

ANNUAL REPORT 2021



PERU  **LNG**

INDEX

1 MESSAGE FROM THE MANAGEMENT

_pág 3



2 DECLARATION OF RESPONSIBILITY

_pág 5



3 FUNDAMENTAL PRINCIPLES

_pág 7



4 OUR ORGANIZATION

_pág 9



5 INFRASTRUCTURE TO ASTOUND THE WORLD

_pág 21



6 WORKING WITH RESPONSIBILITY AND COMMITMENT

_pág 33



7 FINANCIAL INFORMATION

_pág 89





CHAPTER 1
**MESSAGE FROM THE
MANAGEMENT**

PERU LNG began the year facing a challenge: to continue operating in the difficult conditions imposed by the pandemic in 2020. 2021 was without doubt a year of transformation.

Our results are the product of increased international gas prices and -more importantly- a testimony to the dedication and commitment of our collaborators to quality and excellence, despite the difficulties encountered at the start of the year caused by external factors affecting the continuity of our operations.

The new social and economic reality plus the challenges posed by changing circumstances, were the factors that strengthened our commitment to the country and to our own high operating standards both in the plant and on the pipeline. During 2021 PERU LNG successfully completed complex repairs to damaged equipment in the plant and carried out an internal audit of the Pipeline Integrity Management System, which concluded that it meets 100% of the requirements in the Regulation for the Carriage of Hydrocarbons through Pipelines.

Our most valuable assets at PERU LNG are our people and for that reason we will always focus our corporate efforts on the welfare of our collaborators, contractors, community, partners, suppliers, investors, the State and society as a whole.

With our unchanging concern for the health and safety of our employees, we are ready to support our communities and to continue implementing our strategy of innovation and sustainable growth.

While coping with the effects of the pandemic we remain focussed on disciplined financial management and the introduction of innovations, despite an unscheduled plant stoppage in 2021, and always with the support of our partners. Even when, in general terms, our results have been affected by significant external factors, we are now in a much better position, which we expect to consolidate further over the next few years.

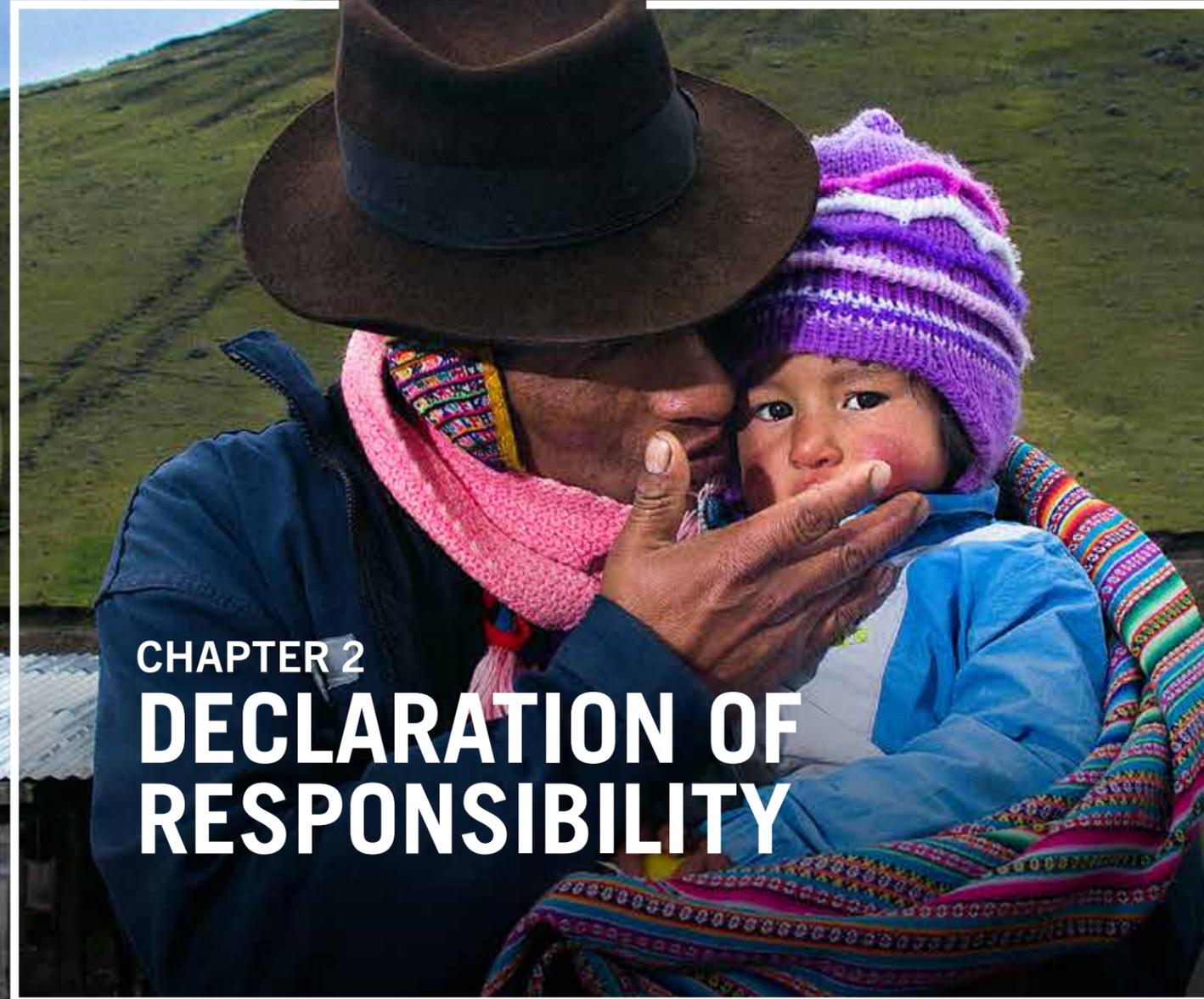
We are determined to create value in the long term. Our commitment to the company and the country motivates us to continue evolving and to position PERU LNG as a responsible and innovative company that is committed to energy transition.

I am confident that the decisions we are taking to build a company with a long-term future, together with our solid operating performance and commitment to those who rely on us, will enable us to continue growing and creating value for our shareholders and stakeholders in the coming years.



María Julia Aybar
Gerente general
PERU LNG





CHAPTER 2
**DECLARATION OF
RESPONSIBILITY**

This annual report was completed on the 31st March 2022. It contains accurate and sufficient information on the performance of the business of PERU LNG S.R.L. (hereinafter PERU LNG) during 2021. Without prejudice to the PERU LNG's responsibility, the undersigned are responsible for its contents in accordance with applicable legislation.



María Julia Aybar
VP & General Manager
Officer responsible for the financial affairs of PERU LNG

PERU LNG is a limited liability corporation having its registered office at Calle Las Palmeras 435, edificio PAL 400, oficina 302, San Isidro, province and department of Lima, Peru. Its telephone number is (511) 707-2000 and its fax (511) 707-2099. The company was incorporated by public deed on the 24th of March 2003, in the presence of notary public of Lima Ricardo Fernandini Barreda, and is registered under electronic entry N° 11500968 in the Companies Registry at the Public Records Office for Lima and Callao (Lima office).



3



CHAPTER 3
**FUNDAMENTAL
PRINCIPLES**

Vision

To be world-class producers of LNG in the spheres of operational efficiency, environmental and social performance and industrial safety.

Mission

To be the most efficient world-class LNG producer providing a workplace free from accidents and environmental incidents, which acts as a responsible investor contributing to the local community, supported by the most talented workforce and employing best practices to achieve continual operational improvements whilst maximizing value for its shareholders.





CHAPTER 4
OUR ORGANIZATION

AIMS, TIME-FRAME AND ECONOMIC GROUP

PERU LNG was incorporated with the aim of developing, building and operating a LNG plant. The infrastructure includes a natural gas processing plant and related installations, port facility for methane tankers and a pipeline (ISIC 1110). According to PERU LNG's articles of incorporation, the duration of the company is unlimited.

PERU LNG Company LLC owns 99.5% of the company's shares and PERU LNG Partner Company LLC owns 0.5%.

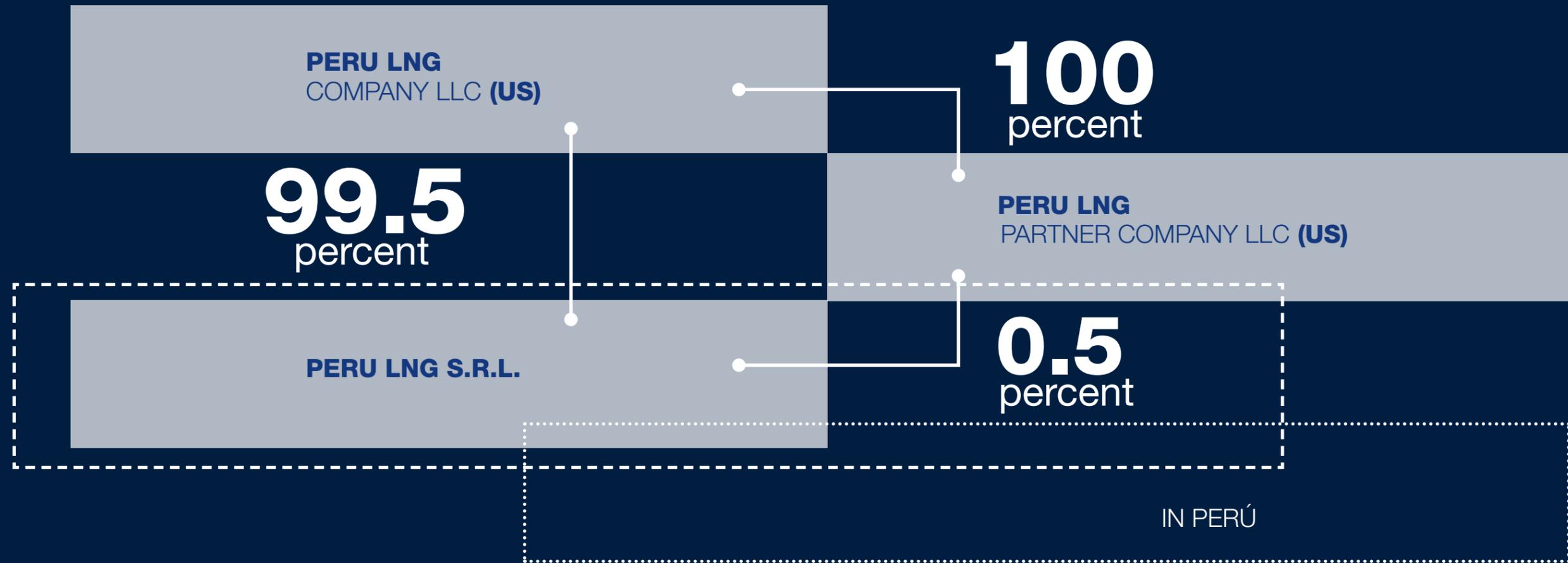
The principal activities of the group made up of PERU LNG, PERU LNG Company LLC and PERU LNG Partner Company LLC include the development, design, engineering, procurement, construction, commissioning, financing, ownership, operation and maintenance of a liquid natural gas (LNG) plant in Peru, as well as a gas export terminal.

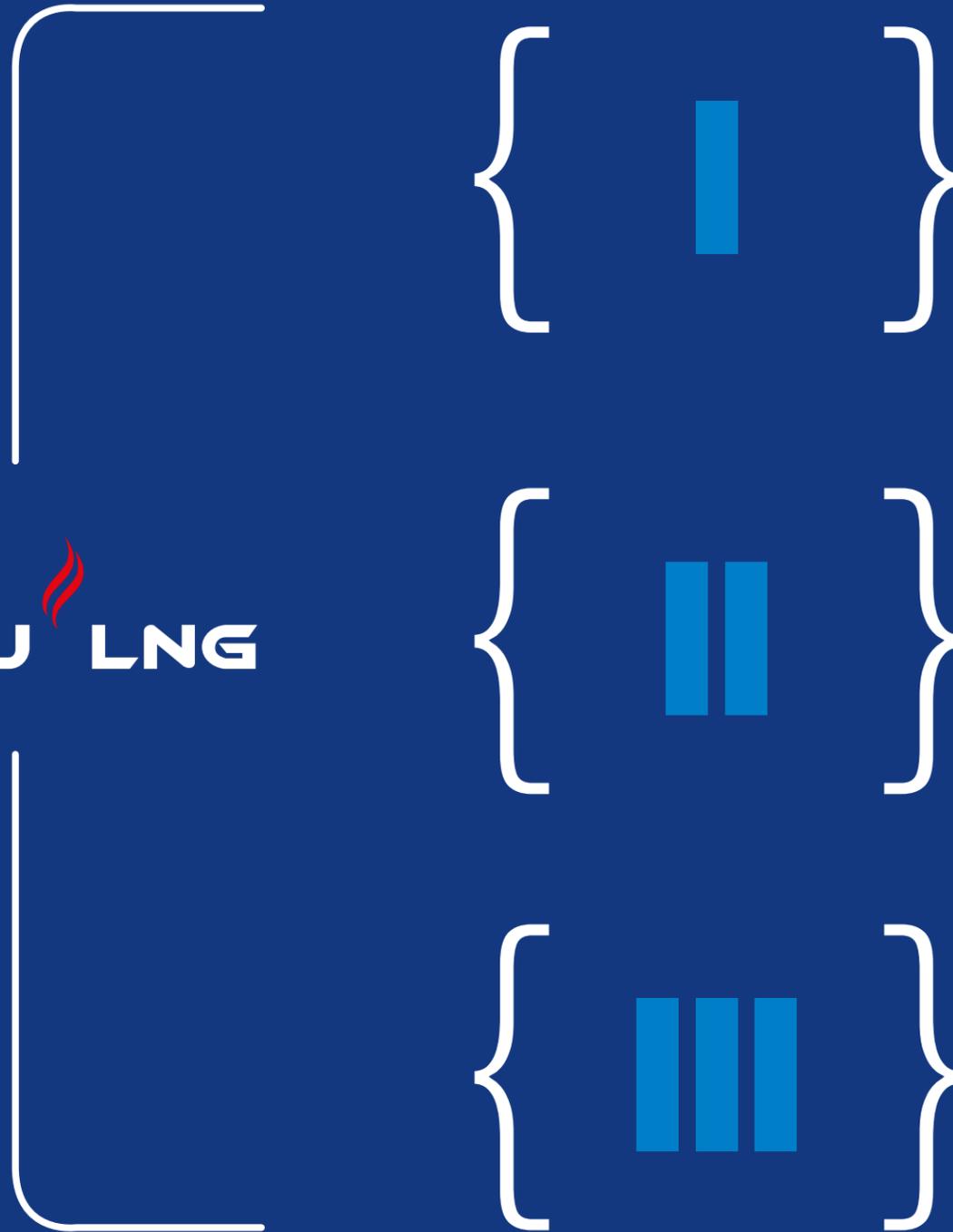
The following illustration shows the economic group made up of the three companies:



PERU LNG WAS INCORPORATED WITH THE AIM OF DEVELOPING, BUILDING AND OPERATING A LNG PLANT. THE INFRASTRUCTURE INCLUDES A NATURAL GAS PROCESSING PLANT AND RELATED INSTALLATIONS, PORT FACILITY FOR METHANE TANKERS AND A PIPELINE (ISIC 1110).







PERU LNG is registered under electronic entry N° 11500968 in the companies register at the Public Records Office for Lima and Callao (Lima office). Our company's business includes hydrocarbons activities, transport, distribution, treatment, processing, refining, separation, compression, pumping, storage, dispatch, sales, importing and exporting of hydrocarbons and derivatives. It also includes all activities necessary to operate processing plants, gas and oil pipelines, aqueducts, ore pipelines, multi-product pipelines, cabling and associated installations; among other similar activities

PERU LNG Partner Company LLC, a company incorporated and existing under the laws of the State of Delaware, United States of America, is not registered with the Stock Market Public Registry (RPMV) and has no securities registered in any stock market.

PERU LNG Company LLC, a company incorporated and existing under the laws of the State of Delaware, United States of America, is not registered with the Stock Market Public Registry (RPMV) and has no securities registered in any stock market.

CAPITAL

The capital of PERU LNG as at the 31st December 2021 is USD 1 461 435 077, represented by 1 461 435 077 fully subscribed and paid up shares having a nominal value of USD 1.00 each. This capital is duly registered under item B00012 of the company's registry entry. PERU LNG Company LLC is the holder, both directly and indirectly, of 100% of the shares in PERU LNG.

SHAREHOLDINGS IN PERU LNG

Shareholding	Number of shareholders	Shareholders (%)
Less than 1%	1	0.5
Between 1% and 5%	-	-
Between 5% and 10%	-	-
More than 10%	1	99.5
Total	2	100

Source: own figures.

THE PROMOTERS

The promoters are companies with indirect shareholdings in PERU LNG but they do not form part of the economic group.

During the construction stage the promoters provided USD 1 571 435 077, which represents more than 40% of the total cost of the project (USD 3 874 597 513).

PERU LNG is operated by Hunt LNG Operating Company S.A.C. (hereinafter Hunt LNG), a Peruvian company 100% owned by Hunt Oil Company.

Furthermore, as part of the company's corporate strategy, since July 2020 Hunt Services Company S.A.C. (hereinafter, Hunt Services) provides certain services to PERU LNG that were previously provided by Hunt LNG. It should be noted that both Hunt LNG and Hunt Services are Peruvian companies that are 100 % owned by Hunt Oil Company.

THE PROMOTERS OF PERU LNG

Shareholding	Shareholding (%)
Hunt Oil Company	50
Shell Gas B.V.	20
SK Innovation Co. Ltd.	20
Marubeni Corporation	10

Source: own figures.



THE PROMOTERS ARE COMPANIES WITH INDIRECT SHAREHOLDINGS IN PERU LNG BUT THEY DO NOT FORM PART OF THE ECONOMIC GROUP.



CAPITAL CONTRIBUTIONS, FINANCING AND WORKING CAPITAL

Capital contributions

During the construction stage the promoters contributed USD 1 571 435 077. This represents, proportionally, all the capital necessary to cover the project's construction costs. Loans and local bond issues were also used to finance the project

Financing

To finance the project, on the 26th of June 2008 PERU LNG entered into a common terms agreement with lenders for a total sum of USD 2 050 000 000. Those taking part in financing the project were: IADB (USD 800 000 000), US EXIM (USD 400 000 000), IFC (USD 300 000 000), K EXIM (USD 300 000 000) and SACE (USD 250 000 000). This debt is being repaid at a rate of approximately USD 100 000 000 000 a year, from 2011 to 2024. As at the 31st December 2017, PERU LNG had repaid USD1 000 000 000.

PERU LNG also obtained some financing from the Peruvian securities market through the first PERU LNG corporate bond program valued at USD 200 000 000, which was approved by Ruling N° 064-2009-EF/94.06.3. The program consisted of four simultaneous issues by the Companies and Securities Supervisory Commission (now the Stock Exchange Regulatory Authority, SMV).

PERU LNG FIRST CORPORATE BOND PROGRAM

	First ¹ issue	Second ² issue	Third issue	Fourth issue
Value of the issue (thousands of USD)	10 000	40 000	160 000	160 000
Demand (thousands of USD)	32 068	53 722	341 799	33 080
Amount placed (thousands of USD)	10 000	30 000	135 325	24 675
Term (years)	2.5	5.0	15.0	15.0
Period of grace	2.0	2.5	5.0	5.0
Coupon	Semestral	Semestral	Semestral	Semestral
Currency	USD	USD	USD	USD
Interest rate	3.44 %	4.66 %	Libor (6M) + 3.65625 %	7.16 %
Spread ³	1.39 %	1.22 %	2.27 %	2.27 %

(1) The first issue was paid in full in May 2012.

(2) The second issue was paid in full in November 2014.

(3) Spread vs. Peruvian global bonds.

Source: own figures.

On the 22nd of March 2018, PERU LNG issued an international bond totalling USD 940 000 000 under Rule 144W and Regulation S of the United States Securities Act 1933, with a fixed interest rate of 5.375 %, maturing in 2030. The bond was rated Baa3 (Moody's), BBB- (S&P) and BBB - (Fitch); the prospect is stable.

The total value of the bond issue plus approximately USD 280 000 000 that the company had in reserve accounts, was used to refinance the USD 1 221 000 000 balance of the original financing obtained in 2008, including local bonds. Consequently, on the 17th of May 2018, in accordance with Ruling N° 036-2018-SMV/11.1, the Stock Exchange Regulatory Authority excluded the whole of the PERU LNG first corporate bond program from the Stock Market Public Registry.

The international bond issue, with its six-year period of grace, modified repayment of the debt and extended the repayment period from 2024 to 2030.

As at the 22nd of March 2018, the date of the refinancing, the total balance of the debt was USD 1 221 079. The balance broken down by institution is shown below:

BALANCE OWED AS AT THE 22ND MARCH 2018

	Balance (thousands of USD)
IADB A	245 491
IADB B	204 466
US EXIM	200 002
IFC	184 118
K EXIM	150 001
SACE	125 001
Bonos locales	112 000
Total	1 221 079

Source: own figures.



THE INTERNATIONAL BOND ISSUE, WITH ITS SIX-YEAR PERIOD OF GRACE, MODIFIED REPAYMENT OF THE DEBT AND EXTENDED THE REPAYMENT PERIOD FROM 2024 TO 2030.





DURING THE FIRST QUARTER OF 2021 THE COMPANY RENEWED ITS WORKING CAPITAL FINANCING AGREEMENT FOR USD 40 000 000, CONSIDERED TO BE A REASONABLE AMOUNT TO COVER ITS FINANCING NEEDS.

As at the 31st of December 2021, the new balance owed was USD 940 000 000, resulting from the international bond issue described above.

In compliance with the six-monthly payment schedule, March and September 2020 saw the sixth and seventh interest coupon payments of USD 25 262 500 each. The next payment is scheduled for March 2022.

As far as the credit ratings of PERU LNG are concerned, in August 2021 the Company received reports from ratings agencies Fitch & Moody's. PERU LNG's rating was modified because of operating results below market expectations, as well as force majeure events that stopped the plant in the second and third quarters of 2021. As a result, Fitch reduced the company's rating from "BB-" to "B+", with a negative outlook; whilst Moody's reduced its rating from "B1" to "B3", with a negative outlook.



Working capital

On the 7th of March 2018, PERU LNG entered into a Working Capital Financing Agreement with Bank Guarantees, with the Banco de Credito del Peru (BCP) valued at USD 75 000 000 over a three-year period. This line includes letters of guarantee and letters of credit, in addition to short-term disbursements. Capital disbursements have a maximum term of 12 twelve months.

During the first quarter of 2021 the company renewed its working capital financing agreement for USD 40 000 000, considered to be a reasonable amount to cover its financing needs. The agreement charges interest at the Libor 12 month rate + 1.90 % and expires in March 2023.

This line of credit includes a collateral guarantee in cash amounting to 50% of total working capital, which is USD 20 000 000 and is shown in the statement of financial position as restricted cash.

As at the 31st December 2021 the company had used 100 % of the line of credit in the form of USD 22 000 000 in cash and a deposit of USD 20 000 000 of restricted cash as collateral guarantee for the issue of a letter of guarantee for USD 17 100 000 in favour of Transportadora de Gas del Peru (TGP) and the use of 100 % of the credit line.

Furthermore, on the 24th January 2022, a new addendum to the agreement was entered into extending its validity to the 31st May 2023.

CONTRACTS WITH THE PERUVIAN STATE

The 12th January 2006 saw the celebration of an investment agreement for the installation, operation and maintenance of a natural gas processing plant (hereinafter the investment agreement). This agreement is governed by the legal regime that prohibits unilateral modification or amendment of its terms.

The Agreement was signed by representatives of PERU LNG and the Peruvian State, represented by the Hydrocarbons Bureau (DGH) of the Ministry of Energy and Mining and the Central Reserve Bank of Peru (BCR). The agreement contains the following terms, among others: (i) PERU LNG will be the exclusive owner of the liquefied natural gas (LNG) plant and its related installations (including the gas pipeline) and shall be free to sell and export the LNG produced; (ii) provisions concerning investment by PERU LNG in the construction and

operation of the LNG plant and related installations; and, (iii) guarantees to PERU LNG and its shareholders concerning taxes, import duties and foreign currency.

This agreement, approved by Supreme Decree N° 005-2006-EM in accordance with the terms of the Promotion of Investment in Natural Gas Processing Plants Act gives PERU LNG the right to a stable tax and exchange rate regime, as well as other guarantees established in the Act, for a period of forty years.

Later, on the 5th of July 2010, the investment agreement was modified by public deed to include Annex D to the agreement, known as the “Agreement to Expand and Use the Carrying Capacity of the Main Pipeline”. This was entered into by Transportadora del Gas del Peru S.A. and PERU LNG, according to the provisions of Article 81 of the Regulations for the Carriage of Hydrocarbons through Pipelines, approved by Supreme Decree N° 081-2007-EM.

SUPPLY OF NATURAL GAS

In accordance with the supply contract, the Plant will receive natural gas from the Camisea fields for eighteen years.

The 6th August 2014 saw the commencement of a modified and re-drafted natural gas sales contract for Block 88, entered into by PERU LNG and the holders of the block, who promised to provide natural gas to PERU LNG solely for local consumption or when it is to be used and/or consumed in the PERU LNG production process.

A Modified and Re-drafted Contract for the Sale of Natural Gas from Block 56, entered into by PERU LNG and the holders of Block 56 took effect on the same date. This contract permits the holders of Block 56 to acquire gas from the holders of Block 57 for inclusion in their obligation to supply PERU LNG.

The contractual changes guarantee a firm commitment to supply 4.2 trillion cubic feet of gas to PERU LNG over the



period stipulated in the contracts, at a rate of 670 000 million BTU (British Thermal Units) per day, in accordance with the daily quantity required.

COMPETITION AND POSITIONING IN THE MARKET

The main factors influencing this increase in demand are the replacement of coal by natural gas and local energy policies. It is also expected that the use of the latest technology will make a significant contribution to this growth. For example, floating storage and regasification units (FSRU) enable the regasification infrastructure to be deployed more quickly and highly competitive prices.

In this context, international gas prices increased substantially in 2021 compared with the previous year, to

reach historic highs. The Henry Hub spot price increased by approximately 93.5% and in contrast, NBP and JKM spot prices increased by 389 % and 324 %, respectively in the same period.

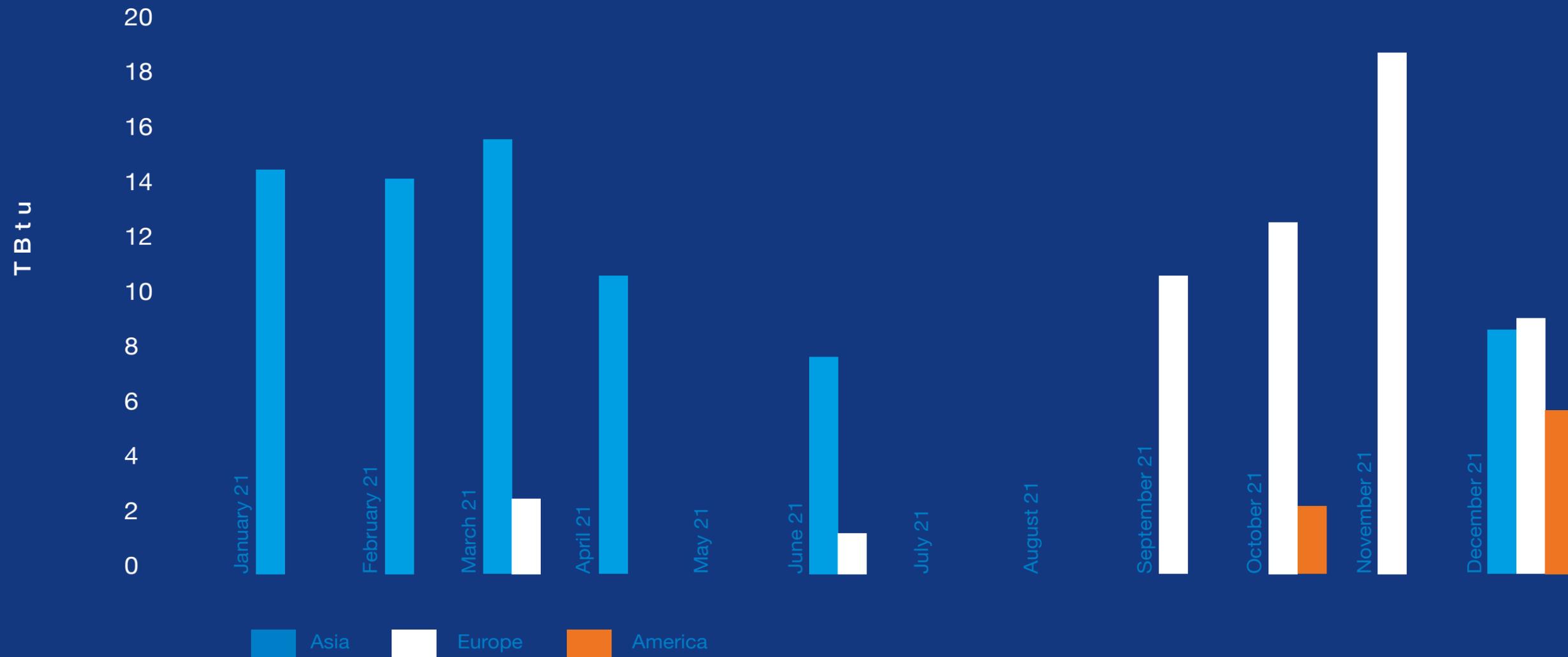
TARGET MARKETS

On the 1st of January 2014, Shell International Trading Middle East (SITME) replaced Repsol Comercializadora de Gas S.A. as the off-taker for PERU LNG, by means of the Third Amended and Restated LNG Sale and Purchase Agreement, entered into on the 31st of December 2013. SITME is part of the Royal Dutch Shell (RDS) group, one of the largest oil companies in the world. Shell's LNG businesses include trading and one of the largest fleets in the industry.

The LNG produced in 2021 by PERU LNG and sold by SITME went principally to the United Kingdom (31%), South Korea (28%), Japan (16%), The Netherlands (7%), China (5%), other European destinations (6%) and Canada (6%).

Despite the long distances involved, PERU LNG remains attractive for European and Asian markets. Monthly sales during 2021 are shown below:

MONTHLY SALES IN 2021



Source: own figures.

THE HYDROCARBONS SECTOR IN PERU

PERU LNG's activities are subject to current Peruvian law. The Hydrocarbons Act N° 26221, which regulates the sector in Peru says that the Peruvian State encourages the development of hydrocarbons on the basis of free competition and free access to economic activities. For this purpose it guarantees the legal stability of contracts, as established in article 62 of the Peruvian Constitution, as well as a stable tax and exchange rate regime.

The Hydrocarbons Act also states that exploration and extraction of hydrocarbons must take place through license and services contracts, as well as other types of contract governed by private law and authorized by the Ministry of Energy and Mining (MEM). Contracts that have been approved and signed can be modified by written agreement between the parties, subject to approval by supreme decree.

The legal framework for the hydrocarbons sector, which regulates and supports the activities of PERU LNG, consists of the following principal legislation:

- Law N° 26221, Hydrocarbons Act;
- Supreme Decree N° 051-93-EM: Regulations Concerning Hydrocarbons Refining and Processing;
- Law N° 28176: Promotion of Investment in Natural Gas Processing Plants Act;
- Supreme Decree N° 031-2004-EM: Executive Regulations to the Promotion of Investment in Natural Gas Processing Plants Act;
- Supreme Decree N° 032-2004-EM: Regulations Concerning Hydrocarbons Exploration and Extraction;
- Supreme Decree N° 042-2005-EM: Approved Text of the Hydrocarbons Act;
- Supreme Decree N° 081-2007-EM: Regulation for the Carriage of Hydrocarbons through Pipelines;
- Supreme Decree N° 043-2007-EM: Hydrocarbons Activities Safety Regulations.

The government authorities having a fundamental role in the hydrocarbons sector are the Ministry of Energy and Mining (MEM) and two regulatory authorities: the

Supervising Body for Investment in Energy and Mining (OSINERGMIN) and the Environmental Monitoring and Evaluation Authority (OEFA).

The MEM is responsible for designing general policies for the sector and, as the grantor, for awarding concessions. Osinergmin answers to the Prime Minister's Office and is responsible for establishing gas transport and distribution tariffs. It also monitors compliance with the obligations assumed by concessionaires, which are stipulated in the respective contracts and applicable legislation, as well as supervising the quality of the service provided, specifically the safety regulations and standards applicable to these activities.

The OEFA, a dependency of the Environment Ministry, is responsible for ensuring that individuals and public and private entities comply with environmental legislation. It carries out checks, supervision, control and monitoring, and imposes sanctions in environmental matters.

3

CHAPTER 5
**INFRASTRUCTURE TO
ASTOUND THE WORLD**

PIPELINE

The PERU LNG Pipeline is an impressive piece of infrastructure that represents a milestone in the history of engineering in Peru. One of its most notable characteristics is its high operating pressure, which averages 1 800 psig (124 barg). It is thirty four inches in diameter and can carry 1 million cubic feet per day (MMcfd) of dry natural gas.

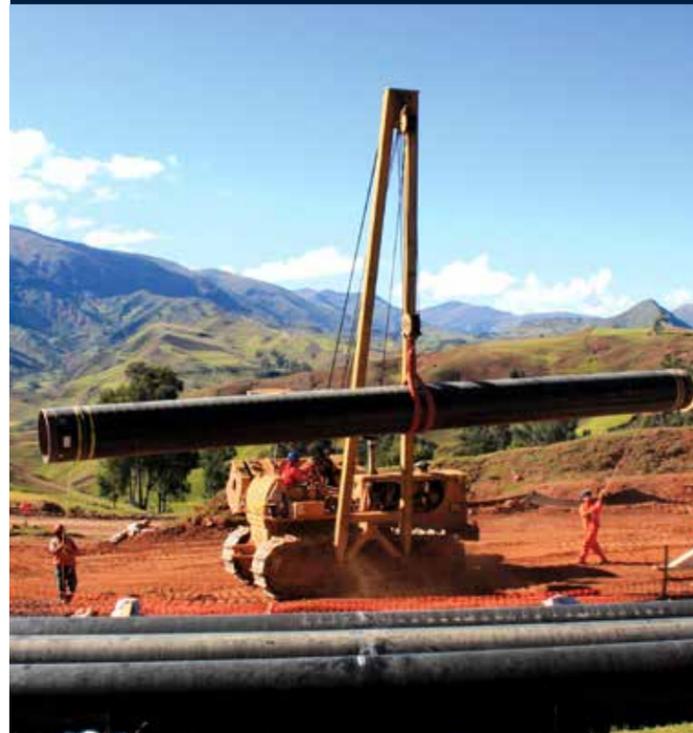
The Pipeline runs for 408 kilometres through some of the world's most varied geography, including mountains and gorges where access is difficult, and crosses numerous rivers and the coastal desert. Its highest point is more than 4 900 meters above sea level, earning it an entry in the Guinness Book of Records as the highest Pipeline in the world.

It has 14 shut-off valves for emergencies, six pig launching and receiving trap, one metering station and one pressure regulating station to control the delivery pressure at the coast.

The starting point is at approximately kilometre 211 of the Transportadora del Gas del Peru S.A. pipeline. in the village of Chiquintirca, Ayacucho Region, in the central highlands. It ends at the PERU LNG natural gas liquefaction plant on the Peruvian coast.



THE PERU LNG PIPELINE IS AN IMPRESSIVE PIECE OF INFRASTRUCTURE THAT REPRESENTS A MILESTONE IN THE HISTORY OF ENGINEERING IN PERU.



During 2021, PERU LNG carried out an internal audit of Pipeline Integrity Management System with an external consultant, which concluded that the system meets 100% of the requirements contained in the Regulation for the Carriage of Hydrocarbons through Pipelines approved by Supreme Decree 081-2007-EM and ASME B31.8S standard.

We also successfully completed the installation and commissioning of a pilot project using a 1,8 KW Stirling-engine-driven generator at the pig launcher and reception station (AREA 300), which consumes less gas, requires less maintenance and is more reliable than the generators currently in use along the rest of the pipeline.

The year also saw an update of the remote operations controllers (ROC) at the metering stations (AREA 200) and pressure control stations (AREA 400), and painting of the above-ground structure at the metering station (AREA 200) and main valve station (MLV 01).

All of this work was carried out under close supervision by Ayacucho Operations personnel and completed on time and in budget.

PERFIL DE RUTA DEL GASODUCTO



NATURAL GAS PROCESSING PLANT



The PERU LNG plant transforms natural gas into liquid to facilitate transport. This is the first liquefaction plant in South America and was built on 521 hectares of land, 163 kilometres south of Lima on the Southern Pan-American Highway.

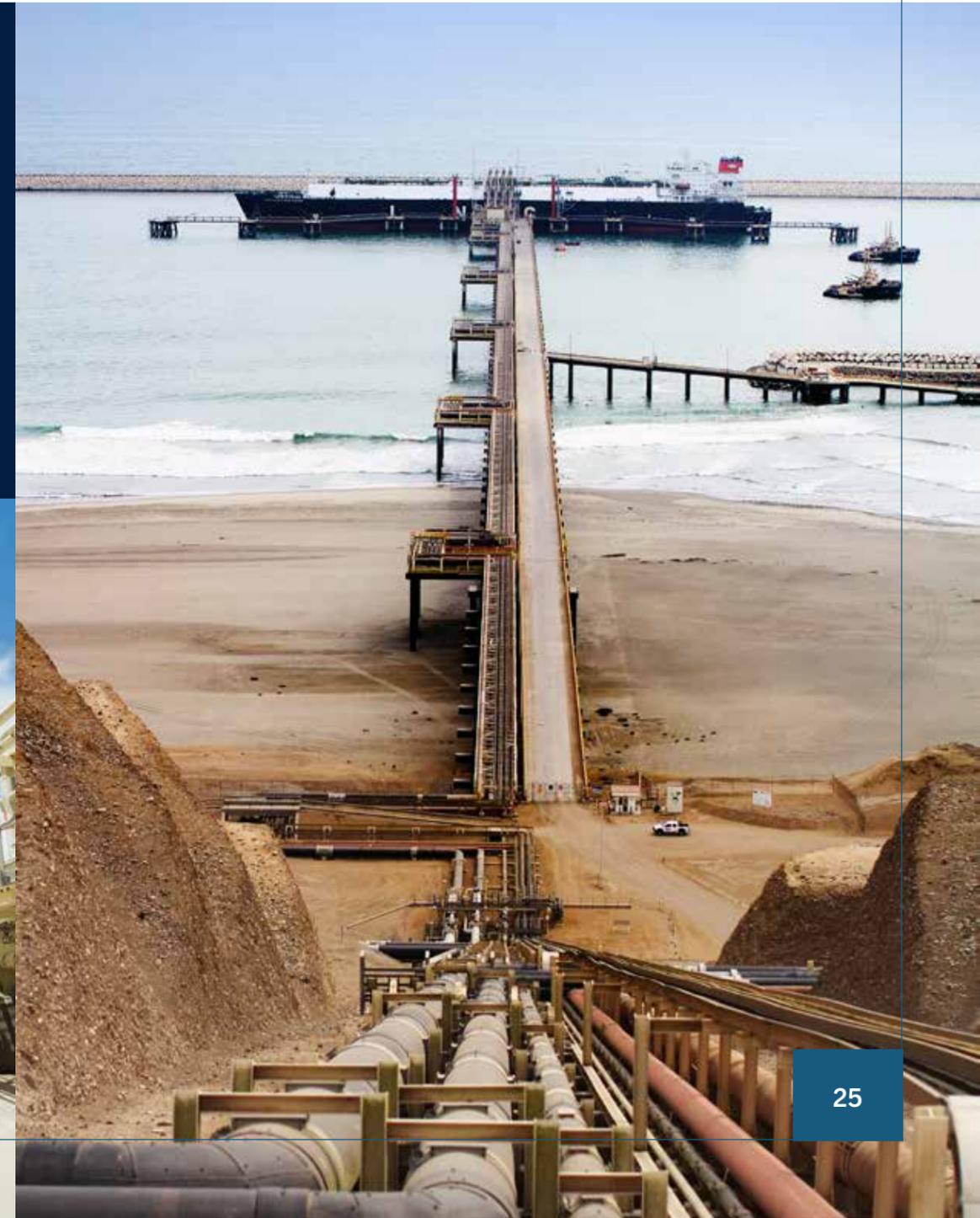
The site posed engineering challenges for PERU LNG and therefore required exhaustive and detailed study. Although Pampa Melchorita met certain specific requirements, such as a low level of environmental sensitivity, low population density, soil stability and stable sea conditions, roads had to be built to reach the shore and optimize the site's altitude of 135 m.a.s.l. to build the port facilities.

The plant has an installed capacity of 4.45 million tons per year (MMtpy) and processes approximately 626 million cubic feet per day (MMcfd), which covers the 4.2 MMtpy of LNG established in the contract.

The industrial process begins with the reception of dry natural gas from the Block 56 and 57 fields in Camisea and the removal of the liquids it contains. The natural gas is first measured and its pressure controlled, and which carbon dioxide (CO₂) is removed by the acid gas removal unit.



THE INDUSTRIAL
PROCESS BEGINS WITH
THE RECEPTION OF DRY
NATURAL GAS FROM
THE BLOCK 56 AND 57
FIELDS IN CAMISEA AND
THE REMOVAL OF THE
LIQUIDS IT CONTAINS.



Next, the gas is dried in molecular sieves and passes through an activated charcoal mercury absorption cell before liquefaction. In the final stage, the natural gas is cooled with propane refrigerant and then further cooled and liquefied in the main cryogenic heat exchanger. The LNG is then stored before shipment on board methane tankers in two tanks of 130 000 cubic meters each.

It should be noted that the plant is self-sufficient; it produces its own electricity and other services. It has three generators, one control centre, offices, warehouses, workshops, training facilities and housing.

PERU LNG continued natural gas liquefaction operations in 2021, and in addition to the restrictions caused by the COVID-19 pandemic we were forced to carry out unforeseen repairs to the gas turbines driving the refrigeration compressors after an unexpected failure. The repair work was carried out mainly by Peruvian personnel supervised by representative of the turbine manufacturers.



PORT FACILITY





THE PORT FACILITY IS PROTECTED FROM THE SWELL BY A BREAKWATER EIGHT HUNDRED METERS LONG BUILT PARALLEL TO THE COAST AND THREE HUNDRED AND FIFTY METERS OFF THE LOADING PLATFORM.

The PERU LNG port facility can handle methane tankers carrying from 90 000 to 174 200 cubic meters of LNG, with a full-load displacement of 118 388 tons and a draught of up to twelve meters.

The terminal consists of an access bridge or jetty built of steel and reinforced concrete supported by 308 steel piles driven into the sea bed. It is 1 388 meters long and the LNG loading platform is at the outer end, equipped with four loading arms sixteen inches in diameter (three for LNG and one return line for steam).



The terminal is also fitted with mooring infrastructure for LNG vessels, specifically, six mooring dolphins and four dolphins for ship handling. These structures are provided with four fenders protecting an area of thirty square meters to prevent contact between a ship's hull and the installations, as well as quick-release double or triple mooring hooks. Their characteristics mean that the structures can withstand the forces exerted on them by current, wind and waves while vessels are berthing.

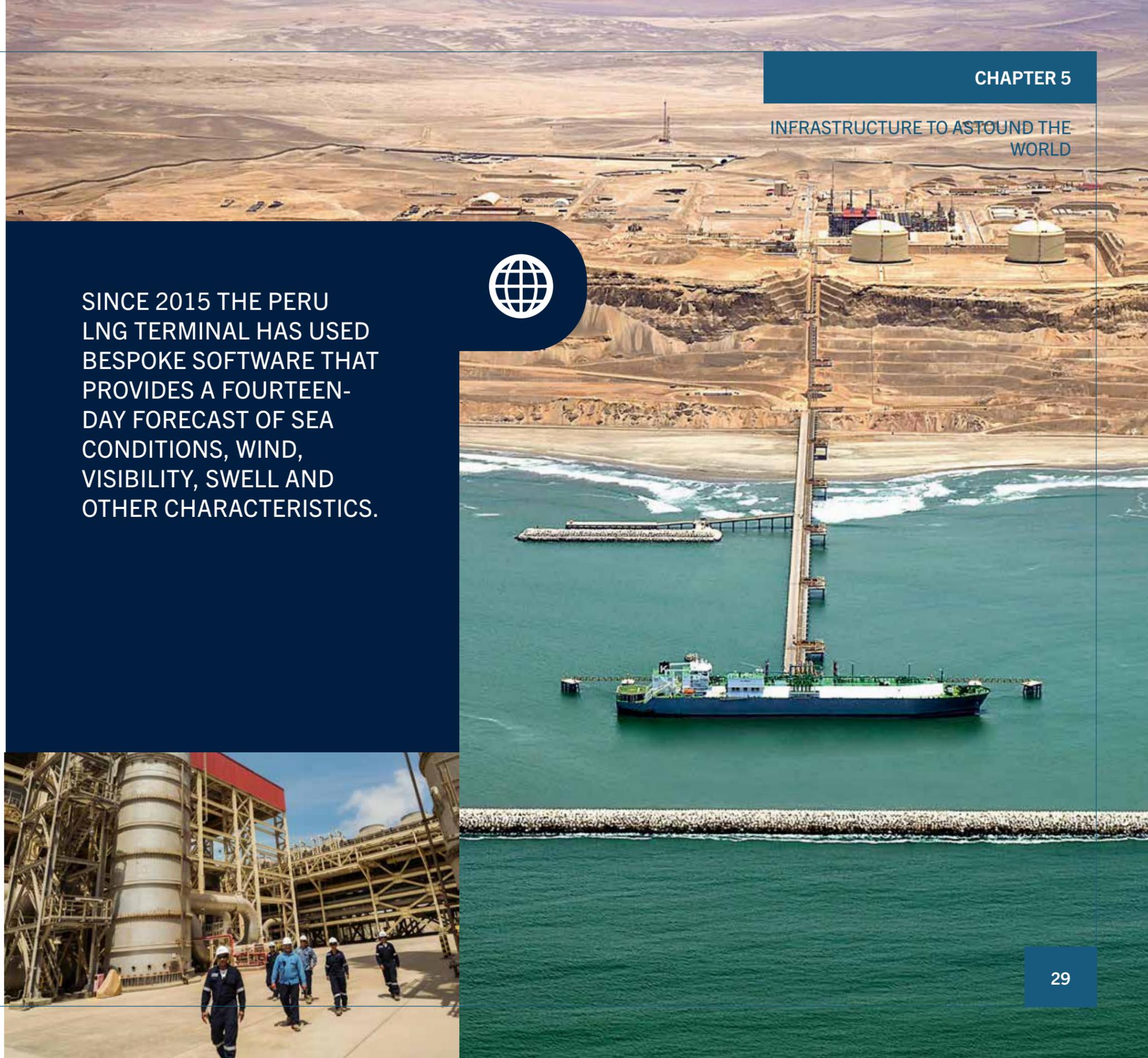
The port facility is protected from the swell by a breakwater eight hundred meters long built parallel to the coast and three hundred and fifty meters off the loading platform. The facility has three navigable channels that are dredged every year to maintain an adequate depth. Four tugs with a bollard pull of eighty tons are available to assist with the berthing and unberthing of methane tankers.

As well as its marine infrastructure, the PERU LNG terminal is equipped with the latest

generation of systems to ensure that loading operations are programmed and carried out safely. The principal items of equipment are two weather buoys with wave sensors located inside and outside of the breakwater; laser approximation sensors that measure the speed and angle of approach of vessels to the berth; a Pilot Portable Unit, that facilitates entry and exit when the visibility is limited.

Since 2015 the PERU LNG terminal has used bespoke software that provides a fourteen-day forecast of sea conditions, wind, visibility, swell and other characteristics. Furthermore, since the end of 2016 this forecast has included a tool for predicting the movement of berthed vessels and the load on their mooring lines.

In 2020 the PERU LNG terminal was one of the first in Peru to introduce measures to prevent the propagation and spread of the SARS-CoV-2 virus. Thanks to this action maritime operations were unaffected and shipments proceeded as planned. It should be noted that no cases of contagion were found on board visiting vessels or among the port facility's personnel.



SINCE 2015 THE PERU
LNG TERMINAL HAS USED
BESPOKE SOFTWARE THAT
PROVIDES A FOURTEEN-
DAY FORECAST OF SEA
CONDITIONS, WIND,
VISIBILITY, SWELL AND
OTHER CHARACTERISTICS.



In April 2020, PERU LNG signed a contract with Dutch firm ShoreTension B.V. for the manufacture and acquisition of six integrated vertical ShoreTension units. This is part of a project to renew and improve the terminal's berthing system to make cargo operations safer when an unusual swell occurs. At the end of 2021 the new vertical dynamic tension units were delivered to the port of Rotterdam – Netherlands, and were installed in January and February of 2022. The PERU LNG terminal is

the first in the world to use this new mooring technology, keeping us at the forefront of new technology and innovation.

It should also be noted that the terminal had its ISO 9001:2015 certification renewed by TÜV Rheinland in 2021 to cover its quality assurance systems for LNG shipments and the provision of basic port services: berthing, unberthing, pilotage and towing. In 2020 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, both for a further five years.

ROAD TANKER LIQUEFIED GAS LOADING TERMINAL





In March 2018 road tanker LNG loading terminal (located inside the PERU LNG plant) was given its final permits by Osinergmin enabling it to start operating, ending the previous trial period for tanker loading. Commercial operations began on the 9th of July 2018, in compliance with the contractual requirements for official inauguration.

The road tanker LNG loading terminal includes a control centre, depressurisation station, pipelines bringing gas from the plant, safety mechanisms, electrical and control systems, communications and closed circuit television, among others.

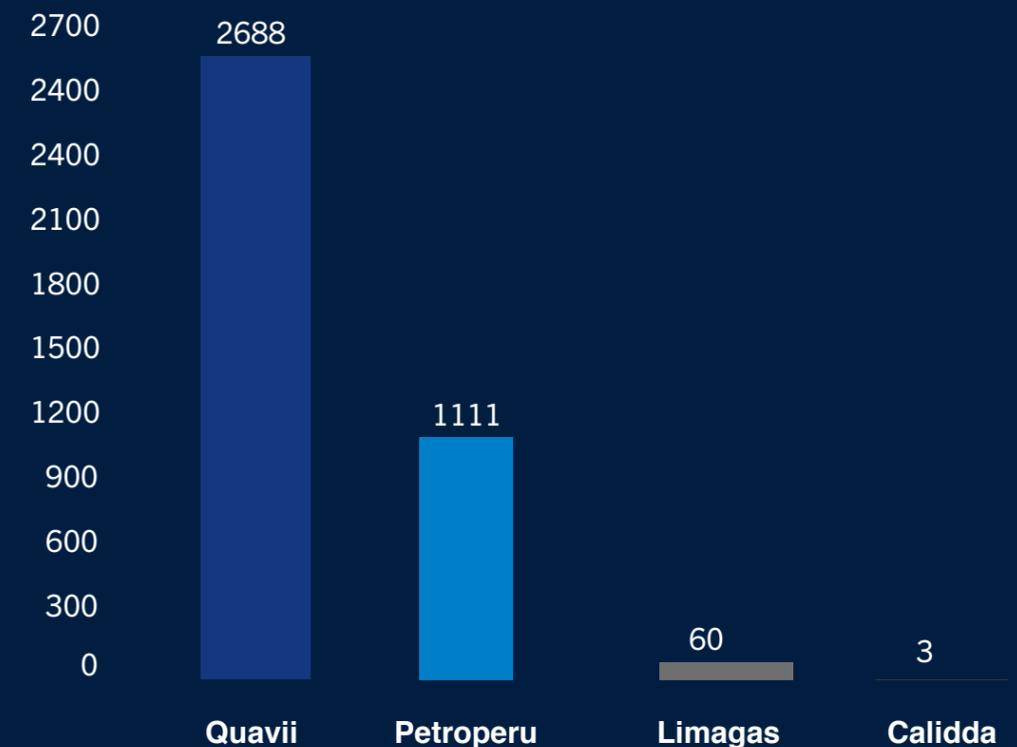
From then on the loading terminal has guaranteed the supply of LNG by road to regasifying stations in the north and south west of the country. Delivery is in the hands of the distributor Shell LNG and its concessionaires: Quavii, which supplies the cities

of Cajamarca, Lambayeque, Chiclayo, Pacasmayo, Trujillo, Chimbote and Huaraz in northern Peru, and Petroperu, which supplies the South: Arequipa, Moquegua, Ilo and Tacna.

The southern concessionaire changed in 2020, with Naturgy operating until the 18th December 2020 before being replaced by Petroperu, which started operations on the 19th of December that same year. Furthermore, since December 2020 a new client, Lima Gas, has been responsible for LNG supplies in the Cusco region and had taken 60 loads by the end of 2021. Finally, in June 2021 Calidda became a temporary client of the terminal and loaded 3 tankers during the year.

During 2021, 3 862 (three thousand eight hundred and sixty two) tankers were dispatched, equivalent to 4 407 829 MMBtu (4.41 TBtu).

TRUCKS LOADED IN 2021





CHAPTER 6
**WORKING WITH
RESPONSIBILITY AND
COMMITMENT**



We maintain high quality standards, which allow us to ensure technical, operational and economic efficiency, as well as environmental and social responsibility.



10
June
2010



THE PERU LNG
PLANT IS THE FIRST
IN SOUTH AMERICA
PRODUCING LNG
GAS, IT IS SUPPLIED
BY A PIPELINE

408

km

KILOMETRES LONG
CARRYING NATURAL
GAS FROM AYACUCHO,
THROUGH HUANCVELICA,
ICA AND LIMA.

OPERATION TO HIGH QUALITY STANDARDS

PERU LNG operates to the highest industry standards, not only to guarantee strict compliance with Peruvian and international legislation, but also to achieve its vision and mission as a world-class organization, efficient technically, operationally and economically as well as being environmentally and socially responsible. During 2021, PERU LNG carried an average of 755 MMcfd of natural gas through its pipeline.



✓
PERU LNG MAINTAINED THE TRANSPORTATION OF NATURAL GAS THROUGH ITS PIPELINE AT AN AVERAGE RATE OF

755 MMpcd.

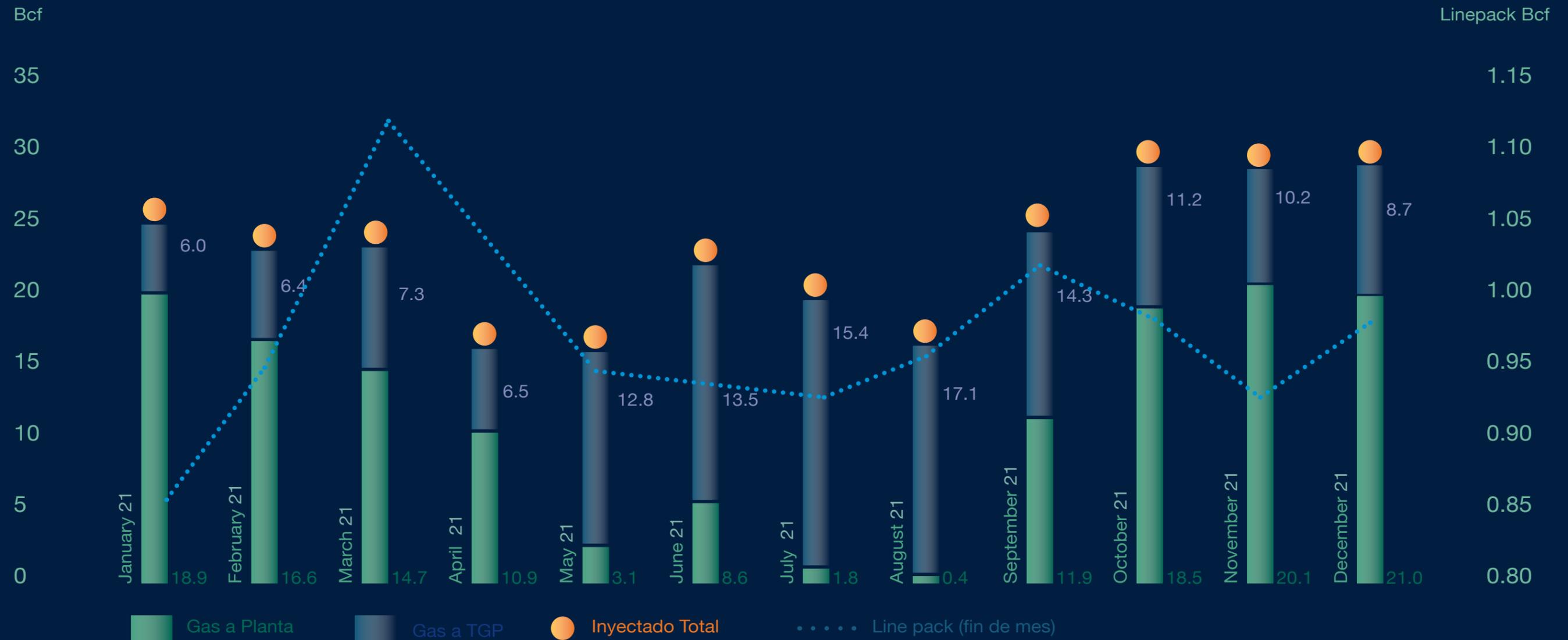
PIPELINE

During 2021 PERU LNG sent a total of 146 615.34 MMcf to the liquefied natural gas processing plant and 129 392.33 MMcf to the domestic market, in accordance with the agreement for the Expansion and Use of the Main Pipeline Carrying Capacity. This took place in a difficult context, because of the maintenance carried out in the Plant between March and September and because of operational problems in the Pluspetrol Malvinas plant in September, November and December.

As far as Transportadora de Gas del Peru (TGP) was concerned, the volume of gas carried by the PERU LNG gas pipeline for the local market remained stable at an average of 354 MMcfd with peaks of up to 636 MMcfd.

It is worth noting that expansions carried out by TGP in 2016 increased the transport capacity of the system from 1 150 to 1 540 MMcfd in the jungle zone. The capacity increase provided PERU LNG with permanent additional volumes of gas and flexibility in the pipeline system.

VOLUMES CARRIED IN 2020



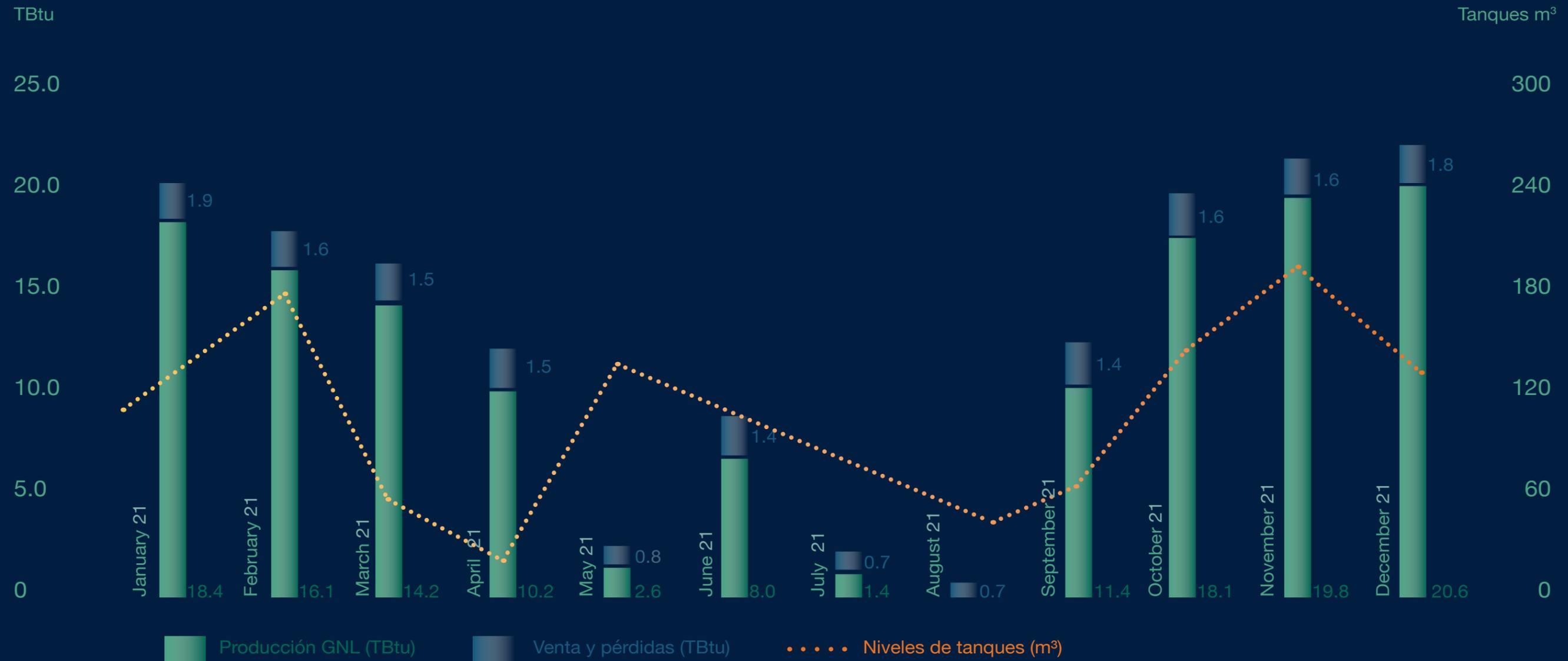
Source: own figures.

LIQUEFIED GAS PROCESSING PLANT AND PORT FACILITY

The plant achieved 91.0 % efficiency during 2021. Despite down times, long periods of poor weather affecting the port facility and force majeure events, it proved possible to produce 140.7 TBtu of LNG compared with 208.9 TBtu in 2020. This was a 32.6% reduction.



VOLUMES PRODUCED IN 2021



Source: own figures.

LNG SHIPMENTS

Thirty eight methane tankers berthed at PERU LNG's port facility in 2021. These tankers were loaded with 132.9 TBtu of LNG, representing a 30% drop in the number of ships and a 34% fall in the volume carried compared with the previous year, when fifty five vessels were loaded with 204.8 TBtu.

In 2019 fifty eight vessels called at the terminal (209.3); In 2018 fifty seven vessels called at the terminal (196.1 Tbtu); in 2017, sixty four vessels (213.9 TBtu); in 2016, seventy (225.1 TBtu); in 2015, fifty six (187.8 TBtu); in 2014, sixty (214.4 TBtu); in 2013, fifty seven (222.4 TBtu); in 2012, fifty three (203.6 TBtu); and in 2011, fifty five (209.2 TBtu). Operations commenced in June 2010, and therefore only twenty three vessels used the facility that year.

SITME was the company responsible for purchasing, carrying and selling the LNG produced in the plant during 2021. LNG is sold on a FOB basis at a contractual sale price indexed to natural gas prices at the shipment destination.

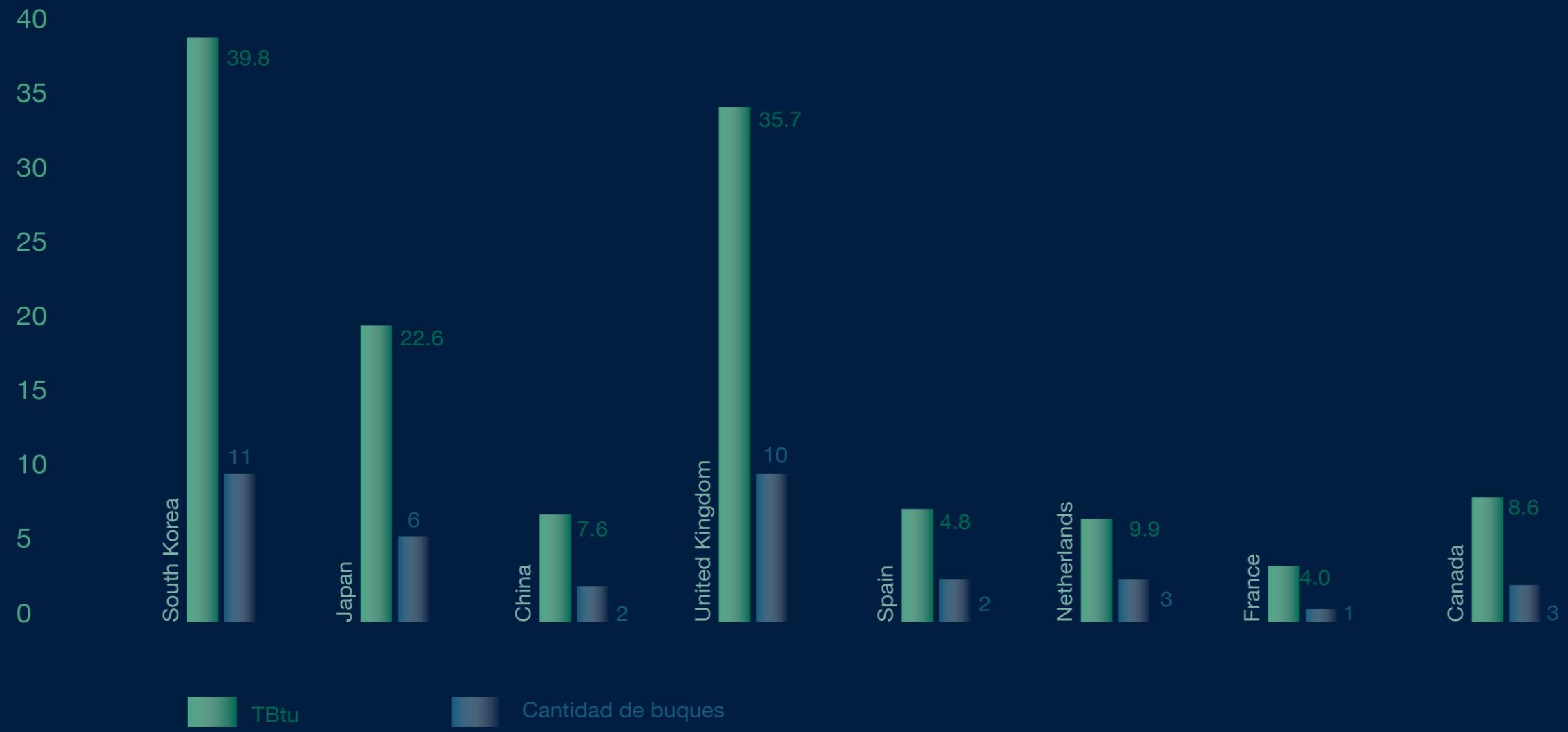
THE DESTINATIONS OF THE THIRTY EIGHT METHANE TANKERS IN 2021 WERE AS FOLLOWS

DESTINATION	NUMBER OF VESSELS	TBtu	%
South Korea	11	39.8	30 %
Japan	6	22.6	17 %
China	2	7.6	6 %
United Kingdom	10	35.7	27 %
Spain	2	4.8	4 %
Netherlands	3	9.9	7 %
France	1	4.0	3 %
Canada	3	8.6	6 %
TOTAL	38	132.9	100 %

VESSELS LOADED IN 2021 - VOLUME IN MMBTU AND IN M³

MONTH	NUMBER OF VESSELS	MMBtu	m ³
January	4	14 735 400	634 924
February	4	14 486 669	623 945
March	5	17 778 550	765 627
April	3	10 721 549	461 527
June	3	9 474 434	407 627
September	3	10 547 014	453 836
October	5	15 475 460	667 198
November	5	18 539 031	799 477
December	6	21 181 808	914 023
TOTAL	38	132 939 915	5 728 184

VESSELS LOADED AND QUANTITY OF LNG (TBtu) BY DESTINATION



Source: own figures.

HUMAN RESOURCES

The distribution of PERU LNG collaborators in December 2021 is given below:

Personnel	December 2021		Total
	Temporary	Permanent	
Senior staff	-	3	3
Employees	1	5	6
TOTAL	1	8	9

Source: own figures.



NEW OPERATORS WITH EXPERIENCE WERE HIRED IN ORDER TO REDUCE THE LEARNING CURVE AND STRENGTHEN THE TEAMS WORKING IN THE FIELD.

BUSINESS CONTINUITY

During 2021, amid global uncertainty, the COVID-19 pandemic and continual new outbreaks of the virus, the company made every effort to ensure the continuity of its operations; every company site drew up specific protocols to prevent interruptions to the operations:

- up to the end of the second wave the plant used a protocol based on 14 days work followed by 14 days leave, after which more flexibility was introduced for those able to change to a 9 x 5 regime.



- In Ayacucho, local employees continued to work from home, but could go to the office if they complied with the protocol established by the medical centre.
- In Lima the majority of employees worked from home, but after the second wave they could return to the office voluntarily.

New operators with experience were hired in order to reduce the learning curve and strengthen the teams working in the field. Priority was given to hiring Peruvians; for that reason production is now in the hands of Peruvians.

DIVERSITY AND INCLUSION

This year, in addition to the insurance and other plans offered to its collaborators, the company introduced new benefits for families and same-sex couples, such as:

- benefits for families – the opportunity to increase their medical and cancer insurance, school bonus and paternity leave. 7 days paid leave in cases of emergency and the inclusion children in the company's activities.
- Benefits for same-sex couples – an opportunity to extend benefits to the partners of collaborators, such as: inclusion in medical and cancer insurance, inclusion in the EAP (employee assistance programme), bereavement leave and 30calendar days adoption leave for children under 12.



BENEFITS FOR FAMILIES – THE OPPORTUNITY TO INCREASE THEIR MEDICAL AND CANCER INSURANCE, SCHOOL BONUS AND PATERNITY LEAVE.



STRENGTHENING THE CULTURE

The company recognises that leadership style has a direct impact on its culture, improving productivity and efficiency, creating the desired image, increasing collaborators' motivation and improving their work-life balance, among many other things, we have decided to include a programme called: "*Transforming the leadership style*". Its principal aim is to seek a leadership style that empowers collaborators and brings leaders closer to and at the service of their teams. The organisation's leaders are using this programme to create spaces in which to talk to their teams on matters such as: the meaning of corporate values, the profile of a leader, the importance of confidence collaborative working, and the correct way to manage errors.

These workshops produced a profile for leaders, while 360° evaluations were applied to create a baseline that will enable leaders to identify where they are and what action to take to bring them into line with the company's expectations.

PERU LNG ADMINISTRATION

Since September 2018 the company has been in the PAL 400 building on Las Palmeras 435, San Isidro. The offices are open-plan in order to facilitate communication between members of the organization.

The company's senior management personnel are:



MARÍA JULIA **AYBAR**

GENERAL MANAGER

Mrs Aybar studied at the Catholic University of Peru's Faculty of Law and pursued postgraduate at the University of Lima. She taught specialist courses hydrocarbons sector legislation, including regulations applicable to natural gas. She started work in the oil and gas sector in the legal department of Perupetro S.A. (a government entity that oversees hydrocarbons exploration and extraction in Peru). She worked as an associate for nearly ten years and later as a partner in Estudio Muñoz law firm, where her experience in different aspects of the hydrocarbons business proved valuable. She was an adviser to the companies involved in the Camisea Project in all its phases: extraction, transport and distribution, and financing. She was General Counsel of PERU LNG from February 2006 to December 2016. She currently occupies the post of VP and CEO.

SOLANGE **CUADROS**

GENERAL COUNSEL

Studied at the Catholic University of Peru's Faculty of Law and pursued postgraduate studies at Duke University (USA.). She has more than fifteen years of experience in energy and corporate law and has taken various specialist courses in hydrocarbons and electricity. She began in the energy and mining department of Estudio Muñoz law firm before moving to the Peruvian ombudsman's office. From 2008 to 2012 she worked on the PERU LNG legal team and between 2013 and 2015 was Legal Manager and Head of Regulatory and Legal Affairs for the GCZ Energía group. In 2016 she held the same position at EDC Peru Holdings, a renewable energy company. She has been the General Counsel of PERU LNG since January 2017.

JAIME **RISCO**COMMERCIAL AND
PLANNING DIRECTOR

Studied Industrial Engineering in the Faculty of Science and Engineering of the Catholic University of Peru before obtaining an MBA from the University of Virginia (USA). He worked in the Camisea project commercial department of Pluspetrol as an analyst from 2006 to 2010. He was financial manager in the planning department of Microsoft's sales, marketing and services group. He joined PERU LNG in 2014 and held the post of Planning Manager from February 2016 to the 30th June 2017. On the 1st of July 2017 he became Commercial and Planning Manager and since the 1st of January 2021 he has held the post of Commercial and Planning Director

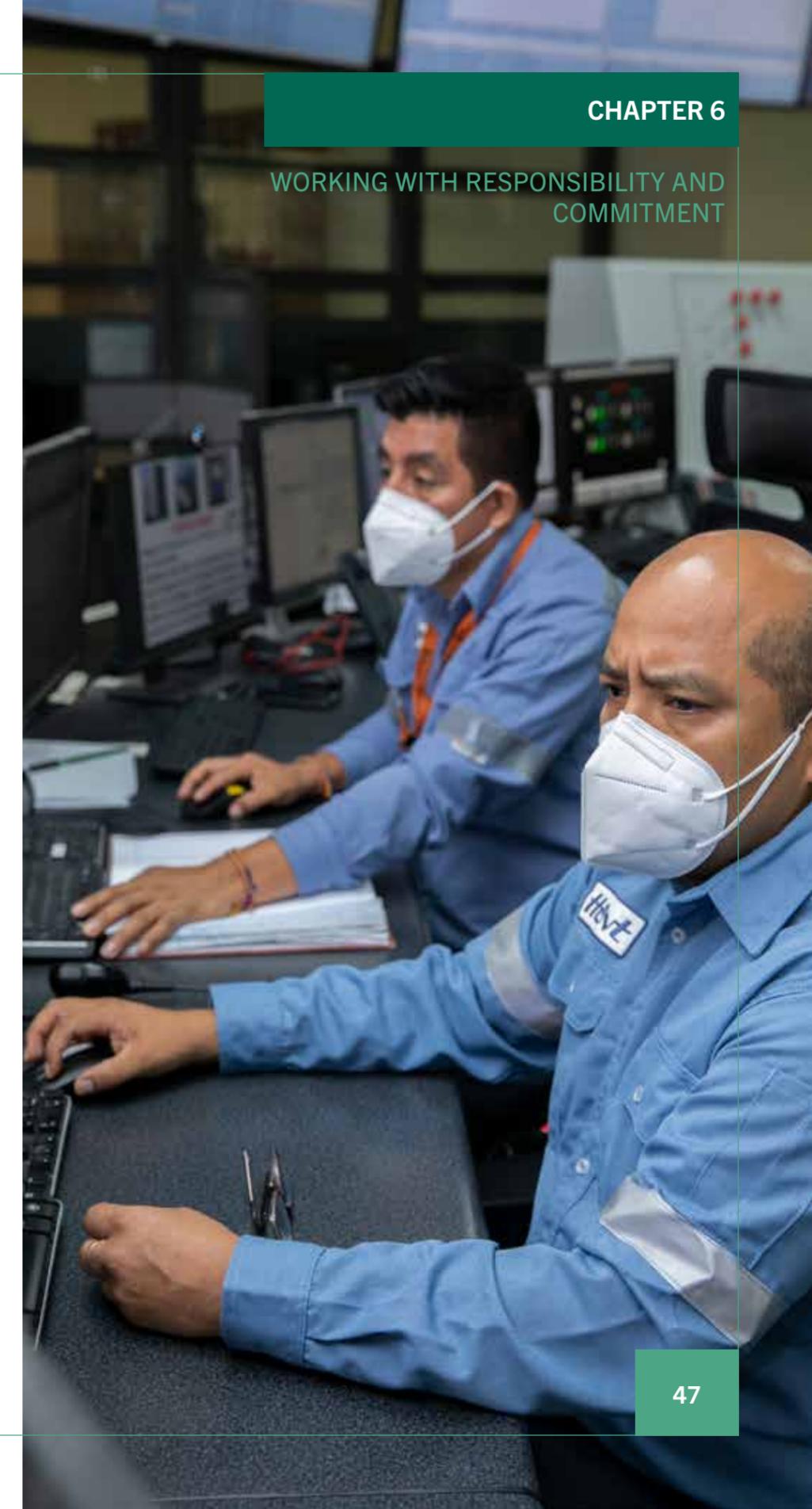
INNOVATION

The definition of innovation for PERU LNG is any change that has a positive impact. The company encourages three types of innovation:

1. bottom-up (innovation by employees); all employees are invited to contribute ideas and solution to the challenges facing the business. These challenges have to do with the company's strategy and the problems for which each department seeks solutions. The ideas are described and followed up on an on-line platform called Innlab (Edison 365). The platform is integrated with the company's internal social network (called Yammer), thus enabling interaction with new ideas. By the end of 2021, 191 ideas had been uploaded, of which 57 have been successfully implemented and 97 remain in the review, comment and experimentation phase.
2. Business-based innovation: this involves the creation of teams chosen for their technical and soft skills, who work on challenges proposed by the senior management. These groups are accompanied by experts in innovation, who facilitate the work using innovation methodology (design thinking, agility, etc.) The result of the work was submitted to senior management and validated by implementation. During 2021, 10 teams worked in this way on challenges relating to reliability, cost efficiency, safety and energy transition.
3. Operational excellence and process improvements: We seek continual improvement of the company's processes using the Lean and Six Sigma methodologies together with the departments involved. In 2021 work was carried out on the mapping of 15 processes critical to asset integrity. Access to the plant was made more agile, with the issue of work permits being digitalised, and a project was set in motion to map reliability indicators over 20 years, among others. As far as process improvements were concerned, we validated the mapping of all the company's processes with their respective owners, who will work for the next year on continual improvements.

One group of 40 "Innovation Masters", employed in different departments and with a passion for innovation, have stimulated a desire to innovate and helped to remove barriers. This group has received training in greater depth on methodologies of innovation. An e-learning programme has been made available to other employees on the company's e-learning platform, complemented by short voluntary training sessions. Exchanges have also been organised with other companies on specific subjects such as predictive maintenance, digitalisation of operations and 3D printing, aimed at exchanging best practices and inspiring specialists.

The innovation programme goes hand-in-hand with internal communication, celebrating innovation's achievements and successes during the year. An incentive programme has also been launched for participants, the winners of which received their awards at the beginning of 2022.



ANTI-CORRUPTION

PERU LNG's corporate practice is based on strict standards of excellence and business ethics and the company is subject to Peruvian anti-corruption legislation. Furthermore, the company complies with international standards, among which is the U.S. Foreign Corrupt Practices Act or FCPA. It is important to note that applicable Peruvian law sanctions public and private companies for corruption, money laundering and terrorist financing with administrative penalties that vary from fines to closure and/or dissolving company.

PERU LNG therefore has a corruption prevention policy aimed at encouraging zero tolerance of corruption and similar crimes. By means of this policy, the company has approved a system for preventing corruption, which sets the criteria, assumptions, guidelines, procedures and controls applicable in PERU LNG to the prevention of and fight against corruption.

In order to reinforce the anti-corruption framework, this system contains different instruments that seek to encourage and disseminate rejection of corruption, money laundering and other crimes; it also incorporates relevant United States legislation.

We have guidelines for preventing corruption and economic sanctions in the United States, which are intended to lay the foundations for effective anti-corruption measures, and due diligence procedures concerning anti-corruption and sanctions based principally upon knowing the company's counterparty in any commercial relationship so as to be able to identify any corruption-related risk. It is important to note that all collaborators, representatives, directors and staff of our commercial partners and others with whom we do business must comply with the system's regulations.

PERU LNG has a Prevention Committee, a consultative body which examines complaints and determines the final outcome of such cases; it also has a prevention officer who is responsible for ensuring proper implementation, supervision and monitoring of the prevention system.

In this regard, during 2021 PERU LNG reinforced its permanent commitment to the integrity of its activities by giving training sessions on the subject to employees.

During 2021 PERU LNG also continued working on its regulatory framework (self-regulation). We concentrated on updating and improving the corruption prevention system and carried out a review of the risks

facing our activity. In addition, our Legal Department continued to provide support and advice to the Prevention Department concerning the application of our internal guidelines, as well as legislation and applicable regulatory aspects.



PERU LNG'S CORPORATE PRACTICE IS BASED ON STRICT STANDARDS OF EXCELLENCE AND BUSINESS ETHICS AND THE COMPANY IS SUBJECT TO PERUVIAN ANTI-CORRUPTION LEGISLATION.

JUDICIAL AND ADMINISTRATIVE PROCEDURES AND ARBITRATION

- Contested administrative procedures

PERU LNG is currently involved in a non-adversarial administrative case. The claim was lodged in March 2011 by PERU LNG, questioning the validity and applying for the annulment of rulings N° 004458 and N° 004666, and of rulings N° 030-2010-OS/TASTEM-S2 and N° 007-2010-OS/TASTEM-S2 issued by the Supervising Body for Investment in Energy and Mining – Osinergmin (case 01130-2011). These rulings imposed fines of approximately USD 912 635 for an alleged non-compliance with environmental management commitments.

At the close of 2021 the status of the court case brought in March 2011 by PERU LNG against Osinergmin arising

from fines imposed by the latter, was as follows: In September 2020, PERU LNG submitted an appeal to the Supreme Court and we are waiting for the Court to decide on its admissibility.

- Arbitration proceedings

PERU LNG has two arbitration proceedings in progress.

- The first was initiated in August 2015 and is being heard by the International Arbitration Court of the International Chamber of Commerce, between PERU LNG and Pluspetrol Peru Corporation S.A., Pluspetrol Block 56 S.A., Tecpetrol Block 56 S.A.C. and Sonatrach Peru Corporation S.A.C. (hereinafter “the companies”). In this process PERU LNG is questioning invoices issued by the companies in July and August 2015 for alleged additional payments for gas sold in 2010 and 2011. On the 6th October 2016, after the parties had agreed the terms of reference applicable to the proceedings, the arbitration panel (consisting of two arbitrators and one president), established the procedural timetable that will govern the arbitration. Although the arbitration was suspended for a number of years, it has recently been reopened and the arbitration process is under way.

Furthermore, in October 2019, two arbitration proceedings against PERU LNG were brought before the international arbitration tribunal of the International Chamber of Commerce.

- The first arbitration was brought by Pluspetrol Peru Corporation S.A., Pluspetrol Camisea S.A., Tecpetrol del Peru S.A.C. and Sonatrach Peru Corporation S.A.C.; these companies are demanding additional payments of invoices for gas sold to PERU LNG during 2015 and 2018.

- The second arbitration case was brought by Pluspetrol Peru Corporation S.A., Pluspetrol Block 56 S.A., Tecpetrol Bloque 56 S.A.C. and Sonatrach Peru Corporation S.A.C. demanding additional payments of invoices for gas sold to PERU LNG during 2011 and 2018.

These cases have been consolidated into a single arbitration proceeding. At present the process is suspended.

OUR COMMITMENT TO THE COMMUNITY

PERU LNG is committed to the development of communities throughout its direct area of influence in Ayacucho, Huancavelica, Ica and Lima regions. To do so it has defined three forms of social investment on which it will concentrate its community-based action: 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.



PERU LNG is implementing projects to improve the living conditions and productive skills 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.

The projects are designed to generate sustainable growth of the communities and are implemented in coordination with them, through continual and transparent dialogue. A number of initiatives were developed in 2020, including the following:



TRAINING PROGRAM FOR PUBLIC INVESTMENT MANAGEMENT

This program 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.



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.

This program has helped to strengthen relationships with rural communities in the area of influence of the PERU

LNG pipeline, through construction work carried out by the municipal authorities. This is a clear example of how local governments can be helped to gain access to public funds.

In 2021, 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; this project is currently being implemented. This project has to date leveraged a total of 35 million dollars of central government funds.

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 CENTRAL GOVERNMENT (S/)
Vinchos	Technical file completed in December 2021 and submitted to the Ministry of Education for approval by the PRONIED of Jose de San Martin secondary school in the District of Vinchos, Huamanga, Ayacucho	2.6 MM
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 MM
Chiara	Pre-investment study approved and viable. Technical file completed and handed over to the Municipality of Chiara in 2021 for the project to improve and expand 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.	3.4 MM
	“Improvements to 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.	3.9MM
Anco	Technical file completed and handed over to the municipality, which submitted it to the Ministry of Health for review, for a project to improve 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 MM
TOTAL		12.1 MM

ALLIN RURAY — GOOD WORK

OUR COMMITMENT TO THE COMMUNITY



Allin Ruray – Good Work



THE PURPOSE OF THE PROGRAM IS TO CONSOLIDATE PRODUCTION SKILLS,

IN 2021 WE SOUGHT TO STRENGTHEN THE COMMERCIAL PROCESS, USING LOCAL DESIGNS SOUGHT BY THE MARKET.

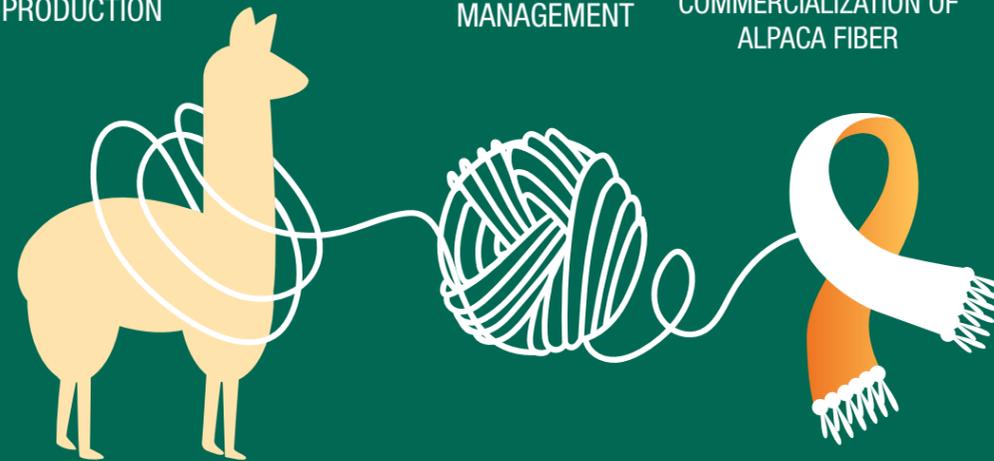
THE REGION BENEFITING FROM THIS PROJECT IS AYACUCHO.



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 pipeline route, whose economy is based on subsistence farming - principally the rearing of alpacas.

The Allin Ruray program (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 strategy in 2021 was to strengthen commercial processes and give priority to designs desired

by the market (such as Messrs. Donofrio), thus ensuring that the cooperatives are sustainable and consolidating 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.

The health emergency restrictions continued to apply in 2021 and fibre sales (transformed into felt, yarn, clothing and ornaments) amounted to S/ 15 959.75 soles, a slight increase compared with 2020, showing that the project is sustainable in an adverse context.

Given the successful experience in Cayramayo, in the second half of 2021 the project was extended to two new alpaca-raising communities: Paira and Pischccahuasi in the district of Pilpichaca, province of Huaytara, Huancavelica Region, where it was received with enthusiasm and positive forecasts for both production and sales.



**THIS PROGRAM
IMPROVES THE
ECONOMY OF THE
COMMUNITIES AND
A FURTHER BENEFIT
IS THAT IT IS HIGHLY
INCLUSIVE.**



MONTEREY PINE PLANTING AND PRODUCTION

OUR COMMITMENT TO THE COMMUNITY



Monterey pine planting and production



PROMOTE AND PROPAGATE 100 000 SAPLINGS IN RURAL COMMUNITIES



IN 2021 PERU LNG SIGNED AN AGREEMENT WITH AGRO RURAL AND TALLER DE PROMOCIÓN ANDINA (TADEPA)

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 2021) 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 forest management was given and seedlings provided and planted; members of the community were responsible for these activities as a community contribution.



**THIS ACTION SEEKS
TO CREATE MEDIUM
AND LONG-TERM
ENVIRONMENTAL
BENEFITS FOR FARMERS
IN THESE COMMUNITIES.**



IMPROVEMENTS IN READING COMPREHENSION

OUR COMMITMENT TO THE COMMUNITY



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 PROJECT'S EDUCATION EXPERTS WERE IN CONTINUAL CONTACT WITH PARTICIPATING HEAD TEACHERS AND TEACHERS BY TELEPHONE AND THE WHATSAPP APPLICATION.

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

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. This programme continued in 2021, adapted to the new health situation and measures imposed by the government; principally, through virtual attendance by students and teachers.

The government “Learning at Home” programme continued to be the mainstay of the distance learning strategy. Nevertheless, the absence of a television signal, Internet or mobile telephony in rural areas caused many difficulties.

In this context teachers were given virtual training and materials were distributed to the 28 schools involved in the programme, 30 radio programs lasting 30 minutes each were made and transmitted by four radio stations in Huaytara, La Mar and Huamanga. Each program contained twenty five minutes included 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 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, and 7 teacher training workshops were held, as well as an office computer course given in 5 phases. These meetings enabled strategies and activities to be planned and then implemented with the students. Teachers also received talks on stress management and COVID-19 prevention.

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.

In addition, 1 300 packages of school equipment for children in 1st to 6th grades of primary education (2 exercise books, 2 pens, pencil sharpener and eraser) were distributed together with teaching guides for the teachers at all 28 schools benefiting from the project. Use of the books was monitored using WhatsApp messages and radio programs.



**THE GOVERNMENT
“LEARNING AT
HOME” PROGRAMME
CONTINUED TO BE
THE MAINSTAY OF THE
DISTANCE LEARNING
STRATEGY.**



WORKING TOGETHER TO REDUCE ANAEMIA

OUR COMMITMENT TO THE COMMUNITY



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.

22 COMMUNITY HEALTHCARE AGENTS WERE CHOSEN AND GIVEN TRAINING IN MONITORING THE HEALTH OF CHILDREN AND IN PREVENTION AND RECOVERY FROM ANAEMIA.



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

300 FAMILIES

WORKING TOGETHER TO REDUCE ANAEMIA

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

PERU LNG is a part of this crusade, together with Caritas del Peru and 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.

The project started in July 2021 in the context of the COVID-19 pandemic and benefited 300 families and more than 430 children aged from 3 to 11 in eleven rural areas, 6 in the districts of Chiara, Socos and Vinchos in the province of Huamanga, Ayacucho, and 5 in the district of Pilpichaca in Huaytara province, 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 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 are:

- 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 have also been given information on safe water consumption.
- 22 community healthcare agents were chosen and given training in monitoring the health of children and in prevention and recovery from anaemia.
- Working together with local healthcare facility personnel they carried out follow-ups, held training workshops for mothers on how to prepare meals rich in iron, and monitored children recovering from anaemia.

Despite the COVID-19 emergency, they have carried out their work in person using established biosafety protocols.



PERU LNG IS A PART OF THIS CRUSADE, TOGETHER WITH CARITAS DEL PERU AND ITS PROJECT WORKING TOGETHER TO REDUCE ANAEMIA, WHICH WE HAVE BEEN IMPLEMENTING FOR TWO YEARS.



IMPACTING LIVES PROGRAMME - TABLE TENNIS

OUR COMMITMENT TO THE COMMUNITY



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.

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



PUBLIC SCHOOLS IN CHINCHA AND CAÑETE



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

480 STUDENTS

IMPACTING LIVES PROGRAMME - TABLE TENNIS

PERU LNG supports sports through the Asociación Mónica Liyau, which encourages recreational table tennis among pupils from seven to fourteen in eleven states 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 programme 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 has benefited 480 students, who were given a package of equipment and materials for table tennis practice.



IN 2021 THE
IMPACTING LIVES
PROGRAMME 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 IN CAÑETE, CHINCHA AND PISCO

OUR COMMITMENT TO THE COMMUNITY



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

SE HAN FORTALECIDO LOS IMPROVISADOS ESPACIOS QUE ACONDICIONARON PARA ATENDER CASOS SOSPECHOSOS Y CONFIRMADOS DE COVID-19.

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



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

+ HEALTH

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 purpose was to complement the work of the Peruvian State to improve the response capacity of health services to COVID-19 and to reinforce COVID-19 prevention efforts among the population of eight settlements in the provinces of Cañete, Chincha and Pisco in the departments of Lima and Ica.

The project has strengthened the role of community healthcare agents in promoting good health and preventing illnesses. The establishments requiring the most work with the community are those in Tambo de Mora and Paracas.

When diagnosing the condition of an organisation or the suitability of health services, key informants in the sector explained that health systems are overloaded and lack the materials and equipment necessary to protect health workers and other users of the service. Statements from health professionals confirm that the project has improved the response capacity to the COVID-19 pandemic. In some cases this improvement is immediate when PPE, medicines and materials for cleaning and disinfection

are supplied but is a medium-term phenomenon when medical equipment and devices are concerned. It should be emphasised that in all healthcare establishments the local health authorities were encouraged to become involved.

Improvements were made to the improvised spaces used to treat suspected and confirmed cases of COVID-19. In other words the project has implemented separate locations for treating COVID-19 cases from other treatment centres. In general, the project team found little participation by local governments, or coordination between them and healthcare facilities in addressing the pandemic and this is confirmed by key personnel from each settlement.

Three types of materials and equipment were donated to each health centre as part of the project:

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

Donations of biosafety materials to hospitals and health centres to combat COVID-19:

- During 2021, PERU LNG donated 1100 personal protection kits to hospitals in its direct area of influence, particularly the Rezola and San Jose regional hospitals in Cañete and Chincha respectively, as well as the COVID-19 Southern Healthcare Command in Huamanga. The kits contained aprons, shoe covers, surgical caps, overalls and face masks.
- Later, 3000 face masks were donated and distributed among twelve health centres in the Ayacucho health network, three in Chincha and two in Cañete.

Donations of groceries and other products to communities in our direct area of influence:

- Our humanitarian aid during the COVID-19 crisis included the delivery of 8 100 packages of basic products to communities in Ayacucho, Huancavelica and Ica.

HEALTH, SAFETY AND THE ENVIRONMENT

PERU LNG has developed and applies a set of practices and requirements on all its sites aimed at protecting its contractors, consultants and visitors, as well as guaranteeing the safety and occupational health of its collaborators. It also ensures preservation of the environment and prevents impacts on communities in the direct area of influence of the gas pipeline, the liquefaction plant and the port facility.

In line with its policy of responsibility and commitment to conservation of the environment and natural resources, PERU LNG carries out its activities to the highest industry standards, and guarantees strict compliance with Peruvian and international legislation. This is demonstrated by the fact that its Integrated Management System (IMS) holds ISO 14001 and ISO 45001 certification, having been externally audited every year by TÜV Rheinland. This latest certification was obtained in 2021 after updating of the IMS to this standard instead of OHSAS 18001.

The annual validation audit in 2021 was carried out remotely because of the COVID-19 pandemic emergency. This is how we ensure that the environmental and safety management systems are properly implemented throughout PERU LNG's operations from KP 0 (the starting point) of the pipeline at Chiquintirca, to the LNG plant and port facility.



PERU LNG HAS DEVELOPED AND APPLIES A SET OF PRACTICES AND REQUIREMENTS ON ALL ITS SITES AIMED AT PROTECTING ITS CONTRACTORS, CONSULTANTS AND VISITORS, AS WELL AS GUARANTEEING THE SAFETY AND OCCUPATIONAL HEALTH OF ITS COLLABORATORS.



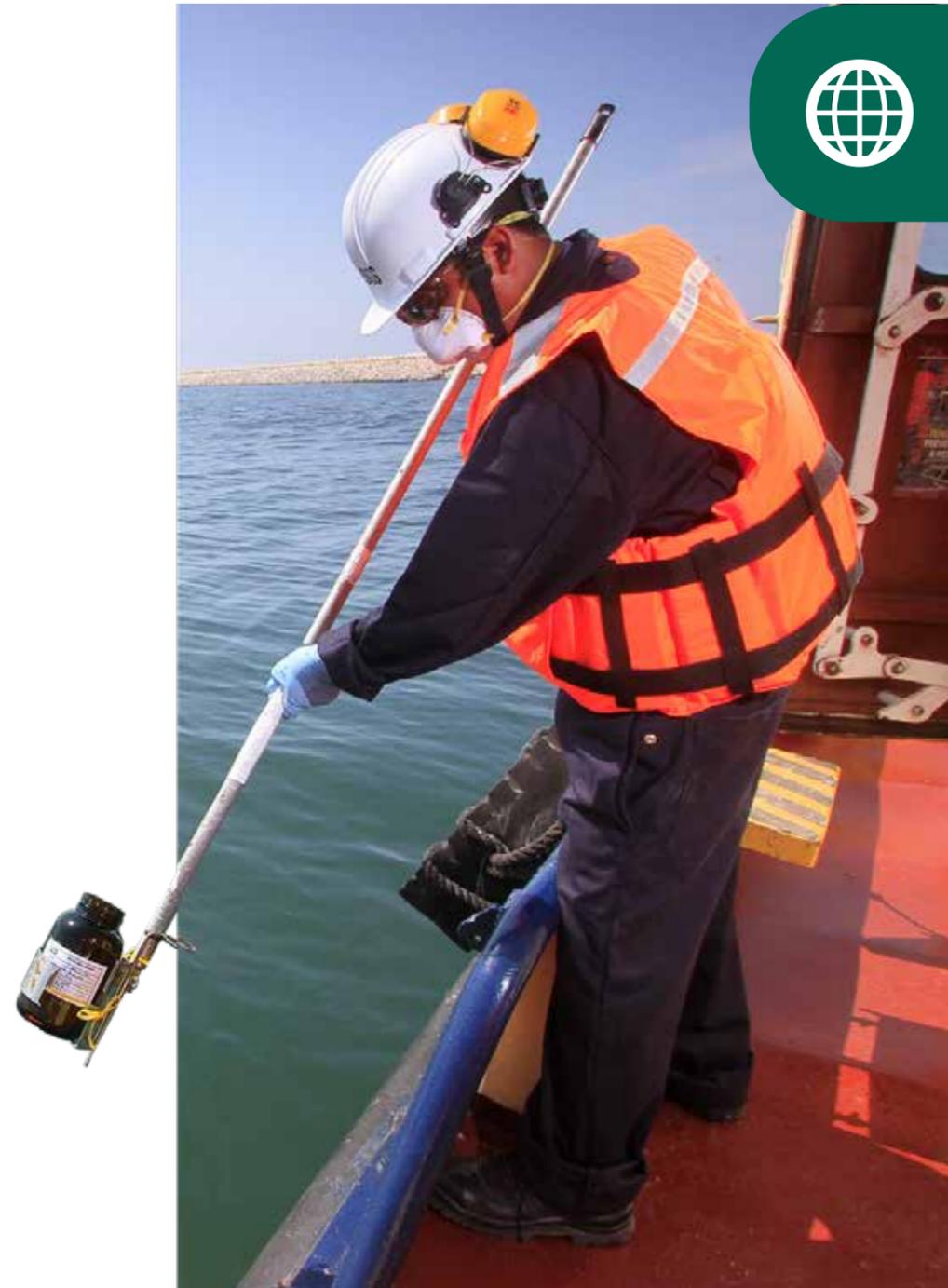
The scope of the certification covers all activities, processes and premises of PERU LNG, including the offices. The IMS is designed to create safe working conditions for employees and contractors of PERU LNG and, furthermore, to establish a commitment to serve as social and environmental guardians for the communities in which it operates.

ENVIRONMENTAL MANAGEMENT IN THE PLANT

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 obtain value from the solid waste generated, for example in 2021 the percentage of waste recycled increased: 15% of the total of 2 363 tons, in other words approximately 374 tons of waste did not need to be sent to landfill. This is an increase of 5% in comparison with the previous year.



THE SCOPE OF THE CERTIFICATION COVERS ALL ACTIVITIES, PROCESSES AND PREMISES OF PERU LNG, INCLUDING THE OFFICES. THE IMS IS DESIGNED TO CREATE SAFE WORKING CONDITIONS FOR EMPLOYEES AND CONTRACTORS OF PERU LNG.

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, 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

(*) In 2021 plant and pipeline maintenance projects led to the creation of more waste, which was treated in line with environmental standards.



SUSTAINABLE WATER MANAGEMENT

PERU LNG’s plant takes water directly from the sea (294 640 cubic metres in 2021, slightly more than the previous year). 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.

SEA WATER EXTRACTION

(in thousands of m³)



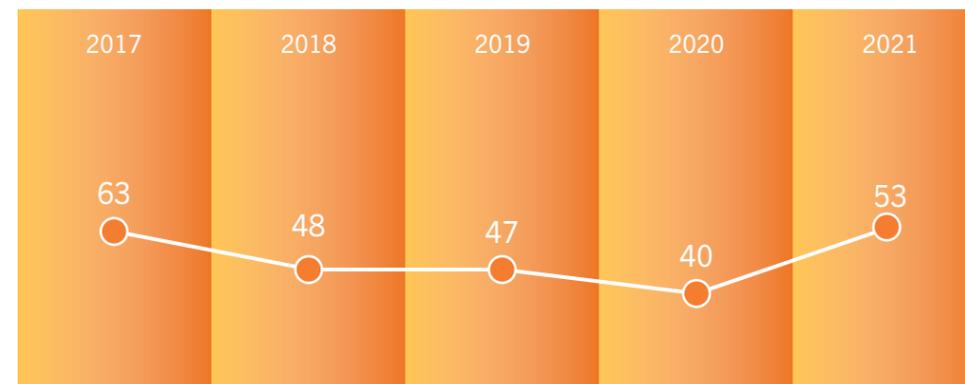
(*) Value in 2021: 295(*) 2021, higher consumption because of an increase in people living in the camp as a result of the implementation of additional projects.

The water purification system has been covered by a Drinking Water Quality Plan (PCC-I) authorised by the Environmental Health Bureau (DIGESA) since 2016, which was renewed at the end of 2021, meaning that PERU LNG ensures that it meets quality, health and environmental standards, reducing any effect on its surroundings to a minimum.

Despite the state of emergency resulting from the COVID-19 pandemic, in 2021 self-sufficiency in water and strict quality controls meant that high-quality drinking water was always available.

Furthermore, as part of its environmental commitments the company continues to treat all waste water from camps and offices in the plant (40 071 cubic metres, which is 32% less than the previous year), in a domestic waste water treatment system using 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.

TREATED WASTE WATER REUSED
(in thousands of m³)



ENVIRONMENTAL AND SAFETY STANDARD ASSURANCE INSPECTIONS

To guarantee compliance with quality, occupational safety and environmental protection standards, during 2021 the PERU LNG plant and pipeline were inspected one hundred and seventy four times, producing five hundred and eighty two observations that were duly dealt with.

The resulting actions are both corrective and preventive. The aim is to guarantee that the risks and potential impacts of the



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



operations are managed opportunely and in accordance with PERU LNG standards and procedures, as well as to contribute to the process of continual improvement.

MONITORING GUARANTEES COMPLIANCE WITH THE HIGHEST INDUSTRY STANDARDS

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

- MONITORING DISCHARGES AND EMISSIONS
- ENVIRONMENTAL MONITORING OF RECEIVING WATER BODIES
- BIODIVERSITY MONITORING

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 objective the company has approximately 182 monitoring stations, at which 1 624 parameters are sampled; additional monitoring is also carried out on dredging operations in the entrance channel to the port facility, while soil and river water

samples are taken from the area adjacent to the pipeline.

During 2021, despite the state of emergency declared by the Peruvian government in response to the COVID-19 pandemic, the corresponding protocols allowed us to continue and comply with programmed environmental monitoring activities.

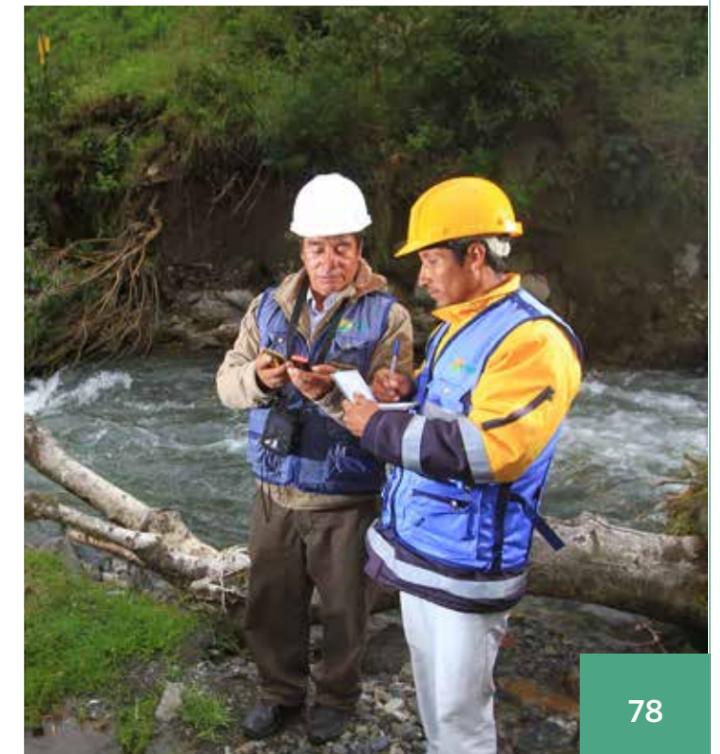
An exception was ballast water sampling from methane tankers, which was not renewed in 2021 because of pandemic-related access restrictions. Monitoring of discharges and emissions includes domestic and industrial effluent, ballast water from methane tankers, noise and gaseous emissions from fixed sources.

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 on eight kilometres of beaches, to assess changes in the coastline adjacent to the port facility.



IN 2021 ALL MONITORING RESULTS MET THE ENVIRONMENTAL STANDARDS ADOPTED BY PERU LNG.



MONITORING BIOREMEDIATION WORK

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

In the 2021-2022 bioremediation 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.

BIODIVERSITY MONITORING AND ASSESSMENT PROGRAMME (BMAP)

This program was conceived by PERU LNG together with the Center for Conservation, Education and Sustainability (CCSE) of the Smithsonian Conservation Biology Institute (SCBI), with the aim of preserving biodiversity during construction work and operation of the pipeline, plant and port facility.

The BMAP uses biological evaluations and monitoring to determine the condition of species, their habitats and changes over time. This information was used to draw up guidelines so that PERU LNG can take decisions that help to mitigate any impact on biodiversity.

The following research protocols were developed in 2021:

- Pasture on the Andean Plateau
- Wetland vegetation
- Rodents of the high Andean pasture





PARTICIPATORY SOCIO-ENVIRONMENTAL MONITORING PROGRAMME (PMSAP)

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 this monitoring means that representatives (overseers) from associations of artisanal fishermen in the direct area of influence of the PERU LNG plant and the environmental authorities responsible for our activities (OEFA, ANA, DICAPI, MEM, PRODUCE, DIREPRO-ICA), were present while environmental quality samples were taken of water, marine sediments and marine biodiversity (plankton, benthic 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.

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 RELATIONSHIP WITH THE STATE

Audits of PERU LNG by the environmental authorities help to maintain high operating standards and to confirm compliance with legal requirements. In 2021 the Environmental

Evaluation and Monitoring Body (OEFA) carried out an audit of the pipelines to verify an allegation that farm land in the community of Vinchos, adjacent to WP 113+180 had been adversely affected. The Supervising Body for Investment in Energy And Mining (Osinergrmin) also made a total of 57 visits, 30 to the plant and 27 to the pipelines. The auditors made no observations.

INDUSTRIAL HYGIENE PROGRAM

In accordance with the Annual Hygiene Monitoring Program, in 2021 we continued to monitor exposure to occupational hazards, as shown in the following table:

	AGENT	LOCATION	AREA/COMPANY/POSITION	NUMBER OF POINTS
AYACUCHO				
PHYSICAL	Dosimetry	Plant	HUNT (HSE Representative, Operators, Mechanic) y Suatrans	8
		Ayacucho	Community relations, IT, representative of HSE HUNT	4
	Vibration MB	Plant	Aptim, CONFIPETROL	3
		Plant	Operators, Community relations HUNT	2
	Vibration CE	Ayacucho	Operations vehicles and community relations HUNT	2
		Lighting	Ayacucho	HUNT Office
	Temperature / relative humidity	Lima	HUNT Office	1
		Ayacucho	HUNT Office	1
		Plant	HUNT Office	5
		Ayacucho	HUNT Office	1
CHEMICALS	Metallic fumes	Plant	Aptim ,Confipetrol	2
	Silica	Plant	Edeco , CONFIPETROL	5
		Lima	HUNT	6
	CO2	Plant	HUNT	40
		Ayacucho	HUNT	10
	COV	Plant	Sodexo ,Confipetrol, Edecco	2
	Breathable dust	Plant	Edeco ,Confipetrol	5
PSYCHOSOCIAL	Psychosocial	Lima Plant and Ayacucho	The whole company	NA



BIOLOGICAL AGENTS

- Potable water: the obligatory control parameters were monitored on a daily basis, with monthly monitoring of additional parameters applicable to the quality of water from the reverse osmosis plant and to potable water treatment. Monitoring was carried out by the plant laboratory and an external laboratory accredited by the National Quality Institute.
- Mess rooms: an accredited external laboratory carried out monthly monitoring of biological agents on inert surfaces and the hands of people working with food prepared in the plant.
- Occupational health: Monitoring and control programmes
PERU LNG uses the following tools to monitor the health of its own employees and those of contractors:

OCCUPATIONAL MEDICAL EXAMINATIONS

In 2021 fifty four initial and fifty seven final medical examinations were carried out on collaborators who had changed jobs or re-joined the company.

Due to the health emergency risk evaluations were carried out to determine whether our collaborators were at risk of complications arising from COVID-19, in compliance with legal requirements. Furthermore, periodic medical examinations were suspended in March 2020 in accordance with legislative requirements.

As far as occupational medical examinations are concerned, in 2021 all of our collaborators were examined and no occupational illnesses reported. It should be noted that the results were made available confidentially on a new virtual platform developed especially for that 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-10 control and vigilance**
SARS-CoV-2 preventive and control measures were implemented in 2021, as part of a plan approved by Peru's Ministry of Health. The action taken by PERU LNG is described below:

Before entry to our installations:

- Two thousand six hundred and thirty nine 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 ten suspected cases.

- The psychological support service made two thousand and fifty four calls to employees and their families, enabling us to provide support for 181 cases during 2021.
- Twelve thousand and seventy five antigen tests for COVID-19 were carried out on collaborators and contractors, producing one hundred and ninety nine positive results (one hundred and sixty eight among contractors' collaborators and eleven among HUNT employees) before they entered the installations.
- Records of symptoms and epidemiological data from collaborators and contractors were kept.

During time in our installations:

- A system of triage was established, obligatory on entering the premises and carried out at random within the plant. The process measured temperature, heart rate and blood oxygen saturation. Records of COVID-19 symptoms during 2021 are given below:
- Information was provided on preventive measures, social distancing in the workplace (mess rooms and vehicles used by collaborators and contractors), the use of double surgical or KN95 face masks, frequent hand washing and/or the use of gel. This information was broadcast on the radio, in notices and in electronic bulletins.

TABLE OF COLLABORATORS' COVID-19 CONTROL DATA

Location	Hunt LNG	Contractors
Plant (interior)	2 9076	110 947
Plant (on entry)	2 935	17 947
Lima	942	1 888
Ayacucho office	1 790	3 738
PIPELINE	0	62

- Vaccination against COVID-19 was encouraged for employees and contractors as an effective preventive measure to reduce complications and mortality. Progress with full vaccination and booster doses among PERU LNG personnel and those of the operator HUNT LNG, was 18 %.
- **Time lost through illness**
Every month checks are 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.

Company	Manpower	Partial	Complete	Total	Progress (%)
Hunt	375	3	372	375	99.2 %
Contractor LIMA	16	0	16	16	100 %
Contractor PLANT	786	42	744	786	98.7 %
Contractor PIPELINE	165	11	154	165	100 %

- **Medical treatment**
PERU LNG has a medical centre in the plant to treat collaborators, contractors and visitors in the event of a medical emergency. 2021 saw one thousand six hundred and nine individual medical treatments given, of which three cases required emergency transfer by ambulance to Lima, where the collaborators in question were treated and recovered.

A marquee was erected outside the medical centre containing the equipment necessary for collaborators and contractors suspected of having COVID-19, in accordance

with current legislation; four hundred and thirty one individual treatments were given.

These actions enabled us to diagnose forty five cases of COVID-19 in the medical centre in 2021; thirteen from Hunt LNG and thirty two from contractors, who were referred to Lima for diagnosis and treatment. 40 people later returned to work in the plant.

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

ILLNESS PREVENTION PROGRAMMES

The following programs and activities were undertaken in 2021 to safeguard and encourage good health among our collaborators and contractors, as part of the health risks at work prevention and control programme.

- Respiratory protection program: Fit testing for collaborators and contractors was suspended in March 2020 because of the COVID-19 pandemic.
- Sun protection program: Information was provided and talks held from January 2021 onwards, to encourage good protection practices at work and home.
- Welfare and health program: Three principal campaigns were designed in 2021 aimed at keeping our collaborators in the best of health and to prevent the appearance of common illnesses and to stop chronic metabolic conditions from worsening. We encouraged hand washing as an effective method of preventing the transmission of illnesses, A nutrition campaign was also launched, involving two hundred and nine evaluations, nutritional advice including diet regimes tailored to the medical requirements of collaborators, such as low-salt, low-calorie or low-fat diets, an active pause campaign and stress-management campaign. This helped 7 of our collaborators to lose weight.

SAFETY PROCESSES

There were no serious process safety incidents (also classified as Tier 1 and Tier 2) in 2021; we started to bring our procedures into line with the Peruvian Process Safety Standard issued by OSINERGMIN and carried out an exhaustive review and evaluation of plant operating procedures, among other actions aimed at continual improvement.

In our pursuit of continual improvement and the creation of safe working conditions for our employees, we completed the implementation of process safety guidelines (Foundations for Process Safety), which consists of eight rules aimed at preventing losses of hazardous substances; this programme was implemented throughout 2021, raising the awareness of collaborators and contractors.



WELFARE AND HEALTH PROGRAM: THREE PRINCIPAL CAMPAIGNS WERE DESIGNED IN 2021 AIMED AT KEEPING OUR COLLABORATORS IN THE BEST OF HEALTH AND TO PREVENT THE APPEARANCE OF COMMON ILLNESSES AND TO STOP CHRONIC METABOLIC CONDITIONS FROM WORSENING.

COMMUNICATIONS

In a similar manner to 2020 and because of the COVID-19 pandemic, in 2021 we continued with our strategy of replacing physical events with radio programmes in order to continue strengthening our relations with local people and their authorities, especially in areas adjacent to the pipeline and PERU LNG plant; this became even more important because of the difficulties afflicting communities due to the pandemic.

RADIO PROGRAMME: “YOUR FAMILY, YOUR LIFE”

In 2021 we were able to broadcast two seasons of this programme May and November. The programmes, aimed chiefly at families in Cañete, Chincha and Huamanga, provided platforms for leading experts who discussed the following subjects: how to cope with stress and anxiety, how to look after a patient with COVID-19, emotion management, the importance of food in reducing the impact of COVID-19, among others. The experts in question were: Manuel Saravia, Fátima Alcalá, Ricarte Cortez and Milagros Agurto.

This radio initiative reached more of the population of Chincha, Cañete and Huamanga and was able to contribute to their welfare and development -both personal and local- by providing relevant and opportune data as well as a forum for debate and dialogue on matters of interest to the population, in the current situation.



THE PROGRAMMES, AIMED CHIEFLY AT FAMILIES IN CAÑETE, CHINCHA AND HUAMANGA, PROVIDED PLATFORMS FOR LEADING EXPERTS WHO DISCUSSED THE FOLLOWING SUBJECTS: HOW TO COPE WITH STRESS AND ANXIETY, HOW TO LOOK AFTER A PATIENT WITH COVID-19, EMOTION MANAGEMENT, THE IMPORTANCE OF FOOD IN REDUCING THE IMPACT OF COVID-19, AMONG OTHERS.



THE ‘LET’S DO BUSINESS’ (HAGAMOS NEGOCIO) RADIO PROGRAMME”

Because of circumstances, in 2021 we thought it appropriate to produce a new season of “Let’s do Business” (Hagamos Negocio), aimed at entrepreneurs who may have been affected by the pandemic-driven crisis. The program sought to strengthen the entrepreneurial spirit in Chincha, Cañete and Ayacucho by providing valuable information on business management to entrepreneurs and businessmen. The main thematic of these programmes was the use of digital tools and formalisation of new businesses.

Throughout the month of September twelve radio programmes (four in each city) were broadcast, presented by different experts in entrepreneurship.



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.

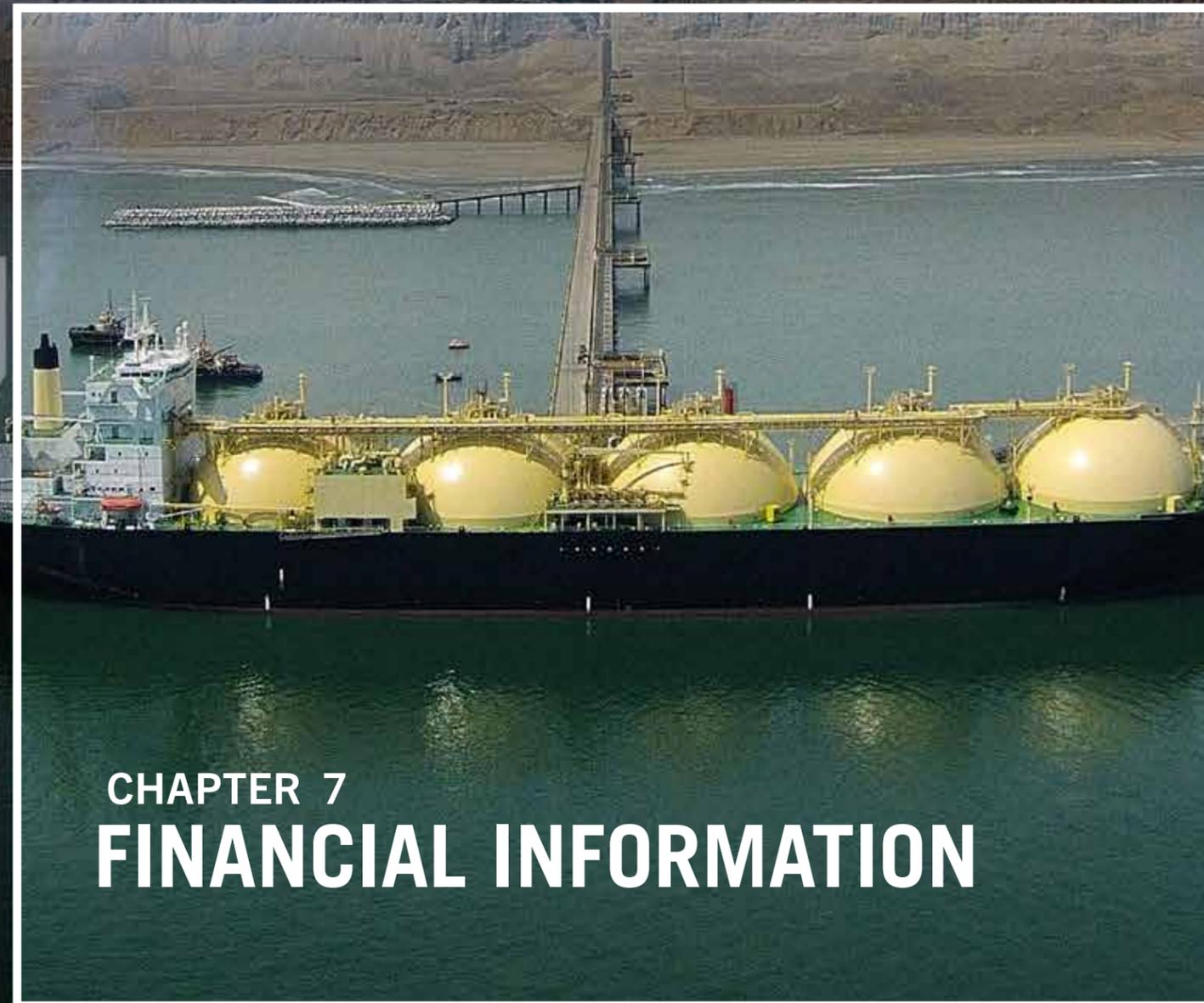
In 2021, volunteers continued to support the Asociación de las Bienaventuranzas with a financial contribution for the construction of a bakery and confectionery school and workshop.

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.



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.



CHAPTER 7
FINANCIAL INFORMATION

Executive summary - 2021

During 2021, economic reactivation throughout the world brought an increase in the demand for LNG for electricity generation, thus driving international prices above those of 2020. The Henry Hub spot price showed an annualised increase of 88%, while the rest of the markers, Japan Korea Marker (JKM), National Balancing Point (NBP) and Title Transfer Facility (TTF) recorded an annualised increase of more than 100%. This effect on prices offset PERU LNG's drop in production caused by events in the plant in the second and third quarters of the year, resulting in the company recording an EBITDA of USD 145 million, a figure USD 93 million (178%) higher than the EBITDA at the end of 2020, which was USD 52 million.

Last year's operating results were such that the company recorded its highest EBITDA since the end of 2018, substantially improving its ratio of indebtedness, which dropped from 15.3x in 2020 to just 6.2x in 2021.

During 2021 total LNG sales were 132.9 TBtus (trillion British Thermal Units),

represented by thirty eight shipments to the markets of Europe, and Asia. In contrast, at the close of 2020 the total volume sold was greater at 204.8 tBtus, represented by fifty five shipments. The reduction in tBtus and, therefore, the number of shipments, was due to events in the plant in the second and third quarters of the year, relating to (i) unexpected internal damage to a compressor turbine, (ii) a controlled but unplanned stoppage caused by a fault in the main cryogenic heat exchanger (MCHE) and (iii) a loss of the plant's mixed refrigerant (MR). It should be noted that the company declared these three events as force majeure under the Gas & Sales Agreement (GSA) and Sales & Purchase Agreement (SPA), due to their unexpected nature and the fact that they were beyond the control of PERU LNG S.R.L. Furthermore, the company sent a provisional notification to its insurance company to cover the first and third events; at present they are being evaluated by the loss adjuster appointed by the insurance company.

Total earnings at the close of 2021 amounted to USD 1,608 million, a figure

252% higher than total earnings in 2020, which were USD 457 million. This change can be explained principally by the global increase in the average LNG price (explained in previous paragraphs), which rose from an annual contract average of USD 2.81 per MMBtu in 2020 to an annual contract average of USD 12.8 per MMBtu in 2021. Furthermore, the sales cost increased by USD 967 million, from USD 500 million at the close of 2020 to USD 1,467 million in 2021 due principally to an increase in the unit cost of the gas acquired for production.

The adjustment to the Manzanillo Minimum amounted to USD 109 million in December 2021, compared with USD 131 million in December 2020, explained by a reduction in the adjusted annual quantity (81 tBtus in 2021 compared with 143.1 tBtus in 2020).

At the close of 2021, PERU LNG continued implementing its two principal projects. The first seeks to increase the stability of cargo shipments using infrastructure that will enable an increased sales volume

of LNG at times when the weather is unfavourable. The total investment will be approximately USD 26 million and the project is expected to be completed in the second quarter of 2022. As at the 31st of December 2021, 74% progress had been made.

The second project seeks to replace ethylene (the refrigerant currently used in the liquefaction process) with ethane, which will optimize the process and reduce some of the production costs. The total investment will be approximately USD 8 million and this project is expected to be completed in the second quarter of 2022. As at the 31st of December 2021, 93% progress had been made.

Other projects are also planned for 2022, together with optimization of operating costs and investments in smaller projects, provided that the safety and continuity of plant operations are not affected. It should be mentioned that it is planned to shut down the plant in July for a major programmed maintenance.

As far as the road tanker liquefied gas loading terminal is concerned, as at the 31st of December 2021 three thousand eight hundred and sixty two trucks had been dispatched, representing a total sales volume of 4 407 829 MMBtus, 5% more than the volume sold in 2020. Demand next year is estimated at a total of 13 trucks despatched per day.

Cash and cash equivalent as at the close of fiscal year 2021 amounted to USD 89 million, a figure 36 % lower than that registered at the close of 2020 (USD 139 million), mainly as a result of the need for cash to pay for repairs arising from the unexpected events in the plant, and to purchase spare parts, etc. Furthermore, and in accordance with the company's dividends policy, PERU LNG's shareholders recently agreed not to pay a dividend from the 2021 results.

As mentioned previously, the company received its credit rating reports in August 2021 from ratings agencies Moody's,

Fitch and Standard & Poor's, respectively, who made adjustments to PERU LNG's previous ratings. This was principally due to the unexpected events occurring in the plant during 2021. As a result, Moody's reduced its rating from "B1" to "B3", with a negative outlook; whilst Fitch reduced its rating from "BB-" to "B+", with a negative outlook.

Financial information

The financial information on PERU LNG given below was obtained from the audited financial statements PERU LNG and respective explanatory notes. The financial statements cover the years ending on the 31st of December 2020 and 2019, respectively and were audited by Caipo y Asociados Sociedad Civil, a member firm of KPMG International.

This financial information has been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) in force as at the 31st December

2020. The following financial statements are for the year ending on the 31st of December 2020.

Independent auditors' opinion

To the shareholders of PERU LNG S.R.L.
We have audited the attached financial statements of PERU LNG S.R.L., a subsidiary of PERU LNG Company L.L.C. of the United States of America, consisting of the statement of financial position as at the 31st of December 2021 and 2020, the statement of income and other integral results, changes in equity and cash flow for the financial years ending on those dates, as well as significant accounting policies and notes 1 to 27 attached hereto.

Management responsibility for the financial statements

The management is responsible for the preparation and reasonable presentation of the individual financial statements in accordance with the International Financial Reporting Standards issued by the International Accounting Standards

Board and internal controls implemented by the management to ensure that the individual financial statements are free from material inaccuracies, whether deliberate or erroneous.

Auditor's responsibility

Our responsibility consists in giving an opinion on the financial statements based on the our audits. Our audit was carried out in accordance with international audit standards approved for use in Peru by the Board of Rectors of the Professional Associations of Public Accountants of Peru. These rules demand that we meet ethical requirements and plan and carry out our audit such that we are reasonable certain that the financial statements do not contain significant errors.

An audit consists of procedures to obtain audit evidence of the balances and information contained in the financial statements. The procedures chosen depend on the auditor's judgement and include an evaluation of the risk that material inaccuracies may exist in the

financial statements, whether through fraud or error. On carrying out this evaluation of risk, the auditor takes into consideration the company's internal controls used in the preparation and presentation of the financial statements in order to design audit procedures appropriate to the circumstances but not in order to express an opinion on the effectiveness of the company's internal controls. An audit also includes an evaluation of whether the accounting principles used are appropriate and whether the accounting estimates made by the management are reasonable, as well as an evaluation of the general presentation of the financial statements.

We believe that the evidence we have obtained is sufficient and appropriate to support our auditors' opinion.

Opinion

In our opinion the above financial statements reasonably represent, in all significant aspects, the financial position of PERU LNG S.R.L. as at the 31st of December 2021 and 2020, its financial performance and cash flows for the years ending on those dates in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board.

Lima, Perú
25th February 2022

Countersigned by:

Juan José Córdova V. (Partner)
C.P.C.C. Registration N° 01-18869

Statement of financial position
(In thousands of United States dollars)

In thousands of United States dollars	2020	2020
Assets		
Current assets:		
Cash and cash equivalents	89 105	138 740
Cash restricted	20 000	-
Accounts receivable from non-arms-length entities	351 128	122 465
Tax assets	94 942	17 951
Other accounts receivable taking	2 803	1 738
	67 595	23 363
Other non-financial assets	12 380	19 963
Total current assets	637 953	324 220
Non-current assets		
Real estate, plant and equipment,	1 843 983	1 957 333
Deferred tax	185 484	161 048
	7 755	6 987
Current part of other non-financial assets		
Total non-current assets	2 037 222	2 125 368
Total assets:	2 675 175	2 449 588

Liabilities and Equity

Current liabilities:		
Trade accounts payable	358 809	117 383
Accounts payable to non-arms-length entities	113 327	133 974
Other accounts payable	4 859	4 387
Other financial liabilities	62 966	13 753
Leasing liability	937	913
Total current liabilities	540 898	270 410
Non-current liabilities:		
Other financial liabilities	934 395	933 532
Accounts payable to non-arms-length entities	110 000	110 000
Leasing liability	397	440
Total non-current liabilities	1 044 792	1 043 972
Total liabilities	1 585 690	1 314 382
Equity		
Capital issued	1 461 435	1 461 435
Accumulated results	(371 950)	(326 229)
Total equity	1 089 485	1 135 206
Total liabilities and equity	2 675 175	2 449 588

PERU LNG 2021

FINANCIAL INFORMATION

Statement of financial position
(In thousands of United States dollars)

In thousands of United States dollars	2021	2020
Earnings from ordinary activities	1 608 403	456 910
Sales cost	(1 466 696)	(499 638)
Gross Margin	141 707	(42 728)
Administrative costs	(119 775)	(26 602)
Sale and distribution costs	(26 986)	(27 558)
Other operating income	975	8
Operating results	(4 079)	(96 880)
Financial income		1 574
Financial expenses		(54 495)
Exchange rate difference, net	(3 628)	(3 009)
Loss before taxes	(62 515)	(152 810)
Corporation tax	16 794	43 802
Results of the financial year	(45 721)	(109 008)
Other integral results	-	-
Other integral results, net of tax	-	-
Total integral results for the fiscal year	(45 721)	(109 008)

Results - 2020

Total earnings at year end 2021 amounted to USD 1 608 million, a figure 252% higher (USD 1,151 million) than that for 2020, which was USD 457 million. This change is explained by the increase in the main LNG spot prices, as explained in the previous section.

The sales cost increased from USD 500 million at the close of 2020 to USD 1 467 million in 2021 due to an increase in the unit cost of gas acquired for production. Fixed costs and depreciation over the year make up a significant percentage of this figure.

Management costs in 2021 totalled USD 120 million, USD 93 million higher than the previous year (USD 27 million) because of a reclassification of certain fixed costs in accordance with accounting standards, resulting from the force majeure events that occurred during 2021.

Financial expenses recorded as at the 31st December 2021 amounted to USD 55 millions, an increase of USD 1 million over the previous year (USD 54 million).

Cash and cash equivalents at the close of 2021 amounted to USD 89 million, affected principally by cash spending on the force majeure events and financial obligations during the year. As at the date

of issue of the audited financial statements, the company forecasts that it will have sufficient cash to meet its commitments assumed in 2021 and for its working capital.

Total assets at the close of 2021 amounted to USD 2 675 million, 9% more (USD 226 million) than the USD 2 450 million figure for 2020. This variation is explained principally by the net effect of an increase of USD 229 million in accounts receivable from non-arms-length parties, as well as by a USD 113 million reduction in property, plant & equipment, net of depreciation during the year.

Total liabilities as at the 31st of December 2021 were USD 1 586 million, 21% more (USD 271 million) than the figure of USD 1 314 million recorded in 2020. This is explained mainly by variations in the trade accounts payable account caused by an increase in provisions for raw material purchases after international prices rose in the third quarter of 2021.