



CHINA NAVIGATION



Sustainable Development Highlights for the Calendar Year 2020

CNCoTHRIVE

We don't see our business as separate from the world. We depend on it, and wish to help shape it positively. Because when the world in which we operate thrives, so do we.

CNCo's achievements cover three pillars of our Sustainability Strategy:

Thriving People

We will respect and care for the human rights of our employees and our other stakeholders, unlocking the potential for all of them to grow.

Thriving Environment

We will create a resilient environment that provides for our future.

Thriving Partners

We will work with stakeholders wherever we operate to improve people's lives.

Excerpt from Managing Director's message

In 2020 we were confronted by a totally unexpected global pandemic of devastating negative consequences both for human life and international mobility, as well as for both people and cargoes. These continue to disrupt the entire supply chain.

The very rapid imposition of travel curbs, and the high volatility of quarantine regulations, led at the beginning to almost total inability to facilitate crew changes for our seagoing employees at the end of their contracted tours of duty. This led to stress for those on board. We put in place a number of mitigating actions, but regrettably we still had a number of seafarers serving long extensions to their expected contract lengths.

We were early signatories to "The Global Maritime Forum-initiated Neptune Declaration on Seafarer Wellbeing and Crew Change" (the "Neptune Declaration") in a worldwide call to action to end this unprecedented crew change crisis caused by COVID-19.

Our vision remains to **be the leading provider of safe, sustainable, innovative supply chain solutions and our customers' partner of choice**. Our journey to deliver this vision is unchanged. It will continue to be facilitated by:

- Reinforcing our commitment to safety, quality and operational excellence.
- Delivering satisfactory, sustainable financial performance for our shareholders.
- Providing reliable, professional and innovative services to our customers.
- Establishing enduring relationships with our customers and other stakeholders.
- Developing a diverse, inclusive and industry-leading workforce.
- Providing safe, healthy and secure work environments and rewarding career paths.

We have adopted our parent company's goal of reducing our carbon footprint to zero by 2050, and reducing it by 50% from our 2018 baseline by 2030.

We are very proud of our achievements within 2020. Going forward we are confident that we have the robust and necessary targets in all areas critical and material to us: People, Safety, Environment, Partners and Governance to assist us on our sustainability journey to 2050.



James Woodrow
Managing Director
The China Navigation Company Pte Ltd

The full message can be read online
<https://bit.ly/3zfZYcR>

Sustainability Metrics Dashboard

Environmental

Climate Footprint

Emissions

Metric tonnes (t) CO₂e

Scope 1 y-o-y
1,840,063 ▼ 8.26%

Scope 2 y-o-y
382 ▲ 4.24%

Scope 3 y-o-y
2,514 ▼ 56.29%

Other Air Emissions

Metric tonnes (t)

NO_x y-o-y
45,636 ▼ 8.73%

SO_x y-o-y
9,248 ▼ 78.22%

Particulate matter y-o-y
3,642 ▼ 8.89%

VOC y-o-y
705 ▼ 8.43%

Black Carbon new metric
16,688

Responsible Ship Recycling

Recycled MV Forum Samoa 4, MV Kwangtung, MV Kweilin, MV Melanesian Pride with **zero injuries** and **zero pollution incidents**.

Between **98.9%** and **99.7%** of vessels by weight was recycled, reused or upcycled.



Ecological Impacts

No significant spills

Spills and releases to the environment

Social

Employee Health and Safety

*per million manhours

Lost Time Injury Frequency Rate (LTIFR)*

0.53

Total Reportable Case Frequency Rate (TRCFR)*

1.71

Diversity

Seagoing employees by gender identity



Shore-based employees by gender identity



Governance

Business Ethics

Grievances

9 reported / 6 substantiated and addressed

Corruption Cases

0

Fines and Sanctions

0



CNCo formed a Diversity and Inclusion (D&I) Council to develop a comprehensive and integrated D&I strategy to drive organisational best practices, goals and objectives. We also set up Employee Action Groups (EAGs). These are voluntary, employee-led groups empowered to brainstorm and act on ideas that foster inclusivity in our diverse workforce. We prioritised Gender and Culture for the EAGs to work on.



During 2020 we achieved significant reductions in the use of Single-Use Plastic Water Bottles (SUPWBs) on board our bulk and liner fleet:

- Swire Bulk fleet reduced SUPWBs consumption by 41.58% y-o-y.
- Swire Shipping fleet reduced SUPWBs consumption by 99.59% y-o-y.



We continued our support of the Family Support Centre (FSC) in Honiara, Solomon Islands, under the programme: *Responding to Violence Against Women and Girls in Solomon Islands*. In 2020 the FSC provided services to 4,392 women, men, boys and girls.



CNCo continued to improve our fleet fuel efficiency through various Technical and Operational (T&O) measures which resulted in a USD 6.2 million in fuel savings and the reduction of 38,446 tonnes of CO₂ (tCO₂) emissions to the environment over the reporting period.



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CNCo awarded a grant to Eastern Highland Family Voice (EHFV), an NGO operating in Goroka, Papua New Guinea (PNG), for its programme: *Keeping Kids Safe in the Eastern Highlands*. We sponsored the position of the Child Protection Officer, who works towards assisting most vulnerable children to avoid abuse, violence and exploitation. During its first year, the programme reached out to over 5,000 students, parents and the communities at large, educating them on the rights of children and offering counselling services.

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We ran 38 Safety Awareness Courses for senior officers, junior officers and ratings, involving a total of 435 seagoing employees. Such training is critical to maintaining and enhancing the safety of our seagoing employees and all our stakeholders.



Our *Moana Taka Partnership* enables private sector companies to move recyclable waste out of the Pacific Island Countries & Territories where it is accumulating, to countries with competent, certified and sustainable recycling plants. The Partnership thus protects and improves the environment in the Pacific region. In 2020, CNCo shipped out 217.83 tonnes of low value recyclable waste which otherwise would have ended up in local landfills.



CNCo supported *Delivering on seafarers' rights*, a project run by the Sustainable Shipping Initiative (SSI) and the Institute for Human Rights and Business (IHRB), along with the other SSI members. The project aims to deliver a human rights code of conduct for charterers and a roadmap for tackling systemic challenges which create human rights risks for seafarers.



CNCo partners with Befrienders Worldwide (BW), an international network of crisis helplines to offer emotional support for employees (at sea or onshore) facing depression. There is a dedicated email and multi-language hotline service available.



CNCo supported Mahonia Na Dari (Guardian of the Sea), a local marine environment research and conservation education centre based in West New Britain, Papua New Guinea. The support covered a three-year infrastructure maintenance sponsorship, through which new roofs were put on non-income generating facilities. The latter support research, marine education and conservation activities. Over the past three years, 17 buildings have been re-roofed, with two more to be done in 2021.



CNCo installed 28,000 environmentally friendly LED tubes on the ~40 vessels across our liner fleet, making it the single largest such exercise in CNCo's recent history. LED lights are up to 80% more efficient than traditional lighting such as fluorescent and incandescent lights. This will reduce CO₂ emissions by as much as 10,000 tonnes within five years. The use of these lights also contribute to better safety on board vessels.



Engine Control Room - Before and after LED light installation photos

Awards Received

CNCo clinched the **Environmental Innovation Award** in the *Seatrade Maritime Awards 2020* for our work on the *Moana Taka Partnership*.

CNCo received **Outstanding Contribution to Search and Rescue Efforts Award** at the International Safety@Sea event organised by the Maritime and Port Authority of Singapore (MPA) for the rescue mission conducted by MV Kwangsi in May 2019.

We are always grateful for your feedback on our sustainability journey. Please contact **Simon Bennett**, General Manager – Sustainable Development via simon.bennett@swirecno.com