

Höegh Autoliners and VARO partner to accelerate Sustainable Shipping

Höegh Autoliners and VARO partner to accelerate Sustainable Shipping Solutions

- **VARO to supply Höegh Autoliners with 100 % advanced biofuels:** this sustainable energy solution reduces the Greenhouse Gas (GHG)-emissions by 85% vs. conventional maritime fuels.
- **Fostering innovation:** VARO supplies novel blends based on various bio-components, and Höegh deploys them proactively, before decarbonisation policies such as the Emissions Trading Scheme, that will be expanded into Marine and FuelEU Marine, come into force.
- **Agreement showcases the potential for strategic partnerships between complementary partners:** partnering with key actors across the value chain is a catalyst to delivering the energy transition.

Oslo / Zug, 20 December 2023 - VARO Energy ("VARO") and Höegh Autoliners, a leading global provider of ocean transportation solutions, today announce a strategic partnership aimed at advancing the decarbonisation of maritime sectors. This collaboration focuses on supplying 100% advanced biofuels for deep-sea transportation from Europe, underpinning both companies' voluntary commitments to superior sustainability standards. This initiative showcases Höegh Autoliners as a frontrunner in the industry, paving the way for greener and more environmentally responsible shipping.

This partnership is aligned with the strategies of both companies: Höegh Autoliners is dedicated to offering ocean transportation solutions with a focus on reducing environmental impact and supporting the decarbonisation of its customers' supply chains. VARO's mission is to be the partner of choice for customers in the energy transition by providing them with the low-carbon energy solutions they need in order to decarbonise. The companies bring together the capabilities that enable to reduce the GHG emissions associated with the transport and distribution of goods.

Dev Sanyal, CEO of VARO stated: *"Höegh Autoliners is not just a customer but a strategic partner. I am delighted that VARO will be collaborating with Höegh to forge innovative solutions, share insights, and drive sustainable progress, contributing to the ambitions set by the International Maritime Organization (IMO) to reduce the carbon intensity of emissions from shipping by at least 40% by 2030, and 70% by 2050, compared with 2008 levels.*

Together, we aim to help decarbonise deep-sea shipping, leveraging the potential of biofuels and ensuring a more sustainable future for our customers."

Andreas Enger, CEO of Höegh Autoliners, commented on the partnership, stating: *"This marks a significant step forward in our commitment to becoming a leader in carbon-neutral deep-sea shipping and in our strategy to reduce our environmental footprint and combat climate change. We are pleased to provide our customers with greener deep-sea transportation solutions as a step toward more environmentally responsible shipping."*

VARO is playing a leading role in biofuels in Europe. In line with its ONE VARO Transformation strategy, its biofuels business, is focused on reducing the use of food and feed as feedstocks and building assets to manufacture advanced biofuels derived from waste and advanced feedstocks, including Sustainable Aviation Fuels (SAF) and Renewable Diesel (HVO).

Höegh Autoliners shares VARO's commitment to sustainability and the reduction of carbon emissions in the maritime industry. The company has been actively working toward achieving its vision of a sustainable future for deep-sea shipping. Höegh Autoliners is dedicated to offering ocean transportation solutions with a focus on reducing environmental impact and supporting the decarbonisation of its customers' supply chains.

In 2021, Höegh Autoliners achieved a significant milestone by completing its first carbon-neutral voyage when Höegh Trigger ran on advanced biofuels, adhering to the highest sustainability standards on its journey from Europe to South Africa. In 2022, the company supplied 3,858 MT of biofuel to two prominent automobile manufacturers. In 2023, its commitment to sustainability continued by supplying 10,377 MT of biofuel to the same automobile manufacturers, with several other projects in the pipeline expected to further increase the biofuel supply in 2024. BMW Group is amongst the OEMs already choosing to ship cargo using advanced biofuels. The contract between BMW and Höegh Autoliners resulted in emission reductions of 4,466 MT CO₂ equivalents in 2022.

Höegh Autoliners has seen an increasing number of customers opting for biofuels, emphasizing the industry's commitment to sustainability and the need to have trusted partners with long-term solutions to meet their changing needs.

Benefits of Biofuels:

Biofuels, especially those derived from waste and advanced feedstocks, significantly reducing CO₂ and other emissions, such as sulfur oxides. Their production from organic materials, such as waste oils, contributes to reducing waste and efficient resource utilization. With lower carbon intensity compared to conventional fossil fuels, biofuels release fewer carbon emissions per unit of energy, contributing to a cleaner and greener maritime industry. Furthermore, biofuels are compatible with existing ship engines and infrastructure, facilitating a smooth

transition to more sustainable fuel options without costly modifications, and they have a positive impact on air quality by emitting fewer pollutants that affect human health.

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About Höegh Autoliners

Höegh Autoliners is a global provider of ocean transportation solutions, committed to reducing its carbon footprint and offering sustainable shipping services. With a focus on high-quality ocean transportation and innovative solutions, Höegh Autoliners supports the decarbonisation of its customers' supply chains. Höegh Autoliners operates some of the world's greenest Pure Car and Truck Carriers (PCTC) vessels, equipped with fuel-saving technologies. Additionally, the company has twelve firm orders for zero-carbon-ready Aurora class vessels, positioning them at the forefront of zero-carbon deep-sea shipping. With a capacity of up to 9,100 cars, the Aurora class vessels will be the world's largest environmentally friendly car carriers ever built, equipped to operate on zero-carbon ammonia and methanol.

About VARO

VARO Energy ("VARO") is the partner of choice for customers in the energy transition by providing the sustainable and reliable energy solutions that they need to decarbonise. Engine 1 includes manufacturing, storage, distribution, marketing, and trading of conventional energies. Engine 2 activities are focused on sustainable energies and include biofuels, biogas, green hydrogen, e-mobility, and nature-based carbon removals. VARO plans to invest around \$3.5 billion over the 2022-26 period, with two-third committed to sustainable energies. The company has a net zero target for scope 1, 2 and 3 by 2040. VARO is a Swiss-based private company.