



Statement on Modern Slavery and Human Trafficking (2021)

Introduction

This is the first annual Modern Slavery (“MS”) Statement published by Swire Bulk Pte. Ltd. (Swire Bulk) as a new corporate entity, and covers the financial year ending December 31st, 2021.

Swire Bulk recognises modern slavery as an issue has become increasingly visible and takes our legal and moral duties, and the commitments under the United Kingdom “Modern Slavery Act (2015)” (“MSA”), as amended, and in all other jurisdictions in which we work, very seriously.

As a business with an ethical framework of good employment practices, Swire Bulk is committed to providing good working conditions for our employees, according to international standards, and to protecting their safety, health, and wellbeing.

Swire Bulk will not tolerate the practice of modern slavery in any form and is committed to continue to work with all our stakeholders and relevant regulators to combat this issue, wherever and whenever we may become aware of it.

There have been no incidences of Modern Slavery reported within Swire Bulk’s operations, or in our supply chains, globally within the calendar year 2021.

Organisational structure, operations, and supply chains

Swire Bulk Pte. Ltd., the vessel operating company, is headquartered in Singapore, operating under the brand name of ‘Swire Bulk’. This entity is a wholly owned subsidiary of Swire Bulk Holdings Pte. Ltd., the vessel-owning company, which is in turn a wholly owned subsidiary of Swire Marine Holdings Pte. Ltd., an investment holding company incorporated in Singapore. Swire Marine Holdings Pte. Ltd. is a wholly owned subsidiary of The China Navigation Company Limited, an investment holding company registered in London. The companies are not publicly quoted on any stock exchange.

Swire Bulk is a leading vessel owner and operator in the dry bulk sector, with a trading fleet of around 150 Handysize and Supramax vessels controlled by ten commercial offices around the world. Headquartered in Singapore, Swire Bulk was founded in 2012 as a division of The China Navigation Company (CNCo). In 2021, the Company separated from CNCo to stand alone as the specialist dry-bulk shipping trading arm of the multinational Swire Group, leveraging our strong track record and market-leading reputation to serve global commodity markets.

Swire Bulk works with a diverse number of suppliers globally. Swire Bulk's supply chain covers *inter alia*:

- Bunker fuel supply chain;
- Operations, e.g. services required at port and terminals;
- Logistics, e.g. log lashing services;
- Fleet Management, e.g. spare parts and maintenance; and
- IT- and Corporate-related services.

We are the end users of products and services and do not manufacture any goods or use raw materials.

Policies

Our [Supplier Code of Conduct](#), which is part of our own [Corporate Code of Conduct](#), contains guidance relating to our employment practices, as well as clear prohibitions against the use of bonded, child, coerced, forced, indentured or involuntary labour in any form. We similarly require our suppliers to meet these expectations.

Swire Bulk is committed to comply with all applicable national labour laws and International Labour Organisation (ILO) conventions.

Recognising that modern slavery as an issue has become increasingly visible, we have put in place a [Modern Slavery Policy](#).

Our internal Human Rights Policy outlines our commitment to respect the human rights across our operations and our value chain.

We review and enhance our policies as required, and at least annually.

Risk Assessment

Together with our key internal stakeholders, we aim to build stronger partnerships with suppliers and ensure that they adhere to the same high environmental, social and governance standards as Swire Bulk. Through understanding our supply chain risks, conducting due diligence on our suppliers and supply chain partners, we ensure that our supply chain is fully compliant with any regulatory, environmental and health and safety requirements as well as being free of human rights violations and modern slavery. All suppliers with a contractual agreement are required to follow our Supplier Code of Conduct.

We outsource our ship management services to third-parties. All subcontractors are carefully selected, following a thorough due diligence process before we enter into any contractual relationships with them. The due diligence process includes undertaking background checks during the tendering exercise. The third-party ship management companies are audited annually by Recognised Organisation (RO) appointed by the flag states in compliance with ILO Maritime Labour Convention (2006) ("MLC") requirements.

We also use several manning agencies in various countries around the world. Audits on the manning agencies are conducted internally by our Ship Management offices and externally by ROs in compliance with the International Safety Management (ISM) Code. Any non-compliances must be resolved within three months, or earlier, as advised by the auditor concerned. Swire Bulk regularly reviews all audit and inspection reports for all our vessels.

For our chartered-in fleet, Swire Bulk only selects vessels that meet the requirements of RightShip Safety score of 3 and above. Under their new system, RightShip assesses and maintains the vetting status of all vessels subject to overall safety and operational performance in last 5 years. The score also now covers Human Rights criteria including living and working standards, protection of seafarers' rights and conditions of employment.

Protecting Human Rights of Seafarers

Swire Bulk fully supports and complies with and/or exceeds the standards as set forth in the ILO MLC 2006.

The MLC 2006 encompasses all relevant standards of existing ILO maritime labour conventions and recommendations, as well as fundamental principles contained in core International Labour Conventions and the ILO 1998 Declaration on Fundamental Principles and Rights at Work. Minimum requirements and standards include:

- Contractual terms and conditions for the seafarers to work onboard ships
- Conditions of employment
- Accommodation, recreational facilities, food, and catering
- Health protection, medical care, welfare, and social security protection
- Compliance and enforcement

All contractual conditions for seagoing employees are compliant with the ILO MLC 2006 wage levels or the International Transport Federation's Collecting Bargaining Agreement (CBA).

We are signatories to the Global Maritime Forum-initiated "Neptune Declaration on Seafarer Wellbeing and Crew Change" (<https://www.globalmaritimeforum.org/neptune-declaration>). This is a worldwide call to action to seek to end the unprecedented crew change crisis caused by COVID-19.

Reporting channels

Swire Bulk has a [Whistleblowing Policy](#) in place for both shore-based employees and third parties to report any suspected issues. For vessel crew, we ensure that our third-party ship managers have whistleblowing procedures in place for their seagoing employees with a clear process of reporting any concerns via various channels, report assessment and investigation, corrective actions and whistleblower protection. This can be an entirely confidential process. We encourage Swire Bulk personnel and third-parties to use our whistleblowing channels and relevant management will then diligently investigate all reports. There were no grievances related to MS or labour conditions received in 2021.

We also provide a Confidential Reporting hotline to deal with any issues. The process is clearly defined in our Grievance and Dispute Settlement Policy which is available to all employees.

I. Our actions in the last financial year

In 2021 we undertook the following actions to mitigate forced labour risks:

- Introduced governance structures and processes for managing MS risks;
- Raised awareness of MS risks with relevant business units;
- Provided annual compliance training for all our employees on Modern Slavery;
- Undertook ongoing implementation of a Whistleblowing process through several channels.

Governance

Swire Bulk's Sustainable Development department coordinates the Modern Slavery governance process within the organisation.

Appropriate contractual clauses related to slavery and human trafficking are included in all our new service agreements.

Our parent company joined [The Mekong Club](#) in 2021 and thus we are now members. The Mekong Club is a catalyst for change, uniting and mobilising businesses to bring about sustainable practices towards the fight against modern slavery. We have full access to their wide range of online resources and have been using various toolkits to improve our management of modern slavery.

Modern Slavery Awareness Training

MS awareness training is a part of our broader governance compliance training (together with training on Code of Conduct, Anti-Bribery and Corruption, Anti-Money Laundering, Anti-Trust, General Data Protection Regulation (GDPR), Sanctions etc.). This training is established for a) all new joiners on joining, and b) all other employees are required to undergo training annually.

We are pleased to report that during FY 2021, 151 employees, (100% of our shore-based employees), undertook the training. Training is done via our online portal and consists of a 10-minute module on understanding MS UK Act and accompanied by the course test.

We also raise awareness of MS amongst our seagoing employees during the Safety Awareness Courses conducted internally throughout the year. In 2021, 130 Swire Bulk senior officers attended these sessions.

Assessments and engagement

The manning agencies we use globally were assessed as low risk with respect to the Modern Slavery Act. All manning agencies are certified as Maritime Labour Convention, 2006 (MLC) compliant. The requirements of the MLC cover the aspects of the Modern Slavery Act. Swire Bulk is audited annually by our Group Internal Audit Department on how we manage third-party contractors and their policies and procedures.

All Swire Bulk vessels, including chartered-in vessels, are MLC certified. This is periodically verified through annual internal audits and during external audits by classification society recognised by Flag State.

Addressing potential Modern Slavery Risks during COVID-19

From the start of the global pandemic, Swire Bulk remained committed to responsible business practices. The unprecedented crew change crisis has led to serious consequences for seafarers' wellbeing. Swire Bulk, through the contracted Ship Managers, worked with manning agencies to ensure that our seagoing employees are protected. We ensured that all contract extensions, managed by third-party manning agencies, were mutually agreeable with highest respect for seafarers' safety and human rights.

With longer tours and little or no access to shore leave in most ports worldwide, the Company extended the seafarers' daily internet usage cap from four hours to 12 hours a day. This allowed a more regular communication with their families back home. A "COVID-19 Care" monthly messing package was introduced to facilitate more social

gatherings on board amongst the effectively long-term quarantined ships' crews. The Company also ensured that essential toiletries and masks were supplied when required.

Responsibility for arranging, and paying, for all quarantine requirements ashore, both pre-joining and whilst eventually en route back home, and the various testing protocols were undertaken by the Company.

Recognising the plight of some of our long-term seafarers stranded back at home without income, the Company assisted them with cash advances to tide them over the difficult time, until they could return to work with us.

Regular sessions were held via videoconferencing between the vessels and third-party managers, focusing on crew wellbeing and safety, and allowing for the regular dialogue between seafarers and management personnel.

We subscribe to Befrienders Worldwide, an international network of crisis helplines and multilingual hotline services. This is made available to our seagoing and shore-based employees at no cost to the individuals. We promote and encourage our employees to use those helplines if they feel they may need assistance from an independent third-party, and the initial reports and discussions are anonymous to Swire Bulk (note: if repatriation is required, then specifically for our sector, the identity of the seafarer will have to be revealed for the office to facilitate this).

Effectiveness and consultation

Swire Bulk's Sustainable Development department works with various stakeholders within the Company and at the Group level to ensure we have a robust governance structure.

We monitor and review our policies and procedures to ensure they reflect recent regulatory compliance. As a member and strong supporter of The Mekong Club, we receive latest guidance documents developed by them through the regular members' meetings. We will continue to work with The Mekong Club to further strengthen our governance and will seek further guidance on best practices in combatting MS within our business and value chain.

II. Looking ahead

We will focus broadly on the following areas over the next financial year:

- **Governance**

We will continue reviewing and strengthening our policies and procedures, with recommendations from The Mekong Club, to ensure they appropriately address modern slavery risks within our operations and our supply chain.

We will work to ensure that the appropriate contractual clauses related to modern slavery and human trafficking are included in all our new supplier and chartering agreements (where possible) and we will be working through our existing contracts to also incorporate these.

We also will work with our Operations, Chartering and Legal teams on further strengthening our contractual requirements and due diligence process.

We will continue focusing on third-party fleet managers and manning agencies while assessing MS risks in our supply chain.

- **Training**

We will continue to ensure that all our employees globally undergo MS training as part of our annual compliance training.

Our KPIs are:

- 100% of our shore-based employees to undertake MS training annually and
- to present the topic of MS at all Safety Awareness Courses.

We will work with The Mekong Club on the development and implementation of deeper-dive trainings on specific topics or elements of modern slavery.

We will produce and launch Supplier MS training module for our higher-risk suppliers. We have received assistance from The Mekong Club on the training module and will incorporate their feedback before launching it.

- **Assessments**

We will undertake The Mekong Club Baseline Assessment to better identify how we can further strengthen our approach to combating modern slavery within our business and our supply chain.

We will map our material global suppliers by December 2022 and identify high risk suppliers.

We will work on further understanding where the MS supply chain risk is and which industries / materials it includes. We will use the Modern Slavery Risk Assessment Process.

We aim to work with various Business Units to ensure we have a robust governance structure and build management capacity of Modern Slavery risk assessment and management.

This statement has been approved on behalf of the Board of Directors by

Peter Norborg

A handwritten signature in black ink, appearing to read 'Peter Norborg', written in a cursive style.

CEO, Swire Bulk