



Statement on Modern Slavery and Human Trafficking (2022)

Introduction

This is the seventh annual Modern Slavery (MS) Statement published by Swire Shipping Pte. Ltd. (Swire Shipping), for the financial year ending December 31st, 2022. Our past statements can be found on our website, see [here](#).

Swire Shipping recognises modern slavery as an issue that 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 both a history and an ethical framework of good employment practices, Swire Shipping is committed to providing good working conditions for our employees, according to international standards, and to protecting their safety, health, and wellbeing.

Swire Shipping 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, or uncovered during our risk-based audits of either Swire Shipping’s operations, or in our supply chains, globally within the calendar year 2022.

Organisational structure, operations, and supply chains

Swire Shipping Pte. Ltd. has operational headquarters in Singapore, operating under the brand name ‘Swire Shipping’. This entity is a wholly owned subsidiary of Swire Marine Holdings Pte. Ltd. which in turn is a subsidiary of an investment holding company, The China Navigation Company Limited. None of the abovementioned companies are publicly quoted on any stock exchange and Swire Shipping Pte. Ltd. is ultimately owned by John Swire & Sons Ltd., registered in London.

With over 3,000 shore-based and seafaring employees, and offices across 21 countries and regions, we facilitate trade in more than 70 countries. Swire Shipping is a ship owner and operator and has agencies, branches, regional offices and subsidiaries in American Samoa, Australia, Canada, the Chinese Mainland, Fiji, Germany, Hong Kong SAR, India, Indonesia, Japan, New Caledonia, New Zealand, Papua New Guinea, Samoa, Singapore, Solomon Islands, Taiwan region, Tonga, United Kingdom, United States of America and Vanuatu.

Swire Shipping provides specialist customer solutions for a wide range of cargo and aims to provide a full suite of land and ocean solutions. We offer:

- high frequency liner shipping services through our **liner division** for the global transportation of containerised, refrigerated, breakbulk, heavy lift, project, and mini-bulk cargoes;

- specialist shipping services to the renewable energy, resources, and infrastructure sectors in the project logistics market through **Swire Projects**; and
- **Swire Integrated Logistics** services including customs clearance, inland transportation services, and cargo management solutions, which complement our liner shipping products.

Swire Shipping works with thousands of diverse suppliers globally, with the majority located in Australia, , New Zealand, Papua New Guinea, Singapore and United States of America. Swire Shipping's supply chain covers *inter alia*:

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

Swire Shipping provides technical ship management services ranging from repairs, maintenance and crew management, to procurement of spares and supplies.

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

Recognising that modern slavery as an issue has become increasingly visible, we have put in place our [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 Shipping. 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 use several manning agencies in various countries around the world. Swire Shipping carries out annual audits of manning agencies, to ensure that they are in continued compliance with the Maritime Labour Convention 2006 (MLC 2006), National

and International regulations and company standard. Any non-compliances must be resolved within three months, or earlier. As part of the audit, we ensure that there are no recruitment fees being charged to the seafarers to gain employment with us.

We also outsource a small percentage of our ship management services to third-parties. The third-party ship management companies are audited annually by Recognised Organisation appointed by the flag state in compliance with ILO MLC 2006 requirements.

For our chartered-in fleet, Swire Shipping endeavours to only select vessels that meet the requirements of RightShip Safety score of three and above. RightShip assesses and maintains the vetting status of vessels subject to overall safety and operational performance in last five years. The assessment covers *inter alia* safety, regulatory compliance and human rights criteria including living and working standards, protection of seafarers' rights and conditions of employment.

We performed supply chain risk assessments within Swire Shipping supply chain and assessed risk based on labour, environment, health and safety, country-level risks as well as business leverage insights to determine high-risk suppliers. As a result, high-risk suppliers were identified and assessed. We will be revisiting our risk assessment methodology in 2023 to ensure that we use current risk indices.

Protecting Human Rights of Seafarers

Swire Shipping 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

Approximately 70% of our seagoing employees are covered under a Collective Bargaining Agreement (CBA). All other seagoing employees are employed on the Company's terms and conditions, which are on par with, or higher than, the International Transport Federation's CBA terms. All contractual conditions are in accordance with the ILO MLC 2006.

We were signatories to the Global Maritime Forum-initiated "[Neptune Declaration on Seafarer Wellbeing and Crew Change](#)". This was a worldwide call to action to seek to end the unprecedented crew change crisis caused by COVID-19. This was still relevant during the first part of 2022 before the global pandemic restrictions started to slowly ease up.

Reporting channels

Swire Shipping has a [Whistleblowing Policy](#) in place for shore-based and seagoing employees in addition to allowing third-parties to report any suspected issues. It details the 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 Shipping personnel and third-parties to use

our whistleblowing channels and relevant management will then diligently investigate all reports. We report any grievances received (anonymised) in our annual Sustainability 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 have reviewed our processes and undertook the following actions to mitigate forced labour risks:

- Distributed self-assessment questionnaires to the most material bunker suppliers and third-party ship management company;
- Continued to raise awareness of MS risks with relevant business units including Procurement and Crewing;
- Provided annual compliance training for all our shore-based employees on Modern Slavery;
- Continued to raise awareness about Modern Slavery amongst our seagoing employees;
- Ongoing implementation of a Whistleblowing process through several channels.

Governance

Swire Shipping's Sustainability team (part of the Sustainability and Decarbonisation Department) coordinates the Modern Slavery governance process within the organisation.

We have a risk-based assessment process for our material global suppliers. Based on this, we have prioritised assessments for the detection and prevention of forced labour in our supply chain.

Appropriate contractual clauses related to slavery and human trafficking are included in all our new service agreements and we are also continuing to work through our existing contracts to strengthen them.

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. We have regular dialogue with members of The Mekong Club and work with them on further strengthening our approach to combating modern slavery within our business and our supply chain.

Modern Slavery (MS) Awareness Training

MS awareness training is a part of our 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 (GDPR)), and the Talent and Organisational Development team has the training set up for a) all new joiners on joining, and b) all current employees are scheduled to undergo training annually.

We are pleased to report that during FY 2022, 1,159 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 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, 248 Swire Shipping senior officers attended these sessions.

With consultation with The Mekong Club, we developed, and launched a Supplier MS training module for our higher-risk suppliers. 10 suppliers (one person from each company) undertook the training.

Assessments and engagement

In 2022 we carried out self-assessments for seven material suppliers in the higher risk category of our supply chain. These assessments gave us an insight into the state of supplier maturity against MS areas and allowed us to propose improvements to strengthen their governance systems. No serious non-conformities were recorded.

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 Shipping conducts annual audits of the manning agencies to ensure compliance with company procedures and international regulation including the MLC.

We prohibit all manning agencies to charge recruitment fees or impose any form of debt bondage. This requirement is included in the manning agreement as well 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 our 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.

The impact of the pandemic on the seafarers was significant. We placed high priority on managing crew health, welfare, repatriation, and general wellbeing of all our seagoing employees. 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.

We continued to ensure that all contract extensions were mutually agreeable with highest respect for our employees' safety and human rights and prioritised crew changes based on the length of contract duration.

Regular dialogue sessions between the vessels and ship managers continued, focusing on crew wellbeing and safety.

We subscribe to Befrienders Worldwide, an international network of crisis helplines and multilingual hotline service. This is made available to our seagoing and 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 Shipping (Note: If the 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

Swire Shipping worked with both the Sustainable Shipping Initiative, in partnership with the Institute for Human Rights and Business and Rightship, on the development of an industry Code of Conduct for Delivering on Seafarers' Rights. As a result of this collaboration self-assessment questionnaire against the Code of Conduct was developed for shipowners, operators, charterers and cargo owners to understand the extent to which current operations meet their seafarers' rights and welfare obligations.

This questionnaire provides practical guidance on meeting the Code of Conduct – Delivering on Seafarers' Rights and is based on international 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 Shipping completed the self-assessment and obtained the Rightship badge.

Effectiveness and consultation

Swire Shipping'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 continue to build management capacity of Modern Slavery risk assessment and management by working with various departments.

We are in regular dialogue with all our manning agencies to ensure that we are able to identify and respond to MS risk(s) in relation to our seagoing employees. We also regularly work with our Procurement and Legal teams on further strengthening our contractual requirements and due diligence process.

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 continue to work to ensure that the appropriate contractual clauses related to slavery and human trafficking are included in new supplier agreements and we will be working through existing contracts to also incorporate these.

We will revise our risk-assessment framework for identifying critical suppliers and assess them for Environmental, Social and Governance aspects, including modern slavery, against relevant and updated criteria.

We will map out our value chain and assess our suppliers against the risk-assessment framework.

- **Training**

We will continue to ensure that all our employees globally undergo MS training.

Our KPIs are:

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

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

- **Assessments**

We will work on further understanding where the MS supply chain risk is and which industries / materials it includes. We will use our updated risk-assessment framework to support this risk assessment process.

We aim to work with our various business units to help ensure they allocate more resources for more targeted and value-added site visits as a key component of our ongoing programme.

We aim to allocate additional resource with specific responsibility for supply chain sustainability, including assessing and auditing for MS and other human rights issues.

This statement has been approved by

Jeremy Sutton

Managing Director

on behalf of Swire Shipping Board of Directors

28 June 2023

[1] References to “**Swire Shipping Pte Ltd**” or “**Swire Shipping**” in this Policy include Swire Shipping, Swire Projects and Swire Integrated Logistics (which are divisions of Swire Shipping Pte Ltd), Swire Shipping Agencies and Westwood Shipping Lines (from 30 June 2022) and/or, as the context may require, any of their respective subsidiaries or group companies.