



Statement on Modern Slavery and Human Trafficking (2022)

Introduction

This is the second annual Modern Slavery (“MS”) Statement published by Swire Bulk Pte. Ltd. (Swire Bulk) and covers the financial year ending December 31st, 2022.

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 2022.

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. None of these companies are publicly quoted on any stock exchange, and are ultimately owned by John Swire & Sons Ltd., based in London.

Swire Bulk, the specialist bulk trading arm of the multinational Swire Group, is a leading vessel Owner and Operator in the dry bulk geared sector with a trading fleet of around 125 Handysize and Supramax/Ultramax vessels controlled by eight commercial offices around the world. Its global headquarters is situated in Singapore. Swire Bulk operates one of the most modern and fuel-efficient fleets on the water. With a diversified cargo base and a balanced vessel operating mix between owned and chartered tonnage, Swire Bulk is well-placed to be a long-term partner of choice for its global customers and deliver market-leading, innovative, and sustainable freight solutions.

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;
- Technical 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 [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 appointed by the flag states in compliance with ILO Maritime Labour Convention (2006) (MLC) requirements.

Our third-party ship managers use several manning agencies in various countries around the world. Audits of the manning agencies are a part of the appointed third-parties' annual internal Document of Compliance (DOC) audits and performed 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 owned vessels.

For our chartered-in fleet, Swire Bulk only selects vessels that meet the requirements of RightShip Safety score of 3 and above. RightShip assesses and maintains the vetting status of all vessels subject to overall safety and operational performance in last 5 years. The score covers Human Rights criteria including living and working standards, protection of seafarers' rights and conditions of employment. It also ensures that vessels are not a subject to the abandonment cases or associated with such.

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 was 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 2022.

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 2022 we undertook the following actions to mitigate forced labour risks:

- Performed formal Risk assessment of our third-party ship management companies;
- Distributed self-assessment questionnaires to the most material bunker suppliers and third-party ship managers;
- Mapped out our value chain to better understand MS risks;
- Continued to raise awareness of MS risks with relevant business units including Operations and Chartering;

- Provided annual compliance training for all our employees on Modern Slavery (see section below);
- Undertook ongoing implementation of a Whistleblowing process through several channels.

Governance

Swire Bulk's Sustainability team (part of the Sustainability and Decarbonisation 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 is a member of [The Mekong Club](#), 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 2022, 150 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 UK MS Act and accompanied by the course test.

We also raise awareness of MS amongst our seagoing employees during the Safety Leadership Courses conducted internally throughout the year. In 2022, 131 Swire Bulk senior officers attended these sessions.

We produced and launched Supplier MS training module for our higher-risk suppliers. 10 suppliers (one person from each company) undertook the training.

Assessments and engagement

We undertook 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.

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.

We prohibit all manning agencies to charge recruitment fees or impose any form of debt bondage. This requirement is included as part of the manning agencies audit process.

In addition to the above, manning agencies are required to have policies and procedures to prevent any forms of forced labour including but not limited to physical and sexual violence, withholding of wages, retention of identity documents, and restriction of movement.

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 societies recognised by Flag State.

Addressing potential Modern Slavery Risks during COVID-19

We continued to support our seafarers during the first part of 2022 before the global pandemic restrictions started to slowly ease up. Swire Bulk, through the contracted third-party ship managers, worked with manning agencies to ensure that our seafarers were protected.

The impact of the pandemic on the seafarers was significant. Swire Bulk placed high priority on managing crew health, welfare, repatriation, and general wellbeing of all personnel whether on owned or third-party tonnage. Responsibility for arranging, and paying, for all quarantine requirements ashore, both pre-joining and enroute back home, and the various testing protocols were undertaken by the Company.

When vessels were deviated to ports to allow for crew changes to take place, the Company took responsibility for all associated costs. Regular sessions were held via videoconferencing between the vessels and third-party ship managers, focusing on crew wellbeing and safety, and allowing for a 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 the seafarers, our shore-based employees and their dependents 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).

Delivering on Seafarers' Rights

The Sustainable Shipping Initiative, in partnership with the Institute for Human Rights and Business and RightShip, developed the self-assessment questionnaire for shipowners, operators, charterers and cargo owners to understand the extent to which current operations meet their seafarers' rights and welfare obligations.

The questionnaire provides practical guidance on meeting the Code of Conduct – Delivering on seafarers' rights and is based on international labour and human rights standards and principles. The Code of Conduct goes beyond the ILO Maritime Labour Convention (MLC) and focuses on the full spectrum of seafarers' rights and welfare, from fair terms of employment and crew protection to availability and appropriate management of grievance mechanisms.

Swire Bulk's third-party ship managers completed the self-assessment and obtained the Rightship badge.

Effectiveness and consultation

Swire Bulk's Sustainability and Decarbonisation 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 ship managers and manning agencies while assessing MS risks in our supply chain.

- **Training**

We will continue to ensure that all our shore-based 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 Leadership and Awareness Courses for seafarers.

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

- **Assessments**

We will map our material global suppliers by December 2023 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', with a stylized flourish at the end.

CEO, Swire Bulk