






Accelerating Our Transformation

ESG Report 2022





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Accelerating Our Transformation

Welcome From Our CEO

For Navigator Gas, 2022 was a watershed year. Against the backdrop of the continued integration of Ultragas and Navigator, we strengthened our ESG strategy to respond to the risks and opportunities we see in the market to deliver a more sustainable future.

Financially, we had a solid 2022, which we ended on a robust financial standing, as we paid down debt alongside a very positive outlook. This put us in a strong position to accelerate the progress made to date on our ESG journey. Joining as Chief Executive Officer in 2022, I made this one of my priorities, and our completely refreshed ESG Report is an example of our ambition in this space.

Listening To Our Stakeholders

We started our journey with engaging our stakeholders. For our clients, Navigator is the first port of call to transport their cargo. We represent them to their customers when we deliver their cargo. They are increasingly asking us how we can do that in a better and cleaner way. Many of our team members are also asking us about our approach to climate change because they want to be part of a more sustainable solution, and our choices today will influence their future careers in the shipping industry.

With the inclusion of shipping in the European Union's Emissions Trading System, we see that environmental regulation will increasingly demand we improve our environmental efficiency. Other stakeholders, such as the lenders that provide us credit to finance vessels, are also expecting us to take steps on decarbonization and diversity & inclusion.



“

At Navigator, we want to lead the shipping industry in transforming itself in light of the low-carbon transition ”

Mads Peter Zacho,
Chief Executive Officer



Steering An Ambitious Course

With the input of our stakeholders, we developed a more comprehensive ESG strategy in 2022. Building on our success to date, Navigator will play a leading role in ‘fueling the future’. We underpin our strategy with three key aims:

- Contribute to the shipping industry’s target to become net zero by 2050
- Derive one third of revenues from green cargo such as blue/green ammonia and CO₂ by 2030
- Ensure that 35% of onshore leadership positions are filled by women by 2028

Collaborating For Progress

We work closely with our Board on these important matters. We decided to set up an ESG Committee under the Board in 2022: they are passionate and experienced Directors that can help accelerate our ESG journey. We’ve also appointed our first Head of ESG and ESG team to further drive our transformation.

I wanted to finish on a personal note. As I am writing this, I am approaching my one-year anniversary as CEO of Navigator. I joined the Company because I saw a fantastic opportunity to play a leading part in driving the transition to a low-carbon world. Our corporate strategy, our new ESG strategy – all of it is about making the most of the opportunity that this transition brings. Our transformation has only just begun.

Connecting The World Today

About Navigator

We play a vital role in the global liquefied gas supply chain. Our sophisticated vessels and marine export terminal provide a safe, efficient and reliable floating pipeline connecting producers and end users.



**GLOBAL
MARITIME
FORUM**



Mærsk Mc-Kinney Møller Center
for Zero Carbon Shipping

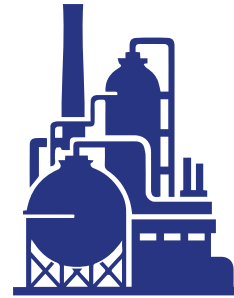
Memberships And Associations

Navigator Holdings Ltd. ('Navigator', 'Navigator Gas' or 'the Company') is a publicly listed Company on the New York Stock Exchange. We play a critical role in the seaborne transportation and regional distribution of the most complex liquefied gases. We do this as the operator and owner of 56 semi- or fully refrigerated liquefied gas carriers – the largest fleet of handy-sized vessels worldwide – and the world's largest ethylene marine export terminal based in Houston, United States. We ship predominantly liquefied petroleum gas (LPG), petrochemicals and ammonia for energy companies, industrial users and commodity traders.

Headquartered in London, we also have offices in Copenhagen, Gdynia, Houston and Manila. We generated revenues of \$473.8 million in the 2022 financial year with an adjusted EBITDA of \$212.7 million, an increase of 32.7% from 2021. In 2022, we employed a total number of 778 people (151 onshore colleagues and 627 offshore officers). The Company sailed a total distance of 3,189,134 nautical miles with a total deadweight tonnage of 1,075,068 across 15,487 operating days (not including the Happy fleet). This equaled 1,402 vessel port calls across the year with a total of 6,354,501 metric tons of cargo carried across global waters.

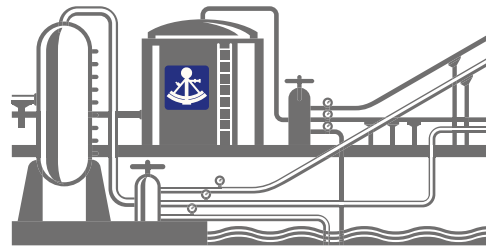
Our Business Model

In Navigator’s upstream supply chain hydrocarbons are explored, produced, refined and processed into liquid petroleum gas (LPG), petrochemical gases and ammonia. This is then transported to the marine export terminal and/or ports worldwide.



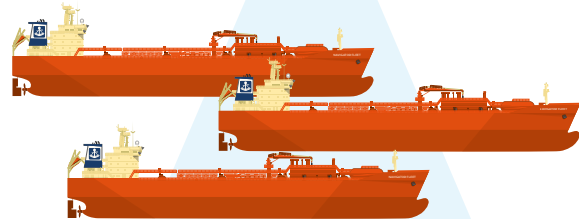
Navigator Gas Marine Export Terminal

Navigator’s ethylene marine export terminal in Texas – a joint venture with Enterprise Products Partners - has the capacity to export approximately 1.0mn tons of ethylene per year. Refrigerated storage for 30,000 tons of ethylene is being constructed on-site and will provide the capacity to load ethylene at rates of nearly 1,000 tons per hour.



Navigator Gas Fleet

With 56 seagoing vessels in 2023, Navigator provides seaborne transportation and regional distribution of liquified petroleum gas (LPG), petrochemical gases and ammonia for energy companies, industrial users and commodity traders.

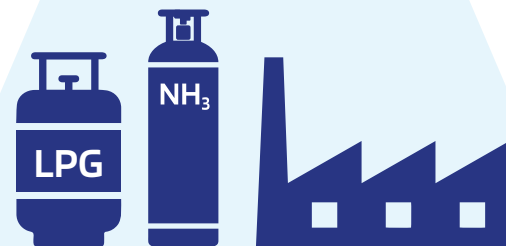


The products that Navigator transports have a positive and substantial impact on our livelihoods.

LPG is a clean and efficient energy source that has the lowest carbon footprint of any off-grid fossil fuel.

Ammonia is a key component of fertilizers which are essential for food production contributing significantly in the fight against world hunger.

Petrochemicals are integral to modern life with numerous applications such as medical equipment manufacturing, solar panels and building insulation.



Looking Into The future

Navigator can catalyze the green transition by focusing on transporting materials that will support the decarbonisation of heavy industry worldwide. For instance, Navigator has the capability to transport green and blue hydrogen as well as captured CO₂.

Accelerating Our Transformation

2022 Highlights



Climate

- Improved Weighted Annual Efficiency Ratio to 13.54
- Rolled out new digital greenhouse gas accounting platform
- Reported Scope 3 category 3 fuel- and energy-related activities and category 7 employee commute for the first time



Environment

- No loss of containment into the environment
- Zero penalties imposed for non-compliance with environmental laws
- Improved Fleet Sustainability Score to 0.76





People & Communities

- Achieved 34% women in onshore positions
- Committed \$100,000 to corporate philanthropy
- Reached 28 female officers and cadets across the fleet



Health & Safety

- Completed safety maturity assessment
- Achieved zero COVID outbreaks on our vessels
- Maintained zero security incidents on our vessels



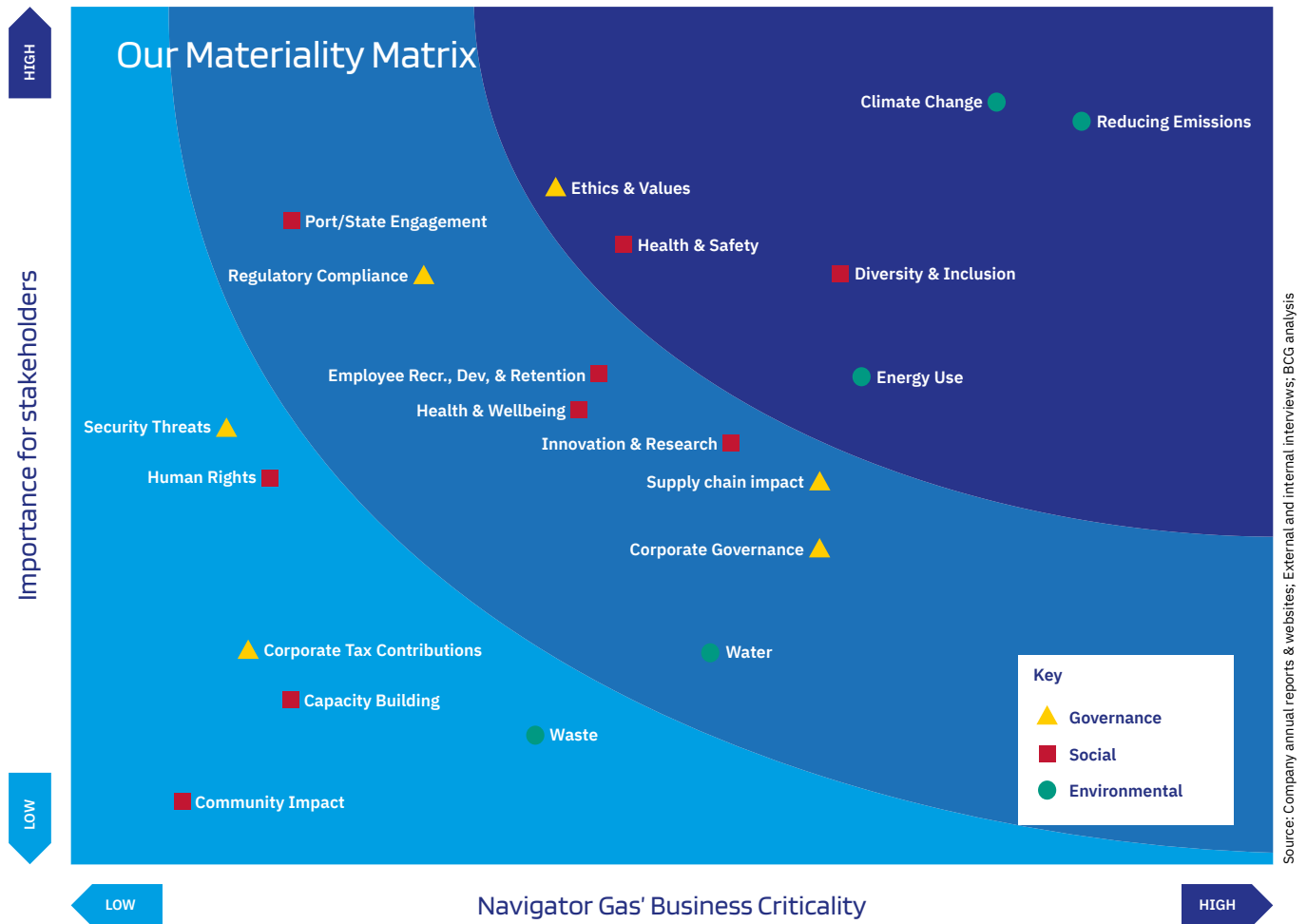
Governance & Supply Chain

- Set up Board ESG committee and appointed first Head of ESG
- Became member of Maritime Anti-Corruption Network
- Launched strengthened whistleblowing policy



Identifying What Is Important To Us

Our Material Issues



Navigator operates in a fast-changing world facing many pressing challenges, ranging from climate change, income inequality to geopolitical instability. How do we determine which of these matter to us and on which we can have a positive impact as a business?

Identifying where Navigator can have a positive impact starts with asking a range of stakeholders what they perceive as our most ‘material’ issues. The term ‘material’ indicates that these issues could have a significant impact on the Company’s performance. That is why this process is called a ‘materiality assessment’.

Our Materiality Process

In 2022, Navigator refreshed its materiality assessment to determine whether the expectations of its shareholders with regards to its material issues had changed. With the support of an external advisor, we identified nine groups of internal and external stakeholders. We engaged colleagues from every part of our Company, clients, shareholders, regulators, lenders, the capital markets, non-governmental organizations and industry groups to understand what they view as the material issues for Navigator.

Using a combination of quantitative – such as surveys – and qualitative – such as interviews – tools, we developed a ranking of the most important issues. Following the Global Reporting Initiative 3: Material Topics (2021) guidelines, this ranking took not only the importance of these issues to stakeholders into account but also how material the issues are to Navigator.

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The outcome of the materiality process was discussed by senior management, and they approved the material issues. Visualized in the accompanying Materiality Matrix, these issues played a significant role in strengthening our ESG strategy and the content of this report.

Maintaining An Effective Dialogue

Our Stakeholder Engagement

Maintaining an open and honest dialogue with the Company's internal and external stakeholders is fundamental to the success of Navigator's corporate and ESG strategy. Who are our stakeholders and how do we engage them?

Navigator regularly engages with its stakeholders. We use a range of communication tools, from face-to-face and town hall meetings to newsletters, social media channels and regulatory publications such as the Annual (20-F) Report and ESG Report. Visualized in the accompanying table, the topics and frequency of the stakeholder engagement are driven by our senior management.





Feeding The World

KING

IRST

Fueling The Future

Our ESG Strategy

In response to climate change, the world is in the process of decarbonizing its economy. As the owner of the world's largest handy-sized liquefied gas carriers, Navigator has a responsibility to contribute to this decarbonization effort.

The renewable share in final energy consumption reached 11.5% in 2019 and accounted for 28% of global electricity generation in 2021 according to the International Energy Agency¹. Growth of renewable energy can, will and must happen, but for the foreseeable future hydrocarbons will remain a part of the energy mix. Navigator recognizes its responsibility to play its part in decarbonizing hydrocarbon supply chains in the economy.

To live up to our purpose of connecting the world today while creating a sustainable tomorrow, it is crucial that we develop a compelling vision and strategy that reflects this responsibility. This is not only to show how we can contribute to net zero in shipping but also to facilitate the decarbonization of supply chains through transporting greener cargo.

Developing Our ESG Strategy

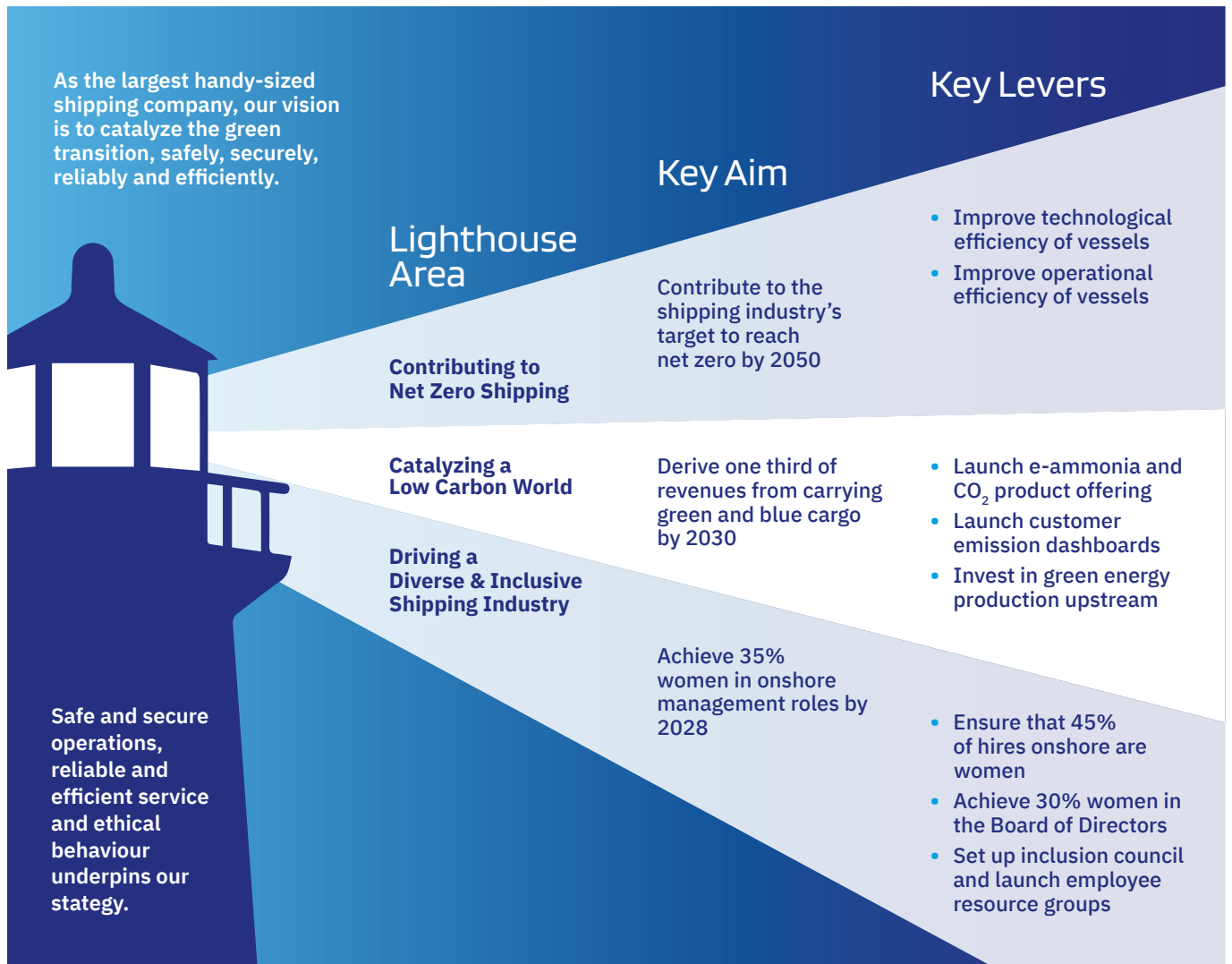
Our ESG journey started in 2019 with the publication of our first CSR Update. In 2022, we worked with Boston Consulting Group and the Mærsk McKinney-Møller Center for Zero Carbon Shipping to strengthen our ESG strategy, building on our progress of the last few years. Responding to the increasing expectations of our stakeholders and addressing our material issues, the Board and senior management approved a comprehensive approach that aligns to our corporate strategy.

Accelerating Our Journey

At the heart of our ESG strategy sit three 'lighthouse' focus areas, where we believe that we are, through our capabilities, able to make the biggest impact and lead our industry. These focus areas contain ambitious commitments that illustrate the acceleration needed to achieve our end goal. All of this is underpinned by the need to do this safely, reliably and efficiently for and with all stakeholders.

As part of the ESG strategy, we built internal roadmaps on how to achieve our ambitious targets in our 'lighthouse' focus areas. These identify the key operational levers we can utilize to drive progress as well as their associated capital expenditure and resource requirements. In addition, they include short- and medium-term milestones for the three 'lighthouse' areas as well as the other areas on which the ESG strategy depends, such as health & safety, supply chain, innovation & research, regulatory compliance and ethical behavior.

¹ Source: <https://www.iea.org/fuels-and-technologies/renewables>



Fueling The Future

Turning Promises Into Action

Our ESG Governance

Accelerating progress on ESG is about achieving sustained behavior change among stakeholders. This means putting in place clear policies, robust control mechanisms and engaging communications. How does Navigator approach this?

“

2022 was the year in which we moved forward on ESG with purpose. We've developed an ambitious strategy that connects the world today while creating a sustainable tomorrow”



Dr. Anita Odedra
Non-executive Member
Of The Board,
Chair Of ESG Committee

To drive and oversee the implementation of our ESG strategy, we set up internal structures and processes that embed ESG considerations in our behavior and decisions throughout our Company. These ESG governance structures allow us to manage potential risks, take advantage of opportunities and be held accountable for our progress and performance by all our stakeholders.

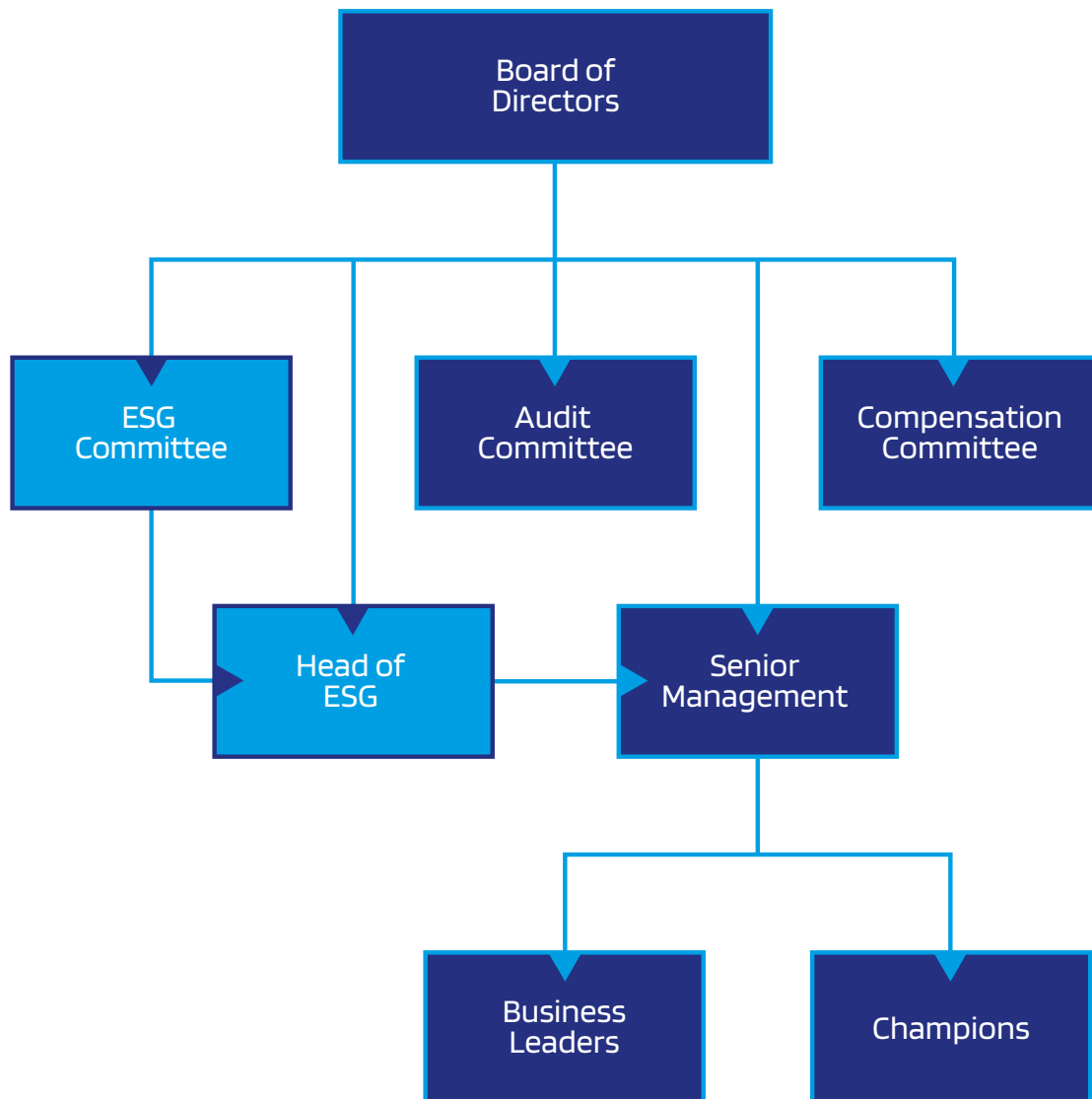
Leading From The Top

The Navigator Board holds responsibility for ESG. Reflecting the increasing ambition of the Company and the growing expectations of our stakeholders, the Board set up an ESG Committee in 2022. This Committee, chaired by Dr. Odedra, consists of Dr. Fischer and Mr. Weidinger and started meeting in 2023.

The ESG Committee is the main corporate body providing oversight of ESG, and it is responsible for overseeing the Company's ESG strategy, monitoring its progress against its targets and reinforcing a culture of open discussion and communication on ESG issues. ESG-related risks and opportunities are overseen by the Audit Committee and ESG Committee, and ESG-linked executive remuneration is overseen by the Compensation Committee.

Operationalizing ESG

The Chief Executive Officer is responsible for the implementation of our ESG strategy. In this, he is supported by senior management. Navigator appointed its first Head of ESG in 2022, who is driving the day-to-day operationalization of ESG. Leaders in HR, procurement, finance and technology as well as other business leaders play a crucial part in addressing ESG issues. There are also champions throughout the company who volunteer to implement specific initiatives alongside their roles.



Promoting Sustainable Development

Advancing The SDGs

Businesses do not operate in a vacuum. As a shipping company, we depend on the ocean and waterways, the institutions of society such as schools and universities that educate the people we work with, and nature, which provides the cargo we ship. And of course, everything we do has an impact on the world around us.

To underscore this interconnectedness, we used the Sustainable Development Goals (SDGs), developed by the United Nations in 2015 as a call to action for people worldwide to address five critical areas of importance by 2030 – people, planet, prosperity, peace and partnership – to inform our ESG strategy. Navigator supports the 2030 Sustainable Development Agenda and believes that we can make a valuable contribution to its delivery. As part of our ESG strategy, we identified seven SDGs that align with our focus areas and industry and represent our material issues. Contributing to the broader global agenda of the SDGs is in our interest as they affect all our stakeholders.

Navigator's operations have the most significant impact on the following SDGs



Navigator's critical role in transporting ammonia is making a significant contribution to increasing agricultural yield. This helps combat hunger.



Navigator is committed to upgrading infrastructure and retrofit industries by ensuring our operations become sustainable and delivering low carbon cargo to other industries.



Navigator is committed to ensuring women's full and effective participation in leadership roles. We have set ambitious diversity and inclusion targets in line with the Goal.



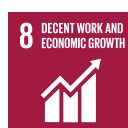
Navigator has committed to disclosing its sustainability impacts throughout mandatory and voluntary reporting.



Navigator plays an essential role in distributing LPG as affordable and clean energy.



Navigator plays an essential role in reducing our plastic use in effort to protect life below water.



Navigator is committed to ensuring a safe and secure working environment as well as Equal opportunity and pay for men and women and people with disabilities.



Navigator is committed to preventing bribery and corruption in its operations and supply chain.

Accelerating Our Climate Change Action

Climate



Improved Weighted Annual Efficiency Ratio to 13.54

Rolled out new digital greenhouse gas accounting platform

Reported Scope 3 category 3 fuel- and energy-related activities and category 7 employee commute GHG emissions for the first time

Accelerating Our Climate Change Action

Climate

Climate change is a reality and has a direct impact on society and the global economy. Businesses have a responsibility to mitigate their climate impacts wherever possible. But the transition to a low-carbon world also presents opportunities. What is Navigator's approach to climate action?

As a large employer, we recognize that we have a responsibility to address the environmental impacts of our onshore and offshore operations. Our objective is to reduce our impact on the climate and help others do the same. Reflecting its status as a priority for our stakeholders and for the Company, we strengthened our climate strategy in 2022 and introduced ambitious targets and lighthouse initiatives.

Driving Climate Up The Agenda

Navigator considers climate change a material risk to the Company. Our climate change-related risks are disclosed, in an aggregated form, in our Annual 20-F Report. Responsibility for the governance of these risks sits with the Board, which delegated responsibility for its oversight to the Audit Committee and the ESG Committee, the latter established in 2022.

We also see the transition to a low-carbon world as presenting opportunities for growth for Navigator. We believe that the climate action we take today offers the Company compliance cost savings and opportunities to grow our market share in the long term. We see opportunities for transporting green cargo such as blue and green ammonia and CO₂ storage and transport. These climate-change-related opportunities are also overseen by the ESG Committee of the Board.

At senior management level, climate change risk and opportunity are overseen by the Chief Executive Officer. He leads risk mitigation by implementing the ESG strategy and operationalizing ESG together with the ESG team. Supported by the Chief Commercial Officer, he also leads the development of climate-change-related opportunities with clients and suppliers.



Developing Our Climate Strategy

In order to develop a comprehensive climate strategy, Navigator identified the most significant transition risks for the Company. They are:

- **Changing energy mix:** while the share of renewable energy in the global energy mix is growing, to date there has not been a material reduction in hydrocarbon-powered energy due to the continuous growth in the global demand for energy. In the context of decarbonizing supply chains, we anticipate a future shift away from fossil fuel-related sources that means the demand and supply for LPG could decrease in the future.
- **Changing cargo demands:** as industries decarbonize, we anticipate a growth in cargo that needs to be transported in much the same fashion as liquified gases. Examples of these changing cargoes are blue and green ammonia as well as CO₂. Although the skillset required to transport CO₂ is well within our organizational capabilities, our current fleet is not suitable for carrying CO₂ and hence would require us to build new tailored tonnage.
- **Growing regulation:** the introduction of new climate regulation by the International Maritime Organization, the inclusion of shipping in the European Union Emission Trading System and the announced ESG guidelines by the Securities Exchange Commission is driving us to reduce our operations' climate impact through adjusting our approach.

In response to these climate risks and opportunities, Navigator developed, as part of its ESG strategy, a detailed climate strategy and identified where ESG feeds into business planning and investment decisions, such as embedding ESG consideration in the supply chain. A good example is that in 2022 we reduced the accounting estimate for vessel lifetime from 30 to 25 years, reflecting the accelerating energy transition forcing us to renew the fleet sooner to accommodate different fuels and cargoes.

Supporting A Net Zero Shipping Industry

In line with the Paris Agreement, Navigator is supportive of the shipping industry's objective to reduce emissions to a level consistent with a 1.5 °C global temperature rise. In 2022, we started work on developing our decarbonization roadmap, which is currently being finalized. Our roadmap will focus on establishing credible interim targets for the reduction of Navigator's carbon emissions.

We identified the levers that we can utilize to have an impact on our carbon footprint.

- **Technology efficiency levers:** efficiency improvements enabled through digital twin modeling, new anti-fouling coatings, and trim optimization will make a contribution to reducing our carbon emissions.
- **Operational efficient levers:** solutions such as new weather routing systems as well as general energy awareness among onshore staff and seafarers will also help us reduce our carbon emissions.

We believe our people sharing our ambition is fundamental to the success of our climate action. Engaging with our teams not only helps the business achieve its climate objectives but will influence the wider shipping industry. That is why we are launching our ESG strategy, including our decarbonization roadmap, in 2023.

Improving Measurement Of Our Climate Metrics

In order to monitor the progress on our climate strategy, we regularly measure relevant key performance indicators across Navigator. This allows the Company to quantify its carbon footprint, effectively monitor risks and continually reduce its climate impact. In 2022, we continued the roll-out of “Project Marorka,” which includes the installation of vessel-wide sensors that delivers more than two dozen operational data points in real time to support operational decision making. We also initiated the implementation of a major new technology to measure our direct and indirect carbon emissions to facilitate accurate and reliable business decisions around climate impacts.

With regards to our direct emissions, the primary source is the use of heavy fuel oil (HFO) in our vessels’ engines. We used about 47% HFO with the rest a mixture of other fuels, such as light fuel oil, marine oils and ethane in 2022. We have one vessel that is capable of using alternative fuels such as ethane, and it represented 2% of our fuel usage in 2022. We saw a decrease of 4.7% in our total Scope 1 emissions to 862,693 tons of CO₂ in 2022 (2021: 905,123 tons of CO₂). This is the result of the decrease in distance sailed despite higher utilization of larger vessel sizes and higher average speed - sometimes at request of clients, sometimes due to the weather. As a result, our Scope 1 emissions intensity is down 3% in 2022 to 0.27 (2021: 0.28). Our direct emissions include CO₂ and no methane (CH₄).

Moving to our indirect emissions in our operational control, we use electricity drawn from the local grid to power our offices in the United States, United Kingdom, Poland, Denmark and the Philippines as well as our ethylene marine transport terminal. Our emissions from our offices increased from 54 in 2021 to 59 tons of CO₂e; our terminal emissions increased from 17,324 to 25,224 tons of CO₂e in 2022. As a result, our Scope 2 emissions increased by 45.5% to 25,283 tons of CO₂e in 2022 (2021: 17,378 tons of CO₂e). This significant increase is explained by 2022 being the first full year of inclusion for the terminal emissions.



In 2022, we focused on increasing the measurement of our indirect emissions outside our operational control (otherwise known as Scope 3). Previously, we were able to include category 3 (fuel- and energy-related activities) and category 6 (business travel) in our disclosures. For 2022, we are able to add category 7 (employee commuting) as well. The carbon emissions associated with the handling of ethylene through our marine export terminal amounted to 99,753 tons of CO₂e in 2022, up 24.5% (2021: 80,130 tons of CO₂e). This increase can be explained by the full year of reporting being included for the first time. After a dip during COVID, the emissions associated with our business travel amounted to 223 tons of CO₂e (2021: 22 tons of CO₂e). And this reporting year is the first time we estimated our emissions from employee commuting at 90 tons of CO₂e. This brings our Scope 3 emissions to 100,066 tons of CO₂e in 2022, up 24.9% on last year (2021: 80,152 tons of CO₂e).

Key Climate Data

	2020	2021	2022
Number of vessels	38	55	54
Total distance sailed (nautical miles)	2,392,782	3,216,134	3,189,134
Total cargo carried (tons)	5,713,352	6,178,290	6,354,501
Scope 1 emissions (tons CO ₂ e)	694,525	907,500	862,693
Scope 2 emissions (tons CO ₂ e)	-	17,378	25,283
Scope 3 emissions (tons CO ₂ e)	80,233	80,152	100,066

“ We made good progress on our decarbonization planning in 2022 ”



Alexander Walster
Head Of ESG

Minimising Our Environmental Impacts

Environment



No loss of containment
into the environment

Zero penalties imposed for
non-compliance with
environmental laws

Improved fleet sustainability
score to 0.76

Minimising Our Environmental Impacts

Environment



The health of our global environment is under threat. Whether it's life on land or underwater, human and economic activities put pressure on our ecosystem. Businesses need to consider their environmental impacts and what they can do to minimize them. How is Navigator approaching this?

Whether at our marine transport terminal, in ports, in our offices or on vessels, we recognize that we have an environmental impact we should be minimizing. Alongside climate action, our focus is on protecting land, air and marine ecosystems by focusing on preventing pollution.

Monitoring Direct-to-air Impacts

During our time on sea and in port we burn fossil fuels to propel our vessels. Alongside carbon emissions, this also releases other components into the air. There are three main environmental impacts here, of which we currently do not measure NO_x and particulate matter (PM₁₀). We estimate our SO_x emissions, which were down by 4.7% to 2,266 tons (2021: 2,377).

Developing A Sustainable Water Approach

Water is an essential component of human life, and as a shipping company we depend on the health of our oceans and waterways. We are in the process of measuring our water consumption, both in our offices and on our vessels, for the first time. This will help us to further build out an action plan in this space.

Every vessel takes on "ballast water". Across our fleet, we now have 100% of our vessels installed with ballast water treatment facilities. These systems use ultraviolet light to prevent microorganisms from establishing a reproductive and invasive population in another environment. Preventing this is important to protect indigenous marine habitats and maintain their natural biodiversity.

We are also rolling out water purification systems on board our vessels. Together with the Procurement team, the vessels now save around 200,000 plastic bottles of water per year, helping us reduce the amount of plastic waste in the ocean.

Preventing Contamination

We transport highly sensitive liquefied gases across the world. A main focus is to prevent this valuable material from ending up in the water or atmosphere. In 2022, we had no loss of containment into the environment.

Key Environment Metrics

	2020	2021	2022
Annual Efficiency Ratio (AER) Mean	14.96	15.65	16.19
Annual Efficiency Ratio (AER) Weighted	13.80	13.90	13.54
Poseidon Principles AER Trajectory Value	18.80	18.30	17.90
Percentage Deviation from Trajectory Value	-27%	-24%	-16%
Fleet Sustainability Score	0.73	0.76	0.76
Energy Efficiency Operational Indicator (EEOI)	-	-	56.73

Optimising Vessel-related Impacts

Since 2020, Navigator is a signatory of the Poseidon Principles. They provide a framework for integrating climate considerations into lending decisions to promote international shipping’s decarbonization. In 2022, we initiated a process with our Legal and Finance teams to explore what this could mean for Navigator’s facilities. From this framework flow a number of comparative metrics that indicate the climate performance of vessels and our fleet. The AER Trajectory Value for 2022 was 17.9 (down by 2.2% since 2021) and around 16% of our vessels bettered this Trajectory Value in the reporting year. This results in a fleet sustainability score of 0.76 which means that, on the whole, we are exceeding the Poseidon Principles expectations on the emission inventory of our fleet. We did not perform as well as in 2021, due to weather conditions, our average speed and lower average utilization.

This year we calculated our Energy Efficiency Operational Indicator (EEOI) for the first time covering all bar one of our vessels.

“
The collaboration
between procurement
and fleet management
saved us 200,000 plastic
bottles per year ”



Jonas Lund Clausen
Head Of Procurement

Empowering People To Thrive

People & Communities



Achieved 34% women in onshore positions

Committed \$100,000 to corporate philanthropy

Reached 28 female officers and cadets across the fleet

Empowering People To Thrive

People & Communities

Every business’s success relies on its people: attracting, developing and retaining them is key. How can Navigator, as a business, invest in the people and communities it depends on?

Our goal is to create a supportive environment where people can thrive, both inside and outside of Navigator. This means that we engage with our people to ensure they have a chance to reach their full potential and that we support our local communities in tackling their challenges. In 2022, we strengthened our talent strategy, including the adoption of ambitious targets and lighthouse initiatives.

Supporting A Growing Business

Navigator grew significantly in 2021 as a result of the merger of the fleet and business activities of Ultragas ApS with those of Navigator. The HR team was responsible for managing onshore and offshore workforce growth of over 50% year-on-year. Due to the very specific technical requirements demanded by the handy-sized gas carrier segment, the potential workforce pools are small and competition for talent is high. Being able to offer a competitive salary helps, but filling the pipeline with talent also relies on Navigator’s brand in the market, our company culture of inclusivity and the opportunity we offer to develop a career.

The average tenure at Navigator is long. Around 45% of our onshore and offshore colleagues have a tenure of over five years, with around 20% over 10 years. This underlines our approach, which goes beyond a competitive salary to include value-adding benefits such as continued development and an inclusive culture. But because of our recent growth, 33% of our people have fewer than two years with Navigator Gas. This makes it important to focus on good performance management, which was a major priority in 2022. The aim is to create a continuous performance cycle for both onshore and offshore colleagues to properly induct new starters.

Our Guiding Principles

Our business is to connect our customers to their markets worldwide. Everything we do at Navigator Gas to achieve this, is underpinned by our ANCHOR values. These values are our guiding principles, and they help us deliver a safe, reliable and efficient service to our customers and to meet our responsibilities towards society and the environment we operate in.



Authentic



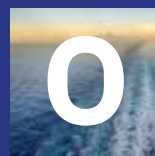
Nurture



Collaborative



Honest



Ownership



Resourceful



Nurturing A Performance Culture

We regularly engage with our workforce – through the performance management cycle but also through several communication tools such as our internal magazine Sextant. A big focus in 2022 was our refreshed talent agenda to accelerate conversations about career development across the Company. We focused on continuous learning across our workforce by providing training courses. We also worked on increasing internal mobility by enhancing vessel rotation for seafarers and mapping out new pathways for onshore colleagues in a significantly larger Company.

At the heart of our talent agenda is a performance culture. In 2022, we brought in uniform and comprehensive processes around performance management. Our main aim is to ensure that performance plans become aligned to the individual, not just the role – and can be transferred and developed from role to role, vessel to vessel. This is the start of building one common platform for the entire business for all people matters.

Driving Diversity & Inclusion

There are significant differences in the diversity of our workforce inside our Company. For instance, the proportion of female colleagues among our onshore teams was 34% in 2022 (2021: 34%). Among our offshore workforce this was 3.2% (2021: 4%). But looking at the ethnic diversity among our teams, our offshore (officer) workforce identifies 97% as non-white (2021: 97%). Comparatively, our onshore teams have much lower ethnic diversity. We are proud that we had 28 female officer and cadet seafarers in 2022 and are doing what we can to support them and grow this segment.

In 2022, we set ourselves the target to achieve 35% female representation in onshore senior management and 30% in our Board of Directors by the end of 2027 (2022: 12% and 14% respectively). To achieve this, we recognize that we must build up our pipeline of talent, so we are also aiming to ensure that 45% of the onshore roles we hire for are filled by women (2022: 34%).

Responding To The War In Ukraine

The war also had a lasting impact on our onshore and offshore colleagues. At the start of the invasion, we employed about 120 Russian and Ukrainian seafarers, often serving together on our vessels. We have only experienced solidarity among our seafarers and we have not experienced any operational issues.

In 2022 we provided assistance to some of our seafarers impacted by the war. For instance, we helped one of our chief engineers safely repatriate his family from Mariupol, which was largely destroyed by a Russian offensive. We found them accommodation and employment in Poland to rebuild their lives.

“

Navigator really came together to support our Ukrainian seafarers in 2022”



Katarzyna Swierk
Office Manager Gdynia

Supporting Local Communities

In 2022, we put in place community activities in most of our office locations. We allocated a \$100,000 budget for this for the next few years, of which \$25,000 was spent last year. Our main focus of the year was responding to the humanitarian crisis as a consequence of the war in Ukraine. Our office in Gdynia supported the conversion of a local summer camp into a residence of young Ukrainian refugees. Our Polish colleagues helped adapt the summer camp for long-term habitation by providing custom-made furniture and equipping it with a water purification system. They and their families also volunteered their time on Kids Day.

In 2022, we also supported international organizations that look after the seafaring community. For instance, we are proud supporters of the International Seafarers’ Welfare and Assistance Network which provides a 24-hour helpline as well as projects and campaigns to support the wellbeing of seafarers around the world. We also support the Mission to Seafarers, which provides practical facilities such as Seafarer Centers which offer pastoral care, and the British Red Cross, to help people who are victims of modern slavery and human trafficking.

Creating A Safe And Secure Workspace

Health & Safety



Completed Safety Maturity Assessment

Achieved zero COVID outbreaks on our vessels

Maintained zero security incidents on our vessels

Creating A Safe And Secure Workplace

Health & Safety

The success of every business relies on its ability to keep everyone it interacts with safe: it attracts talent, builds trust with our clients, and reduces compliance costs. How does Navigator create a safe and secure environment?

Ensuring that our colleagues, contractors and visitors to our sites and vessels, as well as local communities, remain safe is Navigator's operational top priority. Our objective is to achieve zero accidents and injuries throughout our operations through creating a physically and mentally safe workplace.

Building A Strong Compliance Environment

Navigator's Safety Management System (SMS) sits at the heart of our safe and secure workplace. Building on requirements in SOLAS, MARPOL, MLC Labor and ISPS, this integrated management system sets out Navigator's policies, procedures and plans that embed safety at every stage of our decision making in our 54 vessels and our offices. In 2022, the SMS was re-accredited under ISO9001 for our offices and ISO14001 and ISO45001 for our vessels.

In 2022, there were zero fatalities or major accidents across our fleet of 54 vessels (2021: zero). We recorded four incidents that resulted in lost time (2021: four), but they were minor, such as slips. Our recordable cases totaled 15, of which 11 did not result in lost time. In terms of marine casualties, there was a single grounding of one of our vessels off the coast of Nigeria, despite being piloted. This was a temporary occurrence and did not lead to damage to the vessel. In 2022, we were not issued any fines or enforcement notices under health and safety legislation.

Health And Safety Metrics

2022	Fleet managed from Denmark	Fleet managed from Poland	Third party managed fleet
LTI	3	0	1
LTIF	1.11	0	0.34
TRC	9	4	2
TRCF	3.32	1.30	0.69
Hours worked	2,709,552	3,079,680	2,950,739



Creating A Safety-first Culture

Navigator commissioned a Safety Maturity Assessment in 2022 to identify where it could improve its compliance environment. The recommendations from this report helped us to strengthen our approach to safety behavior and culture. We launched the ‘We Care’ program to develop a safety-first culture. We Care consists of on- and offshore training on our SMS as well as vessel- and client-specific requirements. For instance, we run a three-day Safety Leadership Course for officers and a Safety Mindset Course for ratings and cadets on every vessel. In 2022, we recorded 8,187 and 901 hours of health & safety training respectively off- and on-shore.

To amplify our message of ‘safety first’ we run regular Safety Days to refresh people’s awareness of our policies and procedures. In 2022, we introduced a regular safety culture behavior survey to assess what areas of improvement remain on each vessel and for each seafarer. Every vessel has monthly Safety Committee meetings, where a vessel-specific Safety Plan is discussed, building on the findings from the surveys. In addition, we ask officers to nominate a Safety Star every quarter to celebrate those that really embody our safety-first culture.

As a result, we were not served any deficiencies or detentions by regional Port State Control organizations in relation to non-compliance with international and local regulation.

Formulating Lessons Learnt

Inevitably, accidents and incidents happen: the most valuable thing we can do is to formulate lessons learnt. To facilitate this, we follow the ‘5 Is’: insight, integration, intervention, influence and innovation. Using safety data from near misses as well as incidents, we look for ways to work together to prevent this happening again.

As part of our safety team, we have several ISO-accredited auditors who visit every vessel and office on a rotating schedule to monitor the effectiveness of the SMS across Navigator. This internal audit program helps us identify weak points quickly to avoid any escalating impacts. Their findings feed into the Safety Plan and steer training provision for each vessel.

Keeping Our Seafarers Healthy

In light of the global COVID-19 pandemic, we had a specific focus on keeping our seafarers healthy and safe in 2022. This was a complex undertaking, as we had to balance the company demands with country of origin and country of destination travel requirements as well as specific port authority’s approaches to quarantine. Navigator exceeded most health requirements by still quarantining all seafarers ahead of entering their vessel. During 2022, we gradually reduced the number of quarantine days and ensured that our seafarers did not experience any negative consequence of a positive test. As a result we had no positive COVID seafarers in 2022.

Securing Our Vessels

Especially with our short- and medium-distance handy-sized vessels, we make frequent stops at smaller ports. This exposes us to higher risk compared to (container) vessels making routine, scheduled journeys between major ports. That is why security is an important element of our approach to a safe and secure workplace. Our Safety team determines, based on their risk assessment, whether additional security arrangements need to be made for vessels charting specific routes. We also regularly practice emergency scenarios.

In 2022, we did not have any security incidents involving our people and material. The high risk of piracy around the Horn of Africa decreased in 2022, meaning that additional security services, such as armed guards, were slowly reduced during the reporting year. Additional security measures remain in place for high-profile crossings such as the Suez Canal and the Red Sea. In 2022, Navigator commenced calling at ports around the Gulf of Guinea, and for this area, specifically Nigerian ports and waterways, we are requiring armed guards to accompany our vessels, owing to escalating security risks in these areas.

“

I'm proud of the progress we made this year on embedding a safety-first culture”



Kaj Pilemand
Head Of Vessel Operations

Promoting Integrity With Our People And Suppliers

Governance & Supply Chain



Set up Board ESG committee and
appointed first Head of ESG

Became member of Maritime
Anti-Corruption Network

Launched strengthened
whistleblowing policy

Promoting Integrity With Our People And Suppliers

Governance & Supply Chain

At the heart of our continued success sits the ability to be a trusted partner for all our stakeholders. This trust is based on good governance, which underpins our purpose, allows us to meet stakeholder expectations and drives our corporate and ESG strategy. How do we embed the right behaviors across our Company?

Navigator's objective is to operate to a high standard of corporate governance. While we, as a foreign private issuer, are not subject to several of New York Stock Exchange's corporate governance standards, we comply voluntarily where possible. We also meet requirements flowing from international and national legislation as well as industry best practice. We recognize that compliance can only be achieved through ethical behavior in line with our values and culture.

Ensuring A Strategic Focus

On December 31, 2022, our Board consisted of seven Directors, of whom four were independent and non-executive. The average age of the Board was 58 years and, with the election of Dr. Anita Odedra in March 2022, the female representation of the Board became 14%. The average tenure of the Board was six years. The Board has an Audit Committee, a Nomination Committee, a Compensation Committee and set up an ESG Committee in 2022.

This Committee helps the Board maintain a strategic focus on ESG, but that does not mean ESG-related issues are not covered elsewhere. As part of its oversight of risk management, the Audit Committee, formed exclusively of independent Directors, regularly touches on risks related to ESG. The Compensation Committee ensures the alignment between our ESG performance and executive performance management and remuneration.

Managing Risk Effectively

Strong governance must be supported by Company-wide management systems to help us assess and control risks. The Board has overall accountability for ensuring that risk is effectively mitigated through the Company's risk management process. Risks are reviewed on an ongoing basis across our operations on a functional and ship-to-ship basis. These are disclosed, in an aggregated form, in our Annual 20-F Report. As part of this, we recognize that climate change poses a material risk to Navigator. These risks are detailed in the Climate and Environment sections of this Report.



Promoting Ethical Behavior

At the core of our risk management approach sits our Code of Conduct. Navigator's Legal team is the steward of this document, which expects the following behavior from our colleagues:

- Respecting international, national and local laws
- Preventing bribery and corruption
- Preventing conflicts of interest
- Preventing modern slavery including forced, compulsory and child labor
- Protecting human and labor rights
- Protecting the environment and local communities
- Protecting data privacy and cyber security

With our Code of Conduct as the basis of ethical behavior, all our onshore and offshore colleagues are required annually to read and accept it. The Compliance team improved the whistleblowing provisions at Navigator, launching a safe, secure channel to share concerns in around 300 languages. In 2022, there were zero notifications of potential breaches of our Code of Conduct.

Preventing Bribery And Corruption

In 2022, the Compliance team rolled out a strengthened compliance strategy to promote ethical behavior by our people and partners. The focus for the reporting year was on preventing bribery, corruption, fraud and conflicts of interest with an emphasis on training and transparency. We provided refresher training in each of our offices in 2022.

Navigator launched a new register for gifts and hospitality received, facilitation payments made and conflicts of interest found. With a low threshold of \$75, the main aim is to use transparency to create a conversation about long-established practices of facilitation payments in the industry. We are committed to eliminating these payments as long as we can guarantee the safety of our people. To underscore our commitment, we became a member of the Maritime Anti-Corruption Network in 2022.

As a result of the Russian invasion of Ukraine, the global shipping routes and product logistics flows changed significantly. As a result, Navigator increasingly called at ports in countries that are listed in the bottom 20 of Transparency International's Corruption Perception Index. In total, our vessels called in these ports eight times in the reporting year. We did not record any material non-compliance with our policies in the reporting year, and we did not incur any monetary losses related to proceedings around bribery and corruption.

Managing Sanctions Transparently

The Russian invasion of Ukraine in early 2022 had an immediate impact on Navigator. At the start of the war, we had four vessels chartered to a Russian counterparty. While this counterparty was never sanctioned – and indeed the product LPG was never sanctioned either – our Compliance team completed an in-depth review to assess our exposure. After that, the Know Your Customer process was increased to every three months (as opposed to the usual 12-18 months) to keep on top of any developments.

The charter arrangements around two of the four vessels expired in July 2022, and, in light of the ongoing war, Navigator elected not to renew them and redeployed the vessels elsewhere. The remaining two vessels will be released from their charter arrangements at the end of 2023 and the same shall not be renewed. After the invasion, Navigator stopped serving Russian ports (except under contractual obligation with the vessels discussed above) and taking on Russian clients. As a result of the work of our Compliance team, we were not subject to any enforcements or fines relating to the sanctions of Russian companies and products in 2022.

Strengthening Our Supply Chain

As a global business, Navigator depends on a seamless supply chain to support its operations. With around 300 suppliers on a yearly basis, we have a significant impact through our supply chain. As the largest handy-sized gas carrier company, the Procurement team has focused on using our scale to build partnerships with trusted and preferred suppliers. Some of our largest annual suppliers provide the paint for our vessels; provisions for seafarers offshore, oil, gases and

machinery parts for on board the vessels; and logistics such as business travel and last-mile services such as barges. The only product excluded from procurement is the fuel for our vessels.

In 2022, the Procurement team focused on business-critical and large contracts for Navigator but left the buying to individual offices and vessels. They incorporate some ESG-related provisions where possible and establish the standards we'd like our suppliers to meet. Beyond that, the focus is on appropriate certifications, reliability, availability and cost as our primary criteria for suppliers.

“

We really stepped up on compliance in 2022 at Navigator, navigating the rapidly changing situation around the war in the Ukraine ”



Nelia Ponte
Compliance Manager

Looking Ahead



Climate

- Strengthen risk and scenario planning for TCFD
- Further develop decarbonization plan



Environment

- Begin measurement of NO_x and PM₁₀
- Start measurement of waste



People & Communities

- Enhance performance management with career discussions
- Launch engagement surveys and interviews
- Bring crew management in-house



Health & Safety

- Roll out training on 'We Care' program



Governance & Supply Chain

- Revise Code of Conduct
- Ramp up compliance checks and whistleblowing training
- Put business ethics clauses in contracts
- Embed ESG in contracts
- Improve ESG data in supply chain



Summarizing Our Performance

Our ESG Metrics Overview

Key ESG Metrics

Category	KPI	2020	2021	2022
Business	Revenue	\$332,495,000	\$406,481,000	\$473,792,000
	Adjusted EBITDA	\$119,086,000	\$160,263,000	\$212,676,000
	Number of owned vessels	38	55	54
	Total distance sailed	2,392,782 nm	3,216,134 nm	3,189,134 nm
Climate & Environment	Total scope 1 emissions	692,797 tons CO ₂ e	905,123 tons CO ₂ e	862,693 tons CO ₂ e
	Total scope 2 emissions	-	31,224 tons CO ₂ e	45,375 tons CO ₂ e
	Total scope 3 emissions	80,233 tons CO ₂ e	80,151 tons CO ₂ e	100,066 tons CO ₂ e
	Annual Efficiency Ratio (AER) Mean	14.96 g CO ₂ /DWT-nm	15.65 g CO ₂ /DWT-nm	16.19 g CO ₂ /DWT-nm
	Fleet Sustainability Score	0.73	0.76	0.76
	Spills	-	0	0
	Fleet implementing ballast water treatment	-	100%	100%
People & Communities	Total number of FTE employees	-	-	778
	Number of FTE onshore employees	77	72	151
	Number of FTE offshore employees (officers)	-	-	627
	Number of male onshore employees	-	-	99
	Number of female onshore employees	-	-	52
	Number of male offshore employees (officers)	-	-	599
	Number of female offshore employees (officers and cadets)	-	-	28
Health & Safety	Total recordable incidents	-	-	15
	Hours of HSE training	-	-	8,187
	Lost time incidents	-	-	4
Ethics	Number of cases from whistleblower program	-	-	0
	Employees & contractors trained in compliance and anti-corruption	-	-	100%

In the above performance table we bring together all our key performance indicators (KPI) so that stakeholders can assess our performance at a glance and in the context of previous years (where possible).

The table does not include every KPI mentioned in the ESG Report, only those that are indicative of our overall performance.

Our Approach To Disclosure

About This Report

This is our third report on ESG issues: the first two, called ‘CSR Update’, were published in 2020 and 2021; to reflect the launch of our new strategy and targets, this report is renamed an ‘ESG Report’ to meet the expectations of our stakeholders. This report is to be read in conjunction with our Annual (20-F) Report, dated April 4, 2023, to give a more complete picture of our ESG impacts. It was approved for publication by Navigator’s Board of Directors.

What Information We Included

This Report reflects our ESG performance in the year from January 1 to December 31, 2022. The Report also includes references to activities deployed in the first months of 2023, but no data from that year is included in this Report. The reporting year is also our baseline year.

We include information from all our businesses, sites and operations where we have operational and financial control, including our joint ventures. A full list can be found in our most recent Annual (20-F) Report. As there have been no acquisitions or divestments in the year, there is no missing information and data to account for. When we acquire or divest a Company that will change our baseline materially (i.e. more than 5%), we will restate our performance data.

This Sustainability Report is not externally assured but has been reviewed by our Legal team and our SEC counsel. Our approach is to assess on an annual basis whether the data and statements need to be audited and assured.

How We Calculated Our Data

In 2022, we introduced a digital platform for the measurement, calculation and reporting of our climate and environment impacts.

Emissions

Our carbon inventory covers all our onshore and offshore operations. Our GHG emissions inventory includes a single greenhouse gas, CO₂. The other five greenhouse gases, particularly CH₄, are not measured. We followed the World Resource Institute Greenhouse Gas Reporting Protocol. GHG emissions are calculated using Global Warming Potentials (GWP) from the Intergovernmental Panel on Climate Change. We adopted the operational and financial control approach to consolidate our inventory.

Air pollution

We also measured our other emissions to air, such as SO_x, for all our onshore and offshore operations. For this we used the International Maritime Organization Greenhouse Gas Study 2020 (table 53). Other sources, such as volatile organic compounds (VOCs), particulate matter (PM₁₀) and NO_x, were not measured.

People

The measurement of our workforce is in Full Time Equivalent (FTE). We currently only gather diversity data for officers offshore. As a result, several hundred ratings and cadets are excluded.

Currency

Unless otherwise stated, all financial amounts are presented in United States dollars.

How We Produced This Report

This Report was guided by the Sustainability Accounting Standards Board (SASB) Standard for the ‘maritime shipping’ industry. All the activity and accounting metrics (where possible) are integrated into the Report, with an SASB Report included as an appendix.

This Report was also guided by the recommendations from the Taskforce for Climate-Related Financial Disclosures. All the guidelines around climate disclosures (where possible) are integrated into the Report, and a table is provided in the appendix for a quick overview.

This Report was written by an external advisor.

Sustainability Accounting Standards Board Report

The SASB develops, issues and maintains the industry-specific standards that assist companies in disclosing financially material, decision-useful sustainability. These standards were developed under the auspices of the SASB Foundation, a not-for-profit, independent standards-setting organization.

As of August 2022, the International Sustainability Standards Board (ISSB) of the IFRS Foundation assumed responsibility for the SASB Standards. The ISSB has committed to build on the SASB Standards and leverage SASB's industry-based approach to standards development as it develops the IFRS Sustainability Disclosure Standards that will replace SASB Standards.

This 2022 SASB Report is our first disclosure pursuant to the SASB standards, and as such, our disclosures on these topics will evolve and mature with time. In line with guidance, Navigator will support and use the SASB Standards until the IFRS Sustainability Disclosure Standards come into force.

SASB Standards differ depending on the industry. This report references SASB's sustainability accounting standard for the 'marine transportation' industry. The data covers the period of January 1, to December 31, 2022 and is as of December 31, 2022 unless otherwise noted. It includes all of Navigator's wholly owned entities.

Where noted, in accordance with SASB Standards Application Guidance section 2.2, certain information is not included in this appendix, to the extent the information is not considered material; is privileged or confidential; or is not currently collected in a manner wholly correlative with the related SASB metric. Where possible we have shared alternative information that we believe may be insightful.

Sustainability Accounting Standards Board Report

SASB Code	Metric	2022 Response
TR-MT-000.A	Number of shipboard employees	627 (officers only)
TR-MT-000.B	Total distance travelled by vessels	3,189,134 nm
TR-MT-000.C	Operating days	15,486.85
TR-MT-000.D	Deadweight tonnage	1,075 thousand deadweight tons
TR-MT-000.E	Number of vessels in total shipping fleet	54 owned ships/vessels
TR-MT-000.F	Number of vessel port calls	1,402
TR-MT-000.G	Twenty-foot equivalent unit (TEU) capacity	Not applicable as Navigator does not own any container-sized vessels
TR-MT-110a.1	Gross global Scope 1 emissions	862,693 metric tons of CO ₂ e
TR-MT-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Please refer to pages 20-23 – the Climate section
TR-MT-110a.3	(1) Total energy consumed (2) Percentage heavy fuel oil (3) Percentage renewable	(1) 129,268,330 kWh (2) 47% (3) 0%
TR-MT-110a.4	Average Energy Efficient Design Index (EEDI) for new vessels	We do not calculate this metric in a manner correlative with the SASB standards
TR-MT-120a.1	Air emissions for the following pollutants: (1) NO _x (excluding N ₂ O) (2) SO _x (3) Particulate matter (PM ₁₀)	(1) - We do not currently measure NO _x emissions (2) 2,447 metric tons (3) -
TR-MT-160a.1	Shipping duration in marine protected or areas of protected conservation status	We do not calculate this metric in a manner correlative with the SASB standards
TR-MT-160a.2	Percentage of fleet implementing ballast water (1) exchange and (2) treatment	(1) 0% (2) 100%
TR-MT-160a.3	(1) Number and (2) Aggregate volume of spills and releases into the environment	(1) 0 (2) 0
TR-MT-320a.1	Lost time incident rate (LTIR)	We do not calculate this metric in a manner correlative to the SASB guidelines as a result of our ongoing integration of the businesses. We can disclose the rate for each of our fleets: <ul style="list-style-type: none"> • Denmark: 1.11 • Poland: 0 • Northern Maritime (3rd party managed fleet): 0.69
TR-MT-510a.1	Number of calls at ports in countries with the 20 lowest rankings in Transparency International's Corruption Perception Index	8
TR-MT-510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	\$0
TR-MT-540a.1	Number of marine casualties, percentage classified as very serious	(1) 1 (2) 0%
TR-MT-540a.2	Number of Conditions of Class or Recommendations	We do not calculate this metric in a manner correlative with the SASB standards
TR-MT-540a.3	Number of port state control (1) deficiencies and (2) detentions	(1) 91 (2) 2

Taskforce For Climate-related Financial Disclosures Table

The Taskforce for Climate-Related Financial Disclosures (TCFD) was created by the Financial Stability Board to develop recommendations on the types of information that companies should disclose to support investors, lenders and insurance underwriters in appropriately assessing and pricing climate-change-related risks. This 2022 TCFD Table links to our first disclosure pursuant to the recommendations of the Taskforce, and as such, our disclosures on these topics will evolve and mature with time.

In preparing our TCFD Table, and in order to ensure that we are following best practice, our work has been informed by the October 2021 guidance on climate reporting provided by the London Stock Exchange as well as by the latest observations from the TCFD itself as set out in its 2021 Status Report.

All data covers the period of January 1 to December 31, 2022 and is as of December 31, 2022 unless otherwise noted. It includes all of Navigator's entities.

TCFD Table

Governance

Describe the Board's oversight of climate-related risks and opportunities.

Location

This is detailed in the first part of the Climate section. Additional information is included in the Governance section.

Describe the management's role in assessing and managing climate-related risks and opportunities.

This is detailed in the first part of the Climate section. Additional information is included in the Governance section.

Strategy Location

Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.

Location

This is detailed in the second part of the Climate section. Additional information can be found in the Annual (20-F) Report.

Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning.

This is detailed in the second part of the Climate section.

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios including a 2C or lower scenario.

This is not yet assessed by the Company.

Risk Management Location

Describe the organisation's processes for identifying and assessing climate-related risks.

Location

This is detailed in the third part of the Climate section. Additional information is included in the Governance section.

Describe the organisation's processes for managing climate-related risks.

This is detailed in the third part of the Climate section. Additional information is included in the Governance section.

Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.

This is detailed in the third part of the Climate section. Additional information is included in the Governance section.

Metrics and Targets Location

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management approach.

Location

This is detailed in the fourth part of the Climate section.

Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.

This is detailed in the fourth part of the Climate section.

Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

These are not yet set by the Company. Its commitments can be found in the fourth part of the Climate section.

Advisories

The Company has taken care to ensure the information in this document is accurate. However, the data presented includes targeted goals, approximations and estimates, which will differ from actual results, and is for informational purposes only. The Company disclaims any liability whatsoever for errors or omissions. Furthermore, some information in this document may have been disclosed previously in the Company's other public disclosure, and such disclosure is not intended in any way to be qualified, amended, modified or supplemented by information herein. This document does not provide investment advice, and readers are responsible for making their own financial and investment decisions.

There is no single standard system that applies across companies for compiling and calculating the quantity of GHG emissions and other sustainability metrics attributable to the Company's operations. Accordingly, such information may not be comparable with similar information reported by other companies. The Company's GHG emissions are derived from various internal reporting systems that are generally different from those applicable to the financial information presented in its consolidated financial statements and are, in particular, subject to less sophisticated internal documentation as well as preparation and review requirements, including the general internal control environment. The Company may change its policies for calculating these GHG emissions in the future without prior notice.

Certain information provided in this ESG Report may constitute forward-looking statements and information (collectively, "forward-looking statements") within the meaning of applicable securities laws. All statements and information, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements. Such forward-looking statements include, without limitation, forecasts, estimates, expectations, ambitions, targets, plans

and objectives for future operations and initiatives that are subject to assumptions, risks and uncertainties, many of which are beyond the control of the Company. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "continues", "believes", "intends", "estimates", "projects", "potential", "objective", "ongoing", and similar expressions, or are events or conditions that "will", "would", "may", "could" or "should" occur or be achieved.

Forward-looking statements and information involve significant risks, assumptions, uncertainties and other factors, which are outside of the Company's control, that may cause actual future results or anticipated events to differ materially from those expressed or implied in any forward-looking statements or information and, accordingly, should not be read as guarantees of future performance or results. Such statements represent the Company's internal projections, estimates or beliefs concerning, among other things:

- future operating or financial results;
- pending acquisitions, business strategy and expected capital spending;
- operating expenses, availability of crew, number of off-hire days, dry-docking requirements and insurance costs;
- fluctuations in currencies and interest rates;
- general market conditions and shipping market trends, including charter rates and factors affecting supply and demand;
- our ability to continue to comply with all our debt covenants;
- our financial condition and liquidity, including our ability to refinance our indebtedness as it matures or obtain additional financing in the future to fund capital expenditures, acquisitions and other corporate activities;
- estimated future capital expenditures needed to preserve our capital base;

- our expectations about the availability of vessels to purchase, or the useful lives of our vessels;
- our continued ability to enter into long-term, fixed-rate time charters with our customers;
- our vessels engaging in ship-to-ship transfers of LPG or petrochemical cargoes which may ultimately be discharged in sanctioned areas or to sanctioned individuals without our knowledge;
- the impact of the Russian invasion of Ukraine;
- changes in governmental rules and regulations or actions taken by regulatory authorities;
- global epidemics or other health crises such as the outbreak of COVID-19, including its impact on our business;
- potential liability from future litigation;
- our expectations relating to the payment of dividends;
- our ability to maintain appropriate internal control over financial reporting and our disclosure controls and procedures;
- our expectations regarding the financial success of the ethylene export marine terminal at Morgan's Point, Texas, and our related 50/50 joint venture and our expectations regarding the completion of construction and financing, and the financial success, of the capital project to expand the Ethylene Export Terminal;
- our expectations regarding the financial success of our Luna Pool collaborative arrangement (as defined below) and our Navigator Greater Bay Joint Venture;
- our expectations regarding the integration, profitability and success of the vessels and businesses acquired in the Ultragas Transaction (as defined below) and the operational and financial benefits from the combined businesses and fleet; and
- any other factors.

More particularly and without limitation, this report contains forward-looking information and statements about strategy, plans and focus; the Company's targeted emission reductions; proposed GHG regulations; the Company's plans to improve operating efficiencies and reduce overall emissions; plans to improve overall safety performance; ability for the Company to evaluate and adapt to new opportunities relating to climate change; the benefits to be derived from the Company's anticipated growth; the Company's ability to continue to be a health and safety leader in the industry; and other statements related to the Company's ESG performance.

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, operational, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, The Company.

Forward-looking statements and other information concerning the shipping industry in which the Company operates and the Company's general expectations concerning this industry are based on estimates prepared by Management using data from publicly available industry sources as well as from resource reports, market research and industry analysis, and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any material misstatements regarding any industry data presented, the shipping industry involves numerous risks and uncertainties and is subject to change based on various factors.

Management has included the above summary of assumptions and risks related to forward-looking statements and other information provided in this ESG Report in order to provide shareholders and investors with a more complete perspective on the Company's current and future operations and ESG initiatives, and such information may not be appropriate for other purposes.

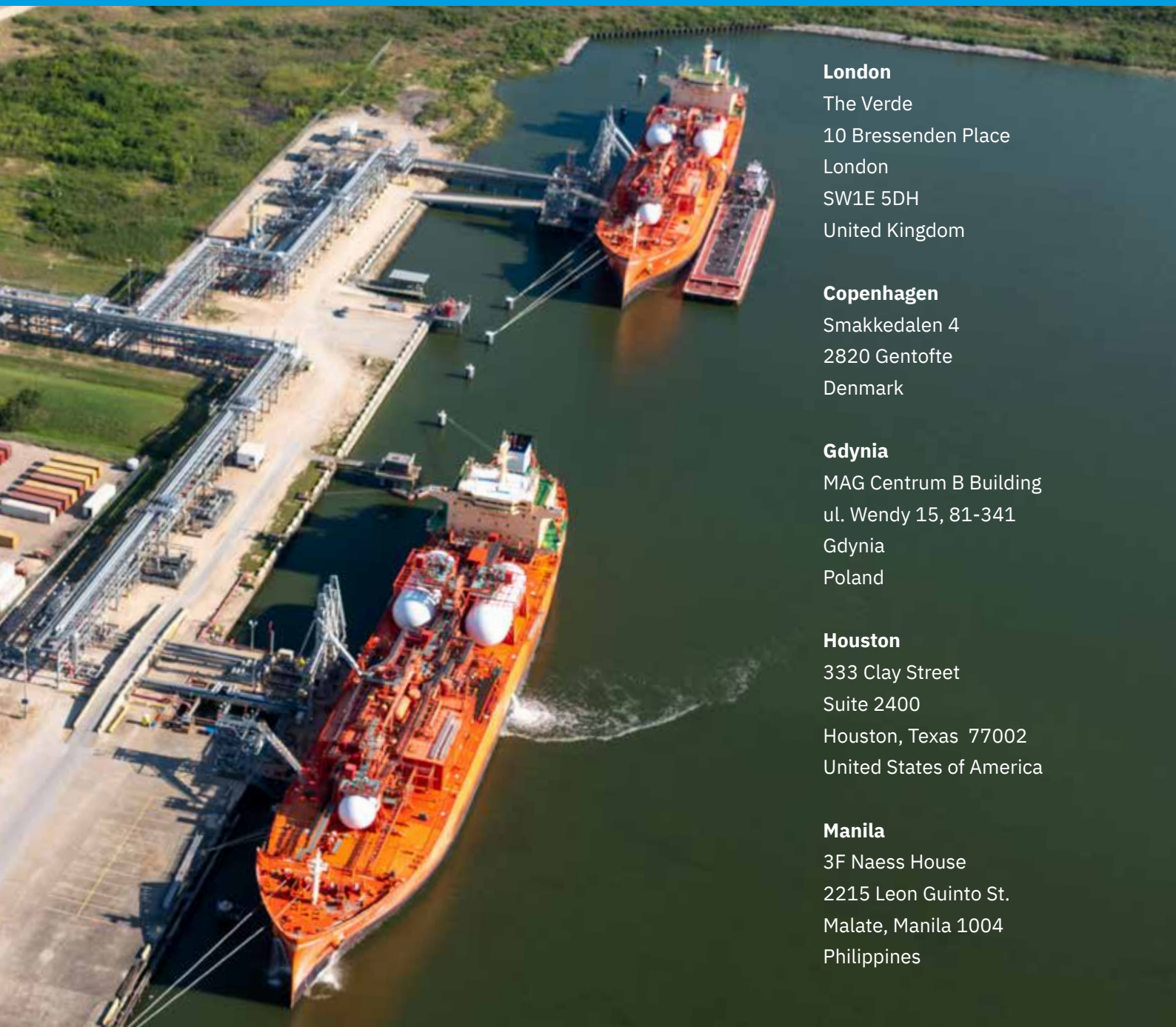
Readers are cautioned that the foregoing lists of factors are not exhaustive. Actual results, performance or achievement could differ materially from that expressed in or implied by any forward-looking statements or information in this ESG Report, and accordingly, investors should not place undue reliance on any such forward-looking statements or information.

Furthermore, any forward-looking statement or information speaks only as of the date on which such statement is made, and the Company undertakes no obligation or intent to update any forward-looking statements or information to reflect information, events, results, circumstances or otherwise after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as required by law, including securities laws.

All forward-looking statements and information contained in this ESG Report are qualified by such cautionary statements. New factors emerge from time to time, and it is not possible for Management to predict all such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Accelerating Our Transformation

ESG Report 2022



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