



Statement on Modern Slavery and Human Trafficking (2023)

Introduction

This is the third annual Modern Slavery Statement published by Swire Bulk Pte. Ltd. (Swire Bulk) and covers the financial year ending December 31st, 2023. Past statements can be found on the website.

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

As a business with an ethical framework of good employment practices, Swire Bulk is committed to providing good working conditions for 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 stakeholders and relevant regulators to combat this issue, wherever and whenever the Company may become aware of it.

There have been no incidences of modern slavery reported within Swire Bulk’s operations, or in its supply chains, globally within the calendar year 2023.

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 112 Handysize and Supramax/Ultramax vessels controlled by six 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, related to loading and discharging of bulk cargo;

- Logistics, e.g. cargo lashing services;
- Technical fleet Management, e.g. management of maintenance, spare parts and crew-manning;
- Ship procurement, e.g. ship building yards and shipowners of chartered-in vessels; and
- IT- and Corporate-related services.

Swire Bulk is the end users of products and does not manufacture any goods or use raw materials.

Governance

Swire Bulk's Sustainability team (part of the Sustainability and Decarbonisation Department) coordinates the modern slavery governance process within the organisation.

One of the goals under the Sustainability Strategy (SwireBulkTHRIVE) is: to ensure that Swire Bulk champions labour rights and enforces MSA requirements.

Swire Bulk has been working with [The Mekong Club](#), a non-profit organisation that works with the private sector to bring about sustainable practices against modern slavery across the globe. Swire Bulk has full access to The Mekong Club's wide range of online resources, engages in regular dialogue with the Club and has been using different toolkits to improve Swire Bulk's management of modern slavery.

Policies, Procedures and Risk Assessment

The Supplier Code of Conduct, which is part of the Corporate Code of Conduct, contains guidance relating to the Company's employment practices, as well as clear prohibitions against the use of bonded, child, coerced, forced, indentured or involuntary labour in any form. All suppliers with a contractual agreement are required to follow the Supplier Code of Conduct.

Swire Bulk is committed to comply with all applicable national labour laws and International Labour Organisation (ILO) conventions and UN Convention on the Law of the Sea (UNCLOS).

Recognising that modern slavery as an issue that has become increasingly visible, a Modern Slavery Policy has been put in place. The Human Rights Policy outlines the Company's commitment to respect the human rights across its operations and value chain. Policies are reviewed and enhanced (if required) at least annually, and can be found on the website (<https://swirebulk.com/sustainability/sd-governance>).

Appropriate contractual clauses related to slavery and human trafficking are included in all new service agreements whilst continuous work is also done to strengthen existing contracts.

Protecting Human Rights of Seafarers

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

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).

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, 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. Swire Bulk's personnel and third-parties are encouraged to use the whistleblowing channels and relevant management will then diligently investigate all reports. Any grievances received are anonymised and reported in the annual Sustainability report.

A Confidential Reporting hotline has also been provided to deal with any issues. The process is clearly defined in the Grievance and Dispute Settlement Policy, which is available to all employees.

Swire Bulk's third-party ship managers subscribe to confidential crisis helplines and multilingual hotline services. This is made available to seafarers at no cost to the individuals. Seafarers are encouraged to use these 24-hour helplines if they feel they may need assistance from an independent third-party.

Actions Taken in 2023

Policies

The Supplier Code of Conduct was reviewed and updated to cover more specific areas of modern slavery.

Risk Assessment

A framework for identifying critical suppliers was established, reflecting operational risks. The framework allows for segmentation of suppliers based on supply chain risks, Transparency International's Corruption Perception Index, Global Slavery Index's Vulnerability score, country-level risks as well as business leverage insights to determine critical suppliers.

For the chartered-in fleet, Swire Bulk only selects vessels that meet the requirements of RightShip Safety score of three and above. RightShip assesses and maintains the vetting status of all vessels subject to overall safety and operational performance in the last five years. These measures ensure *inter alia* appropriate minimum safety standards, and human rights criteria including living and working standards, protection of seafarers' rights and conditions of employment.

Assessments and engagement

The existing supplier sustainability self-assessment questionnaire was enhanced. This questionnaire is intended to be used as part of the framework for assessing critical suppliers.

Swire Bulk outsources ship management services to third-parties. All subcontractors are carefully selected, following a thorough due diligence process before entering 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 2006) requirements.

The 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 audit and inspection reports for all our owned vessels.

The manning agencies used globally were assessed as low risk with respect to the MSA. All manning agencies are certified as MLC 2006 compliant. The requirements of the MLC 2006 cover aspects of the MSA.

All manning agencies are strictly prohibited 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.

Swire Bulk is audited annually by the Group Internal Audit Department on how the Company manages third-party contractors and their policies and procedures.

Together with key internal stakeholders, the aim is 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 supply chain risks, conducting due diligence on suppliers and supply chain partners, Swire Bulk ensures that its 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 Swire Bulk owned and chartered-in vessels are MLC 2006 certified. This is periodically verified through annual internal audits and during external audits by classification societies recognised by Flag State. Swire Bulk developed a voluntary questionnaire for crew members of the chartered-in fleet to better understand risks that include human rights and modern slavery. .

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 MLC 2006 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 annual self-assessment and obtained the Rightship badge.

Grievances Reports received

There was one grievance related to potential modern slavery or labour conditions received in 2023 through one of the third-party ship management companies. It was investigated in accordance with the established process and found unsubstantiated.

Training

Modern slavery awareness training is a part of the broader governance compliance training (together with training on Corporate Code of Conduct, Anti-Bribery and Corruption, Anti-Trust, Workplace Harassment Prevention, Cyber Security and General Data Protection Regulation). This training is established for a) all new employees upon joining, and b) all current employees for training annually.

During FY 2023, 137 employees, (100% of shore-based employees), undertook the training. The training is done via Swire Bulk's internal online portal and consists of a 10-minute module on understanding the UK MSA and accompanied by the course test.

Swire Bulk also promotes awareness of modern slavery amongst seafarers during the Safety Awareness Courses conducted internally throughout the year. In 2023, 92 senior officers on Swire Bulk owned vessels attended these sessions.

In consultation with The Mekong Club, a supplier modern slavery training module, with associated questionnaire was developed for higher-risk suppliers.

Effectiveness and consultation

Swire Bulk's Sustainability and Decarbonisation Department works with various stakeholders within the Company and at the Group level to embed robust governance structures in the Company's operations.

In order to ensure the ability to identify and respond to modern slavery risk in relation to seafarers, Swire Bulk engages in regular dialogue with the third-party ship management companies.

Together with the Operations, Chartering and Legal teams, the Sustainability and Decarbonisation Department continues to further strengthen the contractual requirements and due diligence process. Relevant policies and procedures are monitored and reviewed to ensure relevant regulatory compliance. As a member and strong supporter of The Mekong Club, Swire Bulk receives latest guidance documents through the regular members' meetings, and will endeavour to continue to strengthen its governance and guidance on best practices in combatting modern slavery within the business and value chain.

Looking ahead

These are the focus areas over the next financial year:

Governance

Swire Bulk will continue reviewing and strengthening relevant policies and procedures, with recommendations from The Mekong Club, to ensure these address modern slavery risks within its operations and supply chain.

Swire Bulk will continue to ensure that the appropriate contractual clauses related to modern slavery and human trafficking are included in new supplier contracts and will be working towards including the same clauses in chartering agreements (where possible) and in existing contractual terms.

Swire Bulk will continue focusing on and working closely with third-party ship managers while assessing modern slavery risks in its supply chain.

Training

Swire Bulk will continue to ensure that all shore-based employees globally undergo modern slavery training.

The KPIs are:

- 100% of shore-based employees to undertake modern slavery training annually; and
- to present the topic of modern slavery at all Safety Awareness Courses for seafarers.

Assessments

Swire Bulk will work further on understanding where the modern slavery supply chain risks are and which industries/materials might be potentially high risk. Swire Bulk will continue to review its critical suppliers, identified through the updated framework, and conduct self-assessments when and as required.

Swire Bulk will continue to strive to engage owners of chartered-in tonnage to ensure their adherence to human rights and modern slavery standards. The Company will aim to distribute the voluntary questionnaire to the crew of the chartered-in fleet to understand how human rights and modern slavery risks are managed.

Swire Bulk will continue to work with various business units to ensure a robust governance structure is in place and will 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

Chief Executive Officer, Swire Bulk

28 June 2024