challenge posed by the pandemic restrictions were met entirely by our Peruvian collaborators, with excellent results.

The safety measures implemented the previous year to prevent propagation and infection with the SARS-CoV-2 virus continued in 2021.

Thanks to this action we continued to operate the maritime terminal facility and load ships.



PERU LNG INFRASTRUCTURE

PIPELINE

The PERU LNG gas pipeline has a length of 408 kilometers starting from the community of Chiquintirca in the Ayacucho Region, to Pampa Melchorita on the Peruvian coast, where the Liquefaction Plant is located. In the Chiquintirca station the gas pipeline receives dry natural gas from Camisea Blocks 56 and 57, as well as from block 88 for direct consumption in the plant.

The pipeline traverses some of the world's most diverse geography, including mountains and ravines, numerous river crossings and Peru's coastal desert. Its highest point is over 4 900 meters above sea level, which earned it a place in the Guinness Book of Records as the highest gas pipeline in the world.

The pipeline is buried for the entirety of its route, except for where surface facilities are located.

LIQUEFACTION PLANT

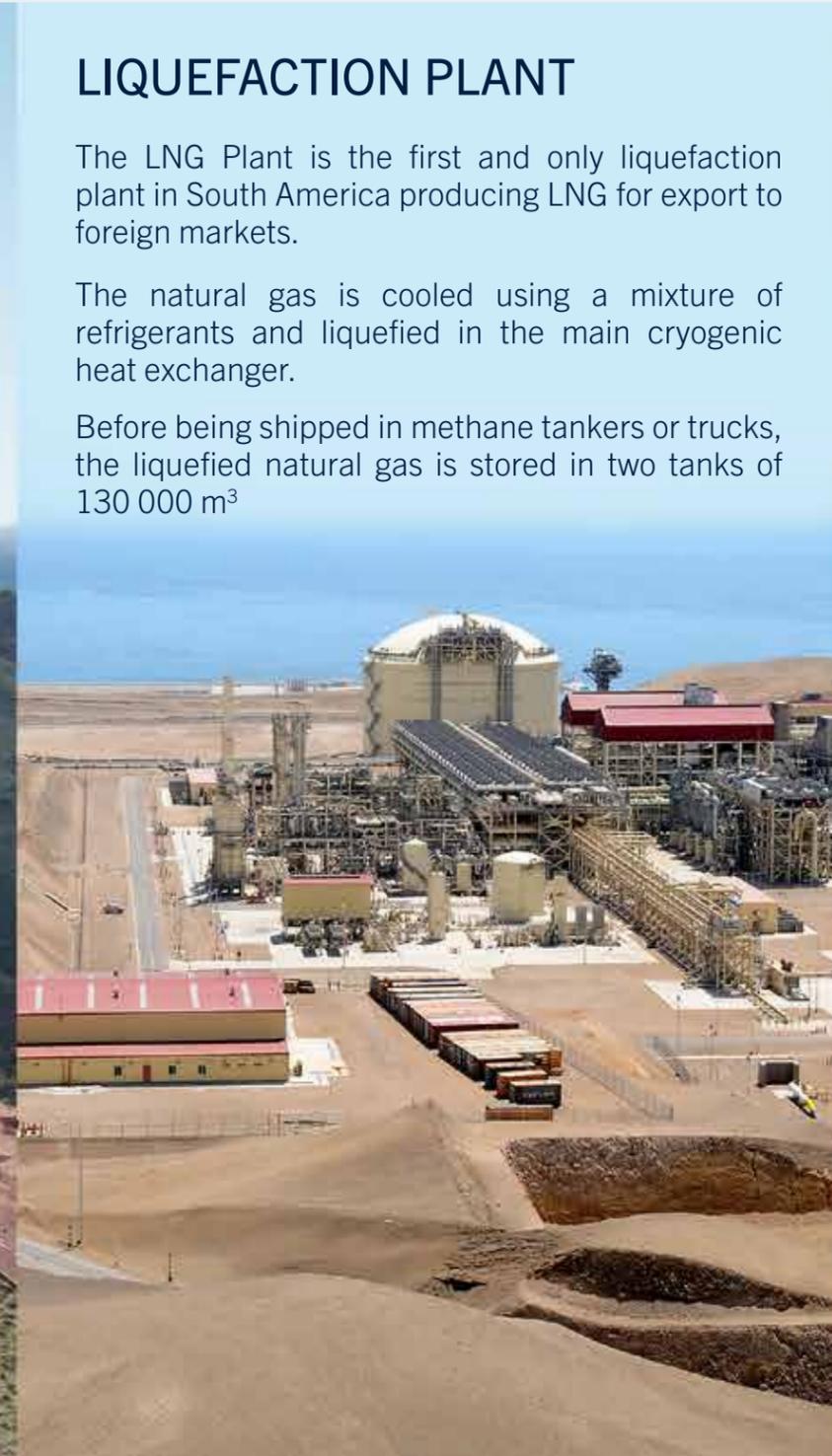
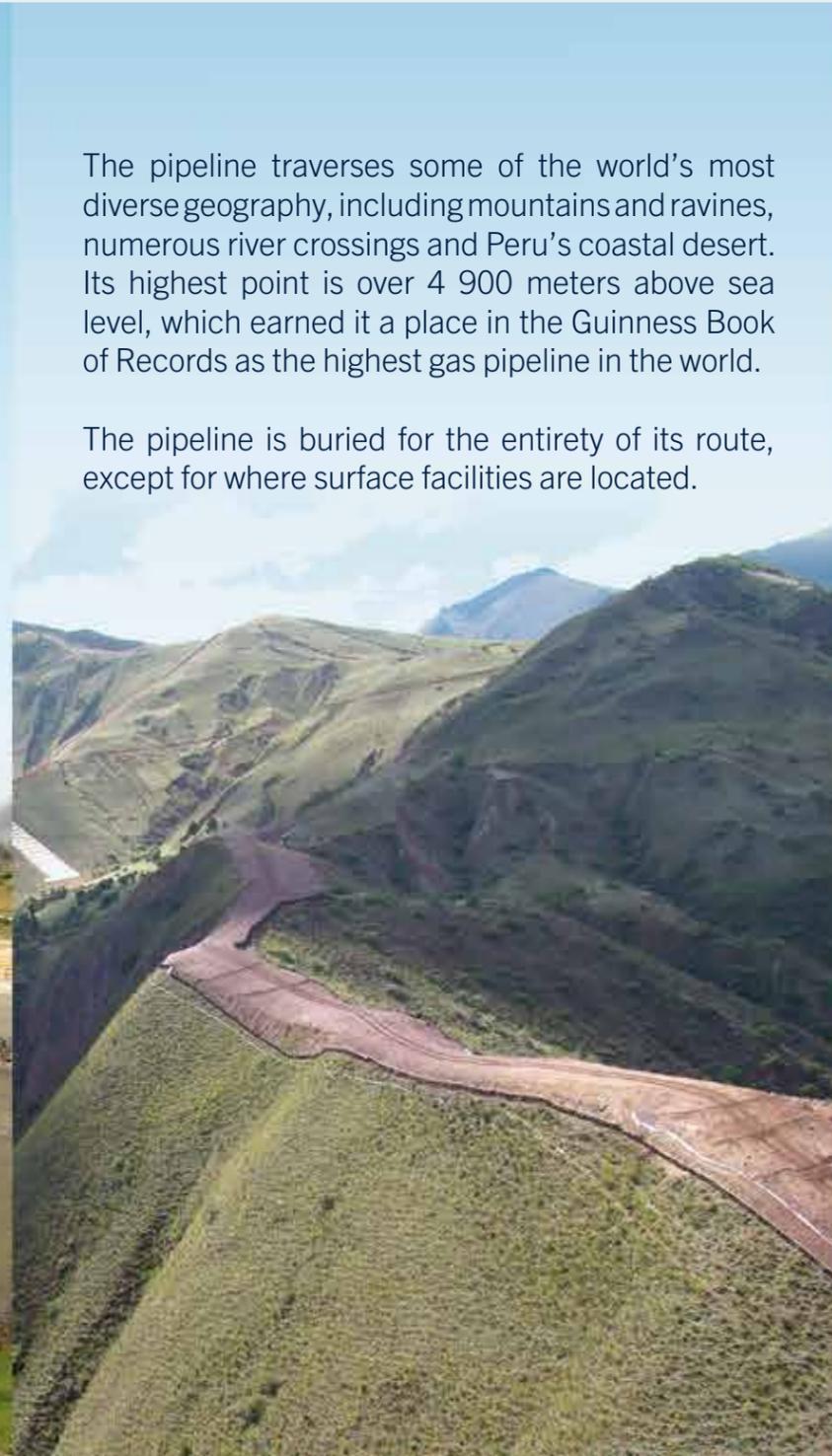
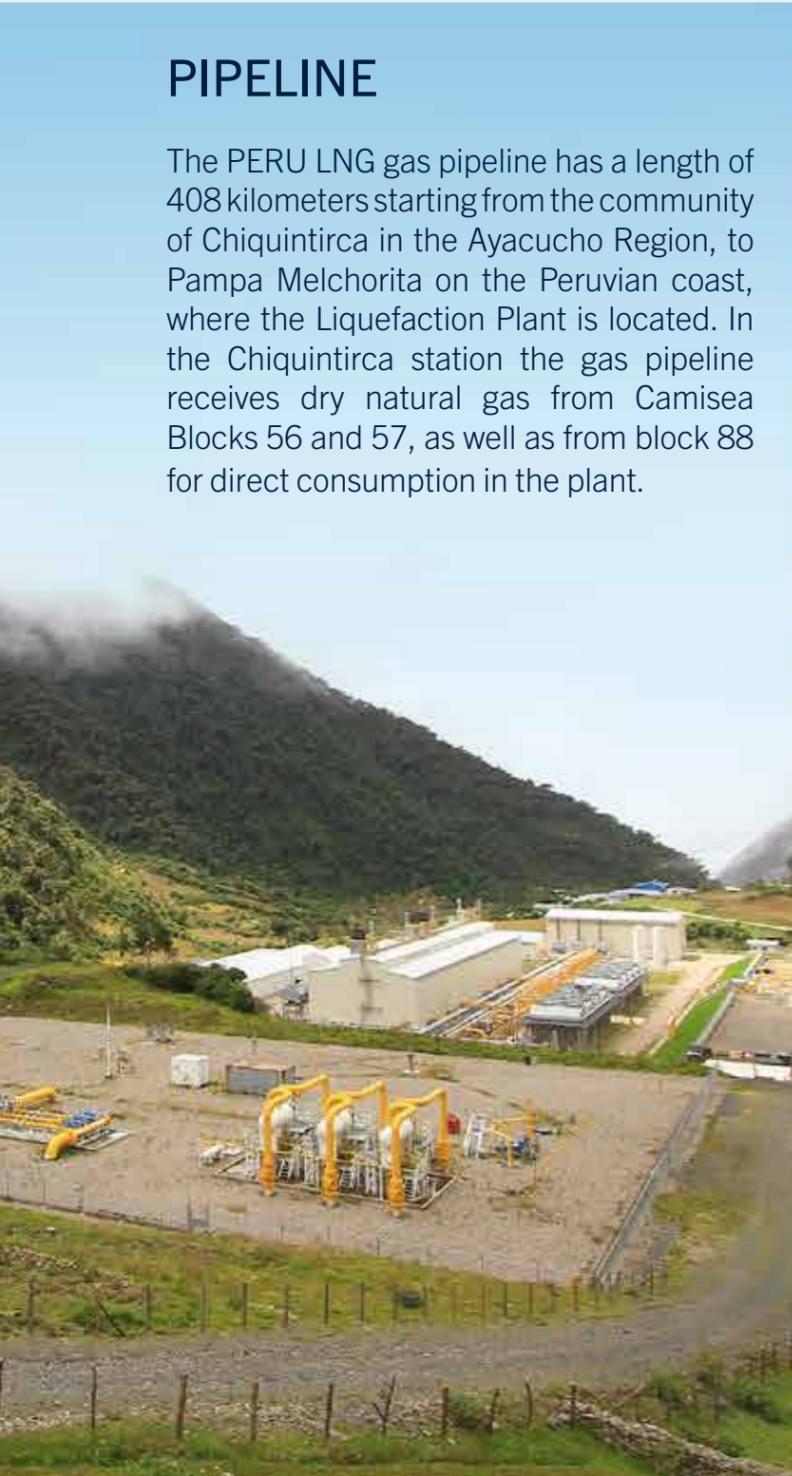
The LNG Plant is the first and only liquefaction plant in South America producing LNG for export to foreign markets.

The natural gas is cooled using a mixture of refrigerants and liquefied in the main cryogenic heat exchanger.

Before being shipped in methane tankers or trucks, the liquefied natural gas is stored in two tanks of 130 000 m³

MARITIME TERMINAL

The terminal is protected by a breakwater 800 metres long. It is equipped with the latest generation of systems for programming and completing cargo operations in a secure manner.



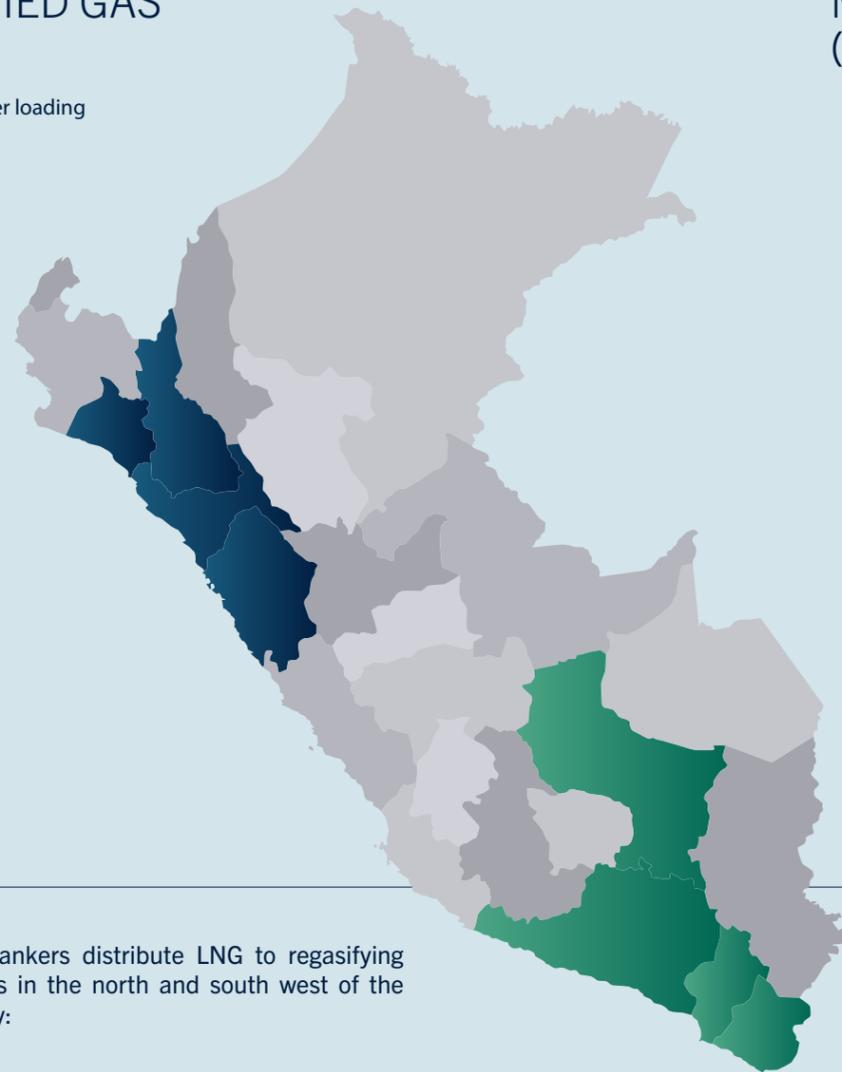
IMPROVEMENTS TO THE MARITIME TERMINAL IN 2021

Our ISO 9001:2015 certification was renewed by TÜV Rheinland in 2021 for the quality management systems applicable to liquid natural gas (LNG) loading and the provision of basic port services. In 2021, Peru's National Port Authority renewed the facility's International Ship and Port Facility Security Code (ISPS) certification together with its Peruvian Special Port Facility (IPE) and port security certificates.

ROAD TANKER LIQUIFIED GAS LOADING TERMINAL

2018 saw the commissioning of our road tanker loading terminal located in the peru lng plant.

- Distribution in the north
- Distribution in the south



MONTHLY TURNOVER IN 2021 (MILLION MMBtu)



DELIVERIES OF PROCESSED LNG BY COUNTRY



3872

Trucks

Road tankers distribute LNG to regasifying stations in the north and south west of the country:



4 407 829

MMBtu (4.22 TBtu)

OUR APPROACH TO

sustainability

The principle of sustainability is essential to PERU LNG for generating value and it is embedded in every area of its operations from the starting point of the gas pipeline through the completion of shipping from the port facility.

PERU LNG'S APPROACH TO SUSTAINABILITY IS BASED ON THE FOLLOWING PILLARS:

1

People

Working towards the development of everyone involved in the operation, neighbouring communities and stakeholders, while prioritizing security in all activities.



Looking after the planet

Operating to the highest industry standards, enabling us to minimize our impact on nature and to preserve its resources.



3

Management

Taking decisions based on expert knowledge and business ethics.

From this perspective and based on the three pillars mentioned above, PERU LNG carries out its operations to the highest international standards for environmental protection and local development, including International Finance Corporation (IFC) and Inter-American Development Bank (IDB) guidelines.

WE CONTRIBUTE TO THE SUSTAINABLE DEVELOPMENT GOALS

In 2015, leaders of the member states of the United Nations Organization adopted seventeen sustainable development goals (SDG) aimed at eradicating poverty, protecting the planet and ensuring prosperity for all, thus establishing a new global development agenda.

Achieving the SDG requires an unprecedented effort and coordination between the public and private sectors and civil society. For that reason PERU LNG continually and voluntarily evaluates different creative and innovative ways of making a significant contribution to the SDG, within its business model and together with its stakeholders.



PERU LNG CONTINUALLY AND VOLUNTARILY EVALUATES DIFFERENT CREATIVE AND INNOVATIVE WAYS OF MAKING A SIGNIFICANT CONTRIBUTION TO THE SDG, WITHIN ITS BUSINESS MODEL AND TOGETHER WITH ITS STAKEHOLDERS.



OPERATING TO THE HIGHEST GLOBAL STANDARDS

PERU LNG is built and operates an engineering achievement that is unique in south america and constitutes a global benchmark for people and companies.

PERU LNG's aim is to make a positive impact on humanity by delivering energy, exceeding industry standards and keeping to its company values:



When investors understood what was implied in building a pipeline across the mighty Andes, as well as a liquefaction plant and port facility on one of the most biodiverse coastlines in the world, they knew that this was a unique and extraordinary feat. It was a challenge that we had to overcome with the most capable and experienced people and the most advanced technology. It meant operating in an exemplary manner and meeting the highest environmental, social and technological standards. PERU LNG is built and operates an engineering achievement that is unique in South America and constitutes a global benchmark for people and companies.

ORGANIZATIONAL CULTURE AND CONFIDENCE

For PERU LNG the company's organizational culture is an interlocking fabric of standards, values and principles that constitute the essence of the organization and strengthen confidence between collaborators, which is without doubt a key factor in feedback and consolidation of the organizational culture.

The Culture Committee helps with the development and coherence of the organizational culture, which in turn is based on the fundamental values that constitute the competitive advantage enjoyed by PERU LNG and its Operator. A valuable team works every day to ensure that our collaborators recognize PERU LNG and its Operator as the best employers in the sector and thus continue to attract the best talent in Peru and abroad.

The Culture Committee's annual plan of action includes defining the profile and responsibilities of influencers, who constitute one of the main promoter groups in our organizational culture.



2



CHAPTER 2
**PEOPLE:
THE SOURCE OF OUR ENERGY**

OUR *people*

The force that drives PERU LNG comes from the people making up its workforce, who are essential to meet the company's goals. On the one hand are its collaborators and those of its contractors and on the other its Operator, which performs an essential role². PERU LNG values their contributions and promotes a harmonious atmosphere at work where motivation is constant, so as to attract, keep and strengthen the skills of a highly-qualified team.

Given the nature of the relationship between PERU LNG and its Operator, the information published in this report covers all collaborators in the three organisations, without prejudice to the independence and autonomy of any of them.



MAINTAINING

a diverse, inclusive and respectful workplace.



IDENTIFYING, DEVELOPING AND RETAINING

the best talent, and strengthening their skills.



OFFERING

competitive remuneration and benefits.



² The rest of this document uses information from Hunt LNG Operating Company SAC and Hunt Services Company SAC as well as from PERU LNG. This information is presented to illustrate this report and should not be used out of this context.

A DIVERSE, INCLUSIVE AND RESPECTFUL WORKING ENVIRONMENT

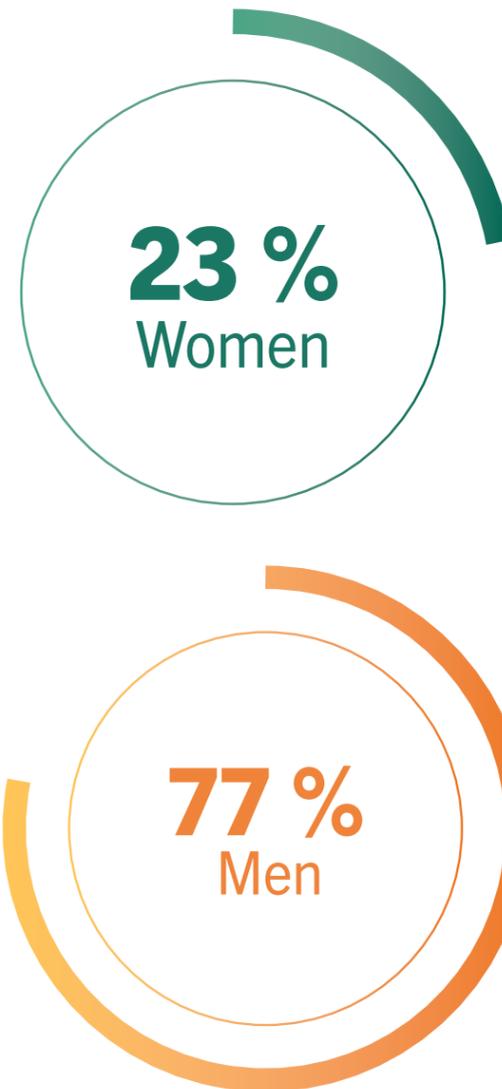
PERU LNG is committed to encouraging, cultivating and preserving a culture of diversity, equity and inclusion. For that reason it promotes equity of opportunity in all the aspects -contracting, promotion, training, personal and professional development- without discrimination for reasons of sex, origin, race, religion, sexual orientation or disability. Diversity among the collaborators of PERU LNG and its Operator is the companies' most valuable asset and is fundamental to creating an enriched working environment that adds value to each organization.

The sum of the individual differences, life experiences, knowledge, innovation, self-expression, unique skills and talents of the collaborators in PERU LNG and its Operator represents an important part of a business culture, but is also a manifestation of the companies' reputation and achievements.

Diversity initiatives developed by PERU LNG and its Operator apply but are not limited to their policies and practices regarding recruitment and selection, compensation and benefits, professional development and training and social and recreational programmes, as well as to continual development in a working environment based on gender equity and diversity.

Our commitment to encouraging diversity and inclusion is shown in the following illustrations of our staff and management broken down by gender, percentage of women in management positions, age and nationality.

COLLABORATORS BY GENDER



PERCENTAGE OF WOMEN IN LEADERSHIP POSITIONS

55 %

INCLUDING MANAGEMENT AND DIRECTORS.



FOREIGN COLLABORATORS COMPARED TO PERUVIANS



DIVERSITY AMONG THE COLLABORATORS OF PERU LNG AND ITS OPERATOR IS THE COMPANY'S MOST VALUABLE ASSET.

AGES OF OUR COLLABORATORS

Age	<30	31-50	>50
Total	15 %	71 %	14 %



STRENGTHENING THE CORPORATE CULTURE

Leadership style has a direct impact on the culture of the company, creating better productivity and efficiency. It also stimulates the motivation and commitment of our collaborators, as well as their work-life balance.

In 2021 PERU LNG implemented a programme entitled “Transforming Leadership Style”, the principal aim of which is to encourage a style of leadership that helps to empower collaborators and bring leaders and their teams closer. This programme encourages leaders to create spaces in which to interact with their teams and disseminate information on the meaning of business values, the profile of the leader and the importance of confidence and teamwork, as well as error management.

It also establishes the profile of the leader and the conduct expected of them in each organisation, taking into account the opinions and contributions of all leaders in PERU LNG; thereafter, a 360 degree integral evaluation was carried out later in order to establish a baseline. Thanks to the results, leaders will be able to design development plans to bring their own conduct into line with the established profiles and to take action to that effect.

New collaborators were also accompanied during the induction process, to give them close-up knowledge of the culture of each organisation and to help them to adapt.

Furthermore, the celebrations with which we seek to reinforce the culture remained in virtual form, in compliance with government regulations concerning the COVID-19 emergency. The warmth and cheerfulness of previous years was thus maintained.



THE AIM IS TO HELP NEW COLLABORATORS TO ADAPT TO THE CULTURE OF PERU LNG AND ITS OPERATOR THROUGH CLOSE MENTORING BY A COLLABORATOR WITH WIDE EXPERIENCE OF HOW THE ORGANISATIONS FUNCTION.

ATTRACTING THE BEST TALENT

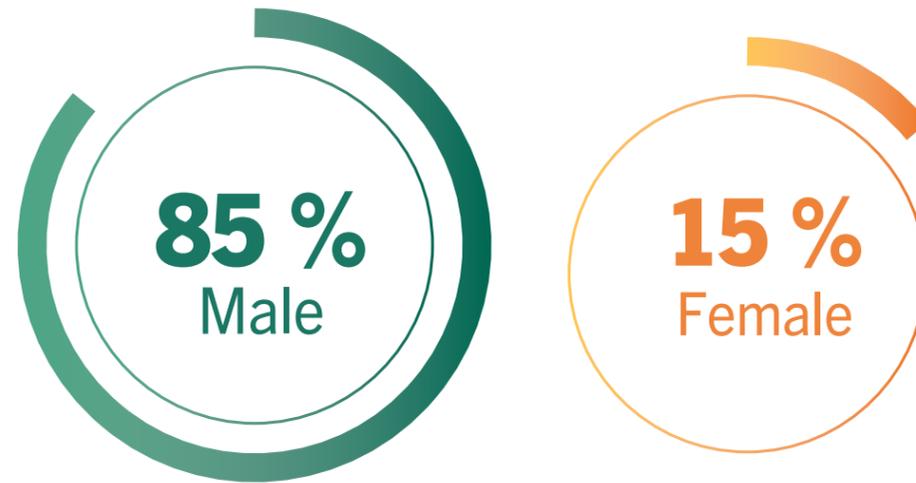
The capacity of PERU LNG and its Operator to hire the best professionals, who also possess the skills to contribute to the corporate culture, has increased its standing in the industry sector and with society as a whole. The companies aim to identify and attract the best possible talent and to develop their skills taking into account their needs, aspirations, security and the characteristics of each workplace. Thanks to this employment policy, PERU LNG its the Operator have been awarded ABE certification for good employment practices.

PERU LNG and its Operator³ have been members of the Good Employers Association (ABE in Spanish) for a number of years. ABE is an institution of the American Chamber of Commerce in Peru, which encourages and certifies responsible social responsibility through good employment practices in Peruvian companies.

The companies, with contributions from their leaders, sought and identified new talents and facilitated their incorporation and adaptation to our corporate culture; encouraging their personal and professional development so that they can achieve their maximum potential.

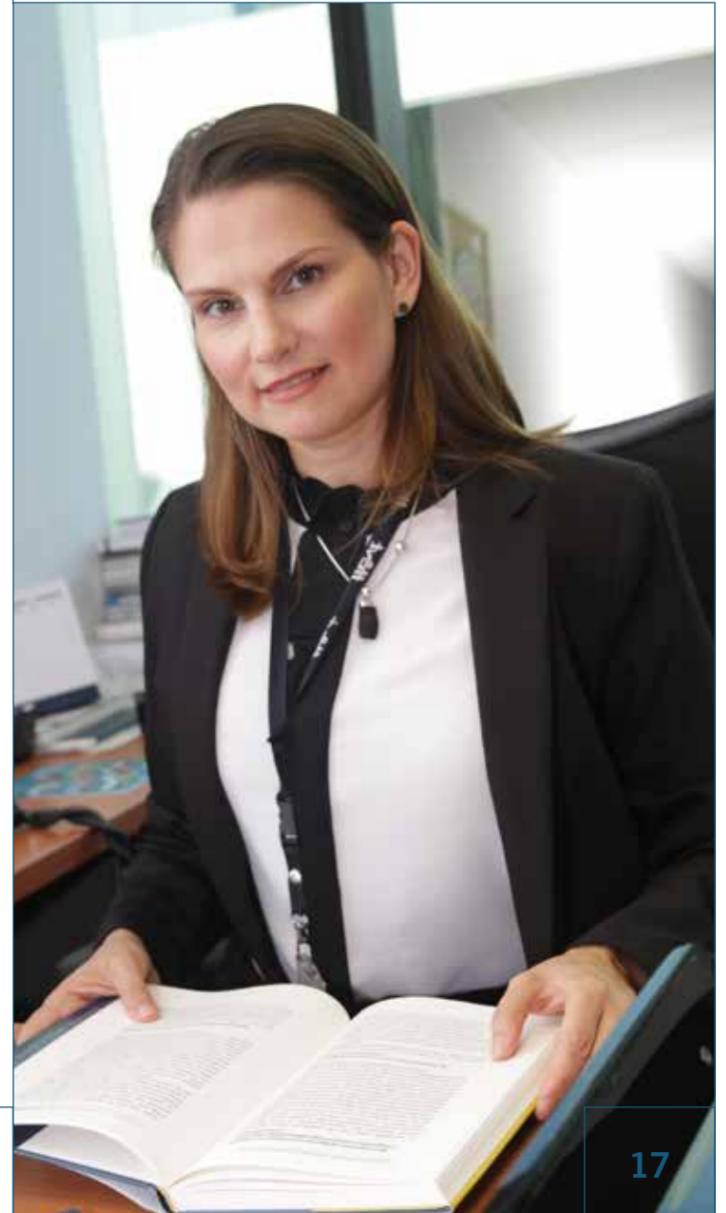
³ In this case the reference is to HUNT Operating Company SAC.

NEW HIRES BY GENDER



NEW HIRES BY AGE RANGE

Age range	%
<30	37 %
31-50	59 %
>50	4 %





PERU LNG

PROFESSIONAL WORK EXPERIENCE PROGRAM

17 new people were hired in 2021 as trainees in the following careers:

Careers	Cantidad
Administration and Accounting	5
Sciences & Engineering	12
Total	17

ADAPTING TO CHANGE

On response to the context of the pandemic and facilitate adaptation, an Employee Assistance Programme was implemented by PERU LNG and its Operator. This placed professional mental health advisors at the disposal of our collaborators for twenty four hours, as well as personalised advice on financial and legal matters and healthy diets. This programme was aimed not only at our collaborators, but also at their families.

Training sessions continued during the year on improved use of Office 365 tools and collaborator productivity.



PARTICIPANTS IN THE PROFESSIONAL WORK EXPERIENCE PROGRAM HAVE THE OPTION OF JOINING THE PERU LNG TEAM OR THAT OF ITS OPERATOR, DEPENDING ON THE ORGANISATION'S REQUIREMENTS.

INTEGRATED BENEFITS

The quality of life of our collaborators in PERU LNG and the Operator is a primary aspect of concern to the company. Each organisation therefore offers a package of benefits and in 2021 new ones were added, including:

- Health coverage for new families created by marriage or civil union. The opportunity has been provided to increase medical insurance benefits, cancer treatment insurance, school bonus, paternity leave and emergency leave.
- Health cover for same-sex couples. Collaborators have an option to include their partners in their medical and cancer insurance, EAP programme, death leave and adoption leave of thirty calendar days for children under the age of twelve.
- Progressive return to work for new mothers at the end of their maternity leave period. This enables them spend up to seven months with their babies.
- Online English courses financed by the company.

These benefits have been added to the benefits package offered by each organisation, which include the following as a minimum:



HEALTH AND PERSONAL INSURANCE

- A private health plan and cancer treatment insurance for collaborators and their families, including children up to the age of twenty five for both plans.
- Obligatory life insurance that exceeds the minimum insurable remuneration and group life insurance from the first day of employment.
- Medical insurance for collaborators' parents, assumed partially by each company.
- Preferential rates for vehicle insurance.
- Annual influenza vaccination, free of charge.
- Flexible working hours to guarantee a good work-life balance.
- Summer working hours.
- Day4me: two free days every year and an additional free day for every five years of service.
- Working days can be taken as holidays.
- Massage sessions, nutritional advice, gymnasium, health and welfare talks.
- Celebration of birthdays, festivals and other events.
- Assistance program with psychological, legal and other advice.
- Participation in corporate events and sports.
- Recognition for long service.



DEVELOPING SKILLS AS A FUNCTION OF THE COMPANIES' NEEDS

- Specialist training in Peru and abroad.
- Participation in seminars and congresses, both local and international.
- Financial help for undergraduate and postgraduate education.
- Financial help for certification and membership of professional colleges.
- English courses paid for entirely by each company.
- On-line education platform with more than 2,500 courses.

WORKING CONDITIONS

- Road and air transport (to the plant and our installations in Ayacucho).
- Lodgings, food and recreation at the plant and in Ayacucho.
- Parking at the administration offices (Lima).
- Assignment to cover transport for collaborators in Lima and provinces.
- Assignment for night working and staying overnight at the plant and in Ayacucho.
- Assignment to cover school fees for collaborators with children aged between two and eighteen.
- Overtime payments in excess of that required by employment legislation.



PARTICIPATION IN SEMINARS AND CONGRESSES, BOTH LOCAL AND INTERNATIONAL.



PERU LNG

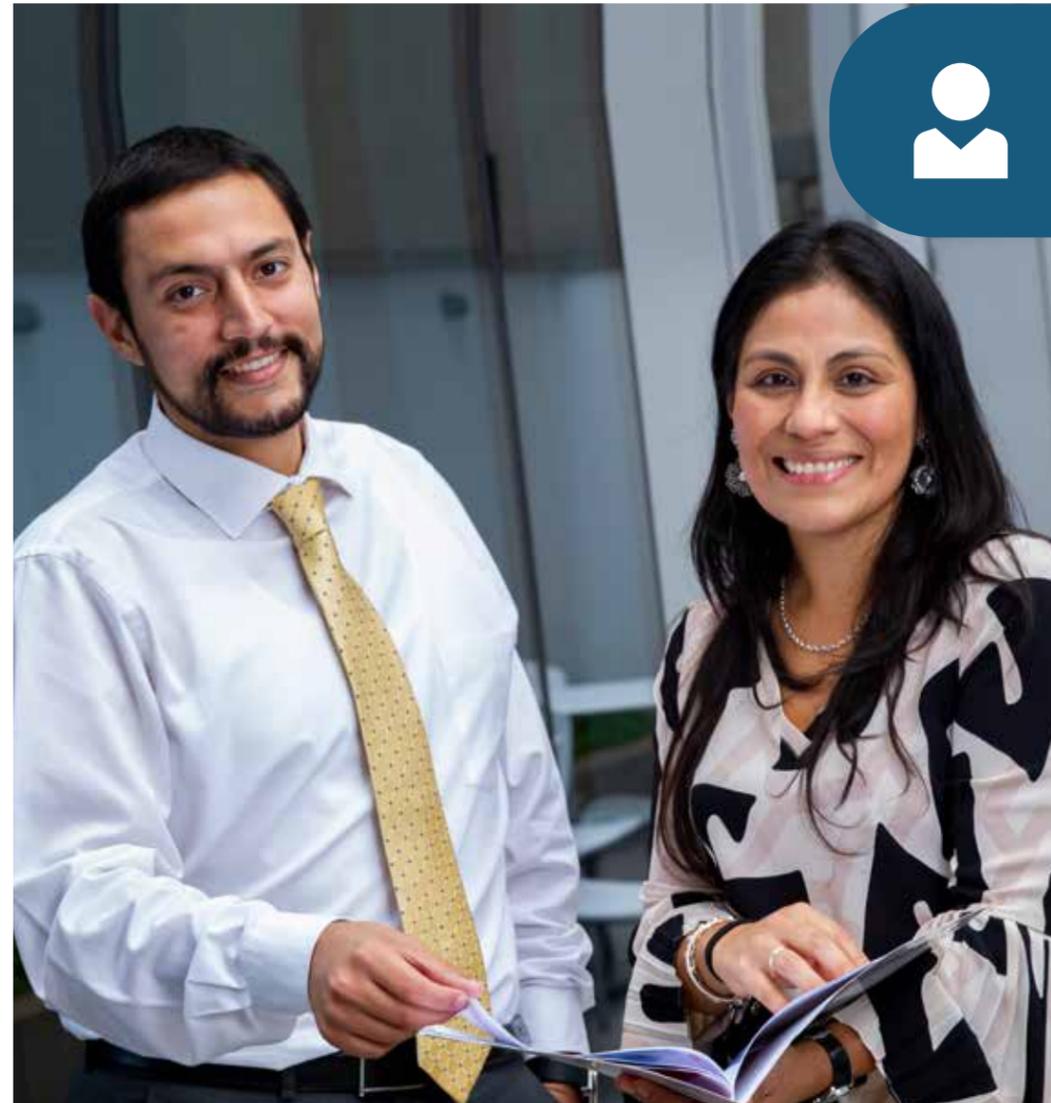


COMPENSATION

PERU LNG and the Operator have set up a competitive, equitable and flexible compensation program linked to the performance of their collaborators and the operation, which also upholds the corporate mission and values. Its purpose is to recruit and retain first class talent through competitive remuneration for the sector, rewarding collaborators for their achievements and, at the same time, guaranteeing their quality of life and individual development. Furthermore, compensation practices are a means of communicating performance goals and standards and motivating our collaborators.

With a view to keeping our remuneration competitive, we carry out annual surveys of our collaborators and these, together with a comparative analysis of the remuneration paid by the most representative companies in the sector, give PERU LNG and the Operator the information necessary for reviewing and adjusting wages and salaries and for analysing internal equality.

In 2021 an income protection plan was implemented in each organisation in response to variations in the dollar exchange rate and its impact on purchasing power. The plan will be in force for two years and its purpose is to adjust wages and salaries in line with the dollar exchange rate in the local market, in order to protect their purchasing power.



THE AIM IS TO
RECRUIT AND RETAIN
FIRST CLASS TALENT
THROUGH COMPETITIVE
REMUNERATION FOR THE
SECTOR, REWARDING
COLLABORATORS FOR
THEIR ACHIEVEMENTS
AND, AT THE SAME TIME,
GUARANTEEING THEIR
QUALITY OF LIFE
AND INDIVIDUAL
DEVELOPMENT.



Results of our employment policies

YEARS OF SERVICE



PERU LNG ENCOURAGES AN ENVIRONMENT OF RESPECT AND CONFIDENCE, WHICH IS EVIDENCED MAINLY BY OUR TEAM MEMBERS' LENGTH OF SERVICE.

COVID-19 ACTION PLAN

PERU LNG and its Operator are fully committed to protecting the health and welfare of all members of their team. With this in mind, from the declaration of the pandemic in 2020 to date, they have responded continually, efficiently and in line with the guidelines suggested by the WHO.

In March 2020 an executive committee was formed from representatives of PERU LNG and its Operator to draw up comprehensive response plans and detailed protocols for working under the current conditions. Procedures and protocols were also introduced specifically to reduce the risk of infection among collaborators and their families.

The main action taken in 2020 and 2021 were:

- **Immediate support for remote working and social distancing on all company premises.**

- Measures were taken to implement remote working, with only essential collaborators present in the plant, in Lima and on the pipeline.
- Collaborators received IT equipment , access to virtual platforms and/or connections to our private network to enable them to work remotely.
- An IT support group was created to solve problems of connectivity and to manage hardware in an effective manner.

- All collaborators were taught the remote working protocol for use during the pandemic.
- Alcohol gel dispensers and equipment cleaning stations were placed on all company premises.
- An area was set aside in the plant exclusively for the reception and management of patients with respiratory symptoms.
- Workplaces were adapted to maintain social distancing, mess room capacity was cut and activities that involved the congregation of large numbers of people were suspended.

- **Technology.**

The change to remote working required an enormous effort on the part of the IT department to ensure the continuity of the operations and protect the health of PERU LNG's collaborators and those of our Operator and their families.

A rapid and precise response was achieved, however, and the main action taken is described below:

- Remote-access tools were installed on all personal computers (VPN, Teams, Horizon, Jabber).
- The shift patterns of the IT team in the plant and on the pipeline were modified to provide face-to-face support.

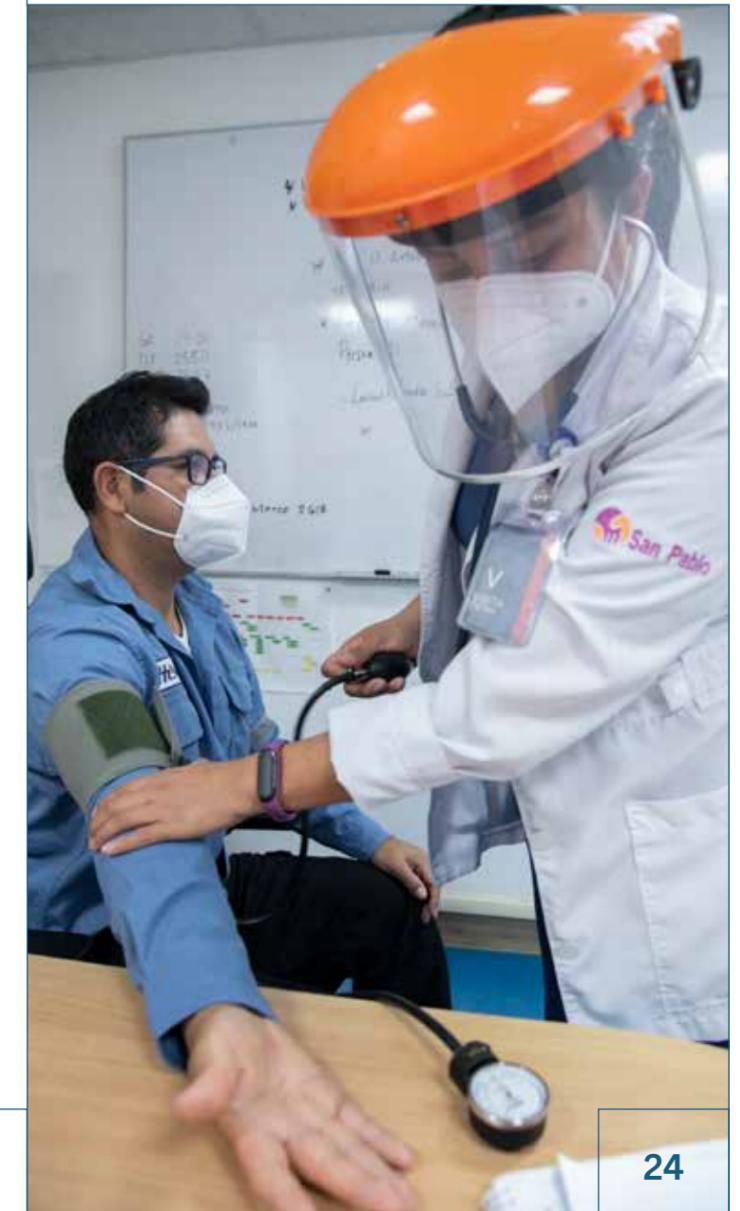


- The requirements of specific personnel were evaluated and IT equipment provided.
 - An immediate IT support group was created and this service was later entrusted to Tech Concierge.
 - Users were trained in the proper use of MS Teams, which includes a number of tools to make remote working more effective.
 - A timetable of personal attention in the Lima offices was established to address different requirements.
- **Communications and welfare.**
- An awareness-raising campaign was designed to include the measures adopted to prevent contagion and to protect the collaborators of PERU LNG and its Operator and their families.
 - We launched “COVID-19 News”, a daily bulletin reporting on the status of the pandemic throughout the world.
 - Thirty-minute welfare sessions were held, promoting positive and inspirational messages.

Celebrations will be held virtually to encourage integration.

Health, safety and monitoring

- Directives were established to ensure a rapid response to possible infections and to provide quarantine guidance.
- Medical and psychological monitoring was carried out, enabling individual cases to be treated discretely and effectively, enabling the infection to be isolated and controlled. Medical checks were also carried out at the end of the quarantine period, before patients returned to work.
- We carried out rapid PCR tests and serology tests on all collaborators who remained at work before entering the premises, they were also asked to provide a sworn statement as to their symptoms and contacts prior to entering. This process is still being carried out.
- Daily triage in the plant was used to detect collaborators with symptoms of COVID-19.
- Support and individualised psychological counselling were provided to collaborators to help them overcome the quarantine and adapt properly to the family and/or work environment.



VOLUNTARY SERVICE

PERU LNG encourages voluntary service, as valuable and having a significant short-term impact on the vulnerable sectors of society, as well as on the attitude and motivation of our collaborators.

Collaborators from different departments and sites belonging to PERU LNG and its Operator support many social causes and this, in addition to serving others, promotes a culture of social commitment within each company.

In 2021, volunteers continued to support the Asociación de las Bienaventuranzas with a financial contribution for the construction of a bakery and confectionery school and workshop.

Assistance was also given to the inhabitants of the direct area of influence of PERU LNG in Cañete. Donations were made through Caritas and the prelature of Yauyos to the parish soup kitchens of Cañete. Further donations were made to the parish of San Luis de Cañete, for the “Oxygen for Life” campaign aimed at acquiring and oxygen plant.

Finally, a financial grant was made to the NGO Juguete Pendiente for their “Embrace the South”, campaign that seeks to provide warm clothing to families affected by the cold weather in Cusco.



VOLUNTARY SERVICE, AS VALUABLE AND HAVING A SIGNIFICANT SHORT-TERM IMPACT ON THE VULNERABLE SECTORS OF SOCIETY, AS WELL AS ON THE ATTITUDE AND MOTIVATION OF OUR COLLABORATORS.



EFFECTIVE PERSONAL SAFETY *management*

PERU LNG believes that personal safety is the most important part of its operations management. It therefore rigorously analyses all activities to identify the associated risks, and implements controls to guarantee the safety of its collaborators and those of its Operator, contractors, parties interested (stakeholders) and the communities where it operates.

Throughout its operations personal safety is an inherent, primary and non-negotiable part of daily life. For that reason efforts are made to ensure that all employees involved in the operation (including the Operator and contractors) carry out their activities efficiently and safely, enabling us to achieve a low level of incidents.

PERU LNG has four fundamental pillars with which it seeks to support effective management of personal safety. The company carries out activities applicable to all of these pillars and seek to achieve the goals of each one.



PEOPLE'S SAFETY IS ONE OF THE MOST IMPORTANT VALUES FOR PERU LNG. THAT'S WHY IT DEPLOYS ALL ITS EFFORTS TO MAINTAIN EFFECTIVE MANAGEMENT OF IT.





INDUSTRIAL HEALTH AND SAFETY

reliability

PILLAR 1

Encouragement of industrial health and safety



PILLAR 2

Maintenance and strengthening of the culture of industrial safety



PILLAR 3

The use of a process-based management system



PILLAR 4

Maintenance and strengthening of industrial leadership in the field



- Safety moment with the management
- Participation by contractors
- Training in different departments in the observation of safe acts and conditions
- Rules that save lives
- Permit to work system /jsa participation in the field
- Safety management in the company's processes (psm)/ims
- Permanent dissemination and communication
- Safety encouraged by leaders
- Generating safety awareness

PILLAR 1

Encouragement of industrial health and safety

PERU LNG recognises that industrial health and safety is everyone's responsibility. It therefore trains its collaborators continually in aspects of industrial safety and also has specific programs for departmental leaders, who are considered the main promoters of safe practices at work.

Leaders attend various training sessions that enable them to connect effectively with collaborators of PERU LNG, its Operator and contractors, to encourage safe practices at work.

Their duties and training include:

-Training leaders to strengthen their leadership skills in industrial safety.

Leader training focuses on:

- being present in the workplace,
- observing and understanding the conditions under which the work is being done;
- communicating effectively with others;

- promptly identifying and reporting conditions with a high potential for causing injury.
- repeating to collaborators that they are responsible for their own safety and that of their workmates.

-Industrial safety talks, given by the sustainability and operations directors and departmental managers to small groups of collaborators from PERU LNG, its Operator and contractors. These periodic talks promote discussions about safety in the workplace, help to define what is acceptable (from a safety point of view) regarding performance and behaviour and raise awareness of industrial safety.

In 2021 35 talks took place in which 840 people took part, including collaborators and contractors.

-Training for departmental leaders to observe safe and unsafe actions and conditions, thus enabling them to emphasize good practices effectively and identify and stop unsafe behaviour.



IN 2021 35 TALKS TOOK PLACE IN WHICH 840 PEOPLE TOOK PART, INCLUDING COLLABORATORS AND CONTRACTORS.



PILLAR 2

Maintenance and strengthening of the culture of industrial safety

Security is one of the attributes that define the PERU LNG culture. Therefore, although tools, training and initiatives are provided to create a culture of safety in PERU LNG, its Operator and contractors, individual decisions and the conscious application of the principles of safety are what strengthen this culture.

In order to maintain and consolidate a culture of safety, the following activities are carried out:

- **Continued emphasis on the rules that save lives.** PERU LNG has identified ten rules of safe behaviour at work, which are disseminated and discussed in the different forums for interaction between collaborators of PERU LNG, its Operator and contractors.
- **Encouragement of committed participation by operator and contractors** in all industrial safety activities carried out by PERU LNG and its Operator. PERU LNG encourages the contractors themselves to implement similar initiatives.

This is achieved through:



ASSERTIVE COMMUNICATION

based on respect and trust to promote a direct and permanent dialogue on safety.



CREATING

a Contractors Committee headed by the contractors themselves.



ACTIVE PARTICIPATION

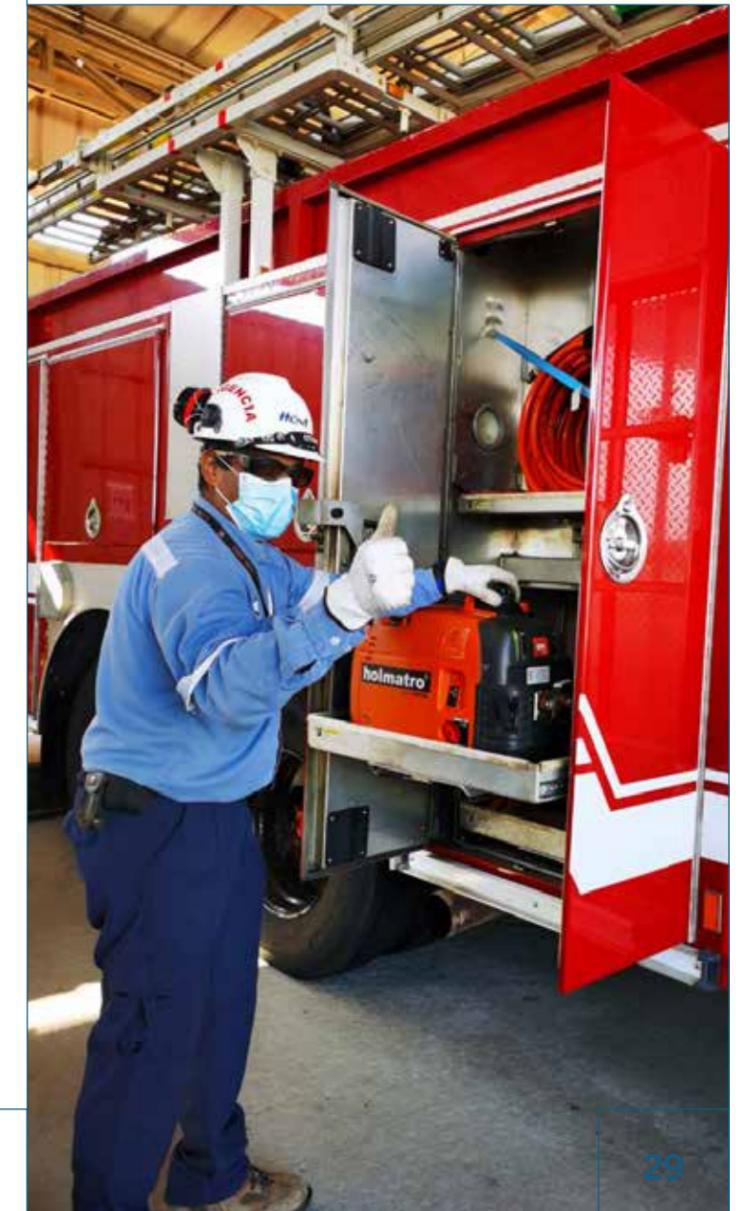
by contractors in safety management.



DEVELOPMENT

of coordinated strategies.

- **Different activities to raise awareness of industrial safety and encourage a safe working environment for the collaborators of PERU LNG,** its Operator and contractors. Particularly safety campaigns, workshops, talks and training in specific subjects, as well as pamphlets, notices and other audio-visual media.





PERU LNG



You have the right and the obligation to stop work that is unsafe.

CHAPTER 2

OUR PEOPLE, THE SOURCE OF OUR ENERGY



Mandatory for all personnel

PILLAR 3

Use of a process-based management system

PERU LNG has implemented a safety management system for its processes based on standard OSHA 1910.119. Its components are aligned with and complementary to the Integrated Management System (IMS), which embraces policies, procedures and practices to prevent incidents and ensure safe and efficient operations.

The IMS is the support and reference framework for the activities described for the model's four pillars. It also helps to create a culture of prevention in matters of industrial safety.

The safety management system is made up of activities designed to ensure the integrity of the assets and to facilitate safe and efficient operation.

MAINTENANCE AND IMPROVEMENTS TO THE INTEGRATED MANAGEMENT SYSTEM

ISO 9001, ISO 14001 & ISO 45001 CERTIFICATION

PERU LNG's Integrated Management System (IMS) describes a series of practices aimed at ensuring the efficient management

of processes and resources in order to guarantee a safe working environment for the collaborators of PERU LNG, its Operator and contractors, and protection of their assets. It also establishes the company's commitment to carry out its activities in a manner that is friendly, reliable and efficient towards the environment and neighbouring communities.

This system meets the regulatory requirements of Peru's National Port Authority and obtained ISO 9001 (Quality Management) certification for port operations in January 2012. Furthermore, in November 2013 the system was awarded ISO 14001 (environmental management) and OHSAS 18001 (occupational health and safety) certification for all activities and sites. These certifications have been renewed continually every three years after audits carried out by internationally recognized institutions. At present these certifications are issued by TÜV Rheinland.

In November 2021 TÜV Rheinland carried out a successful audit that enabled PERU LNG to bring its IMS -previously certified to OHSAS 18001- into line with the ISO 45001 standard for health and safety management at all sites and for all operations.



THE INTEGRATED MANAGEMENT SYSTEM ALSO INCLUDES ACTIVITIES AIMED AT ENSURING THE INTEGRITY OF THE COMPANY'S ASSETS.

PILLAR 3 Use of a process-based management system**PROCESS SAFETY MANAGEMENT IN THE PLANT**

Process Safety Management (PSM) was incorporated into the facilities from the design stage. It forms part of the Integrated Management System, but has not been fully implemented as there was no relevant legislation in Peru. The process of implementing PSM based on the OSHA 1910.119 standard began in 2014 and lasted three years.

In November 2020, OSINERGMIN promulgated ruling N° 203-2020-OS/DC, which establishes requirements and periods for companies to bring their systems into line with this ruling. In order to comply with this ruling, in November 2021 PERU LNG submitted for evaluation y Osinergmin, an update plan that includes thirty seven changes to be implemented over a period of three years.

This plan began during 2021 with implementation of the human factors module in the plant.

EMERGENCY RESPONSE PREPARATION

In 2021 virtual first aid training was given to 323 collaborators from PERU LNG and its Operator who work in the plant, on the pipeline and in the Lima offices. 100% of planned emergency drills in the plant and on the pipeline were also carried out.

The plant medical centre also gave monthly training sessions on how to prevent and treat COVID-19 and the most prevalent pathologies encountered in the operation.

OCCUPATIONAL HEALTH

(part of pillar 3: use of a process-based management system)

Occupational health is one of the most important components of the Integrated Management System and monitors the state of health of collaborators of PERU LNG, its Operator and contractors, as well as the environment in which they work. It includes the following programs:

- **Industrial hygiene program**
In accordance with the Annual Hygiene Monitoring Program, in 2021 we continued to supervise exposure to occupational hazards (physical, chemical, biological, ergonomic and psychosocial) in order to ensure that working conditions are kept up to standard and meet regulatory requirements. The results are reported to the competent authority.
- **Occupational health control & vigilance programs**
The principal tools used to monitor the health of the collaborators of PERU LNG and its Operator and contractors.
 - 2021 saw fifty medical examinations carried out on new hires and seven on retiring employees, as well as examinations on those changing jobs and returning to work after suffering COVID-19.

The context of the health emergency also called for training in preventive measures, stress management and active pauses to prevent COVID-19, in line with legal requirements.



**IN 2021 VIRTUAL
FIRST AID TRAINING
WAS GIVEN TO THE
COLLABORATORS
FROM PERU LNG
AND ITS OPERATOR.
100% OF PLANNED
EMERGENCY DRILLS
WERE CARRIED OUT.**

PILLAR 3 Use of a process-based management system

All results of occupational medical examinations carried out in 2021 have been given to our collaborators and no occupational illnesses were reported. It should be noted that the results are confidential and are sent out using a virtual platform developed specially for this purpose (EMO Delivery).

- Health control and vigilance of contractors and visitors. PERU LNG uses occupational health certificates (CAMO) to ensure that its contractors are monitoring the health of their collaborators and that they meet PERU LNG's medical standards for those working in its installations.

- **COVID-19 control and vigilance.**

SARS-CoV-2 control and prevention measures have been in force since March 2020, based on our COVID-19 Vigilance, Prevention and Control Plan approved by Peru's Ministry of Health. The action taken is described below.

Before entry to our installations:

- 2639 telephone calls were made to collaborators when entering and leaving work, to identify COVID-19 symptoms or contact risks and this enabled us to pick up suspected cases.
- 14 536 COVID-19 antigen tests were carried out on collaborators of PERU LNG, its Operator and contractors, before entering the installations, enabling us to detect positive cases and take appropriate action.

- Records were kept of symptoms and epidemiological data from collaborators of PERU LNG, its Operator and contractors.

Whilst on our premises:

- An obligatory triage system was established for entry to the installations and random testing inside the plant, consisting of temperature, heart rate and oxygen saturation tests. In total, 157 412 controls were performed.

- Information was provided on COVID-19 transmission, symptoms and preventive measures, social distancing in the workplace (mess rooms and vehicles), obligatory use of surgical and/or KN95 masks, frequent hand-washing and use of alcohol gel on hands, among others aspects. It was published in physical notices, by e-mail, signage and bulletins.

- In addition, distance monitoring of the medical and psychological condition of collaborators diagnosed with and suspected of having COVID-19 until the illness had passed, as well as those with co-morbidities and those about to enter our installations. This initiative included family members. A total of 86 follow-up calls were made to collaborators and family members.

- **Time lost through illness.**

Every month checks were carried out on workforce absenteeism, to produce an epidemiological indicator of employee health that can be used to design intervention programs for at-risk groups to prevent illness and injury and reduce the rate of absenteeism.



PILLAR 3 Use of a process-based management system

TABLE SHOWING TRIAGE EVALUATIONS CARRIED OUT

Location	Operator	Contractor
Plant (interior)	19 850	54 577
Plant (entrance)	1978	10 331
Lima (PERU LNG and Hunt LNG)	601	1692
Ayacucho office	2587	2059

• **Medical treatment**

The plant medical centre will treat collaborators and visitors in urgent cases and medical emergencies. In 2021 medical treatment was given 1609 times.

A marquee was erected outside the medical centre, containing the equipment necessary to treat collaborators of PERU LNG and its Operator suspected of having COVID-19, in accordance with current legislation.

In 2021 the medical centre treated collaborators with suspected

COVID-19, before they were sent home or to medical centres in Lima for appropriate treatment.

Medical examinations were carried out on collaborators and contractors who had recovered from COVID-19 or other illnesses when they returned to work, in order to guarantee that they were in a condition to do so.

• **Illness prevention programs**

With a view to promoting good health among our collaborators at PERU LNG, our Operator and contractors, in 2021 we introduced respiratory protection, protection from the sun and health and welfare programs as part of our healthcare-at-work risk prevention and control efforts.

Information was also disseminated about the COVID-19 vaccine and vaccination encouraged among collaborators and contractors as a preventive measure. By the end of 2021 more than 98% of the personnel of PERU LNG PERSONNEL and its Operator had been fully vaccinated.



MANAGING CONTRACTORS

The contractor selection process includes health, safety and environmental (HSE) evaluations of candidates. All contractors working in PERU LNG's installations must have a management system that meets or exceeds our corporate requirements. In this regard, annual HSE audits of contractors are carried out to verify compliance and adherence to the standards.



THE CONTRACTOR SELECTION PROCESS INCLUDES HEALTH, SAFETY AND ENVIRONMENTAL (HSE) EVALUATIONS OF CANDIDATES.



PILLAR 4

Maintenance and strengthening of industrial leadership in the field

Contracting companies in the plant and on the pipeline belong to and lead a HSE Committee that meets monthly at each site. During each meeting this committee reviews safety statistics, lessons learned from events and the results of HSE campaigns organized by the contractors themselves.

Ensuring that safe behaviour is followed everywhere, requires personnel empowered to exercise leadership. We therefore implemented the following activities to reinforce the skills of all personnel.

Training in recognizing safe and unsafe actions and conditions, to ensure that collaborators are able to emphasize good practices and identify and stop unsafe behaviour. This enables company personnel in general to be part of the solution to those aspects of industrial safety that should be improved.

The Keep Safety Talks Going program was one of those that had the greatest impact. The program, implemented since 2018, promotes dialogue between collaborators when they see an unsafe act or condition, and encourages reflection and immediate action. If, on the other hand the act or condition is safe, the purpose of the dialogue is to recognise good performance and encourage good practices. The talks are recorded on a "Tarjeta Watch" form. The

illustration on the previous page shows the number of cards issued each year.

There has been a notable increase in Tarjeta Watch cards issued is evidence of greater participation by our collaborators. The impact of the program has helped to change our collaborators' attitude to safety and has made taking care of yourself and your workmates into a daily and continual obligation and responsibility.

WATCH CARDS ISSUED EACH YEAR



28519
CARDS

PILAR 4 Maintenance and strengthening of industrial leadership in the field

The existence of safe conditions for working in the field. Activities in the plant and on the pipeline require work permits that are granted based on an analysis of safety conditions applicable to the activities.

On the understanding that conditions can change after a work permit is issued, on-site verifications ensure that they are maintained and if not, additional measures are taken to guarantee the safety of employees.

INDUSTRIAL SAFETY PERFORMANCE INDICATORS

The activities carried out as part of the effective safety management model have given us the best management indicators in the history of PERU LNG's operations.



0 LOST-TIME INCIDENTS

340 DAYS

PERFECT (DAYS WHEN THERE WERE NO EVENTS**)

* An incident is an undesired event that can result in an accident or near miss, while an accident is an undesired occurrence that results in personal injury or damage to property, processes or the environment.

**Events means first aid, incidents involving vehicles, medical treatment, LTIs, damage to property, etc.



RECORDABLE INCIDENTS PER YEAR
(including events causing lost time and medical treatment)

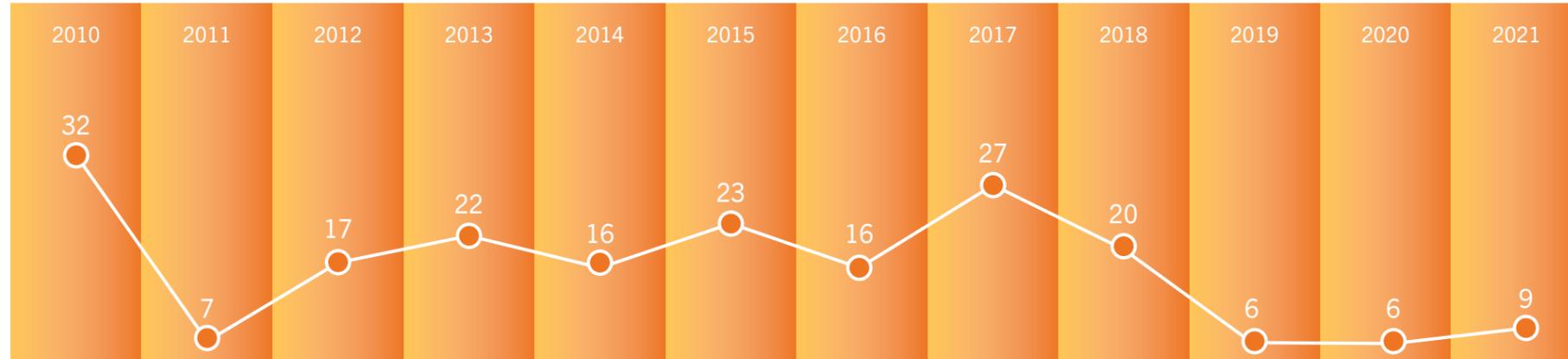


¹ 0 No serious vehicle accidents were recorded in 2021.

PERFECT DAYS PER YEAR



FIRST AID GIVEN EACH YEAR



VEHICLE ACCIDENTS PER YEAR



THESE RESULTS WERE MADE POSSIBLE BY THE COMMITMENT OF ALL PERSONNEL TO THEIR OWN WELFARE AND THAT OF THEIR WORKMATES, EMPOWERMENT OF PERSONNEL IN MATTERS OF SAFETY AND THE LEADERSHIP OF THE SENIOR MANAGEMENT IN PROMOTING AND SUPPORTING THE PROGRAMS AND INITIATIVES IMPLEMENTED.

CORPORATE MODEL FOR COMMUNITY

relations

PERU LNG has a fair and respectful relationship with the communities where it operates: their population, local government and businesses, and its partners.

We make an effort to create opportunities that generate long-term economic and social value. To achieve this we listen to the needs and challenges of all parties and then work in collaboration with them to develop a framework for cooperation and mutual success.

PERU LNG concentrates on three key aspects to ensure an effective relationship with stakeholders:



Effective communication



Social investment



Creation of alliances to promote development



PERU LNG HAS A FAIR AND RESPECTFUL RELATIONSHIP WITH THE COMMUNITIES WHERE IT OPERATES.

EFFECTIVE COMMUNICATION

PERU LNG seeks to create meaningful and long-lasting relationships with neighbouring communities. To do so, it shares information directly and frequently about all projects from the very beginning. It accepts comments and can thus understand the needs and concerns of interested parties.

It also carries out integrated evaluations of environmental and social impacts, among other assessments required under Peruvian law, in line with applicable domestic and international standards. It also provides information on the concerns and needs of stakeholders, enables us to identify appropriate channels of communication, draw up operational plans and help to manage social risks.

In accordance with its community participation plans, duly trained local collaborators of PERU LNG maintain a dialogue with neighbouring communities in order to answer any questions and have frequent contact with local authorities and leaders. We also have a system of prompt response to claims and complaints, which helps to reduce the risk of social conflicts.

Because of the COVID-19 pandemic restrictions, in 2021 we continued to use digital media and the telephone to stay in contact with interested parties, enabling us to carry out our activities successfully.



PERU LNG BUSCA CREAR RELACIONES SIGNIFICATIVAS Y DE CONFIANZA CON LAS COMUNIDADES VECINAS.





PERU LNG IS COMMITTED TO THE DEVELOPMENT OF COMMUNITIES THROUGHOUT ITS DIRECT AREA OF INFLUENCE

SOCIAL INVESTMENT

PERU LNG is committed to the development of communities throughout its direct area of influence in the Ayacucho, Huancavelica, Ica and Lima regions. To achieve this, the company has defined three themes for social investment: strengthening skills, education and health.

These core areas are not only aligned with the sustainable development aims promoted by the United Nations, but also with the public policy of the Peruvian Government. It should be noted that to ensure the success of social investment in these areas, PERU LNG has created strategic alliances with public and/or private operators with proven experience.

The purpose of the projects implemented is to improve the living conditions and productive capacities of communities adjacent to the pipeline and plant. This has strengthened confidence and respect between the company and communities in its direct area of influence.

Sustainability is a greater priority than ever within the company's strategy and objectives. For that reason our projects have been adapted to the circumstances and are implemented in coordination with local communities thanks to a continual and transparent dialogue.

**PUBLIC INVESTMENT
MANAGEMENT
TRAINING PROGRAM**



PUBLIC INVESTMENT MANAGEMENT TRAINING PROGRAM

This programme, which began in March 2012, jointly with the Universidad del Pacífico Center for Mining and Sustainability Studies and aims to strengthen the skills of technicians working for local councils; specifically preparing technical dossiers and designing strategies to enable access to public funds. This initiative is a direct response to the deeds of officials responsible for drawing up and managing strategic public investment projects and meeting the population's basic health, education and hygiene needs.

This program has strengthened relationships with the rural communities in the area of influence of the pipeline, thanks to the work carried out by their district municipalities. Between 2016 and 2019, more than 31 million dollars of central government funds was leveraged for social projects that now serve the basic needs of the population. This is a clear example of how local governments can be helped to gain access to public funds.

In 2020, thanks to contributions by PERU LNG, approval was obtained for financing a project entitled "Improvement and Extension of the Potable Water Service and Creation of Basic Public Health Units in 16 rural areas of the community of Vinchos in the district of Vinchos, province of Huamanga, department of Ayacucho", amounting to approximately 4 million dollars. The project was implemented and completed in 2021. This project has to date leveraged a total of 35 million dollars of central government funds.

Thank to this program, specialists from the Universidad del Pacífico assist and advise public officials in drawing up profile studies and technical reports. They also answer queries on public administration and facilitate contact with government bodies responsible for promoting public investment, particularly the Ministry of Finance.



IN ADDITION, NEGOTIATIONS ARE IN PROGRESS WITH THE CENTRAL GOVERNMENT TO FINANCE FOUR PROJECTS FOR WHICH THE TECHNICAL STUDIES HAVE BEEN COMPLETED.



MUNICIPALITY	STUDY OF PROJECTS UNDER DEVELOPMENT	ESTIMATED COST OF IMPLEMENTATION PROVIDED BY THE CENTRAL GOVERNMENT (MILLIONS OF DOLLARS)
Vinchos	Technical file completed in December 2021 and submitted to the Ministry of Education for approval by the PRONIED of Jose de San Martín secondary school in the district of Vinchos, Huamanga, Ayacucho.	2.6
Acocro	Compilation of the technical files has advanced 30% for schools N° 432-70 in Parccahuanca, N° 310-General Trinidad Morán in Acocro, N° 408 in Seccelambras, N° 407-Hermilio Valdizán in Pampamarca and N° 432-112 in Pomapuquio, district of Acocro, Huamanga, Ayacucho.	3.7
Chiara	<p>Pre-investment study approved and made viable. Technical file completed and submitted to the Municipality of Chiara in 2021. Improvement and expansion of the drinking water and sewage system in the communities of Vanapiruro, Ichubamba, Motoy Alta, San Miguel de Motoy, Hualccapucro and Maray Vilca, in the District of Chiara, province of Huamanga, department of Ayacucho (USD 3.4 million).</p> <p>“Improved basic regular secondary education in the following schools: Efrain Morote Best (Alpachaca), Basilio Auqui Huaytalla (Manayasa) and Ricardo Bautista Rivera (Sachabamba)”. District of Chiara, province of Huamanga, department of Ayacucho. Technical file completed and submitted to the Ministry of Education for evaluation through PRONIED (USD 3.9 million).</p>	7.3
Anco	Technical file completed and submitted to the municipality, which then submitted it to the Ministry of Health for review. Improvements to health services at the following healthcare posts: Chiquintirca I-2, Pacobamba I-1 in the Sacharaccay micro-network, district of Anco, province of La Mar, department of Ayacucho.	3.1
TOTAL		16.7

Allin rurray – good work



THE PURPOSE OF THE PROGRAM IS TO CONSOLIDATE PRODUCTION SKILLS,

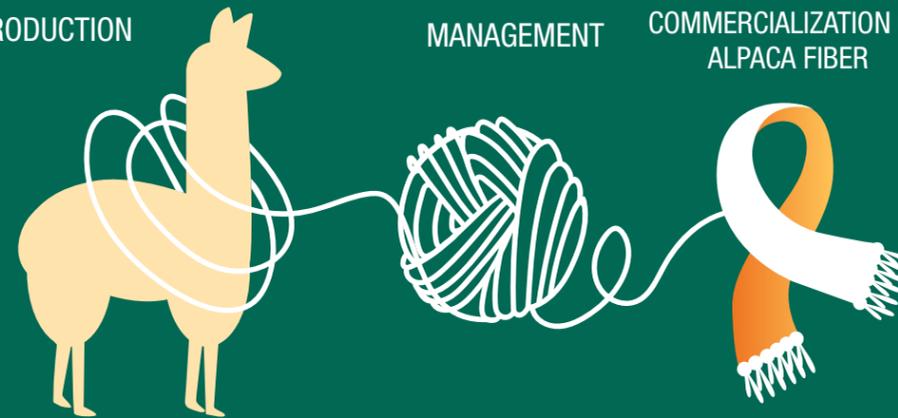
THE REGION BENEFITING FROM THIS PROJECT IS AYACUCHO.



PRODUCTION

MANAGEMENT

COMMERCIALIZATION OF ALPACA FIBER



SALES GENERATED BY THE FIBER THAT WAS TRANSFORMED INTO FELTS, YARNS, GARMENTS AND ORNAMENTS, AMOUNTED TO

S/ 15 959.75



ALLIN RURAY – GOOD WORK

One of the most difficult challenges facing PERU LNG was to find sustainable projects that would improve the quality of life for people living in extreme poverty in the high-altitude parts of the gas pipeline route. These communities have a subsistence economy based on rearing alpacas.

The Allin Ruray programme (translated from Quechua as 'learning by doing') is being implemented as part of a strategic alliance with Prosynergy and concentrates on the Minas Corral, Cayramayo and Huayraccasa annexes to the community of Paccha, more than four thousand meters above sea level in Ayacucho region.

The purpose of the program is to consolidate production skills, management and sales of added value products from alpaca fibre, made by the three cooperatives in the community of Paccha. It's aim is to provide the cooperatives with management skills with which to plan, organize and direct the production and commercial processes in order to transform and sell 80% of their alpaca fibre. They are also expected to develop a diversified range of products designed to respond to market trends and requirements, to be sold via agents, fairs and the Eco Alpaca website.

Under these criteria, the 2021 strategy was to strengthen the commercial process, so priority was given to the designs required by the market. This enabled us to

continue supporting the sustainability of the cooperatives and to consolidate product quality.

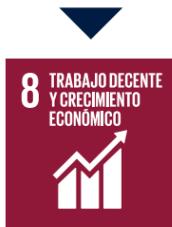
This program improves the economy of the communities and a further benefit is that it is highly inclusive. It provides jobs for women, empowering them and giving them an independent income, as well as encouraging the employment of senior citizens, (vulnerable and marginalized individuals) and young people regardless of gender. All learn the techniques of yarn spinning, dyeing, embroidery and weaving, as well as handicrafts to add value to the alpaca fibre.

In 2021 fibre sales (transformed into felt, yarn, clothing and ornaments) amounted to S/ 15 959.75, a slight increase compared with 2020. This result is evidence of the project's sustainability, even under the adverse circumstances of the restrictions established in response to the health emergency.

It should be noted that as a result of a successful experience in Cayramayo Annex in the second half of 2021, the project was extended to two new alpaca-breeding communities -Paria and Pischccahuasi- in the district of Pilpichaca, province of Huaytara, Huancavelica region. The initiative was enthusiastically embraced by local people and has good prospects both for production and sales.



THE PURPOSE OF THE PROGRAM IS TO CONSOLIDATE PRODUCTION SKILLS, MANAGEMENT AND SALES OF ADDED VALUE PRODUCTS FROM ALPACA FIBRE, MADE BY THE THREE COOPERATIVES IN THE COMMUNITY OF PACCHA.



Monterey pine planting and production



PROMOTE AND PROPAGATE 100 000 SAPLINGS IN RURAL COMMUNITIES

COMMUNITIES IN THE DISTRICTS OF CHIQUINTIRCA AND ANCHIHUAY IN ANCO, PROVINCE OF LA MAR IN AYACUCHO.



ENVIRONMENTAL BENEFITS

PRODUCTOS Y SUBPRODUCTOS FORESTALES MADERABLES Y NO MADERABLES

QUALITY OF LIFE



THE NECESSARY SUPPLIES AND MATERIALS WERE DELIVERED TO AGRO RURAL THROUGH THE TADEPA INSTITUTION.

AGRO RURAL



MONTEREY PINE PLANTING AND PRODUCTION

In 2021 PERU LNG signed an agreement with Agro Rural and Taller de Promoción Andina (Tadepa) to promote and propagate 100 000 saplings in rural communities in the districts of Chiquintirca and Anchiuay in Anco, province of La Mar in Ayacucho. This action seeks to create medium and long-term environmental benefits for farmers in these communities, as well as timber and other forest products to improve their living conditions and help to make Peruvian forestry more competitive.

During the 2020-2021 growing season, Agro Rural produced 100 000 Pinus radiata saplings in a high-technology plant nursery and thanks to technical aid, created plantations on community land. It should be pointed out that the inputs and materials required were provided to Agro Rural by Tadepa.

The sapling production process (between March and November 2020) included the following activities: technical assistance, cleaning, preparation of the plant nursery, acquisition and provision of inputs and materials, sowing the pine seeds, transferring the seedlings to the growing area, weeding, selection of seedlings, fertilization, treatment against pests and diseases and transfer for hardening off. The area for planting saplings was then examined and georeferenced. Training in forestry was also given and the saplings delivered and planted; members of the community were responsible for these activities as a community contribution.



DURING THE 2020-2021 GROWING SEASON, AGRO RURAL PRODUCED 100 000 PINUS RADIATA SAPPLINGS IN A HIGH-TECHNOLOGY PLANT NURSERY AND THANKS TO TECHNICAL AID.

Improvements in reading comprehension



IN 2021, PERU LNG RENEWED ITS COMMITMENT TO EDUCATION AND TOOK ACTION.

DISTRICTS IN AYACUCHO AND HUANCAVELICA



VIRTUAL TRAINING FOR TEACHERS

MATERIALS WERE DISTRIBUTED TO THE 28 SCHOOLS THAT PARTICIPATED IN THE PROGRAM.

SEVENTEEN RADIO PROGRAMS LASTING THIRTY MINUTES EACH WERE MADE AND TRANSMITTED.



THE "READING IS PROGRESS (LEEA) PROJECT STARTED IN 2014 IN ALLIANCE WITH THE FUNDACION BBVA PERU, TO IMPROVE READING COMPREHENSION AMONG THIRD, FOURTH, FIFTH AND SIXTH GRADE PUPILS IN STATE PRIMARY SCHOOLS

LEEA

THE GOVERNMENT "LEARNING AT HOME" PROGRAMME CONTINUED TO BE THE MAINSTAY OF THE DISTANCE LEARNING STRATEGY. NEVERTHELESS, THE ABSENCE OF A TELEVISION SIGNAL (TDT), INTERNET OR MOBILE TELEPHONY IN RURAL AREAS CAUSED MANY DIFFICULTIES.



IMPROVEMENTS IN READING COMPREHENSION

PERU LNG understands that education is a fundamental component of development for the country and for that reason is committed to promoting education. The “Reading is Progress” (LEEA) project started in 2014 in alliance with the Fundacion BBVA Peru, to improve reading comprehension among third, fourth, fifth and sixth grade pupils in state primary schools. In 2021 this programme continued to be adapted to the health emergency and measures decreed by the government; principally, distance learning for pupils.

heritage, the manufacture of Ecobricks (bricks made from solid waste) and composting (vegetable waste processing), as well as messages about the importance and care for biodiversity.

Support for teachers was provided by a specially designed strategy of virtual meetings using Zoom. Seven teacher-training workshops were organised, as well as an office software course, taught in five stages. These meetings enabled strategies and activities to be planned and then implemented with the students. Furthermore the teachers received talks on stress management and COVID-19 prevention.

It should be noted that the project's education experts were in continual contact with participating head teachers and teachers by telephone and the WhatsApp application. In addition, five teacher training days were held on Zoom, in which a total of eighty four teachers from Ayacucho and Huancavelica took part.

The government “Learning at Home” programme continued to be the mainstay of the distance learning strategy. Nevertheless, the absence of a television signal (TDT), Internet or mobile telephony in rural areas caused many difficulties. PERU LNG redoubled its efforts to overcome this problem. The company provided virtual training for teachers and also distributed materials to the twenty eight schools involved in the programme.

Seventeen radio programs lasting thirty minutes each were made and transmitted by four radio stations in Huaytara, La Mar and Huamanga. Each program contained twenty five minutes of teaching aimed at students and their families and five minutes for direct contact between the teachers and students. The programs also provided information on COVID-19 prevention, care for our

1300 packages of school equipment (two exercise books, two pens, a pencil sharpener and eraser) for children in the first to sixth grades of primary education. Teaching guides were provided for teachers in each of the twenty eight schools benefiting from the project. Use of the books was monitored using WhatsApp messages and radio programs.



SUPPORT FOR TEACHERS WAS PROVIDED BY A SPECIALLY DESIGNED STRATEGY OF VIRTUAL MEETINGS USING ZOOM.

Working together To reduce anemia



PERU LNG IS A PART OF THIS CRUSADE TOGETHER WITH CARITAS DEL PERU, THE PURPOSE IS TO HELP TO IMPROVE THE HEALTH OF PRE-SCHOOL AND SCHOOL-AGE CHILDREN IN AYACUCHO.

AREA OF INFLUENCE
AYACUCHO AND HUENCAVELICA



THE INTERVENTION BY CARITAS DEL PERU AIMED TO PROVIDE TECHNOLOGY AND MATERIALS TO IMPROVE PERSONAL AND DOMESTIC HYGIENE

THE FAMILIES INVOLVED IN THE PROJECT RECEIVED PERSONAL HYGIENE KITS AND EQUIPMENT FOR DISINFECTING THEIR DRINKING WATER.

TRAINING WORKSHOPS TO LEARN HOW TO PREPARE IRON-RICH MEALS, AS WELL AS MONITORING OF CHILDREN FOR ANEMIA RECOVERY.



300 FAMILIES AND MORE THAN 430 CHILDREN FROM 3 TO 11 YEARS OF AGE WERE ATTENDED.

300 FAMILIES



WORKING TOGETHER TO REDUCE ANEMIA

Anaemia affects health and development, especially among young children, causing disadvantage and inequality in society that can prove to be irreversible. That is why the fight against anaemia has been declared public policy by the Peruvian government.

of hand washing, care in handling food, safe water and of eating foods rich in iron, as well as domestic hygiene and action to prevent the spread of COVID-19. This was achieved thanks to the interest and commitment of local and community institutions.

The principal achievements in 2021 are:

- The families involved in the project have seen improvements in their quality of life and now have personal hygiene kits and equipment for disinfecting their drinking water. They also have better knowledge and awareness of safe drinking water.
- Twenty two community health agents were trained and provided with more tools for monitoring the care of children in the effort to prevent and treat anaemia in children.
- Local healthcare establishment personnel continued working in a coordinated and articulated manner. Health promoters were monitored and training workshops organised for mothers on how to prepare iron-rich meals, while the recovery of children with anaemia was also followed up.

Despite the COVID-19 health emergency, these activities were carried out successfully face-to-face, employing the established biosafety protocols.

PERU LNG is a part of this crusade together with Caritas del Peru, with its project Working Together to Reduce Anaemia, which we have been implementing for two years. The purpose is to help to improve the health of pre-school and school-age children in Ayacucho.

In 2020 the project had to be adapted to the restrictions imposed as a result of the COVID-19 pandemic and work began in July 2021. Help was given to 300 families and more than 430 children aged from three to eleven in rural areas of the six districts of Chiara, Socos and Vinchos in the province of Huamanga, Ayacucho, and in five areas of the district of Pilpichaca in the province of Huaytara, Huancavelica.

The intervention by Caritas del Peru aimed to provide technology and materials to improve personal and domestic hygiene. The project also involves making families aware of the importance



THE PURPOSE IS TO
HELP TO IMPROVE
THE HEALTH OF PRE-
SCHOOL AND SCHOOL-
AGE CHILDREN IN
THE PROVINCES OF
HUAMANGA AND
HUAYTARA.

Impacting lives program - table tennis



PERU LNG APOYA LA PRÁCTICA DEL TENIS DE MESA DE FORMA RECREATIVA A TRAVÉS DE LA ASOCIACIÓN MÓNICA LIYAU.

TENNIS PROVIDES BENEFICIARIES WITH A TOOL THAT CAN TRANSFORM ATTITUDES AND APTITUDES AND ENHANCE THEIR VALUES.

DURING THE PANDEMIC WERE GIVEN SERIES OF DISTANCED PHYSICAL AND PSYCHOLOGICAL ACTIVITIES. THREE HOURS OF TRAINING A WEEK ARE GIVEN BY ZOOM.



BENEFIT 480 STUDENTS, WHO WERE GIVEN A PACKAGE OF EQUIPMENT AND MATERIALS FOR TABLE TENNIS PRACTICE.

480 STUDENTS

WHICH ENCOURAGES THIS SPORT AMONG STUDENTS BETWEEN THE AGES OF SEVEN AND FOURTEEN IN ELEVEN STATE SCHOOLS IN ICA AND CAÑETE.



PUBLIC SCHOOLS IN CHINCHA AND CAÑETE

IMPACTING LIVES PROGRAM - TABLE TENNIS

PERU LNG supports recreational table tennis through the Asociación Mónica Liyau, which encourages this sport among students between the ages of seven and fourteen in eleven state schools in Ica and Cañete. Table tennis provides beneficiaries with a tool that can transform attitudes and aptitudes and enhance their values.

In 2021 the Impacting Lives program was adapted to the context of the COVID-19 pandemic and prepared a series of distanced physical and psychological activities. Three hours of training a week are given by Zoom; two hours of physical activities and techniques (warm-up exercises, how to hold the racket, basic position, serving and strokes) and a one-hour talk aimed at developing new soft skills (communication, team work, emotion management, stress management, empathy, self-assessment - self-knowledge, decision taking, problem solving and adaptability).

This initiative continued to benefit 480 students, who were given a package of equipment and materials for table tennis practice.



IN 2021 THE IMPACTING LIVES PROGRAM WAS ADAPTED TO THE CONTEXT OF THE COVID-19 PANDEMIC AND PREPARED A SERIES OF DISTANCED PHYSICAL AND PSYCHOLOGICAL ACTIVITIES.

Programme: joining forces against covid-19



PERU LNG AND CARITAS DEL PERU. CONTRIBUTED TO ASSIST THE PERUVIAN STATE TO IMPROVE THE RESPONSE CAPACITY OF THE HEALTH SERVICES TO THE CORONAVIRUS THREAT.

THE CONTRIBUTION BY PERU LNG FACILITATED IMPROVEMENTS TO THE SPACES THAT HAD BEEN IMPROVISED TO TREAT SUSPECTED AND CONFIRMED CASES OF COVID-19

300 KITS FOR PERSONNEL PROTECTION EQUIPMENT (PPE) FOR COVID-19.

37,500 SURGICAL MASKS AND 760 BIOSAFETY KITS



IN ALL HEALTHCARE ESTABLISHMENTS THE LOCAL HEALTH AUTHORITIES WERE ENCOURAGED TO BECOME INVOLVED.

+ HEALTH

THE PROGRAMME REASSESSED THE ROLE OF COMMUNITY HEALTH AGENTS IN PROMOTING HEALTHCARE AND PREVENTING DISEASE. ACCORDING TO TESTIMONIALS FROM HEALTH PROFESSIONALS, THE PROJECT ALSO MADE A POSITIVE CONTRIBUTION TO THEIR CAPACITY TO RESPOND TO THE COVID-19 PANDEMIC.



BENEFITING THE POPULATION OF 8 TOWNS IN THE PROVINCES OF CAÑETE, CHINCHA AND PISCO, IN THE DEPARTMENTS OF LIMA AND ICA.

PROGRAMME: JOINING FORCES AGAINST COVID-19 IN CAÑETE, CHINCHA AND PISCO

Joining forces against COVID-19 is an initiative by PERU LNG and Caritas del Peru. Its aim is to assist the Peruvian State to improve the response capacity of the health services to the coronavirus threat. It also seeks to strengthen COVID-19 prevention efforts among the inhabitants of eight villages in the provinces of Cañete, Chincha and Pisco, in the departments of Lima and Ica.

suspected and confirmed cases of COVID-19; they have now been subdivided to protect the safety of patients.

On the other hand equipment has been donated to healthcare centres, as detailed below:

- Personnel protection equipment (PPE) for COVID-19.
- Equipment, inputs and medical supplies for COVID-19.
- Hygiene and cleaning materials.
- Other materials for treating cases of COVID-19.

Thanks to this work, in 2021 the programme reassessed the role of community health agents in promoting healthcare and preventing disease. According to testimonials from health professionals, the project also made a positive contribution to their capacity to respond to the COVID-19 pandemic. In some cases the impact was temporary in the form of the provision of PPE, medical and materials for cleaning and disinfection; but in other the impact lasted for the medium term in the form of donations of equipment and medical devices.

It should be emphasised that in all healthcare establishments the local health authorities were encouraged to become involved.

In 2021 a diagnosis was carried out of the health service's organisation and level of equipment. This found that the Tambo de Mora and Paracas healthcare establishments needed to improve their work with the organised community. As far as supplies and equipment are concerned, key informants in the sector explained that the health system is overloaded and lack the materials necessary to protect workers and patients. Furthermore, it was found that the contact between government and healthcare establishments necessary to address the pandemic was minimal. The programme therefore prioritised action to resolve this problem.

On the one hand the contribution by PERU LNG facilitated improvements to the spaces that had been improvised to treat



IN 2021 A DIAGNOSIS WAS CARRIED OUT OF THE HEALTH SERVICE'S ORGANISATION AND LEVEL OF EQUIPMENT. THIS FOUND THAT THE TAMBO DE MORA AND PARACAS HEALTHCARE ESTABLISHMENTS NEEDED TO IMPROVE THEIR WORK WITH THE ORGANISED COMMUNITY.

DONATIONS OF BIOSAFETY EQUIPMENT TO HOSPITALS AND HEALTH CENTERS TO COMBAT COVID-19

During 2021 PERU LNG donated 300 personal protection kits to healthcare centres in its direct area of influence, specifically in Huancano. Each kit included surgical gloves, disposables caps and overalls. The municipality of Huancano also received a donation of three oxygen cylinders and different stakeholders in the plant operations received 37 500 surgical face masks and 760 biosafety kits that included alcohol, thermometers, oximeters and anti-bacterial soap.

DONATIONS OF GROCERIES AND OTHER PRODUCTS TO ASSOCIATIONS IN OUR DIRECT AREA OF INFLUENCE

As part of the company's humanitarian effort during the COVID-19 crisis, 6700 packages of basic products were delivered to fishermen's associations and other stakeholders adjacent to the pipeline.



PERU LNG HELPED TO PURCHASE AND INSTALL AN OXYGEN PLANT IN CAÑETE, TO PRODUCE APPROXIMATELY 10m³ PER DAY.

CREATION OF ALLIANCES TO PROMOTE DEVELOPMENT

When implementing sustainable initiatives it is important to establish alliances with communities, companies, government agencies, non-profit-making organisations, universities, industrial associations and other organisations. This also makes a positive contribution to our goals and amplifies the general benefits of our projects.

The majority of PERU LNG's social and environmental investment initiatives are carried out in strategic alliances with public and/or private sector organizations. These organizations are experienced in the implementation of sustainable projects and help to guarantee the technical rigour of the projects.

PERU LNG is also a member of industrial associations whose aim is to achieve a full understanding of the challenges facing the energy sector in Peru, share best practices and take part in the discussion on standards. The Peruvian Mining Petroleum and Energy Society (SNMPE) and the Peruvian Confederation of Private Business Institutions (CONFIEP).

The partners with whom we develop social and environmental projects include the following:

THE SMITHSONIAN INSTITUTE

Biodiversity monitoring programs in Peru since 2009.

THE MINISTRY OF AGRICULTURE, TADEPA AND THE DISTRICT MUNICIPALITIES OF CHIARA AND SOCOS IN PERU

Planting pine trees in communities of Ayacucho region.

PROSYNERGY AND THE TECHNOLOGICAL INNOVATION CENTER (CITE) OF THE MINISTRY OF FOREIGN TRADE AND TOURISM

Allin Ruray project: production and sale of alpaca fibre with added value.

FUNDACIÓN BBVA, INSTITUTO DE ESTUDIOS PERUANOS (IEP) AND THE MINISTRY OF EDUCATION

The Read to Get Ahead educational project.

MATLAB AND THE MINISTRY OF EDUCATION

Project to improve mathematics skills.

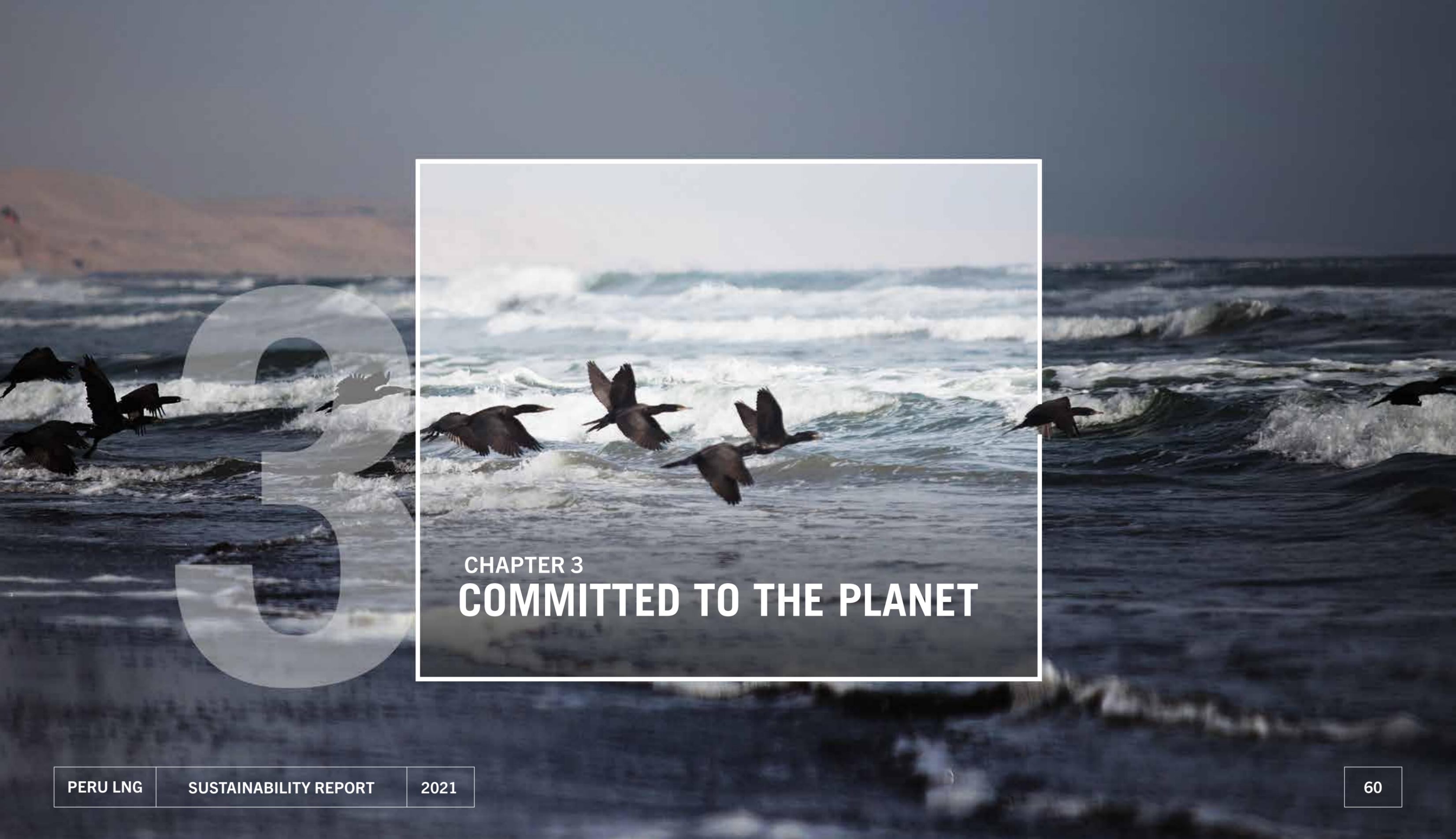
CÁRITAS PERÚ, MINISTRY OF HEALTH AND LOCAL HEALTH CENTERS

Project to reduce anaemia in communities in Ayacucho.

UNIVERSIDAD DEL PACÍFICO AND THE MUNICIPALITIES OF VINCHOS, ACOCRO, CHIARA, HUAYTARÁ AND ANCO

Improving the skills of local governments in Ayacucho at drawing up public investment projects.





CHAPTER 3
COMMITTED TO THE PLANET

ENVIRONMENTAL MANAGEMENT AS PART OF THE PLANT AND *Pipeline operation*



PERU LNG's environmental management system, implemented and certified to ISO 14001 standard, enables the company to identify at an early stage the environmental risks associated with each of the operating processes in the plant and on the pipeline. We thus have effective operational controls and mitigation measures to reduce our environmental footprint to a minimum.

It should be noted that environmental management standards are also applied to the activities of operators and contractors.

Despite the challenges and limits on transport imposed by the pandemic, environmental performance in 2021

continued to be satisfactory. Further details are given below.

RESPONSIBLE WATER MANAGEMENT

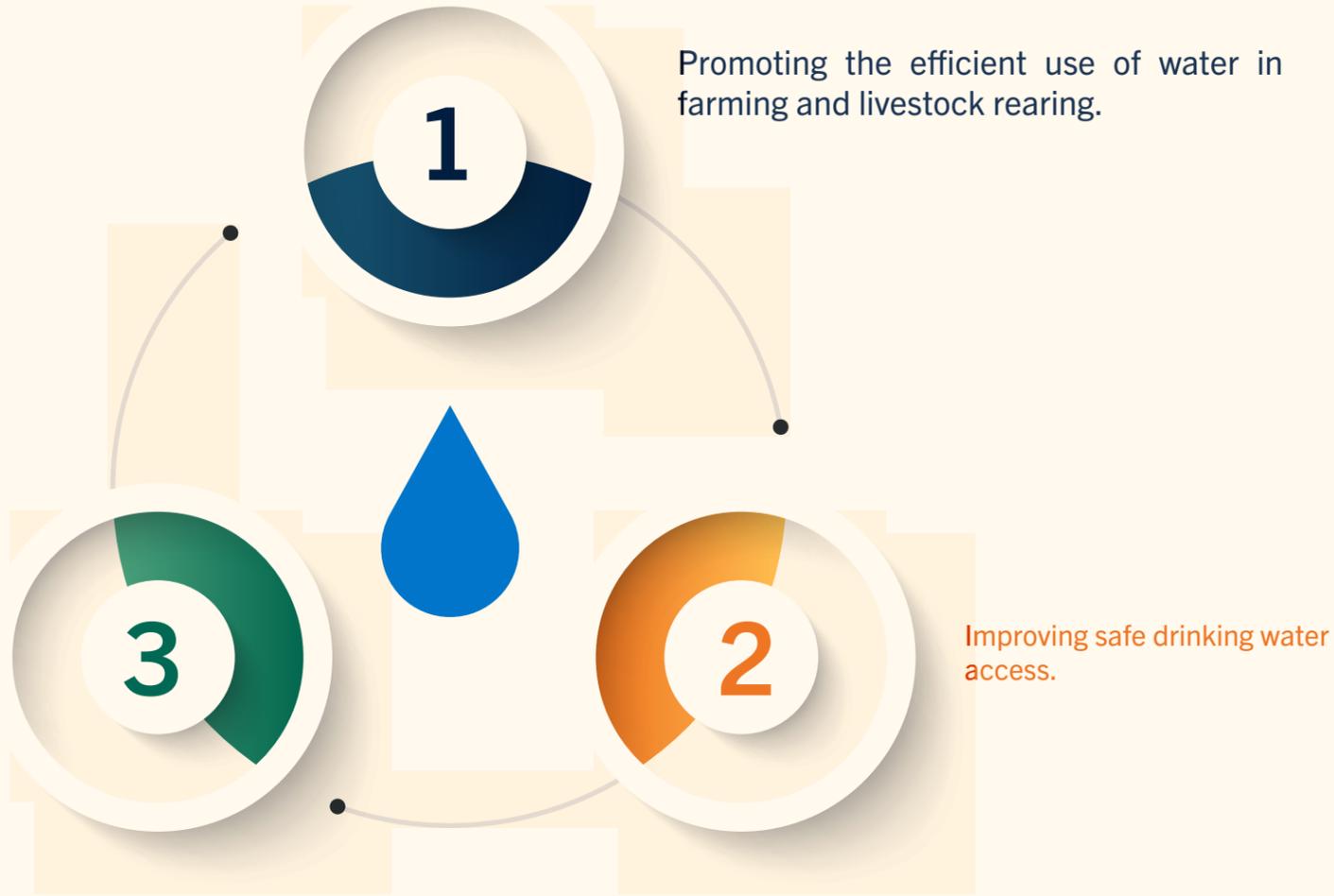
Access to water is crucial for the economic and social development of communities; it is also vital for human survival and the well being of people and ecosystems. Unfortunately the increase in unpredictable climate events such as droughts and flooding has a significant impact on farming, among other economic activities, as well as safe access to drinking water. This situation disproportionately affects vulnerable populations in developing countries.



ENVIRONMENTAL MANAGEMENT STANDARDS ALSO APPLY TO THE ACTIVITIES OF OPERATORS AND CONTRACTORS.



PERU LNG's environmental initiatives are focused on:



For several years PERU LNG has been involved in projects to facilitate access to water for irrigation by communities in the high Andes, such as the construction of canals and reservoirs; technical aid has also been provided on crop management and efficient use of irrigation water, which has increased yields and improved family incomes.



PERU LNG

OUR PLANT IS SELF-SUFFICIENT IN WATER USE

The PERU LNG plant extracts water directly from the sea. It is desalinated by reverse osmosis and then purified for human consumption. Therefore, as we do not use fresh water sources such as rivers or wells, we do not compete for water with local communities or generate impacts on water sources in our direct area of influence. In 2021 PERU LNG extracted 294 640 cubic metres directly from the sea, slightly more than in the previous year. The amounts extracted are within permissible limits.

SEA WATER EXTRACTION (in thousands of m³)



(*) The higher consumption figure for 2021 is explained by an increase in people living in the camp as a result of the implementation of additional projects.

PERU LNG'S PLANT TAKES WATER DIRECTLY FROM THE SEA (294 640 CUBIC METRES IN 2021, SLIGHTLY MORE THAN THE PREVIOUS YEAR).



THE DRINKING WATER SYSTEM HAS A POTABLE WATER QUALITY PLAN (PCC-I) AUTHORISED BY THE ENVIRONMENTAL HEALTH BUREAU (DIGESA) IN 2016, WHICH WAS RENEWED AT THE END OF 2021.

The drinking water system has a Potable Water Quality Plan (PCC-I) authorised by the Environmental Health Bureau (DIGESA) in 2016, which was renewed at the end of 2021. We can thus declare that PERU LNG meets quality, health and environmental standards and has reduced its effect on its surroundings to a minimum.

In 2021 we continued to enjoy high-quality drinking water thanks to our autonomy in this respect and strict quality controls imposed by PERU LNG, which were maintained even during the COVID-19 health emergency.

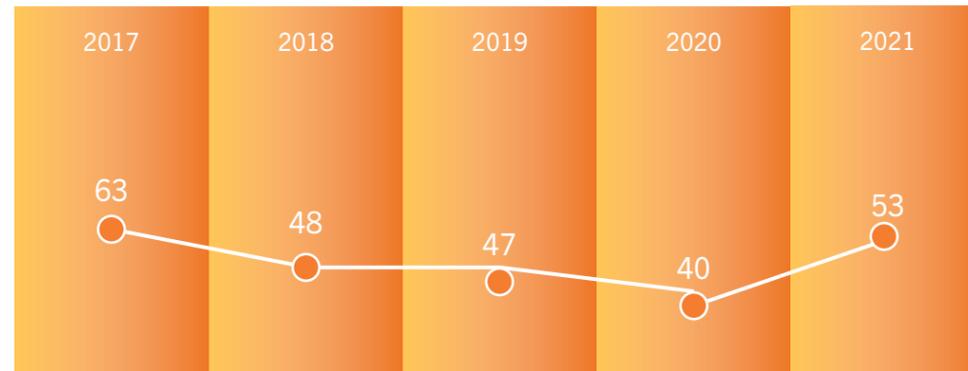
Furthermore, our environmental commitments include treating all the waste water generated by the camp and offices inside the plant. This volume amounted to 40 071 cubic metres, a figure 32 % higher than in the previous year. The domestic waste water treatment process uses activated sludge.

All of the treated waste water was used to irrigate green areas and to suppress dust on unsurfaced roads within the plant; in other words it was used and not discharged into any water body or into the sea. Treated waste water is monitored frequently and all test results meet the environmental standards contained in

the environmental management tools (IGA) approved by the competent authority.

These actions have achieved sustainable water management,

REÚSO DE AGUA RESIDUAL TRATADA
(en miles de m³)



thus confirming PERU LNG's commitment to society and the environment.

RESPONSIBLE WASTE MANAGEMENT

Waste management in the plant and on the pipeline is a vitally important aspect of environmental care. PERU LNG has a permanent plan to minimize and manage solid waste, which adequately controls each stage of identification, classification, segregation, storage, transport and final disposal at authorised installations. It counts on the support of a solid waste operator authorised by the Ministry of the Environment.

We are also continually seeking ways to use the solid waste generated. For example, 2021 saw a 5 % increase in the percentage of recycled waste compared with the previous year. In other words, 15 % of all solid waste was recycled, representing approximately 374 tons not sent to landfill, out of a total of 2363 tons of waste.

Construction waste represented around 42 % of recyclables, while treated waste water represented 20 %. This was achieved thanks to an evaluation of the potential value of recycling carried out in 2020 for construction waste; furthermore an agreement was reached with ANIQUEM association to donate waste cardboard.

It should be noted that waste management, being considered an essential service for the company, was not interrupted by the state of emergency declared by the government.



LOCATION	TYPE OF WASTE GENERATED		UNITS	2017	2018	2019	2020	2021
Pipeline	Hazardous waste	Recyclable	Ton	0.00	0.00	0.00	0.00	1.17
		Non-recyclable	Ton	0.19	0.94	0.78	0.43	9.75
	Non-hazardous waste	Recyclable	Ton	2.96	3.54	2.18	1.46	0.20
		Non-recyclable	Ton	2.76	5.59	0.87	0.12	1.40
Plant	Hazardous waste	Recyclable	Ton	13.23	44.65	52.11	45.89	118.02
		Non-recyclable	Ton	627.68	822.31	447.73	530.64	855.93
	Non-hazardous waste	Recyclable	Ton	166.95	110.09	62.62	89.78	254.96
		Non-recyclable	Ton	1140.71	1556.39	948.48	608.24	1121.89
Administration offices in Lima	Waste totals		Tons Ton	0.54	3.36	0.00	0.00	0.00
Total				1955.02	2546.86	1514.78	1276.56	2363.32

(*) More waste was generated in 2021 due to projects being implemented in the plant and to maintenance on the pipeline, which was carried out in compliance with environmental standards.



EMISSIONS

PERU LNG supports the global desire to reduce emissions and reduce the effects of climate change. It has thus implemented good, innovative operating practices to measure, report and control its emissions.

Since 2011, emissions from the plant, the pipeline and administration offices in Ayacucho, Chincha, Cañete and Lima have been quantified and broken down into scope 1 (direct emissions for which the company is responsible for controlling) and scope 2 (indirect emissions from energy acquired), principally carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O).

Calculation of our carbon footprint makes use mainly of the criteria in ISO 14064-1 standard, the methodologies of the American Petroleum Institute (API), the standards set by the Intergovernmental Panel on Climate Change (IPCC) and the GHG protocols of the World Resources Institute (WRI).

The GHG calculation has evolved with improvements in methodologies adopted worldwide and internal audits, principally with regard to emission factors and re-evaluation of sources of emissions. This has enabled us to maintain an accurate and up to date value for GHG emissions and, after verification of our estimate we obtained the Quality Carbon Footprint certification for the corporate inventory of GHG emissions in 2019 from Messrs. A2G Sostenibilidad y Cambio Climático.



THE GHG CALCULATION HAS EVOLVED WITH IMPROVEMENTS IN METHODOLOGIES ADOPTED WORLDWIDE AND INTERNAL AUDITS, PRINCIPALLY WITH REGARD TO EMISSION FACTORS AND RE-EVALUATION OF SOURCES OF EMISSIONS.



Total estimated direct and indirect emissions are shown below:

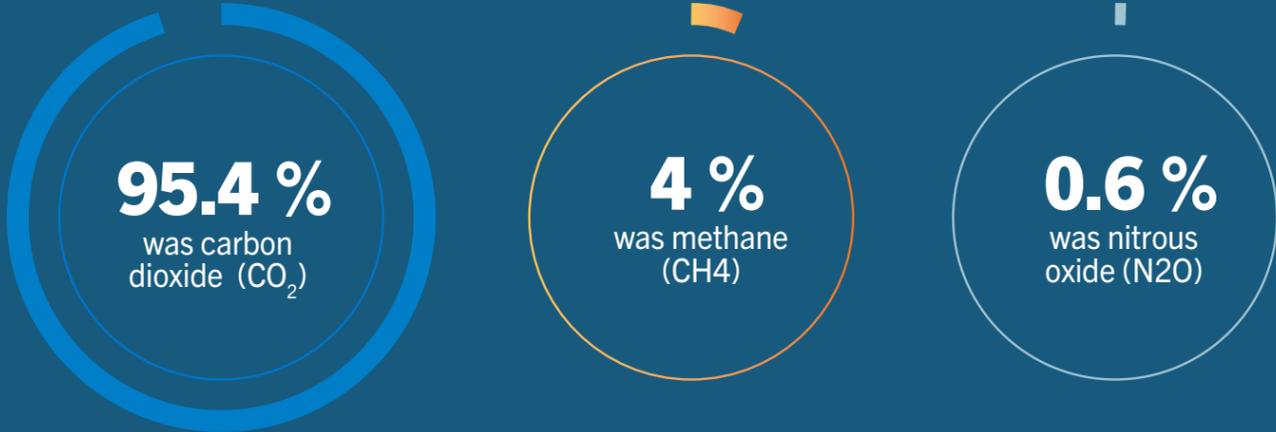
TOTAL EMISSIONS IN 2021 (SCOPE 1, DIRECT EMISSIONS)

895 831.82 tCO₂e

TOTAL EMISSIONS IN 2021 (SCOPE 2, INDIRECT EMISSIONS)

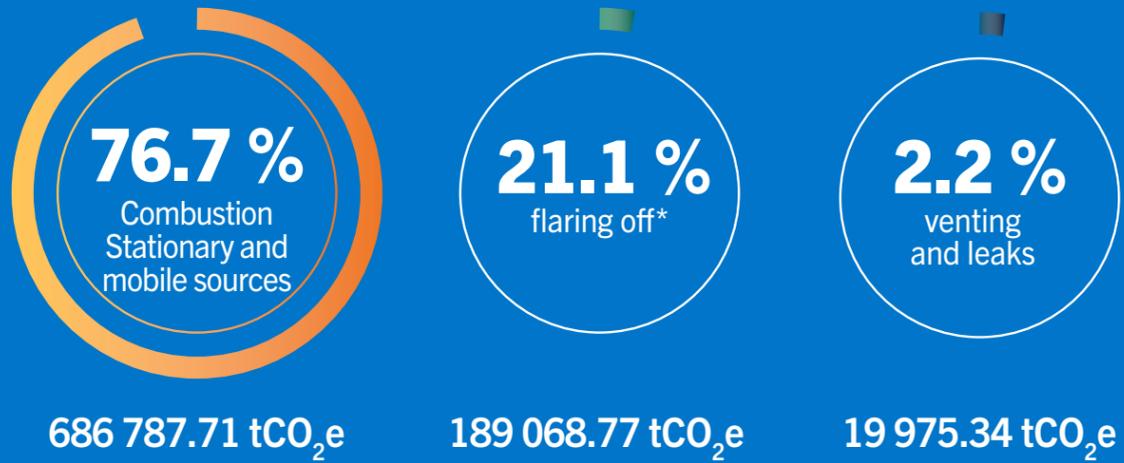
31 tCO₂e (0.003 % OF THE TOTAL)

OF THE TOTAL:





SOURCES OF EMISSIONS



* This result is explained by unscheduled plant shutdowns that resulted in natural gas being sent to the flare.

LEAK DETECTION PROGRAM

A leak detection program has been implemented, which effectively identifies unwanted emissions within our processes, enabling us to record, repair and control emissions systematically. This programme is part of the annual inspection regime carried out in the plant and on the pipeline.

The following activities are also carried out to strengthen the program:

- Preventive maintenance programme on process equipment.
- Program of inspections to ensure total coverage of sources of emissions.
- Replacement of equipment with a high potential for causing emissions.
- Reduction in flaring.

ENVIRONMENTAL MONITORING

programmes

In seeking to guarantee compliance with the highest industry standards, PERU LNG has three environmental monitoring programs:



 **MONITOREO DE DESCARGAS Y EMISIONES**

 **MONITOREO**
de la calidad ambiental de los cuerpos receptores

 **MONITOREO**
de la biodiversidad

The environmental monitoring programs gather information on the effects that PERU LNG's operations may have on the environment, as well as mitigating any environmental effects and preserving the nature of its areas of influence.

To achieve this goal, we have established approximately 182 monitoring stations that sample 1624 parameters. Additional monitoring has been introduced as a result of dredging operations in the navigable channel of the port facility, as well as soil and river water sampling in areas adjacent to the pipeline.

During 2021, programmed environmental monitoring activities complied with the relevant protocols in spite of the state of emergency decreed by the Peruvian government to address the COVID-19 pandemic. These activities thus continued throughout the year, except for ballast water sampling from methane tankers, which remained suspended because of pandemic-related access restrictions.

Monitoring of discharges and emissions includes domestic and industrial effluent, ballast water from methane tankers, noise and gaseous emissions from fixed sources.

The monitoring points for discharges and emissions also monitor air quality, sea water and marine sediment quality and soil quality.

In addition to these controls, two participatory monitoring campaigns of the marine ecosystem were conducted with representatives of fishermen's associations, as well as two evaluations of coastal morphology along eight

kilometres of beach. This enabled us to evaluate changes in the coastline near to the terminal.

MONITORING BIO-RESTORATION

Permanent bio-restoration work is carried out to re-establish the natural condition of areas affected during the construction of the gas pipeline.

In the 2021-2022 bio-restoration campaign we plan to plant native species on 6.86 kilometres of the right of way, maintain fences to prevent overgrazing and improve the soil by removing stones. This work has re-established the native vegetation over most of the distance disturbed during construction of the pipeline.

BIODIVERSITY MONITORING AND ASSESSMENT PROGRAM (BMAP)

The objective of this programme is to preserve biodiversity during construction and operation of the plant, the port facility and the pipeline. The design was drawn up by PERU LNG with collaboration by the Center for Conservation and Sustainability (CCS) of the Smithsonian Conservation Biology Institute (SCBI).

The BMAP uses biological evaluations and monitoring to determine the condition of species, their habitats and changes over time. This information is used as a basis for decisions taken to mitigate any impact on biodiversity.





PERU LNG

The following research protocols were developed in 2021:

- Pasture on the Andean Plateau;
- Wetland vegetation;
- Rodents of the high Andean pasture;
- Marine benthos;
- Sea fish;
- Sea birds.

PARTICIPATORY SOCIO-ENVIRONMENTAL MONITORING PROGRAM (PMSAP)

The Participatory Socio-Environmental Monitoring Program (PMSAP) guarantees committed participation by the communities and settlements in PERU LNG's direct area of influence. The communities nominate their own representatives (monitors), who are responsible for supervising and monitoring possible social and environmental impacts arising from the operation of the pipeline. If the monitors find anything, they are recorded and reported to their communities and to the company. When PERU LNG receives such reports, it analyses them and takes prompt corrective action, thus enabling its operations to continually improve.

Due to the COVID-19 state of emergency declared by the Peruvian government, PERU LNG reduced its field evaluations in 2021. As a result there were thirty five findings; of these, fifteen were resolved appropriately and the rest were flagged for future attention as part of our maintenance programs.



WHEN PERU LNG RECEIVES SUCH REPORTS, IT ANALYSES THEM AND TAKES PROMPT CORRECTIVE ACTION, THUS ENABLING ITS OPERATIONS TO CONTINUALLY IMPROVE.



PARTICIPATORY MONITORING PROGRAMME FOR THE MARINE ENVIRONMENT

The marine ecosystem monitoring programme is being implemented in the direct area of influence of the PERU LNG port facility. Monitoring takes place every six months (Autumn and Spring) to evaluate the effects of building and operating the terminal on the marine environment.

The participatory nature of the monitoring means that representatives (overseers) from associations of artisanal fishermen in the direct area of influence of PERU LNG's plant and the environmental authorities responsible for PERU LNG's activities, such as OEFA, ANA, DICAPI, MEM, PRODUCE and DIREPRO-ICA also take part. They can help to take environmental quality samples of water, marine sediments and marine biodiversity (plankton, benthonic macroinvertebrates and fish).

The overseers accompany the monitoring effort and are responsible for supervising and observing possible social and environmental impacts relating to the port operations. If the overseers find anything, they are recorded and reported to

their communities and to the company. PERU LNG analyses the information collected during the monitoring work and takes such corrective action as may be required, thus continually improving the company's operations.

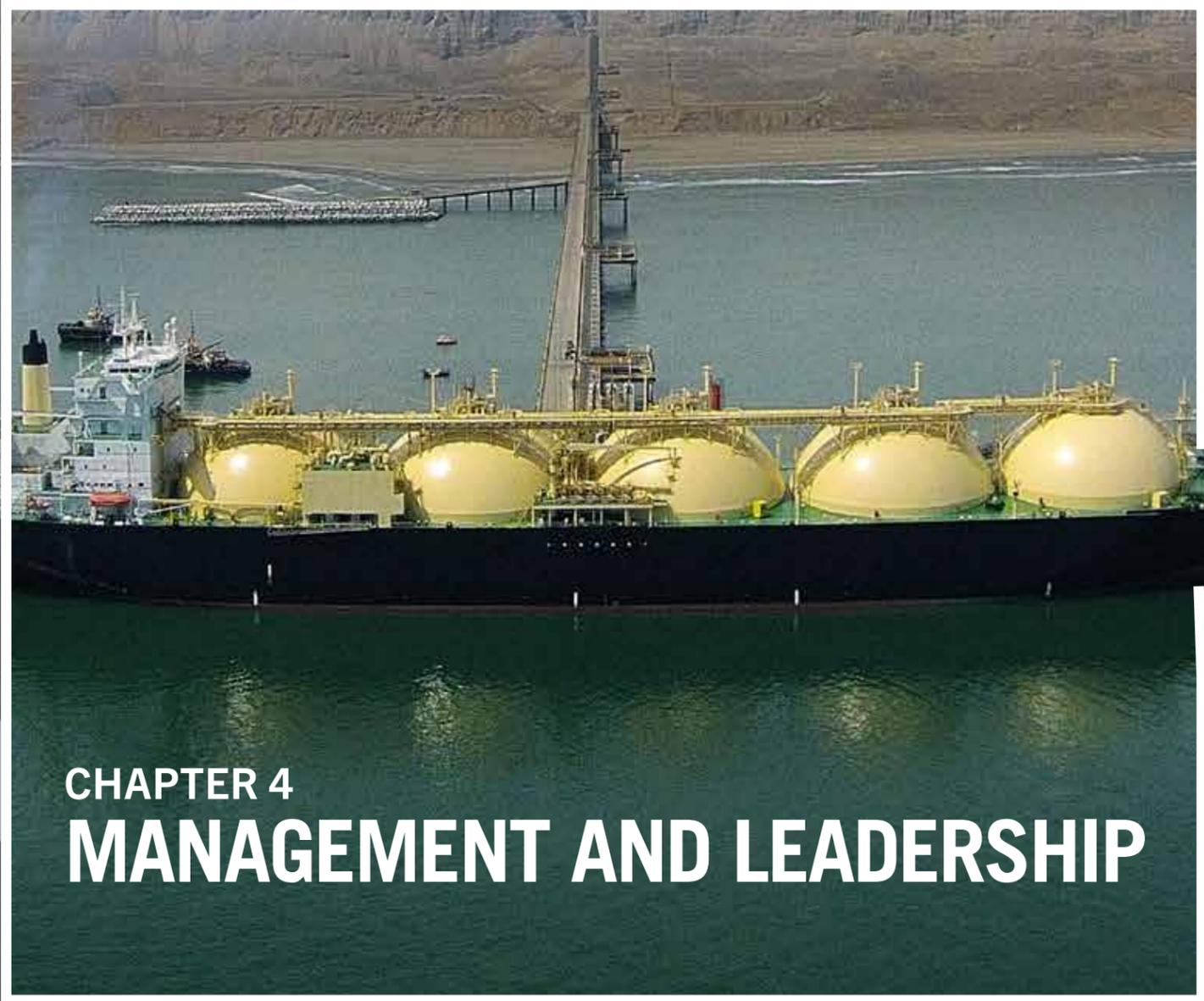
It should be noted that, due to the state of emergency declared by the Peruvian State to address the COVID-19 pandemic, fewer representatives of the authorities took part in the monitoring effort in 2021.

AUDITS AND RELATIONS WITH THE STATE

PERU LNG is audited by the competent environmental authorities. Audits by the environmental authorities help to maintain high operating standards and to confirm compliance with legal requirements. In 2021 Peru's Environmental Monitoring Organisation (OEFA) carried out an inspection of the pipeline. Furthermore, the Supervising Body for Investment in Energy and Mining (Osinergmin) carried out six social audits; five of the pipeline in the highlands and one of the plant operations. The auditors made no observations.



4



CHAPTER 4 MANAGEMENT AND LEADERSHIP

Management

PERU LNG is managed by its partners. This group of leaders provides guidance on the specific needs of the business and takes part in strategic and business planning in line with the partners' directives and policies, as well as applicable law and regulations.

The remuneration of the senior management of PERU LNG and its Operator consists of a fixed monthly salary and an incentive payment linked to the achievement of a combination of long-term corporate goals, personal performance objectives and the company's financial results.



MARÍA JULIA AYBAR
PERU LNG
Vice Chairman and General Manager



JIMMY FOWLER
Hunt LNG Operating Company
Vice Chairman and General Manager



URSULA KOCH
Hunt Services
Vice Chairman and General Manager

LEADERSHIP IN PERU

Those occupying the most senior management positions have a deep understanding of the business and possess specialist knowledge, so that the decision-making process is exhaustive, well informed and balanced.

The management system of the company is the backbone of its sustainability and encompasses all the processes and policies applicable to its operations, thus enabling integral management of risks. It also includes strategic plans and procedures for formalizing the real use of capacity throughout the organization, environmental management systems, industrial health and safety, performance evaluation and management reviews and continual improvement to ensure responsible performance, among others.

Relevant policies and processes are reviewed and audited regularly to guarantee that the management structure stays in line with changes in the industry and permits continual improvement of the company's business practices

Senior management collaborates with all departments to apply the programs effectively and systematically and thus promote ethical and responsible management at all levels of the organization, as well as to promote open and opportune communication throughout the company in order to address any problems that may arise.



COMMITTEES

PERU LNG and its Operator have set up a management committee and advisory committees consisting of collaborators and partners of PERU LNG to provide advice on:

ADMINISTRATION

The highest level of decision-taking and the principal means of governance. The decisions of the Management Committee (CM) should be based on the recommendations of the Committees of Advisors.

AUDITING

Supports decision-taking by the Management Committee to take decisions on audits. Monitoring the application of the main recommendations made by the external auditors to the shareholders.

COMMERCIAL

Supports decision-taking by the Management Committee on commercial matters. Concentrates on improving commercial performance, including new business developments and commercial opportunities.

CORPORATE FINANCES AND TAXES

Supports decision-taking by the Management Committee on financial and tax matters. Understanding and supervision of financial information, reports and analyses provided by the company to the members of the Management Committee.

RISK MANAGEMENT

Supports decision-taking by the Management Committee on matters relating to risk, specifically mega risks and critical risks, as well as defining the strategy to be used in evaluating risks.

OPERATIONS

Supports decision-taking by the Management Committee on technical and operational matters. Review of matters relating to improvements in operational performance, focusing on corporate goals

STRATEGY AND BUDGET

Supports decision-taking by the Management Committee on budgetary matters, as well as advice on strategic planning, the company's goals, performance undertakings and short and long-term planning (5-year plan).

SUSTAINABILITY

Supports decision-taking by the Management Committee on questions relating to health, safety and hygiene and community matters.

COMMITMENT TO ETHICS AND *anti-corruption*

ANTI-CORRUPTION FRAMEWORK



PERU LNG's corporate policies are based on the highest standards of excellence and business ethics and strictly comply with Peruvian anti-corruption legislation. It also complies with the US Foreign Corrupt Practices Act (FCPS) and other international standards.

PERU LNG's corruption prevention policy requires zero tolerance of corruption and similar crimes. PERU LNG has also implemented a corruption prevention system that establishes criteria, premises, guidelines, procedures and controls for the practical prevention of corruption.

PERU LNG's anti-corruption framework also incorporates additional procedures regarding

compliance with money laundering and other related crimes, as well as guidelines for compliance with US economic sanctions laws. Performing due diligence on PERU LNG's commercial counterparties to identify any corruption or sanctions related risks is a critical step for compliance with PERU LNG's policy.

Importantly, all collaborators, representatives, managers, officers, commercial partners and stakeholders in the company are required to comply with PERU LNG's corruption prevention system.

PERU LNG also has a Prevention Committee that, among other functions, is the consultative body on the development of this system and compliance with it. PERU LNG has a Prevention Officer responsible for



PERU LNG'S CORPORATE POLICIES REQUIRE STRICT COMPLIANCE WITH ALL APPLICABLE CORRUPTION, MONEY LAUNDERING AND OTHER RELATED LAWS AND ARE DESIGNED TO MEET THE HIGHEST INTERNATIONAL STANDARDS.

ensuring proper implementation, supervision and monitoring of the prevention system. The Prevention Committee met four times in 2021.

During 2021, the Prevention Committee concentrated its work on updating and improving the corruption-prevention system by carefully identifying and analyzing the risks inherent in PERU LNG's activities. It also strengthened the permanent commitment to integrity in the company's activities through training on the subject for collaborators.

Furthermore, in 2021 the Legal Department continued to provide support and advice to the prevention office on applying internal guidelines and applicable legislation.



CORPORATE COMMUNITY COMMITMENT

committee

In order to guide the company's community relations strategy and to discuss progress in implementing social initiatives, in 2020 saw PERU LNG established a multidisciplinary Community Relations Committee consisting of directors and managers from PERU LNG and its Operator with experience in these matters as well as in the company's operations.

In 2021, the committee met to discuss community relations strategy, including social initiatives during the pandemic among others aspects.



INTEGRATED MANAGEMENT

system



PERU LNG is committed to creating a safe working environment for all collaborators working at its installations as well as those acting as social and environmental guardians in the communities in which we operate.

The Integrated Management System (IMS) was introduced in the construction phase for all operations from KP 0 (the starting point) of the pipeline in Chiquintirca to the natural gas liquefaction plant and maritime terminal. The IMS was certified in 2012 and annual audits ensure that this certification is maintained.

The IMS acts as a mechanism to ensure the excellence of our operation, continual improvement and the sustainability of all the operations.



IN 2021 THIS SYSTEM WILL BE ADAPTED TO THE NEW SUSTAINABLE INTEGRATED MANAGEMENT SYSTEM IN ORDER TO MERGE THE PROCESSES EVEN FURTHER AND ENCOURAGE OPERATIONAL EXCELLENCE AT ALL SITES.

The IMS consists of twelve elements:



MANAGING

suppliers

An important part of our business achievements derive from good management of our suppliers. PERU LNG chooses its suppliers according to the quality of their products and services, their reliability and competitiveness, attention to detail and consistent punctuality, as well as their occupational health, safety and environmental processes, their experience in the energy industry and their ability to establish and maintain contractual agreements over the long term.



STANDARDS

The supply chain is governed by policies and procedures to ensure that all the goods and services required are acquired in a fair and ethical manner and that they meet the legal, technical, socio-environmental and safety standards that are essential for the success of our operations. These include tenders based on a clear understanding of the requirements and pre-defined selection criteria that include health and safety at work, technical and commercial aspects and other factors. Furthermore, due diligence is performed on potential contractors within the framework of the Foreign Corrupt Practices Act (FCPA) and local anti-corruption legislation and regulations.

COMPLIANCE

Planned periodic internal and external audits were carried out on a selection of suppliers to verify compliance with PERU LNG's contracts and standards, including employment, occupational safety, invoicing and payment obligations, among other aspects.

There are also established processes for managing contracts, which include training for the collaborators responsible for these contracts covering aspects such as contractor risk management, handling complaints planning the performance of services, monitoring progress and others. These aspects are in addition to proactive contract management practices that guarantee compliance with the contractual obligations. Suppliers who fail to meet expectations may be subject to penalties and/or termination of their contracts.

COMMITMENT TO LOCAL DEVELOPMENT

PERU LNG seeks to establish commercial relationships with local suppliers in order to stimulate domestic development. Thus in 2021 78% of our acquisitions of both services and materials, were from local suppliers.

GLOBAL *security*

PERU LNG's security efforts concentrated on ensuring the integrity of its collaborators and the continuity of its operations within the framework of existing standards and legislation. Respect for the human rights of our collaborators, partners and communities comes first and resilience to threats or attacks, both physical and digital was strengthened.

The Business Continuity and Crisis Plan enables early and management of possible risks and associated crisis events. It also provides guidelines for preventing and responding to all possible emergency situations.

Security Strategy

- **Security evaluation**

Risk evaluations use a qualitative approach that enables us to envisage scenarios involving all possible dangers, which is backed by the American Petroleum Institute (API). Specifically, these evaluations determine the probability of occurrence

and the degree of severity of a potential danger, which provides relevant information to improve decision taking.

- **Response plans and standard operating procedures (SOP)**

Standard operating procedures are an essential part of daily operations. Compliance audits are based on the "International Ship and Port Facility Security Code" (ISPS) and the "Authorised Economic Operators Programme" (AEO) programme. They have shown that PERU LNG's security plans and procedures align fully with both codes.

- **Training in security and human rights**

All collaborators and stakeholders, but particularly security personnel, receive periodic training and awareness raising on good security practices. They are provided with recommendations on risk evaluation and timely information on safe workplace initiatives and improved safety, both personal and in their working environment.



LOS ESFUERZOS EN SEGURIDAD DE PERU LNG SE CONCENTRAN EN VELAR POR LA INTEGRIDAD DE SUS COLABORADORES Y ASEGURAR LA CONTINUIDAD DE SUS OPERACIONES, DENTRO DEL MARCO LEGAL PREVISTO Y LA NORMATIVA EXISTENTE.



In 2021 two talks were given to raise the awareness of senior staff, collaborators and their families. Similarly, safety talks and cards have been given concerning “prevention of damage to the pipeline” to police officers from the different police stations in the area of influence of our operations on the coast and in the highlands.

Information security and cybersecurity

Recent years have seen enormous changes take place due to the adoption of new technologies such as cloud computing, the Internet of Things (IoT), the use of smart-phones, tablets and other mobile devices, collaborative tools (O365, Teams) and remote working (because of the COVID-19 pandemic).

In this context, PERU LNG has optimised the working environment and made various significant efficiency improvements. At the same time, the adoption of new technologies has created new risks, particularly in the field of cybersecurity.

The security of digital assets and technological infrastructure is fundamental for PERU LNG. The cybersecurity team works closely with industry professionals, government agencies and other companies in the oil and gas industry. These associations are invaluable and provide an overview and understanding of the risks deriving from different information and operating technologies.

We have an integral cybersecurity program based on internationally recognised frameworks such as the National Institute of Standards and Technology (NIST) cybersecurity framework and ISO safety and privacy frameworks.

The cybersecurity team evaluates and improves our processes, procedures and technologies regularly in order to detect, protect and respond better to all types of cyber threats.

The company also has an integral program to raise awareness of security and train and educate all collaborators in the fight against cyber-crime. The following shows one of the most important indicators of the current level of awareness in the company.



THE CYBERSECURITY
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THREATS.

Phishing



More than 90 % of collaborators have been made aware of the risks and threats existing in cyberspace.



Average phish-prone percentage for the energy sector in 2021.
Reference: 2021 Phishing by Industry Benchmarking Report, KnowBe4



PERU LNG's phish-prone percentage in 2021 was 20.7 % less than the average for organisations in the sector, demonstrating the success of the training and awareness-raising effort aimed at collaborators.



SUSTAINABILITY REPORT

2021

