



CHINA NAVIGATION

SUSTAINABLE DEVELOPMENT REPORT

for the year
2015



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This CNCo Sustainable Development (SD) Report for the calendar year 2015 is written in accordance with the latest GRI guidelines: G4 (Standard Disclosures – Core). A Materiality Assessment was undertaken with internal and external stakeholders to determine which GRI Aspects are material to our business and reported.

This SD report comprises four main sections: Safety, Our People, Communities and Carbon/ Environment. CNCo has continued its commitment to transparently report its performance in the areas covered by the Social Responsibility standard: ISO 26000:2010, viz. Governance, Human Rights, Labour Practices, The Environment, Fair Operating Practices,

Consumer Issues and Community Involvement and Development.

All data presented in this report cover entities and operations within the CNCo group's Operational and Organisational Boundaries (see page 5) and is our status as at 31 Dec 2015, unless otherwise stated.

Material aspects

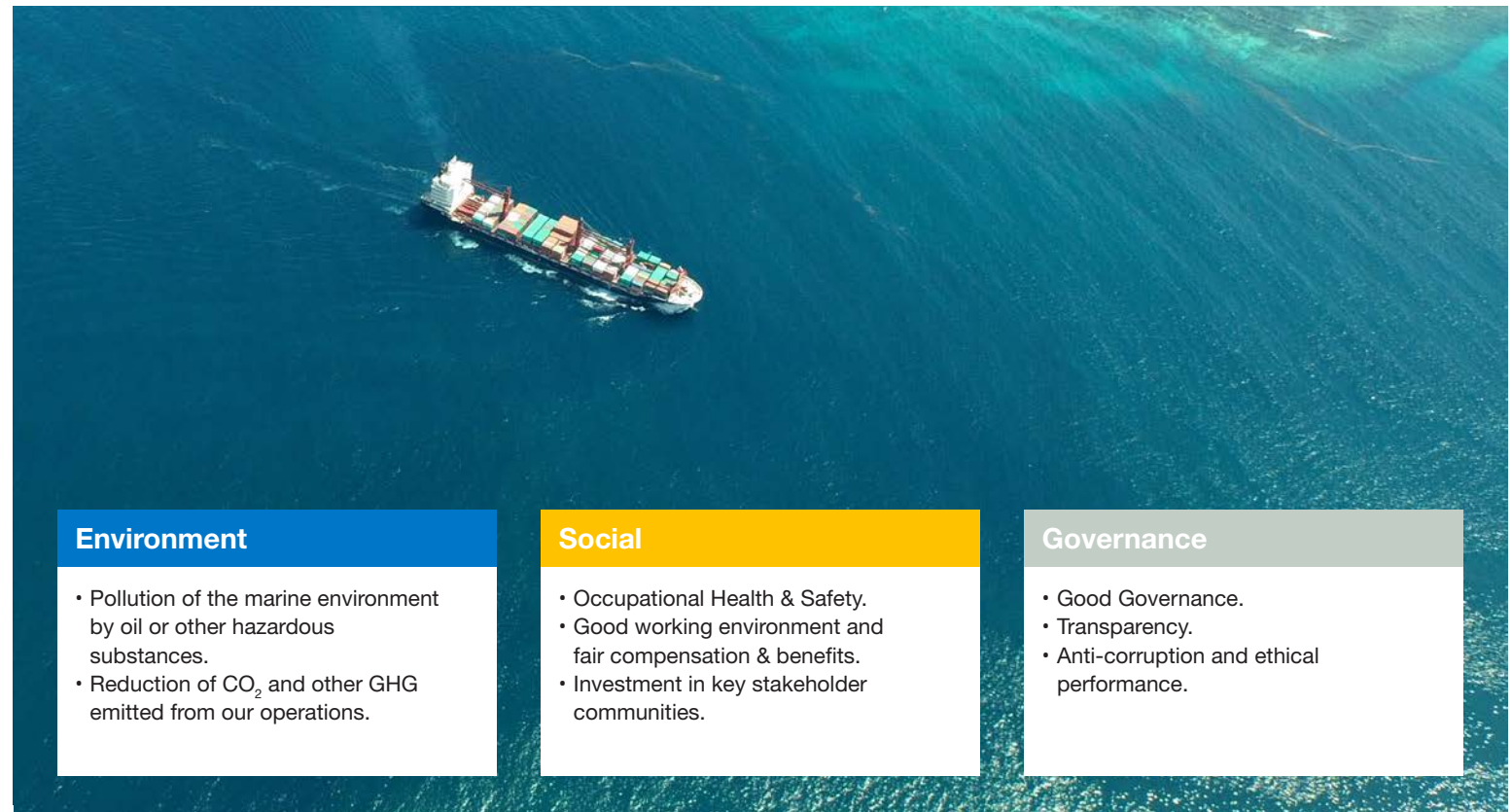
Materiality is based on the responses collected mainly from our internal stakeholders while a more targeted approach to external stakeholder engagement is being developed.

The feedback was collected through survey questionnaires where respondents rated the various components that make an organisation “Socially Responsible”.

Areas that had a weighting of over 95% are presented below, aligned to the three pillars of sustainability: Environmental, Social and Governance, and are addressed in greater detail throughout this report.

The full table with scores is included on page 56.

The topics on the right are relevant for all CNCo entities and in all geographical locations we operate.



Environment	Social	Governance
<ul style="list-style-type: none"> • Pollution of the marine environment by oil or other hazardous substances. • Reduction of CO₂ and other GHG emitted from our operations. 	<ul style="list-style-type: none"> • Occupational Health & Safety. • Good working environment and fair compensation & benefits. • Investment in key stakeholder communities. 	<ul style="list-style-type: none"> • Good Governance. • Transparency. • Anti-corruption and ethical performance.



Dear friends of China Navigation,

Thank you for the warm welcome back to China Navigation. It is a much larger company than the one I left eight years ago to join Cathay Pacific and once again, I look forward to working with all my colleagues and business partners. The global shipping industry is in choppy waters and the near future outlook remains gloomy. Thanks to the tireless work of former MD, Tim Blackburn, and the team at China Navigation, we have an excellent foundation to build on focusing on safety and operational excellence and cost-reducing strategies.

The China Navigation Company has been in business since 1872. Our business has stood the test of time because we have always looked ahead and made decisions based on long term

sustainability. We do not see our business as separate from the world. We depend on it, and wish to help shape it positively. When we build businesses, we seek to build communities. When we employ people, we provide them with a safe and healthy working environment and help fulfil their potential. When we use resources, we seek to protect the environments that provide them. We are convinced that sustainability is critical for China Navigation to grow and achieve business excellence.

Despite 2015 being another challenging year for shipping, China Navigation continues to take a long term view of our business and 2015 has been a year of expansion and a flurry of business activity and new initiatives.

China Navigation's vision is to be the leading provider of sustainable shipping solutions and our customers' partner of choice. Our commitment to leadership in sustainability is anchored firmly in our company values.

Build rewarding, sustainable and long-term relationships with our customers

In 2015, China Navigation's multipurpose liner shipping division, Swire Shipping, introduced numerous service enhancements to provide our customers in the key Asia Pacific markets

with greater frequency and improved transit times. The multipurpose sector is not immune to the global down turn with container freight rates at all-time lows and breakbulk volumes remaining relatively depressed. Swire Shipping has taken a conscious view to operate as an integrated network and to focus on operational excellence, cost control opportunities and synergies within the business. China Navigation has also invested in and deployed 12 new fuel-efficient multipurpose vessels into the network to help achieve operational excellence and cost leadership.

China Navigation's newbuilding programme of 41 vessels include 28 handysize bulk carriers. These vessels have been specifically designed with China Navigation's long term sustainability objectives in mind. They represent the most fuel efficient designs currently on the water, fitted with systems to optimise speed and consumption ratios to minimise their environmental impact. In line with this expansion, Swire Bulk, the dry bulk operating division of China Navigation, opened an Australian desk in Melbourne in November 2015. By the end of 2015, Swire Bulk was operating from five locations - Singapore, London, Tokyo, Melbourne, and San Francisco. There will be further expansion of the Swire Bulk team in 2016 as we continue to take delivery of our new bulk carriers which will be completed in 2016.

In February 2015, Swire Bulk Logistics, the industrial shipping division of China Navigation, entered into a long term partnership with New Zealand's Golden Bay Cement to build and operate a self-discharging cement carrier.

China Navigation's first regular shipping service to New Zealand was established in 1883. This partnership reinforces CNCo's long term commitment to developing New Zealand's coastal shipping industry, critical in supporting the country's infrastructural development. The vessel is expected to commence operations in late 2016.

It is our people, both ashore and at sea, who make the difference in our journey towards sustainability. Apart from the core business activities, much work was put in by all of China Navigation's employees in 2015 to achieve our sustainability targets. This report details the contributions of China Navigation's fleet and offices towards four sustainability focus areas - Safety, People, Community and the Environment.

I should like to thank our employees, partners and customers for contributing to another successful year on our sustainability journey. This comprehensive report has been written in accordance with the latest GRI guidelines: G4. China Navigation will continue to record our sustainable development progress in a transparent manner and share our insights with our stakeholders, as only by working collectively can shipping successfully contribute towards a sustainable future.

James Woodrow

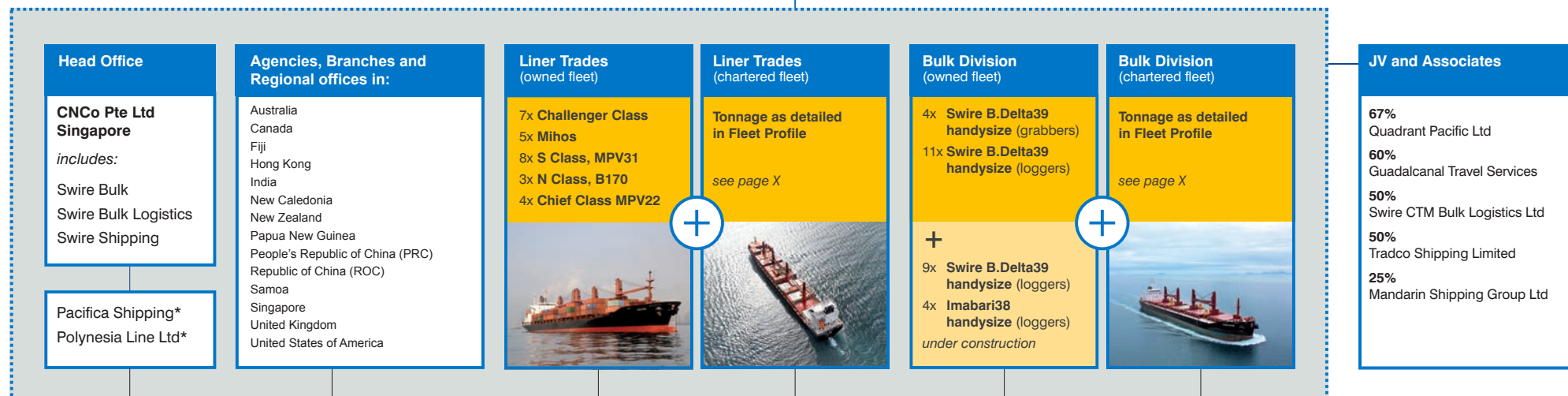
A handwritten signature in black ink, appearing to read 'J Woodrow'.

China Navigation continues to take a long term view of our business and 2015 has been a year of expansion and a flurry of business activity and new initiatives.

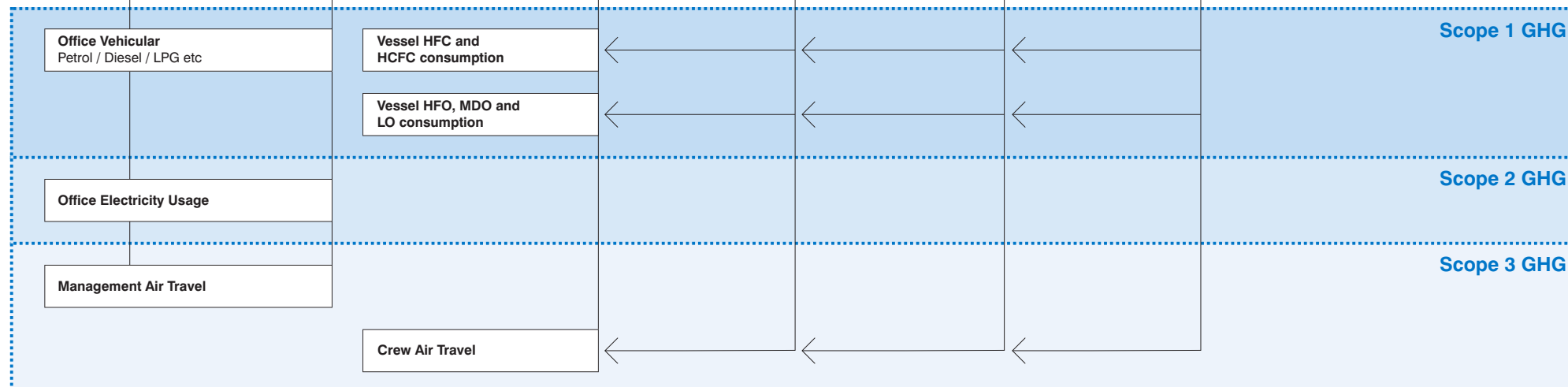
THE CHINA NAVIGATION COMPANY

*100% owned, but independently managed

Organisational Boundaries



Operational Boundaries



2015 was a year of significant achievements for CNCo.

Environmental:

- We built and delivered 12 eco-efficient vessels for our fleet, designed from the outset to reduce the possibility of pollution from deck hydraulics, and with a hull and main propulsion design to reduce the vessels environmental footprint;
- We also used slow steaming, Marorka™ and Trim Optimisation together with other improvements to increase fuel efficiency and reduce emissions to air;
- The use of the International Maritime Organization's (IMO) Energy Efficiency Operational Index (EEOI) as a metric bore fruit as we achieved a reduction in our CO₂ emissions of 8.6% in 2015;
- We specified "only Green Mark & Green label building products" in our Singapore office renovation;
- We continued the renewal and expansion of our container fleet by producing 2,000 "Green boxes", eliminating 44 tonnes of Volatile Organic Compound (VOC) emissions. By the end of 2015, 25% of CNCo's 20'DY containers are eco-friendly.

Social:

- We increased our office staff by 24% and sea staff, which includes those onboard plus those on leave, by 37% from 2014 levels, as our owned and operated fleet size increased by 21%, year-on year;
- We supported our communities: especially in the provision of support to the communities in Vanuatu who were affected by floods post Tropical Cyclone Pam. Sadly, we expect these natural disasters to increase in number and intensity until the world succeeds in reducing anthropogenic global warming. However with the year concluding with the agreement at UNFCCC CoP21 in Paris after years of fruitless debate, we believe we can be more hopeful in achieving this;
- We established a two-year management trainee programme in Singapore to recruit and develop the best talent. This is important to our sustainability journey.

Governance:

- We set stretch goals and targets leading to 2030 to ensure that CNCo continues to become a more sustainable business;
- We produced and circulated a CNCo-specific video explaining the Code of Conduct;
- CNCo maintained an active membership of the Sustainable Shipping Initiative (SSI) and the World Ocean Council;
- We devoted significant resources and expense to auditing and capacity building at a number of Sustainable Ship Recycling Facilities (SRF) in India. This is to ensure that when our ships reach the end of their commercially viable life, they are sent for recycling (which is in itself the most environmentally sustainable course of action for them) at a ship recycling facility (SRF) that is compliant with the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships. In 2016, we will be collaborating with other members of the SSI and the local association of SRF in Alang to expand this "beyond compliance" model, especially in the social and environmental areas to continuously improve the SRF and hopefully gain the support of the NGOs in due course.



Progress against CNCo's Strategic Scorecard 2030

CNCo revised the Strategic Scorecard and extended our goals to cover the timeframe till 2030, (while maintaining our 2016 goals as a progress checker). We continue to embed and expand sustainability into our operations.

Our Strategic Scorecard is revisited each year by CNCo's senior leaders, facilitated through our partnership with the Forum for the Future (FFF), a not-for-profit organisation which works globally with businesses to address sustainability challenges.

Reporting on progress is also done annually because of the longer term nature of the goals however progress reports and measurements are tracked monthly throughout the year. As at the end of 2015, we were on track against the majority of the goals.

The progress is depicted below using traffic light indicators for:

Green: "On track"
Yellow: "Work in Progress"
Red: "More resources required"

Objectives	OPERATIONAL EXCELLENCE Promote innovation, operational excellence and provide safe, healthy and secure work environments			WINNING TEAM Develop an industry leading workforce and provide rewarding careers as an employer of choice		INNOVATIVE SOLUTIONS Provide value enhancing solutions for our customers	REWARDING PARTNERSHIPS Establish and enhance long-term, mutually beneficial relationships with our stakeholders	
2030 Goals	CAUSE ZERO HARM	ACHIEVE NET ZERO ENVIRONMENTAL IMPACT	EMBED "SEA CHANGE" TO OPTIMISE PERFORMANCE ACROSS ALL BUSINESS UNITS	EMPLOY THE RIGHT PEOPLE, IN THE RIGHT JOB, IN THE RIGHT PLACE, AT THE RIGHT TIME	SECURE A FULLY ALIGNED AND ENGAGED WORKFORCE	DELIVER MARKET LEADING SERVICES ACROSS COMMODITY SECTORS	ENGAGE IN STRATEGIC PARTNERSHIPS WITH OUR KEY CUSTOMERS AND SUPPLIERS ACROSS ALL BUSINESS UNITS	FOSTER SUSTAINABLE PARTNERSHIPS IN THE KEY COMMUNITIES IN WHICH WE OPERATE
	LTIFR AT ZERO ZERO HARM ZERO SPILLS OF MARINE POLLUTANTS	EEDI COMPLIANCE INDEX AT ≤ 80% FOR ALL RELEVANT LINER AND BULK SHIPPING VSLs ON DELIVERY TO CNCo EXISTING VESSEL DESIGN EFFICIENCY TO BE ≥ 50% BETTER THAN BASELINE ON DELIVERY TO CNCo FLEET OPERATING EFFICIENCY TO BE ≥ 50% BETTER THAN BASELINE IMPLEMENT 3 PILOT TECH. OR OPS. INNOVATIONS THAT CAN DEMONSTRATE A 50% REDUCTION IN AN ATMOSPHERIC ENVR. IMPACT OF THE LINER, BULK AND BULK LOGISTICS FLEETS	ACHIEVE GOLD STANDARD FOR PROCESS EXCELLENCE ACROSS ALL BUSINESS UNITS DEVELOP 3 HUBS TO PROMOTE FORTRESS PACIFIC (WEST, CENTRAL, EAST) IMPLEMENT AN INTEGRATED IT STRATEGY ACROSS ALL BUSINESS UNITS IMPLEMENT NETWORK OPTIMISATION TOOL TO DELIVER REDUCTION IN COST BASE BY 5% (AGAINST 2016 BASE LINE)	ACHIEVE ANNUAL STAFF RETENTION OF ≥ 95% DELIVER THE ANNUAL TRAINING PLANS AND ENSURE ALL STAFF ACTIVELY PARTICIPATE IN THE CNCo LEARNING AND DEVELOPMENT PROGRAMME ALL STAFF ALIGNED TO TECHNICAL AND MANAGEMENT COMPETENCY FRAMEWORK PROMOTE CADETSHIPS FROM THE PACIFIC ISLANDS TO MEET 25% OF SWIRE SHIPPING'S ANNUAL REQUIREMENT	ALL BUSINESS UNITS ARE IN THE TOP QUARTER OF A&E AS MEASURED BY BIENNIAL STAFF SURVEY ALL STAFF PARTICIPATE IN THE REWARD AND RECOGNITION PLATFORM	DESIGN 5 COMMODITY- SPECIFIC NEW CARGO-HANDLING SOLUTIONS DEVELOP 1 MARKET-LEADING LOW COST SHIPPING SOLUTION DEVELOP 5 SERVICES WHICH CHANGE THE WAY CUSTOMERS DO BUSINESS/OPERATE MORE SUSTAINABLY IAW THE OPPORTUNITY REGISTER	KEY CUSTOMERS TO OPERATE ACROSS 2 BUSINESS UNITS KEY CUSTOMERS RATE CNCo AS THEIR PARTNER OF CHOICE DEVELOP 2 VALUE-ADDED SERVICES WITH ALL KEY CUSTOMERS ESTABLISH 3 SUSTAINABLE AGRI-CARGO PROJECTS TO DELIVER SOCIO-ECONOMIC VALUE IN OUR KEY COMMUNITIES	DEMONSTRATE THAT ALL RELEVANT COMMUNITY PROJECTS ARE DELIVERING POSITIVE, AND INCREASING, SROI SUPPORT DEVELOPMENT OF PROGRESSIVE LEGISLATION AIMED AT SIGNIFICANTLY IMPROVING SUSTAINABILITY ESTABLISH THREE "SWIRE SPORT" PROGRAMME IN OUR PACIFIC ISLAND COMMUNITIES
2020 KPIs								

We continuously work towards our goal of Zero Harm to our stakeholders and environments, safeguarding the health and safety of all our employees and stakeholders by driving sustained safety excellence.

By having a strong safety focus together with robust reporting and learning culture we make safety everyone's priority.



The 21% increase in fleet size and 37% increase in sea staff over a short period has led to an unwelcome trend in our safety statistics as new employees take time to become familiar with our ethos, standards and operations, resulting in five avoidable lost time injuries (LTIs) being recorded for the fleet of 35 owned and operated ships.

While our commitment to Zero Harm continues to be driven hard by the company and our leaders, it is recognised that a rapid influx of new staff joining our ships (in 2015 64% of our sea staff have been on one to three voyages with CNCo) has presented a challenge in inculcating CNCo's safety culture deeply and quickly enough across the fleet.

Every effort was, and is being made to ensure that the quality of our crew is maintained to CNCo's high standards and a number of initiatives were introduced during 2015 to ensure that safety and quality standards were maintained and even raised to mitigate the risks for our expanding fleet. Two key initiatives were:

- the employment of three CNCo Quality Assurance (QA) Auditor Trainers who will carry out audits and provide on board training throughout the fleet, and
- the active involvement of the QA department in the selection of senior officers.

CNCo's permit to work (Toolbox Risk Identification Permit or "TRIP") is now embedded as an integral part of CNCo's safety culture. TRIPs are recorded for all work activities.

The number of TRIPs increased by 20% across the fleet in 2015, up to 187 TRIPs per month/ per ship. It is envisaged that this average number may level out even with the addition of more ships.

Near miss recording has not yet achieved the same level of reporting stability although it is encouraging to note that all ships are recording near misses as and when they occur. As before, the policy not to prescribe a number of near misses per ship is in line with driving reporting accountability among our sea staff.

The number of near misses has increased by 11% year-on-year since 2014 with four being the average number of near misses recorded per ship/ per month. This is in line with increased TRIP recording which is designed to reduce the likelihood of near misses from developing into full blown incidents. Near miss reporting is an important leading indicator of CNCo's safety culture. Additional efforts will be targeted in 2016 to ensure that the process remains robust especially during the final phase of the newbuilding programme.



CNCo's 4-Box alerting tool is being used by more stakeholders and continues to be very effective in alerting the Fleet to serious safety issues expeditiously and in a concise format. All CNCo ships carry out a review of 4-Boxes on a weekly basis. The meeting is led by a different member of the crew to reinforce accountability.

CNCo's key performance indicators (KPIs) for Port State Control inspections were mixed. While the fleet has worked extremely hard to achieve a 35% reduction in our deficiencies per Inspection (Dpl) to 0.89 Dpl, down from 1.38 in 2014, four detentions were recorded in 2015 – three for our Hong Kong registered ships and one for a Singapore registered ship. Investigations into the detentions revealed complacency and a lack of familiarity with the ships' systems and standards as the root causes.

A tough line has been taken by CNCo management on serious breaches of quality (and safety) control and sanctions. This includes dismissal, where warranted, after conducting thorough and open investigations.

CNCo has also been looking very closely at our procedures for inspections including follow-up and closure of reports. More work is planned to ensure this process remains effective and that our current resources and systems are suitable to meet this requirement.



CNCo's 4-Box alerting tool is being used by more stakeholders and continues to be a very effective method to expeditiously alert the fleet to serious safety issues.



Incident reports

- There was one case of harassment reported in 2015 which involved a newly employed Master. The Master was taken off the ship to be interviewed. An investigation was also conducted on board the vessel. Following the investigations, the Master was dismissed.
- The first known case of suicide on board one of CNC's owned and managed vessel was recorded in 2015. The officer on board the ship took his own life while the ship was at anchor off Lae Port, Papua New Guinea.

Extensive investigations were carried out and expert pathologists were employed to establish the actual cause of death. Support services within CNC and Swire Shipping were quickly activated to ensure that the family of the officer and the ship's crew were cared for during this period.

One action resulting from the investigation is the implementation of a CNC Well-being policy to ensure that the necessary level of emotional support for our employees is available. Relevant managers were trained to understand the issues and recognise the warning signs of depression and suicide. Access to a free, instantly and continually available Care line (Help Line), manned by well experienced and professionally trained external responders will be introduced across the company and fleet in 2016.

The full CNC Safety Statistics for sea staff can be found in the data section on page 52.

SAFE LOG-LASHING COURSE FOR UNITEAM

CNC has developed a safe log lashing course for Uniteam, one of our manning companies. The course was conducted in Myanmar in May 2015.

12 seafarers from different ranks took part in the course that was conducted on a large log-lashing station. The candidates received hands on safety training from an experienced Captain and performed all typical log lashing tasks on real equipment.

Although the practical course was intensive, it was safely conducted and all the theoretical material was well understood. It received high accolades from the participants.



Our people are at the core of CNCo's business operations. We are committed to providing a continuous learning environment where employees are empowered to reach their highest potential. We value our multinational workforce and actively promote an inclusive and diverse workplace with a strong focus on safety excellence.



Employment information

As at the end of 2015, CNCo employed 2,238 people in various locations around the world. Our employees come from 27 countries.

806 of our employees were shore-based, while the remaining 1,432 were seafarers (752 Officers and 680 crew members). Our teams, both ashore and at sea, continue to grow as our fleet size expands. The year-on-year increase from 2014 levels was 24% for land-based staff and 37% for sea staff (note: each position on a ship requires more than one person to fill as a proportion of crew are on leave at any time).

These increases are in line with our business growth strategy and require the management of challenges associated with rapid growth.

CNCo's expansive geographical footprint covers five Swire Bulk offices across Australia, Japan, Singapore, UK and USA. Swire Bulk Logistics operates from Indonesia, New Zealand and Singapore. Swire Shipping has significant employee representation in Australia, China, Hong Kong, New Zealand, Papua New Guinea and Singapore. There is a wider representation throughout the Pacific Islands, mostly operating under joint ventures or agencies and are not direct employees of CNCo.

As at the end of 2015, CNCo employed 2,238 people in various locations around the world. Our employees come from 27 countries.



The geographical breakdown of our office employees by key locations:

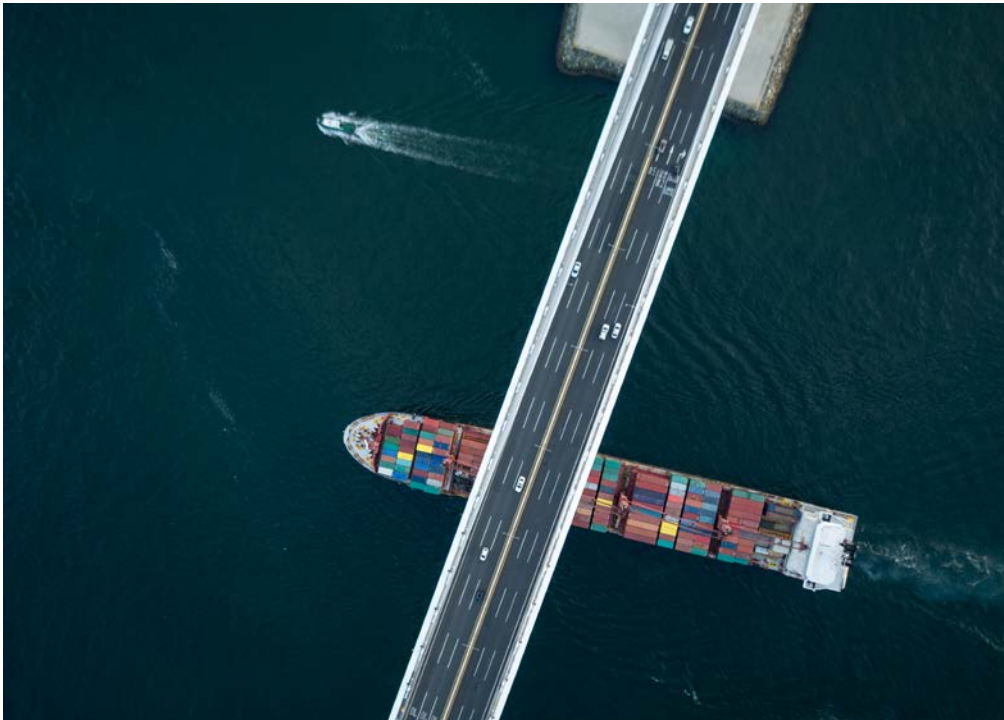
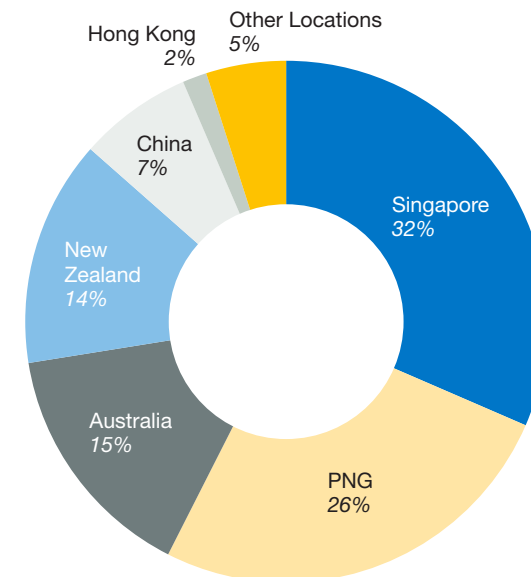
Singapore (Head Office) – 32%, Papua New Guinea (PNG) – 26%, Australia – 15%, and New Zealand – 14% with the remaining 13% based in Canada, China, HK, India, Indonesia, Japan, Taiwan, UK and USA.

The numbers are similar to 2014 with the exception of PNG showing an increase in staff strength from 21% in 2014 to 26% in 2015.

Geographical spread of CNCo group office personnel

	Office staff	% of total
Singapore (Head Office)	256	32%
Papua New Guinea	210	26%
Australia	121	15%
New Zealand	113	14%
China	56	7%
Hong Kong	13	2%
Other Locations*	37	5%
TOTAL	806	100

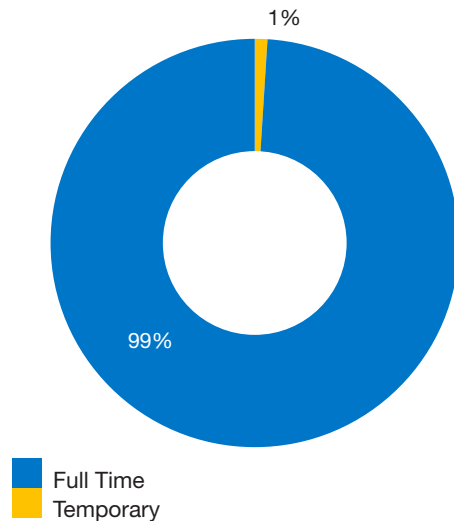
*Canada, India, Japan, Taiwan, UK and USA



Our seafarers came from 24 countries, representing an increase from 15 countries in 2014.



Type of employment

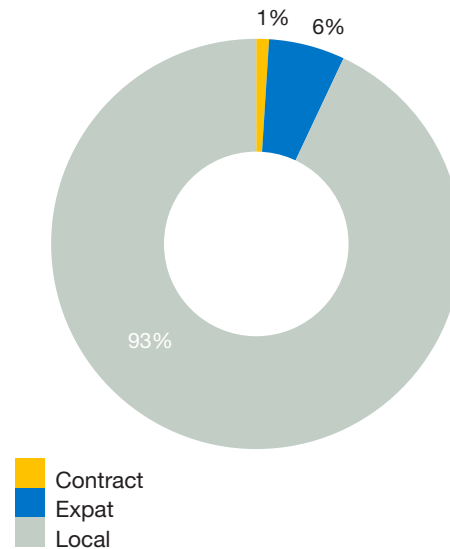


99% of our office workforce were employed on a full-time basis. The number of supervised employees who were “contractors” is immaterial (~1%).

Note:

Some sea staff, particularly Filipinos, are employed, as required by Philippine law, through the Philippine Oversea Employment Agency (POEA) on a contract by contract basis. We do not classify these as “contractors”.

Type of contract



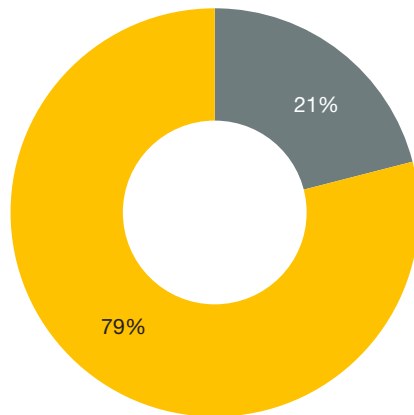
93% of our office workforce were classified as “local”, similar to 2013/14 figures. We define “local” as those who are a national or permanent resident of the country of employment. 6% were classified as “expatriates”.

Close to a third of this expatriate staff percentage are parent company managers who have a centrally planned rotation through internal postings within the Swire group. The rest are employed as industry experts and have long term careers with the company worldwide. 1% of staff were employed as consultants on a contract basis from time to time to assist with the implementation of new IT systems.



Overall staff retention in 2015 for office staff was 86% and 94% for sea staff (officers and crew).

Breakdown of management vs support roles



21% of our office employees were in management positions (internally defined as C1 or above) and 79% in support roles.

Management
Support

We continue to provide additional benefits such as medical insurance for office staff, and for all seafarers: private healthcare, life insurance and paid pension arrangements (or cash in lieu).



Globally, all our contracts comply with the relevant local employment laws. We continue to provide additional benefits such as medical insurance for office staff, and for all seafarers: private healthcare, life insurance and paid pension arrangements (or cash in lieu).

All CNCo seafarers are covered by a collective bargaining agreement (CBA) in accordance with the International Labour Organization (ILO) Maritime Labour Convention (MLC) 2006. The number and rates of employee hires and employee turnover can be found on page 57.

Employee turnover remains a valuable indicator of the company's sustainability and is an on-going area of focus for the company. Overall staff retention in 2015 for office staff was 86% and 94% for sea staff (officers and crew). Shore staff retention was regrettably below our target of 95%, while sea staff retention remains close to target.

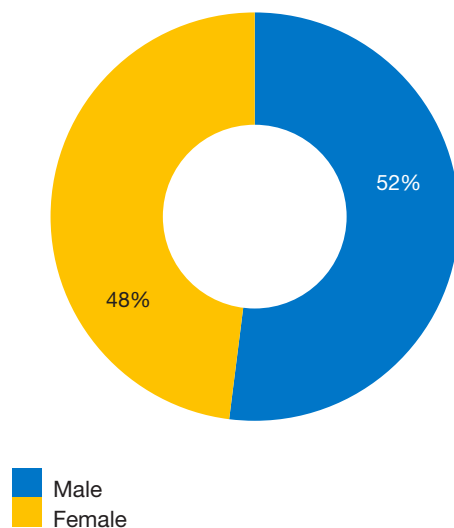
We will continue to monitor and analyse the turnover rates against the national average figures and in light of changes within the business and the industry, to conduct exit interviews where possible, and seek to rectify any reasons for turnover where they are viable and within our control.

Diversity in the workplace/ human rights

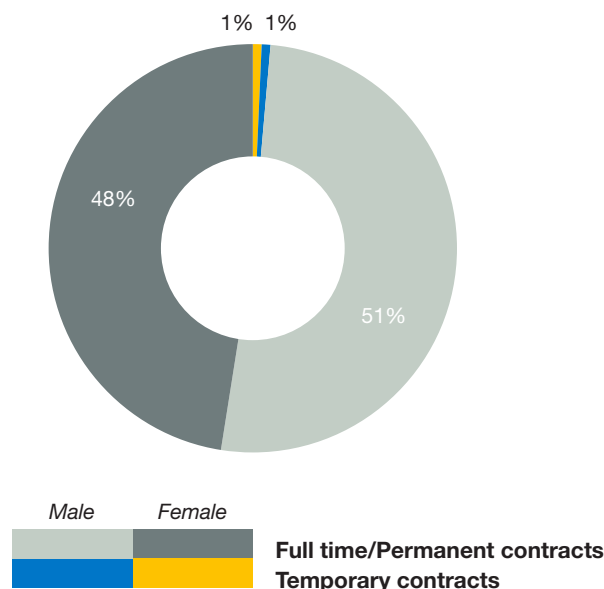
For a multinational shipping company, with employees from 27 countries, having an inclusive, cohesive and supportive culture is key to our continuing sustainability. We create a welcoming, positive, innovative and high-performing work environment by promoting equal opportunities, diversity and inclusion and respect in the workplace. This is done through Policies, Code of Conduct, induction programmes, forums, seminars and training.

In 2015, 52% of the office employees were males (a slight decrease from 53% in 2014) and 48% were females (a slight increase from 47% in 2014).

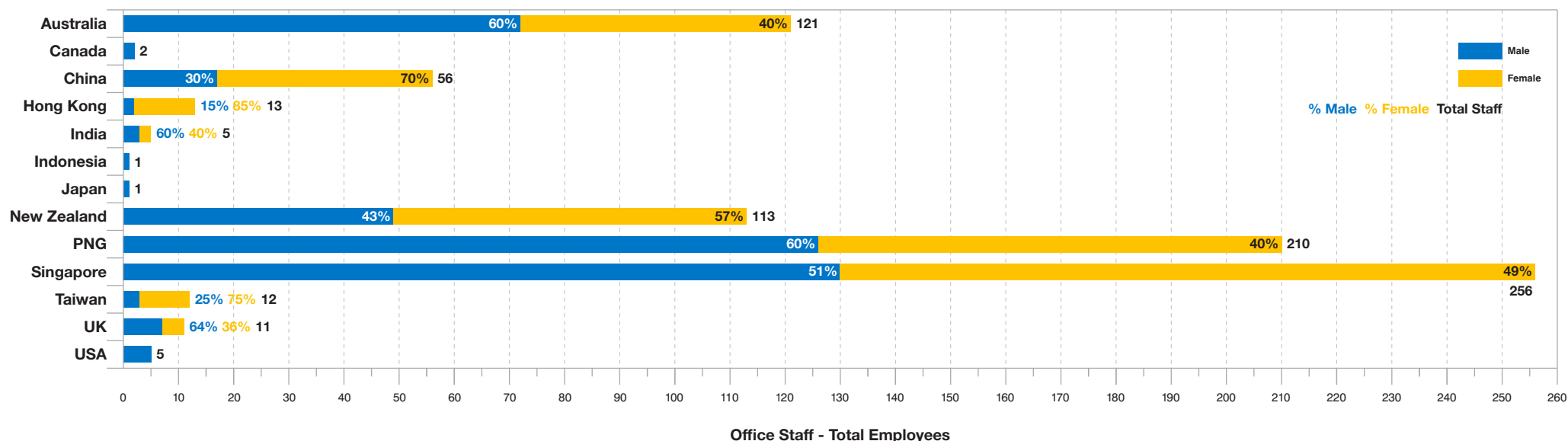
The CNCo Pte Ltd Board of Directors comprises nine members, of whom only one is female. Notwithstanding that gender diversity has historically always been skewed in the shipping sector, we recognise this as a challenge and are actively working on the strategies to increase this across all the roles at various levels within the company. We hope to report on the progress in our next report.

**Office staff by gender****Total number of permanent employees by employment type and gender**

	Male	Female
Full time/Permanent contracts	412	382
Temporary contracts	6	6



Percentage of office staff by gender and country



There were four (or 1%) female officers among our sea staff. This is reflective of the shipping industry (excluding the cruise sector) in general. We seek to encourage more women to join CNCo by adopting a gender-blind employment process supported by the creation of a culture where women feel safe and are supported. In addition to the policies on equal opportunities and anti-harassment, we provide an Advice and Guidance hotline to deal with any issues.

We take a strong stance with regards to any forms of harassment in the workplace and have a robust system in place to address such situations in a timely manner.

In addition to the section in our Corporate Code of Conduct, we are in advanced planning to issue an Equal Opportunities, Diversity, Inclusion and Respect in the Workplace (EODIR) Policy in 2016 which we will be implementing with our HR department and manning agents.

When recruiting new employees, CNCo ensures that Persons with Disability (PWD) with the skill set matching our requirements are considered in the selection process. In 2015, we employed one person with a physical disability in our Singapore office. We amended our recruitment process to eliminate potential discrimination. Our hiring departments must (if valid) actively opt out of confirming that "the position advertised is suitable for a differently-abled person".

Employer of choice

CNCo has been the employer of choice for many of our sea and office employees. With the recent increase in the size of the organisation, we have had a rapid increase in new employees. Due to these new additions to our team the average length of service has decreased but still remains at 5.7 years for crew, 5.75 for officers and 5.7 for the office employees.

CNCo recognises employees for their long service and ongoing contributions to the business by presenting them with Long Service Awards. In 2015, we issued 88 awards to employees ashore and at sea for lengths of service from 10 to 35 years.

A total of 1,205 years of service was recognised in 2015.

	Office staff	Sea staff
10 years of service	2	47
15 years	6	19
20 years	0	6
25 years	0	4
30 years	1	3



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Performance management, training and development

Sea staff

CNCo puts significant emphasis on safety training for our seafarers. In 2015, we ran 17 Statutory (STCW/ SOLAS) training courses, attended by a total of 567 employees. We also ran nine Safety Awareness Courses (SACs), forums and seminars in China, the Philippines, Singapore and Ukraine.

All of these are discretionary training courses, ie not required under the SOLAS/ STCW legislation, but which CNCo sees as critical to the safety of our sea staff. The goal of the SACs is to emphasise and reinforce the company's safety culture and to promote Zero Harm. The SAC emphasises practical safety management skills, explores the benefits of leading safety indicators, and looks at accident root cause analysis, proactively recognising hazards and understanding safety control, mitigation and recovery measures.

Our Cadetship Programme is on-going with the recruitment of cadets from China, Hong Kong and from the South Pacific Islands. As a sustainability objective, CNCo has committed to recruit 15% of our required cadet intake from our key and core stakeholder communities in the South Pacific Islands by the end of 2016 (which has been already met) and 25% by the end of 2020.

In 2015, 874 CNCo sea staff received 12,616 hours of training, or an average of 8.81 training hours per seafarer.

All CNCo seafarers received a performance evaluation review conducted by the Master or Chief Engineer at least twice a year. The appraisal looks at personal characteristics, team work, aptitude and leadership qualities among other specific skills sets. The process is intended to highlight areas for improvement and training opportunities, and identify individual's strengths for a robust recognition and promotion programme.

Office staff

CNCo continues to invest in learning and development. Across the group, office employees received 4,191 hours of training, or an average of 5.2 training hours per office employee. 146 office male employees received 2,447 hours of training compared to the 1,745 hours received by 148 females.

Performance management for office employees is done using the Smart Goals system. Performance assessments include a review of smart goals, performance against Swire values and job competencies. All office employees undertook their annual performance assessments in 2015.



100% of office and sea staff received performance appraisals to help them develop, in line with the company's sustainability objective.

Specific achievements

CNCo's goal is to build a winning team through good job matching and to develop an aligned and engaged workforce. This requires an experienced HR team, and market-leading systems, processes and products.

We build and grow winning teams in all divisions through internal development and bringing in external talent when required.

Achievements in 2015 include:

- Implementation of "SuccessFactors™", a market-leading, cloud-based HR platform for personal data management, leave and other transactional processes. The company uses the system as a single source of HR employment data, for workforce analytics, organisation charts, contact lists, hosting of learning and development and compensation reviews.
- A job grading system was rolled out across the company. All roles are now assessed for organisational impact and given a grade on a five point scale.



Development of CNCo's local Management Trainee programme

The two-year management trainee programme was fully in place with some support from the Maritime and Port Authority of Singapore (MPA). The trainees were rotated through the operating divisions and participated in developmental training.

Parallel Pacific-based programmes in Australia, New Zealand and PNG will be launched in 2016.



High Potential programme

All employees were assessed for potential and performance using a high potential selection and assessment framework in conjunction with talent review sessions across the company. SuccessFactors, the company's cloud-based market leading HR platform hosts the data allowing managers access to talent, and succession planning tools.

- The company followed up on the Staff Alignment and Engagement survey conducted in 2014 with action lists for each country and division. "Investment in Systems" and "Investment in People" were the lowest performing areas and actions have been taken to improve these areas.

- A re-launched "Ideas for Improvement" scheme where top employee ideas for process improvements are assessed and rewarded. Local programmes were rolled out and are administered through in-country management.
- HR Governance is managed through a monthly HR steering committee. HR shared services are managed in accordance with a detailed Service Level Agreement (SLA), and again reviewed monthly by the steering committee. The defined performance areas of the SLA were met in 2015.



With the rapid growth of business and the fleet size since 2009, CNCo is now operating, managing or chartering over 70 vessels worldwide.

Supply chain management

With the rapid growth of business and the fleet size since 2009, CNCo is now operating, managing or chartering over 70 vessels worldwide (including those on long and short term charters). Extra resources have been put in to improve our supply chain management so as to remain competitive and to mitigate reputational risk.

In 2014 CNCo formed a Group Procurement department to implement centrally led procurement policies and practices. Since then, we have developed and implemented a vendor master system and introduced a procurement policy and procedures. The two governing bodies that ensure contracting processes are fair and transparent are the Bunker and the Supply Chain Committees.

CNCo has the following main supply chain management categories:

- 1 Bunker fuel supply chain.
- 2 Operations, e.g. services required at port and terminals.
- 3 Logistics, e.g. container movement related services.
- 4 Ship Management, e.g. spare parts and maintenance.
- 5 IT and Corporate related services.

CNCo's Group Procurement department works with around 50 strategic suppliers, identified from over a thousand active general suppliers globally. Together with key internal stakeholders, we are working to develop a value-added supply chain programme to build stronger rapport with and align performance measurements for key strategic suppliers to achieve best practices.

The procurement team continues to focus on investing resources in developing talent and internal capacity and at the same time addressing sustainability issues and managing risks within our supply chain in accordance with the Procurement Roadmap (2015-2019).

CNCo is a member of the Swire Group Supply Chain Sustainability working group. This is a learning and collaboration platform for exchanging best procurement practices within the group and for identifying synergies and economies of scale where possible.

CNCo has a Supplier Code of Conduct to ensure best and sustainable practices across our supply chain. CNCo intends to influence its strategic suppliers to reduce their negative social and environmental impact(s) by engaging in sustainable practices. We conduct supplier audits and monitor their regulatory compliance, labour standards and human rights, product quality and environmental impacts.

CNCo Supplier Code of Conduct
<http://bit.ly/2fyQGTW>

We believe in doing right by our communities and investing in worthy causes. We support charities and community organisations as well as our employees in need. Our support for the communities focuses on Education, Community, Health, Youths, Environment and Biodiversity. We are committed to establishing long term, mutually rewarding relationships with our partners and our communities.

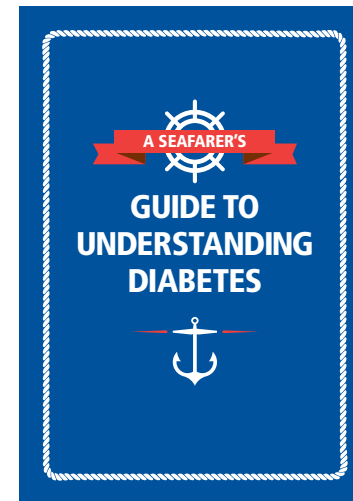
Supporting seafarers worldwide

We support The Mission to Seafarers and The Sailors' Society, caring for and supporting seafarers of all races, religions or ranks around the world. In 2015, three CNCo employees took part in The Sailors' Society Mt. Kinabalu fund-raising challenge. CNCo matched their funds raised dollar-for-dollar.

CNCo also partnered The Mission to Seafarers (MtS) to produce a "Seafarers' Guide to Understanding Diabetes". This was distributed to all our ships and made freely available to all other companies associated with the MtS.

CNCo supports the ASSM Dependent's Association (ASSMDA), an independent, not-for-profit association in the Philippines formed by the partners and relatives of our Filipino seafarers.

ASSMDA provides voluntary assistance to the seafarers' families in times of need and aims to improve their livelihoods through organising value-added social activities such as making candles, dishwashing liquids, fabric conditioners and bracelets. ASSMDA can mobilise very quickly to assist with relief work as a result of natural disasters, eg during Typhoon Haiyan/ Yolanda.





The support from Swire Shipping was crucial to the success of this aid project as the greatest barrier to delivering the resources was transportation.

SUPPORTING OUR COMMUNITIES

At the end of 2014, Swire Shipping, supported the Rotary Club of Calala's project to transport 13 containers of recycled medical and educational items collected in Australia to the Western Highlands and Milne Bay in PNG for use in hospitals and schools. The containers carried 450 beds, 50 bags of hospital linen, 16 wheelchairs, 15,000 uniforms, 150 boxes of school resources and 150 school chairs. The medical supplies were meant for the new maternity wards at Alotau and the new wards at the Hagen Base Hospital.

The support from Swire Shipping was crucial to the success of this aid project as the greatest barrier to delivering the resources was transportation. Swire Shipping stepped in to bridge the gap and shipped the much needed equipment to the remote communities in PNG.

Our colleagues in Australia and PNG prepared all the documentation and shipped the medical and educational resources from Tamworth, Australia, to PNG.

Their dedication to this project demonstrated our commitment to our stakeholder communities. The process of purchasing containers, collecting, sorting and packing donated goods together with the transport arrangements is not an easy task, made possible by the generosity of many community members, government bodies and businesses in PNG and Australia.

FERRAS BALLAN, PORT OPERATIONS OFFICER SWIRE SHIPPING (MELBOURNE), JOINED THE RELIEF EFFORT IN VANUATU

I always believed that the shipping industry is one that creates value and improves our standard of living. Shipping is one of the few businesses that connects the world and its resources, in this case, bringing much needed relief to a cyclone ravished country, Vanuatu.

I came to Port Vila's distribution and warehousing facility in April 2015 to provide additional management support. This facility housed all the emergency aid for the whole of Vanuatu, especially the hardest hit island, Tanna.

During my time in Port Vila, I came to realise Swire's impact on the country. Everywhere I went, people would recognise the logo on my shirt. It is common to see Swire Shipping calendars being used by local businesses or Swire Shipping containers on the island. The brand is well respected, and with our support in times of crisis, Swire Shipping has become an appreciated household name in this island.

CNCo's contribution to Vanuatu included:

- subsidised or free freight,
- free use of Swire containers for storage,
- additional management resource to assist in aid distribution,
- donation of 88,000kg of rice.



Supporting our communities

CNCo supports our key stakeholder communities in times of need by providing containers and pro bono (free) or discounted shipments on our ships. CNCo came to the aid of the victims of Typhoon Yolanda (Philippines) in 2013 and of the Honiara (Solomon Islands) flood victims in 2014. In 2015, we supported the communities in Vanuatu affected by floods post Tropical Cyclone Pam.

Assistance covered shipment of emergency or charity freight; free use of 51 Swire Shipping containers for an extended period for emergency storage; donation of 88,000kg of rice for emergency food supplies; secondment of our staff to provide assistance with aid distribution and coordination. The overall assistance exceeded a value of AUD100,000.

CNCo's strong and immediate support for the provision and movement of emergency aid relief to our stakeholder communities affected by recent natural disasters in Fiji, Solomon Islands and Vanuatu was recognised by the United Nations Office for the Coordination of Humanitarian Affairs (UN OCHA), Emergency Relief Coordinator. We also provided pro bono shipment of a medical ambulance boat/ aid to Vietnam for Heart Reach Australia (HRA) and other shipments to help our stakeholder communities in PNG.

CNCo supported the Lae Botanical Gardens rejuvenation programme in response to requests from the Lae local community. CNCo funded the hiring of a world recognised garden designer to re-design the "new" Botanical Gardens. CNCo also provided financial support to fund the running and operational costs as well as to support the provision of a project manager to oversee the entire programme.

CNCo supports our key stakeholder communities in times of need by providing containers and pro bono (free) or discounted shipments on our ships.

SWIRE SHIPPING TO LEAD THE LAE BOTANIC GARDENS RESTORATION PROGRAMME

In another exciting development, Swire Shipping generously contributed K70,000 towards the Lae National Botanic Gardens Advancement Programme to help restore the gardens to their former glory.

Swire Shipping has always been supportive of the Advancement Programme and this initial donation solidifies our commitment to a better future for the gardens. It also reflects Swire Shipping's broader commitment to help build better communities in the regions in which we operate.

These funds will be used for the development of four world-class garden designs that will be placed within the gardens to showcase PNG's natural beauty, culture and diverse plant life, and to draw visitors back to the gardens once it reopens.

Acting Director of the PNG Forest Research Institute (PNGFRI), Dr. Martin Golman said that the Advancement Programme relies heavily on the generous support of the business community. Swire Shipping has been a partner in the programme from the very early days and has been instrumental in bringing this programme to life.

Swire is proud to support the Lae Botanic Gardens and to work with the rest of the Lae community to make it a highlight of Lae life that everyone can be proud of. Swire will continue to lead efforts to get the whole community behind this project for the long term.



From left: Graeme Davis (Swire Shipping), Tim Blackburn (CNC Co), Robert Kiapranis (PNGFRI), Dr. Martin Golman (PNGFRI), James Woodrow (CNC Co), Michael Lovave (PNGFRI), Nalish Sam (PNGFRI), Theo Tuiwain (PNGFRI)

These funds will be used for the development of four world-class garden designs to showcase PNG's natural beauty, culture and diverse plant life.

Environment and biodiversity

CNCo partners Endangered Species International (ESI) in South Mindanao in the Philippines on mangrove and coastal reef conservation and to protect the endangered Philippine forest turtles.

Under this partnership, ASSM volunteers (who are CNCo seafarers) will work in the field alongside the ESI on various conservation and community engagement activities. The volunteers made two field trips in 2015 to the Mt. Matutum Protected Landscape and Sarangani Bay.



PROTECTING OUR ECOSYSTEM

CNCo partnered the Endangered Species International (ESI) in South Mindanao, The Philippines, to protect endangered Philippine forest turtles on Mt Matutum, and assist with mangrove and coastal reef conservation, management and rehabilitation activities in the Sarangani Bay area, downstream of the turtle habitat.

37% of our seafarers come from The Philippines making the country one of CNCo's key stakeholder communities. The partnership with ESI was established by Swire Pacific Offshore/ ASSM in 2013 with the aim to enhance the habitats of forest turtles and protect the environment as part of the Sustainable Development programme.

In 2015, CNCo/ ASSM seafarers expressed their desire to be a part of this meaningful project. In November, two groups of CNCo volunteers (10 in total) accomplished various conservation activities in two project locations: Mt. Matutum Protected Landscape, South Cotabato, and Sarangani Bay Protected Seascape.

“The activities ignited my desire to contribute to the conservation of nature. It was a great opportunity for us to get involved in the process, and be educated on how to protect the marine habitat.”

Project Thunnini (Pacific Islands)

CNCo seeks to help grow the socio-economic value of its local stakeholder communities by assisting with the establishment and/or enhancement of agri/aqua-businesses. CNCo has identified sustainable tuna fishing and its related shipping to consumers as an industry that would benefit many stakeholder communities in the Pacific Islands (PI) specifically in Fiji, PNG and the Solomon Islands (SI).

We supported them in determining that the fish caught are from sustainable populations and that there are robust Chain of Custody controls in the journey to market. Sustainably fished seafood should command both a higher financial return for the communities through niche marketing of a responsible product and at the same time ensure a longer viable life for the tuna population.

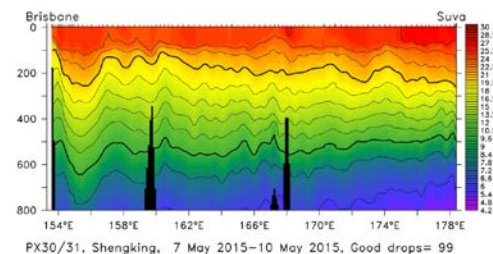


The first scoping project took place in 2015 and covered a fact finding mission. The second phase is scheduled to begin H2 2016.

Supporting research programmes

CNCo works with a number of scientific organisations such as the Commonwealth Scientific Research Organisation (CSIRO) and the National Oceanography Centre at the University of Southampton to facilitate data collection using CNCo vessels.

The data is used to study the changes in weather patterns, and understanding the roles of the oceans as carbon sinks as well as the distribution of marine life.



(Source: SCRIPPS Institution of Oceanography)

SUPPORTING CLIMATE CHANGE RESEARCH

Four times a year, scientists from Australia's Commonwealth Scientific and Industrial Research Organisation (CSIRO) will send a technician to one of CNCo's ships travelling between Brisbane and Fiji. During these voyages, they conduct research vital to understanding the ocean's workings, including its role in climate change, and its impact on Australia's weather. The ocean absorbs much of the heat being captured by the atmosphere. Since warm water, like warm air, expands, this increases sea level as well as having an impact on climate and weather.

The CSIRO technicians deploy a small device called an expendable Bathy-Thermograph (XBT), which measures temperature in the upper 800m of the ocean. A sectional plot of the temperatures from the latest voyage onboard *MV Shengking* is shown on the graph below. It shows the temperature structure of the ocean along this ship track, with warmer upper layers and cold, deep layers of water. Note the deeper level of the warmer temperatures on the western end of the track. This is the East Australian Current, which carries these warmer waters as far south as Tasmania. By examining the temperature structure in detail, it is possible to calculate current speeds and directions of the ocean currents.

This information is provided to shipping companies so that they can plot their routes to take advantage of these currents, saving fuel and time.



PIKININI FOOTBALL DEVELOPMENT PROGRAMME

The Swire Shipping Pikinini Football Development Programme was launched in Honiara, Solomon Islands, on 14 November 2015, to support children's health and wellbeing through sports. The event took place at the Lawson Tama national stadium and was attended by the Solomon Islands' FIFA International President, William Lai, and the General Secretary of the Honiara Football Association, Leonard Paia.

300 boys and girls, supported by 45 volunteer coaches and support staff, took part in this fun-filled event.

This programme, organised by the Honiara Football Association and sponsored by Swire Shipping, will initially target children between 8 to 12 years. It is open to boys and girls from the local community.



Swire Sport programme

As part of the Swire Sport programme in the Pacific Islands, CNCo partners the PNG Cricket Association to reach out to young talent in PNG and sponsored its youth cricket holiday camps in various provinces.



In the Solomon Islands, CNCo supports the Honiara Football Association (HFA) and their Junior Soccer project. The project involves working with HFA supporting youth soccer coaching sessions. In 2015 CNCo procured and delivered a shipment of sporting equipment and apparel for the youths.



VOLUNTEERING FOR A GOOD CAUSE

As a responsible organisation with a global footprint, CNCo believes in creating value for our communities and helping to enhance their capabilities. CNCo employees who volunteer for approved charities can claim up to two days of Voluntary Work Leave (VWL) per year. Zah Roslan, CNCo's Claims Executive, spent a few days in Cambodia doing charity work.

I have been a volunteer with AIM (Singapore) for more than two years. In March, I helped out with AIM's pilot project in Cambodia - Project Siem Reap 2015: Bringing Joy to Children. The project aimed to help the less fortunate in Tonle Sap Water village and to raise awareness on sanitation.

I was assigned to be the Games Coordinator. I planned educational games for the children to teach them about sanitation. This is especially important since the lake they live on plays a big part in their lives. The lake provides this floating community with water for cooking, drinking, bathing and washing. However, this water is also polluted by human and household waste. We conducted various interactive games in the schools to teach the children about proper sanitation. Sanitation packs were distributed to the children to kick-start their good habits.

One of our missions was to encourage the village children to attend school during the dry season. The children have to walk for miles as they cannot not be dropped off by boats. To provide an incentive, we distributed school necessities to them. I can never forget the look on their little faces when we handed them backpacks filled with stationeries.

We also distributed food packs to the villages as they lose their source of income from fishing during the dry season. We ended our outreach by painting and refurbishing one of the schools.



Zah Roslan



Corporate Philanthropy and Volunteering

In 2015, two volunteering events were organised for our Singapore employees. In May, they learned about the mangrove ecosystem and assisted with the re-location of seedlings at the Sungei Buloh Wetland Reserve (SBWR), Singapore's first ASEAN Heritage Park.

In November 2015, our employees learned about the health benefits of organic farming at the Green Circle Eco-farm through hands-on activities. Both activities were organised as Corporate Volunteering events during office hours and fully supported by the CNCo management, many of whom also participated.

Our Singapore employees spent 26.5 hours doing voluntary work in 2015.

A VISIT TO THE GREEN CIRCLE ECO-FARM

On 27 November, CNCo and Swire Pacific Offshore (SPO) held a conservation volunteering event at the Green Circle Eco-farm, one of the bigger organic farms in Singapore. This was the second conservation volunteering event held in 2015 as part of Sustainable Development's ongoing efforts to raise environmental awareness among employees.

40 CNCo and SPO volunteers visited the farm to lend a helping hand to the farmers. A short briefing was conducted by the founder, Ms Evelyn Eng, who shared her expertise on different types of farming methods, key principles of organic farming, and the impact of organic farming on humans and the environment.

During the guided tour, participants learnt about the rich variety of plants in Singapore and the various ecological practices adopted by the farm. The team was then divided into smaller groups to engage in various farming activities from weeding, pruning, compost making to preparing garden beds for planting and vegetable harvesting.

Despite the hot sun and the mosquitoes, everyone worked as a team and enjoyed the organic farming experience.

During the guided tour, participants learnt about the rich variety of plants in Singapore and the various ecological practices adopted by the farm.



Sustainable Development Goals

In September 2015, more than 190 countries signed up to the UN Sustainable Development Goals (SDGs), which set out a vision for ending poverty, hunger, inequality and protecting the Earth's natural resources by 2030. These ambitions will require a step-change involving a close partnership between government bodies, civil society and the private sector.

An initial analysis on where CNCo's businesses can contribute to the SDGs can be found on page 68. For more information on SDGs please visit: <http://bit.ly/1VXvanH>

The areas where CNCo can make the most contribution to the achievement of the SDGs and those which are closely related to our business include (but are not limited to):

- Occupational Health & Safety
- Air and water emissions' quality from our operations,
- Energy Efficiency,
- Non-discrimination, and
- The escape of harmful substances such as persistent oil, sulfur oxide (SOx), nitrogen dioxide (NOx) and particulate matter etc. into the environment.

These areas are closely aligned to our long established material Social and Environmental aspects covered in this, and earlier, SD reports. We aim to achieve the following goals by addressing and progressing in the abovementioned areas:

Goal 3

Ensure healthy lives and promote well-being for all at all ages.

Goal 6

Ensure availability and sustainable management of water and sanitation for all.

Goal 8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Goal 12

Ensure sustainable consumption and production patterns

Goal 13

Take urgent action to combat climate change and its impacts.

Goal 14

Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

In 2016, we plan to look more closely at the impact of our business on the SDGs by undertaking an internal value chain analysis and mapping high impact areas.

SUSTAINABLE DEVELOPMENT GOALS

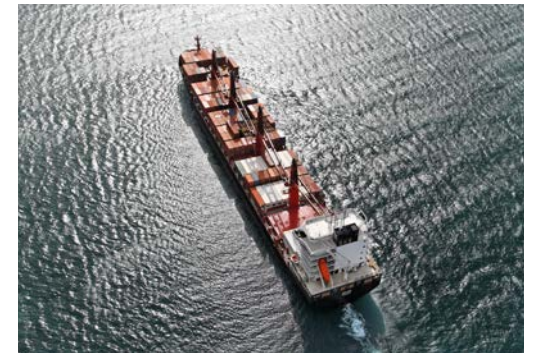
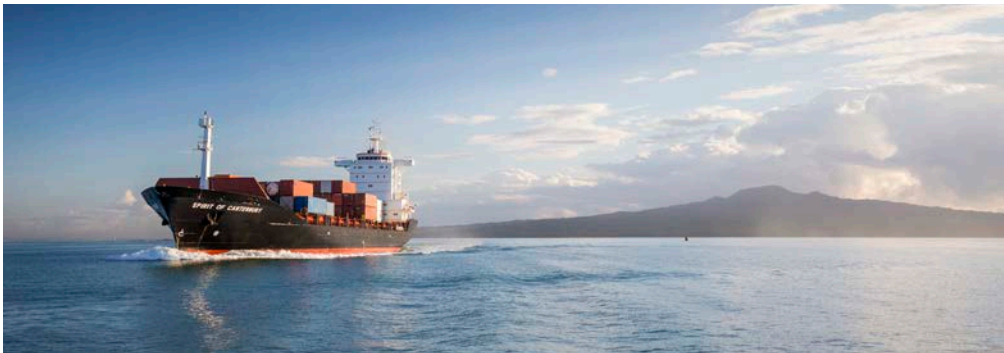


“Business is a vital partner in achieving the Sustainable Development Goals. Companies can contribute through their core activities, and we ask companies everywhere to assess their impact, set ambitious goals and communicate transparently about the results.”

Ban Ki-moon,
United Nations
Secretary-General

Sustainability Targets

- Zero Harm to all personnel.
- Zero Pollution incidents and ultimately Net Zero Environmental Impact.
- Zero corruption incidents.
- Fleet Operational Efficiency (FOE) reduction by 35% below our baseline by the end of 2020. *(compared with 2013 levels)*
- All vessels are sustainably recycled at the end of their working life.



CARING FOR OUR COMMUNITIES: THE STORY OF ANSCOR SWIRE SHIP MANAGEMENT DEPENDENTS ASSOCIATION (ASSMDA), PHILIPPINES

ASSMDA was set up in 2007 as an independent, not-for-profit organisation to support the dependents of ASSM seafarers and to work with the local communities on educational, social and civic projects.

ASSMDA has distributed emergency aid items to typhoon, earthquake, flood and fire victims. When Typhoon Yolanda struck the central Philippines in 2013, ASSMDA staff tracked and contacted all the ASSMDA families affected by the disaster to render assistance. ASSMDA also helped in the coordination of soft loans made available to families directly affected by the typhoon.

ASSMDA is headquartered in Manila and has two smaller branches in Cebu and Iloilo. Together, these branches organise regular community projects that range from aid relief, livelihood events, provision of medical services, to the distribution of food supplies. Its President, Mrs Ofelia Villanueva, has been involved with the organisation since its inception and plays the key role in driving its activities.

Livelihood project: Bag and wallet making workshop

Participants of this 3-day workshop learnt how to make bags, mats and wallets out of used coffee, candies and junk food wrappers. The objective of this event was to teach community members skills that will help them generate some income to ease their financial burden in times of need.

ASSMDA was set up in 2007 as an independent, not-for-profit organisation to support the dependents of ASSM seafarers and to work with the local communities on educational, social and civic projects.

PROVISION OF MEDICAL SERVICES

Organised by ASSMDA, a team of doctors and psychologists, assistants, nurses, medical technicians and ASSMDA members provided medical care to nearly 300 community members in February 2015. During the outreach, they provided glucose and blood pressure testing, dental services and distributed medical supplies to the community.



We will help create a resilient environment that provides for our future by pursuing a long-term goal of de-carbonisation and optimising energy efficiency and protecting and, where viable, enhancing the biodiversity of the environment.



CNCo continues to seek innovative ways to minimise the impact of our business on the environment and biodiversity in the regions in which we operate.

Over the years, we have made a significant progress towards environmental sustainability by adopting a proactive approach towards sustainable shipping, expanding our eco-efficient fleet and implementing a number of operational initiatives.

Environmental goals and commitments

CNCo's Environmental Policy includes our commitment to a target of "Zero Pollution" incidents and our ultimate goal for our operations to have a "Net Zero Impact" on the environment and its biodiversity.

In 2015 we developed a roadmap to support this long term objective. We have also set an internal target to reduce our fleet EEOI (Energy Efficiency Operational Index or the energy we expend moving one tonne of cargo, one nautical mile).

The EEOI figures for both our liner and bulk fleets show a downward trend. This is largely a result of using more fuel efficient ships, rationalisation of individual trades, and a higher focus on the operational efficiency of each trade. We continue to monitor emissions for each ship on a per voyage and an annual basis and use the IMO EEOI metric as our baseline.

CNCo's Environmental Policy includes our commitment to a target of "Zero Pollution" incidents and our ultimate goal for our operations to have a "Net Zero Impact" on the environment and its biodiversity.

To enable us to track our bulk and liner fleets together to benchmark how the CNCo group is performing against our internal KPIs to reduce emissions, CNCo has produced a simplified “whole fleet” EEOI metric that we have termed Fleet Operational Efficiency (FOE). As the two types of ships have very different absolute values for their EEOI, we combine the bulk fleet EEOI as constituting a relative 50% of our FOE and the liner fleet EEOI as providing the balance of 50% to give a single global figure to show how the company’s greenhouse gases (GHG) footprint is reducing against our target as a whole.

We have set an internal target to reduce our FOE by 35% below our baseline by the end of 2020. This is a key goal to advance our journey towards “Net Zero Environmental Impact”. Our progress since 1 Jan 2013 is shown in the graph on page 55.

These goals are a part of CNCo’s Strategic Scorecard 2030 and are revisited every year by CNCo’s senior leaders. As at the end of 2015, we were on track against all environmental goals. In 2015 we achieved a combined (liner and bulk fleet) FOE reduction in emissions of 8.6% towards our interim goal of a 15% reduction in FOE.

Other objectives (KPIs) towards achieving Net Zero environmental impact by 2030 include:

- Energy Efficiency Design Index (EEDI) compliance index at $\leq 80\%$ for all relevant liner and bulk vessels on delivery to CNCo (deriving more transport work efficiency from less fuel).
- Existing vessel design efficiency (EVDI) to be $\geq 50\%$ better than baseline upon taking delivery of the vessels.
- Implement three pilot technical or operational initiatives that can lead to a 50% reduction in an atmospheric environmental impact of the liner, bulk and bulk logistics fleet.

Environmental initiatives and achievements

In a challenging and competitive market, CNCo is always looking for innovative ways to manage our operating costs more efficiently and effectively. Over the past few years CNCo has benefitted from the use of the John Swire and Sons (JS&S) SD Fund to finance investments aimed at improving efficiency of CNCo’s fleet. They proved to be effective and are showing emission reduction results:

- Slide valves were installed on five of CNCo’s older “Miho” class vessels and slow steaming nozzles were installed on our six older “Challenger” Class vessels. The estimated annual savings from the slide valves were 16,678 tCO₂e or 2.4 % of total vessel emissions per year.
- Trim optimisation is being monitored on 14 CNCo liner vessels and allows for optimum fuel consumption contributing to reduced costs and emissions. The estimated GHG emissions savings are 3 to 6 tCO₂e/ day at mid-draft condition.

Trip optimisation is achieved through selecting a trim angle at a given condition (speed, displacement and draft) where the required propulsion power is lower than for other trim angles. Through maximising fuel efficiency, it allows an ongoing improvement in performance of up to 6%.

- CNCo introduced a new generation of eco-friendly shipping containers “Green Boxes” in 2014 and has increased their production in 2015. Green Boxes use two coat water based coating (Valspar Aquaguard) and bamboo based flooring, eliminating the use of solvent based, zinc-rich three coat system. This waterborne coating reduces Volatile Organic Compounds (VOC) emissions by 94%, improves corrosion performance, reduces energy use and lowers emissions while improving the working environment. For each 1,000 of Green Boxes produced, approximately 22 tonnes of VOC emissions to the atmosphere are avoided. During 2015 CNCo produced 2,000 “Green boxes” eliminating 44 tonnes of VOC emissions. We now have almost 25% of our 20’DY container fleet with waterborne paint and/or bamboo flooring.



In a challenging and competitive environment, CNCo is always looking for innovative ways to manage our operating costs more efficiently and effectively.

Other initiatives

CNCo's new multipurpose vessel, *MV Papuan Chief*, was fitted with the first Chinese built High Pressure Selective Catalytic Reactor in 2015. This was done ahead of the legislation for the MARPOL Tier 3 NOx rules that came into effect in January 2016 for new vessels.

All CNCo ships have Bilge and Garbage Management Plans. All the new vessels are fitted with Ballast Water Treatment Plants and all new engines are TIER II compliant for NOx emissions. Our new Swire B.Delta39 bulk carriers also have an advanced incinerator and oily water separator plant.

In 2015 we explored opportunities for the use of alternative, lower carbon fuels and closely investigated the use of drop-in bio-fuel derived from waste fats to power CNCo ships. We are working closely with Wärtsilä to prove the technical feasibility of the use of bio-fuel produced from waste products (not food feedstock) from Argent Energy, a JS&S group company, in their engines.

Energy consumption and emissions

Emissions from combusting marine fossil fuels (HFO/MGO/LO) in internal combustion engines represent 99.95% of our Scope 1 emissions. Including Scope 2 (from use of commercial electrical power) the total GHG emissions from our operations were 559,574 tCO₂.

This was a 17% increase from 2014 and compares to our fleet increase of 21%. Scope 2 emissions are relatively small compared to our Scope 1 emissions and contributed 267.83 tCO₂. Scope 3 emissions from shore and crew air travel contributed 5,482 tCO₂ which is a 23% increase from 2014 year on year – again a result of more ships and more crew. Summary of all figures are presented in the Environmental Summary of the report on page 54.

Scope 1 & 2 emissions data is available from 2008. The full set of data was first reported in 2011.

Environmental training

A module on energy efficiency awareness containing in-depth explanation of a Ship Energy Efficiency Management Plan (SEEMP) as well as all the measures is included in the SAC. CNCo provides training on the optimum use of the SEEMP to all Ship Managers and sea staff via computer based training, available on all our ships. We also provide our seafarers with various environmental awareness modules via our extensive videotel collection.

In addition to this training, monthly Health Safety and Environment (HSE) meetings are held on all CNCo vessels where relevant environmental topics are raised and discussed.

MV PAPUAN CHIEF GOES GREEN

MV Papuan Chief's main engine was fitted with the first Chinese-built High Pressure Selective Catalytic reactor (SCR) when she was delivered in early July 2015.

Wärtsilä approached CNCo in late 2013, proposing to supply and install a SCR on the main engine for use as a test bed. *Papuan Chief's* engine room was designed to have an SCR retrofitted so sufficient space was available. Wärtsilä has good experience of SCRs on medium speed engines operating on gas oil but had no experience operating on two stroke slow speed engines operating on heavy fuel oil.

The high pressure SCR was shop tested on *MV Papuan Chief's* main engine at the China State Shipbuilding Corporation (CSSC) CMD Engine Works. The SCR will enable two stroke engines to meet the new Tier 3 NOx rules. All ships with keels laid after 1 January 2016 are required to meet Tier 3 NOx to sail in any ECA Zones. The SCR is a catalyst device to convert harmful engine exhaust gases into harmless diatomic nitrogen and water using urea injected into the exhaust gas stream. Apart from reducing the NOx greenhouse gas emissions below 3.4g/ kWh (the current requirement for Tier 2 is 14.2 g/kWh), the SCR system also slightly lowers fuel consumption. The SCR will become a common device in years to come for any ship that needs to call at ports in the ECA zones.

The SCR is produced by the Shanghai CSSC Marine Boiler Co. Ltd to Wärtsilä's design.



Zero oil spills

In December 2015, fuel oil from CNCo's vessel MV *Ningpo* escaped from its fuel tank into the ballast tank, resulting in the discharge of fuel oil into the sea during a de-ballasting operation while alongside the berth at Northport in Whangarei Harbour, New Zealand. Nearly all of the escaped oil was swiftly contained under a response operation headed by the Northland Regional Council Harbour Master. Although MV *Ningpo* was managed by a third party manager,

CNCo took this incident extremely seriously and cooperated fully with the local authorities on the cleaning up operation.

The incident was fully investigated and appropriate actions taken by CNCo's management team during the clean-up phase and repair work on the vessel. In its findings, the Northland Regional Council was satisfied with CNCo's response in minimising the long term effects of the spill and imposed CNCo with an administrative fine of SGD460 (equivalent).

Responsibility in our supply chain

CNCo has in place a Responsible Cargo Carriage Policy and Sustainable Food Policy. We recognise the importance of conserving species diversity and we have a responsibility not to consume or facilitate trade in any flora or fauna or their produce that may threaten the sustainability of any species.

CNCo contributes to protecting endangered flora and fauna by imposing a ban on the

transportation of live animals and its products on board our ships. Our Responsible Carriage of Cargo Policy guides the decision making of our employees when accepting cargo. In early 2016, CNCo also signed up to the Buckingham Palace Declaration of the "United for Wildlife" International Taskforce on the Transportation of Illegal Wildlife Products, to prevent the illegal trafficking of endangered wildlife species and wildlife products. This policy will be operationalised in 2016.

CNCo contributes to protecting endangered flora and fauna by imposing a ban on the transportation of live animals and its products on board its ships.



Industry leadership

CNCo is a founding member and an active participant of the Sustainable Shipping Initiative (SSI). The SSI is a coalition of shipping leaders from around the world, formed to take practical steps to tackle some of the sector's greatest opportunities and challenges. The group is working to achieve a vision "of an industry in which sustainability equals success".

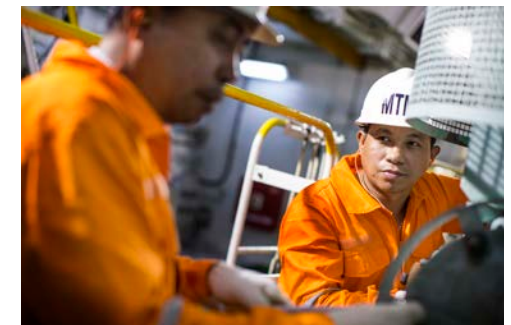
By being an active member of the SSI, we work alongside our competitors, regulators, suppliers, financial institutions etc., united by the common goal to show that collaborative action is possible, and to mobilise support across the whole shipping supply chain from factory gate to consumer, demonstrating that shipping can contribute to and (will only) thrive by operating in a sustainable manner.

We continue to develop a "beyond compliance" model for sustainable recycling of ships. We are advocating for ship owners to take full responsibility for ship recycling in line with Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships and ISO standards.

In 2015 we pre-audited four Ship Recycling Facilities (SRF) in India, together with a surveyor from an International Association of Classification Societies member. This enabled us to be assured that the selected SRF are operating in/ beyond basic compliance with the Hong Kong International Convention even prior to its full ratification, together with all the applicable ISO standards. We will be sustainably recycling up to two ships at the end of their economic lives in 2016 and will report on these in greater detail in our next report.



We work alongside our competitors, regulators, suppliers, financial institutions etc., united by a common goal towards sustainability.



GO GREEN TREE PLANTING

Sheng Li, Wang Ying and May Zhu from our Swire Shipping Agents in Beijing attended the Go Green Tree Planting held on 25 April. The event was hosted by the Swire Properties Community Ambassador.

Among them were participants from Swire Properties, Swire Travel, and other Swire divisions including Swire Shipping. That day, 40 pentagon maple trees were planted in total in the Huairou District in Beijing.



Office initiatives

CNCo's head office in Singapore has been Eco-Office certified by the Singapore Environment Council since 2010. Our employees have embraced Eco-Office practices together with the Reduce-Reuse-Recycle approach to environmental sustainability.

We have in place Green Guidelines which we apply in all of our offices. They cover initiatives such as reducing electricity usage, using only FSC/ PEFC certified paper, practicing double-sided printing, more efficient use of air-conditioning/ heating, good recycling practices to further reduce our carbon footprint wherever feasible among others.

Where possible we give preference to sustainable building materials. During the office renovations work undertaken in 2015, we chose materials with Green Mark/ Green label/ Green Guard certification or Singapore Green building products. They included:

- Rockwool™ insulation product,
- partition Gypsum boards,
- environmentally preferred carpet and
- vinyl tiles.

In 2015 we signed up for the StarHub/ DHL/ TES-AMM E-Waste Recycling Programme – to make it more convenient for our employees to dispose of personal e-waste responsibly, protecting the environment by placing a “renew bin” in our Singapore offices.



CNCo's head office in Singapore

In 2015, we recycled 3,753kg of paper. We will continue to monitor our recycling efforts in Singapore.

The China Navigation Company Pte Ltd. is the wholly owned deep-sea ship-owning and operating arm – and oldest operational entity – of the Swire group.



Organisational profile

CNCo was founded in 1872 to operate Mississippi-style paddle-steamers on China's Yangtze River. Since then the company has expanded globally, while its primary operational focus remains in the Asia-Pacific region. Headquartered in Singapore, it is one of the oldest independent British shipping companies still managing its own tonnage in-house. The Company operates a global network of multipurpose liner, dry bulk and bulk logistics services through its three business divisions: Swire Bulk, Swire Bulk Logistics and Swire Shipping.

Swire Shipping operates liner trades in Australia, New Zealand, Asia, North America and the island nations of the South Pacific, in addition to providing services to India, the Middle-East and Europe. Swire Shipping operates a versatile fleet of multipurpose ships capable of carrying containerised, refrigerated, project, breakbulk and heavy-lift cargoes.

Swire Bulk operates from five locations - Singapore, Tokyo, Melbourne, San Francisco and London, focusing on the global handysize market. Despite the challenging trading conditions, CNCo takes a long term view of growing our business and has invested in a newbuilding programme to renew and expand its fleet. By the end of 2016, Swire Bulk will own 24 modern Swire B.Delta39 handy bulk carriers and four Imabari38 loggers.

Swire Bulk Logistics is the industrial shipping division of CNCo. Deploying purpose built vessels, Swire Bulk Logistics specialises in the handling of dry bulk materials at sea, predominantly through floating transshipment vessels and intermediate supply chain solutions, to provide value added services for our customers in Asia Pacific.

Together with Swire Bulk and Swire Shipping, the division offers a global network of experience to provide innovative and sustainable marine supply chain solutions for our customers through long-term partnerships.

Headquartered in Singapore, CNCo is one of the oldest independent British shipping companies still managing its own tonnage in-house.

CNCo's shipping coverage

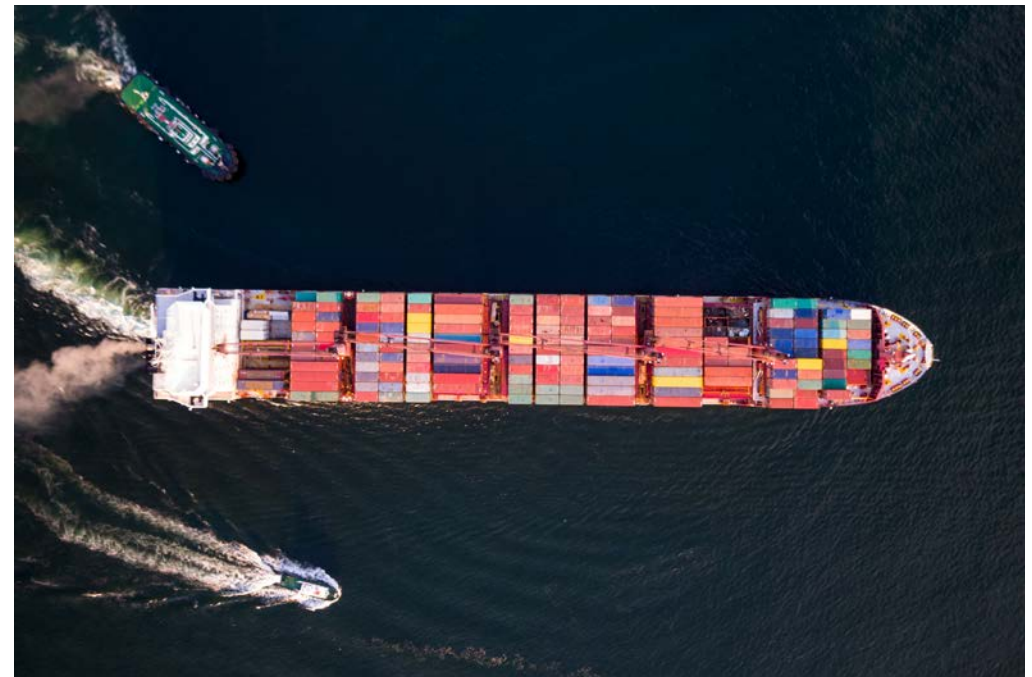


The China Navigation Company Pte. Ltd. is a Singapore registered company and is a wholly owned subsidiary of The China Navigation Company Limited, registered in London. Neither company is publicly quoted on any stock exchange. As can be seen from the Organisational and Operational Boundaries diagram (see page 5), The China Navigation Company Limited is also the parent company of the Swire Shipping agency companies in Australia, China, Hong Kong, New Caledonia, New Zealand, and Taiwan. It has 50% shares in both Polynesia Shipping Services Limited and Swire CTM Bulk Logistics Limited, a joint venture with C Transport Maritime SAM registered in Monaco, a 25% share in Mandarin Shipping Limited registered in Hong Kong and is a joint managing shareholder, with Ahrenkiel Shipping, of Quadrant Pacific Ltd.

Governance

The parent company's Board of Directors is the highest level governance and oversight body and sets the strategy for its subsidiary companies. The Chairman of the Parent Company Board of Directors is Mr. B. N. Swire. The CNCo Board of Directors provides organisational oversight and comprises nine members of whom four are non-executive, independent directors.

CNCo has a high-level Sustainable Development (SD) Steering Group comprising the Managing Director, the Fleet Quality Assurance Manager and Designated Person Ashore (DPA), the Global Operations Manager for Swire Shipping (who is also head of the Shore-side Safety Committee) and the GM for SD. This group meets quarterly and reviews all strategic aspects of SD, in particular Health, Safety, Environment, Social and Governance issues, with a view to managing all operations in accordance with our SD Policy.



The CNCo Board of Directors provides organisational oversight and comprises nine members of whom four are non-executive, independent directors.

At the operational level, there are SD Working Groups which comprise cross-functional representatives who meet quarterly in Singapore and in the main regional offices of Sydney and Auckland. They seek to operationalise the guidance and strategy set by the SD Steering Group.

The HR Welfare Group has an oversight of the social/people strategy.

The General Manager of SD directly reports to the MD and is a member of the Executive Committee (Exco), allowing him to provide SD input at a strategic level.

The Designated Person Ashore (DPA) has been an internationally legally required position since 1993, peculiar to the shipping industry under the IMO International Ship Management ("ISM") Code which provides an international standard for the safe management and operation of ships and for pollution prevention.

The DPA has direct access to the highest level of management. This legal responsibility and authority of the designated person or persons includes monitoring the safety and pollution prevention aspects of the operation of each ship and ensuring that adequate resources and shore-based support are applied, as required.

The shareholders are directly represented on the CNCo Board of Directors and use this platform to provide governance direction. While CNCo has no direct public shareholders, it manages and operates all its businesses in compliance with both the John Swire and Sons (UK)'s, and CNCo's Corporate Code of Conduct.

This compliance is in line with our belief that it is imperative to act with probity, transparency and accountability in order to achieve our long-term objectives. Our Board is committed to maintaining and developing robust corporate governance practices. At their behest, the CNCo management regularly review the operating practices and the Enterprise Risk Management framework that ensures:

- satisfactory and sustainable returns to its parent company;
- the interests of stakeholders are safeguarded;
- overall short and long term business risk is understood and managed appropriately;
- the delivery of high-quality services; and
- the highest standards of ethics are maintained by our employees in all dealings.



We believe that it is imperative to act with probity, transparency and accountability in order to achieve our long-term objectives.



CNCo joined the Maritime Anti-Corruption Network (MACN) in 2015 to contribute towards the vision of a maritime industry free of corruption.

Anti-corruption, anti-trust and monopoly practices

The company has zero tolerance towards corruption and anti-competitive behaviour. CNCo's Corporate Code of Conduct (CoC) is a comprehensive governance document that defines how our employees must behave in the course of their duties. Our anti-corruption and anti-trust governance processes are also covered by this Code. The CoC together with internal controls sets a strong foundation to prevent any corruption and anti-competitive/anti-trust behaviours. The company carries out training for all employees, testing their understanding of those principles and how they apply this to their daily work/ duties. With the support of John Swire & Sons Ltd we produced and launched a video explaining the CoC in 2015 to better engage employees.

Any and all incidents of potential or actual non-compliance are reported to the CNCo Audit Committee and investigated. In 2015, CNCo was not involved in any legal actions for anti-competitive behaviour, anti-trust, or monopoly practices.

In late 2015 CNCo carried out anti-trust training based on the level of exposure among our personnel and adopted a stand-alone Anti-trust Policy at the beginning of 2016 to which all employees are strictly required to adhere to at all times. On-line anti-trust training for employees will be launched in 2016.

One of the challenges that CNCo, like many other shipping companies globally, are facing is the expectation in some ports for "benefits" for the processing of work that should be undertaken as a matter of course. These are called "facilitation payments." CNCo is working hard to eliminate these payment demands completely. Facilitation payments risk is covered under CNCo's Business Unit Risk Register. All ships are required to report all such requests and such reports are reviewed at the quarterly CNCo Risk Review Committee and by the internal and external Audit Committee.

CNCo joined the Maritime Anti-Corruption Network (MACN) in 2015 to contribute towards the vision of a maritime industry free of corruption. It is only through the collective action that the issue of the illegal personal benefits can be addressed globally. MACN works closely with key stakeholders, including governments and international organisations, to identify and mitigate not only the symptoms, but also the root causes of corruption in the maritime industry.

MACN has had some notable successes in 2015 in Argentina, in the Suez Canal and in Jakarta (Tanjung Priok), where it worked in conjunction with the British Consulate and the Jakarta Authorities.

More about MACN can be found at www.maritime-acn.org

Request for Feedback

In order that we may continually improve our reporting, we would be grateful for your views and comments on any aspects of this report via e-mail to the address below.

Contact Details

Thank you for reading this report

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AMSA	Australian Marine Safety Authority
ASA	Australian Shipping Association
ASSM	Anscor Swire Ship Management manning agency
BHP	Brake Horse Power
CAR	Audit-driven Corrective Action Report
CBA	Collective Bargaining Agreement
CCoC	Corporate Code of Conduct
CFC	Chloro-fluoro-carbon/s
CNCo	The China Navigation Company Pte Ltd
CoC	Certificate of Competency
CSR	Corporate Social Responsibility
DCC	Australian government: Department of Climate Change
DECC	UK government: Department of Energy and Climate Change
DEFRA	UK government: Department for Environment, Food and Rural Affairs
DPA	ISM Code Designated Person Ashore
ECA	Emission Control Area
EEOI	Energy Efficiency Operational Index
EPA	US government Environmental Protection Agency
ETS	Emission Trading Scheme
FOE	Fleet Operational Efficiency
GEDO	Australian government DCC Greenhouse and Energy Data Officer
GHG	Greenhouse Gas/es
GJ (unit)	Giga-Joule, 1 billion joules of energy
GRI	Global Reporting Initiative
HCFC	Hydro-chloro-fluoro-carbon/s
HCV	High Conservation Value

HFO	Heavy Fuel Oil – a residual fuel
HHV	Higher Heating Value, also known as gross calorific value, of a fuel is defined as the amount of heat released by combusting a specified quantity and returning the temperature of the combustion products to 150°C. LHV assumes all the water component is in liquid state at the end of combustion
HOF	Head Office (in Singapore)
HSE	Health, Safety and the Environment
ICAO	Inter Civil Aviation Organisation
IFO	Intermediate Fuel Oil - residual fuel. Usually 180 or 380 CST viscosity. <i>See http://intertek.ch/schwerol</i>
IHM	Inventory of Hazardous Material, per the HK Ship Recycling Convention
ILO	(UN) International Labour Organisation
IMO	(UN) International Maritime Organisation
ISM	International Management Code for the Safe Operation of Ships and for Pollution Prevention, (International Safety Management (ISM) Code) as chapter XI of SOLAS
IUCN	International Union for Conservation of Nature and Natural Resources
KBA	Key Biodiversity Area
KPI	Key Performance Indicator
kW hr (unit)	Kilo Watt hour, is a unit of energy equal to 1,000 Watt hours or 3.6 mega Joules
LHV	Lower Heating Value, also known as net calorific value, of a fuel is defined as the amount of heat released by combusting a specified quantity and returning the temperature of the combustion products to 150°C. LHV assumes all the water component is in vapour state at the end of combustion
LO	Lubricating Oil
LTI	Lost Time Injury
LTIFR	Lost Time Injury Frequency Rate

MARPOL	IMO International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 and later
MCA	(UK) Maritime and Coastguard Agency
MDO	Marine Diesel Oil – a distillate fuel
MGO	Marine Gas Oil – a distillate fuel
MHE	Material Hazardous to the Environment
MLC	ILO Maritime Labour Convention, 2006
MTC	Medical Treatment Case
NGER	Australian National Greenhouse Gas and Energy Reporting Act
NI	Nautical Institute
NO _x	Oxides of Nitrogen
OFW	Overseas Filipino Workers
PM	Particulate Matter
PO	Purchase Order/s
POEA	Philippines Overseas Employment Agency
PSI	Port State Inspection, DPI: Deficiencies per Port State Inspection, CARB: California Air Resources Board, PSCI: Port State Inspection Compliance Index, TRCF: Total Recordable Case Frequency Rate
QHSE	Quality, Health, Safety and Environment
RFQ	Request For a Quote
RWC	Restricted Work Case
SD	Sustainable Development

SECA	Sulphur Emission Control Area/s
SEEMP	Ship Energy Efficiency Management Plan
SIN	Singapore
SMS	Safety Management System
SMTC	Swire Marine Training Centre, located in Loyang, Singapore
SOLAS	IMO International Convention for the Safety of Life at Sea, 1974, as amended in 1980 and later
SO _x	Oxides of Sulphur
STCW	IMO International Convention on Standards of Training, Certification and Watch-keeping for Seafarers, 1978, as amended in 1995 and later
tCO ₂	Tonnes of Carbon Dioxide
tCO ₂ e	Tonnes of Carbon Dioxide equivalent. This is CO ₂ plus the other four “natural GHG of CH ₄ , N ₂ O and the two industrial GHG of SF ₆ and HydroFluroCarbons GHG
TRCF	Total Recordable Case Frequency
TRIP	Toolbox Risk Identification Permit
ULS	Ultra Low Sulphur content
UNFCCC	United Nations Framework Convention on Climate Change
VOC	Volatile Organic Compound/s
y-o-y	Year on Year change
5S	“Seiri, Seiton, Seiso, Seiketsu, and Shitsuke” or “Sorting, Set in order, Systematic cleaning, Standardizing, and Sustaining”

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Fleet Profile

In Operation as at 31 Dec 2015

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Vessel Name	EVDI or EEDI	Rightship GHG Emissions' Rating	Year Built	IMO No.	DWT (SSW MTs)	GT	NT	LOA (m)	Max Breadth (m)	Capacity Nominal (TEU)	Hold Capacity - Bale (m³)	Hold Capacity - Grain (m³)	Cargo Gear (T)	Country of Registration	Status	Vessel Type
Island Chief	20.070	B+	1990	8810449	13387	10352	5804	158.1	22.0	981	N/A	N/A	3 x 45T	Hong Kong	Owned, Managed	Liner
Kiribati Chief	19.776	B+	1990	8809189	13668	10357	5802	158.1	22.0	876	N/A	N/A	3 x 60T	Hong Kong	Owned, Managed	Liner
Melanesian Chief	20.196	B+	1990	8809191	13387	10352	5804	158.1	22.0	981	N/A	N/A	3 x 45 T	Hong Kong	Owned, Managed	Liner
Micronesian Chief	20.208	B+	1991	8901705	13557	10350	5802	158.1	22.0	981	N/A	N/A	3 x 45T	Hong Kong	Owned, Managed	Liner
Kokopo Chief	19.600	B+	1991	8907412	13387	10352	5804	158.1	22.0	981	N/A	N/A	3 x 45T	Hong Kong	Owned, Managed	Liner
Chenan	14.946	G+	1992	9007374	25561	18391	9229	184.9	27.6	1123	32114	34103	3 x 26T, 2 x 31T, 1 x 20T	Hong Kong	Owned, Managed	Liner
Chengtu	14.884	G+	1991	9007362	25561	18391	9229	184.9	27.6	1123	32114	34103	3 x 26T, 2 x 31T, 1 x 20T	Hong Kong	Owned, Managed	Liner
Changsha	16.093	F+	1991	9003847	25561	18391	9229	184.9	27.6	1123	32114	34103	3 x 26T, 2 x 31T, 1 x 20T	Hong Kong	Owned, Managed	Liner
Kweichow	16.172	F+	1994	9070694	25524	18451	8250	184.9	27.6	1257	28831	29819	2 x 26T, 3 x 35T	Hong Kong	Owned, Managed	Liner
Kwangtung	15.747	F+	1994	9070709	25524	18451	8250	184.9	27.6	1257	28831	29819	2 x 26T, 3 x 35T	Hong Kong	Owned, Managed	Liner
Kweilin	16.196	F+	1994	9103104	25410	18468	9201	184.9	27.6	1257	32608	33756	2 x 26T, 3 x 35T	Hong Kong	Owned, Managed	Liner
Kwangsi	15.770	F+	1995	9103116	25607	18468	9253	184.9	27.6	1257	31472	33077	2 x 26T, 3 x 35T	Hong Kong	Owned, Managed	Liner
Ningpo	20.835	D+	1997	9134658	22900	16800	8662	183.9	25.3	1728	N/A	N/A	3 x 40T	Hong Kong	Owned	Liner
Nanchang	21.838	D+	1995	9082805	23016	16800	8662	184.0	25.3	1728	N/A	N/A	3 x 40 T	Hong Kong	Owned	Liner
Ngankin	21.917	D+	1996	9105994	23064	16801	8672	184.1	25.3	1730	N/A	N/A	3 x 40 T	Hong Kong	Owned	Liner
Spirit of Canterbury	24.830	D+	2005	9319557	14053	9910	5032	148.0	23.3	1102	N/A	N/A	-	New Zealand	Owned, Managed	CV1100
Shansi	14.720	B+	2013	9614476	30700	25483	11814	199.9	28.2	2118	41881	44807	4 x 60T	Singapore	Owned, Managed	Liner
Shantung	14.449	B+	2013	9614488	30814	25483	11819	199.9	28.2	2118	41881	44807	4 x 60T	Singapore	Owned, Managed	Liner
Shaoshing	14.710	B+	2013	9614490	30769	25483	11808	199.9	28.2	2118	41881	44807	4 x 60T	Singapore	Owned, Managed	Liner
Shengking	14.856	B+	2013	9614505	30813	25483	11813	199.9	28.2	2118	41881	44807	4 x 60T	Singapore	Owned, Managed	Liner
Shuntien	14.538	B+	2013	9614517	30852	25483	11810	199.9	28.2	2118	41881	44807	4 x 60T	Singapore	Owned, Managed	Liner
Siangtan	10.409	A+	2013	9614529	30756	25483	11805	199.9	28.2	2118	41881	44807	4 x 60T	Singapore	Owned, Managed	Liner
Soochow	14.420	B+	2014	9614531	30721	25483	11817	199.9	28.2	2118	41881	44807	4 x 60T	Singapore	Owned, Managed	Liner
Szechuen	14.836	B+	2014	9614543	30688	25483	11813	199.9	28.2	2118	41881	44807	4 x 60T	Singapore	Owned, Managed	Liner
Coral Chief	15.164	A+	2015	9689938	22035	18723	7681	175.2	27.6	1617	N/A	12310	3 x 60T	Hong Kong	Owned, Managed	Container Ship
Highland Chief	14.851	A+	2015	9689940	22035	18723	7681	175.2	27.6	1617	N/A	12310	3 x 60T	Hong Kong	Owned, Managed	Container Ship
New Guinea Chief	14.922	A+	2015	9689952	22027	18723	7688	175.2	27.6	1617	N/A	12310	3 x 60T	Hong Kong	Owned, Managed	Container Ship
Papuan Chief	14.978	A+	2015	9689964	22032	18723	7683	175.2	27.6	1617	N/A	12310	3 x 60T	Hong Kong	Owned, Managed	Container Ship
Antung ¹	23.801	F	2007	9371957	7702	5316	2309	117.0	19.7	618	9523	9522	2 x 40T	Malta	Operated	General Cargo
Spirit of Endurance	29.748	D	2008	9387607	8211	7464	3085	129.6	20.6	702	N/A	N/A	-	New Zealand	Managed, Operated	Container Ship
Polynesia ²	21.269	D	2015	9634658	21508	16889	8093	172.0	27.4	1708	N/A	N/A	2 x 45T	Malta	Operated	Container Ship
Wuchang	4.713	B+	2013	9657844	39128	24785	12537	180.0	30.0	N/A	47661	48908	4 x 30T + 4 x 12cbm Grabs	Hong Kong	Managed, Operated	Handysize Bulk Carrier

¹ (ex MCP London)

² (ex Santa Lucia)

Fleet Profile

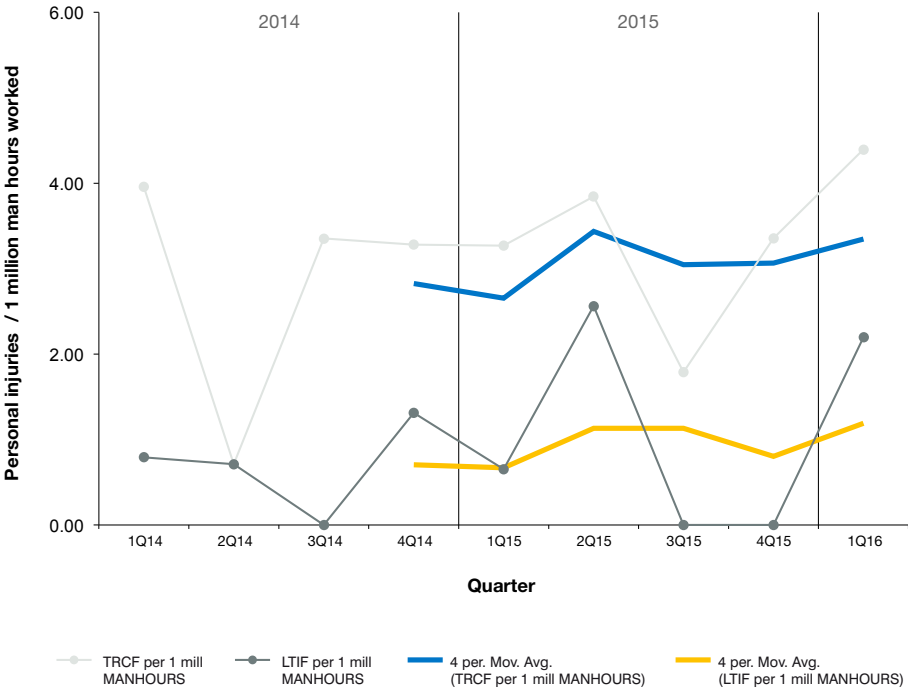
In Operation as at 31 Dec 2015

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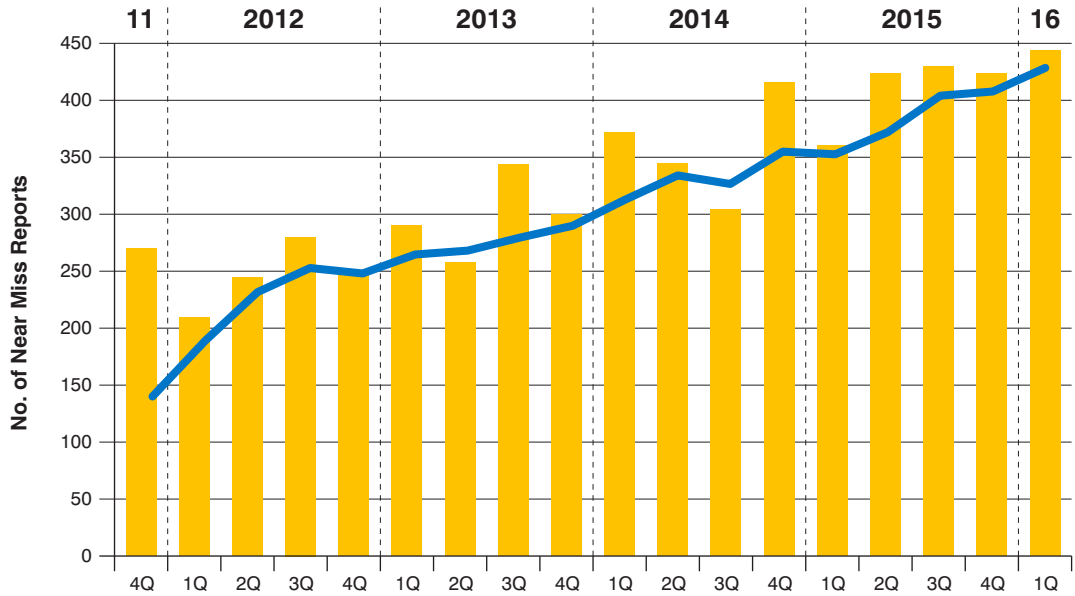
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Vessel Name	EVDI or EEDI	Rightship GHG Emissions' Rating	Year Built	IMO No.	DWT (SSW MTs)	GT	NT	LOA (m)	Max Breadth (m)	Capacity Nominal (TEU)	Hold Capacity - Bale (m³)	Hold Capacity - Grain (m³)	Cargo Gear (T)	Country of Registration	Status	Vessel Type
Wuchow	4.772	B+	2013	9657856	39090	24785	12543	180.0	30.0	N/A	47661	48908	4 x 30T + 4 x 12cbm Grabs	Hong Kong	Managed, Operated	Handysize Bulk Carrier
Wuhu	4.709	B+	2014	9657868	39182	24785	12545	180.0	30.0	N/A	47661	48908	4 x 30T + 4 x 12cbm Grabs	Hong Kong	Managed, Operated	Handysize Bulk Carrier
Wulin	4.886	B+	2014	9657870	39049	24785	12538	180.0	30.0	N/A	47661	48908	4 x 30T + 4 x 12cbm Grabs	Hong Kong	Managed, Operated	Handysize Bulk Carrier
Eredine	4.646	B+	2014	9681871	39855	24785	13019	180.0	30.0	N/A	47181	48908	4 x 36T	Singapore	Managed, Operated	Logs Fitted Handysize Bulk Carrier
Erradale	4.677	B+	2014	9681883	39757	24785	13021	180.0	30.0	N/A	47181	48908	4 x 36T	Singapore	Managed, Operated	Logs Fitted Handysize Bulk Carrier
Erisort	4.531	B+	2014	9681895	39763	24785	13022	180.0	30.0	N/A	47181	48908	4 x 36T	Singapore	Managed, Operated	Logs Fitted Handysize Bulk Carrier
Eriskay	4.780	B+	2015	9681900	39810	24785	13021	180.0	30.0	N/A	47181	48908	4 x 36T	Singapore	Managed, Operated	Logs Fitted Handysize Bulk Carrier
Fengning	4.658	B+	2015	9690884	39836	24785	13022	180.0	30.0	N/A	47181	48908	4 x 36T	Singapore	Owned	Logs Fitted Handysize Bulk Carrier
Fengtien	4.576	B+	2015	9690896	39782	24785	13035	180.0	30.0	N/A	47181	48908	4 x 36T	Singapore	Owned	Logs Fitted Handysize Bulk Carrier
Foochow	4.740	B+	2015	9690901	39758	24785	13022	180.0	30.0	N/A	47181	48908	4 x 36T	Singapore	Owned	Logs Fitted Handysize Bulk Carrier
Funing	4.637	B+	2015	9690913	39784	24785	13019	180.0	30.0	N/A	47181	48908	4 x 36T	Singapore	Owned	Logs Fitted Handysize Bulk Carrier
Liangchow	4.624	B+	2015	9715191	39685	24785	13028	180.0	30.0	N/A	47181	48908	4 x 36T	Hong Kong	Owned, Managed	Logs Fitted Handysize Bulk Carrier
Lintan	4.716	B+	2015	9715206	39641	24785	13033	180.0	30.0	N/A	47181	48908	4 x 36T	Hong Kong	Owned, Managed	Logs Fitted Handysize Bulk Carrier
Luchow	4.650	B+	2015	9715218	39728	24785	13019	180.0	30.0	N/A	47181	48908	4 x 36T	Hong Kong	Owned, Managed	Logs Fitted Handysize Bulk Carrier
Coretalent OL	7.175	D	2014	9597410	31669	19816	10389	175.5	29.4	N/A	39271	40493	4 x 30T	Panama	Operated	Logs Fitted Handysize Bulk Carrier
Daiwan Ace	5.970	C	2014	9672208	34358	21514	11203	180.0	30.0	N/A	40510	41753	4 x 30T	Panama	Operated	Logs Fitted Handysize Bulk Carrier
Union Taylor	5.929	D	2014	9691644	37693	23216	12010	180.0	29.8	N/A	45238	46994	4 x 30.5T	Marshall Islands	Operated	Logs Fitted Handysize Bulk Carrier
Bunun Dynasty	5.913	D	2014	9707821	37795	23281	12101	180.0	29.8	N/A	45238	46995	4 x 35T	Hong Kong	Operated	Logs Fitted Handysize Bulk Carrier
Glengyle	5.931	D	2015	9727285	37679	23269	12101	180.0	29.8	N/A	45238	46995	4 x 30T	Hong Kong	Operated	Logs Fitted Handysize Bulk Carrier
Yochow	5.722	B	2015	9728394	34398	21538	11201	180.0	30.0	N/A	42911	44147	4 x 30T	Hong Kong	Operated	Logs Fitted Handysize Bulk Carrier
Yunnan	5.722	B	2015	9728409	34398	21538	11201	180.0	30.0	N/A	42911	44147	4 x 30T	Hong Kong	Operated	Logs Fitted Handysize Bulk Carrier
Daiwan Glory	6.566	D	2015	9713832	35531	22314	11139	177.0	30.0	N/A	44199	45626	4 x 30T	Hong Kong	Operated	Logs Fitted Handysize Bulk Carrier

Injuries

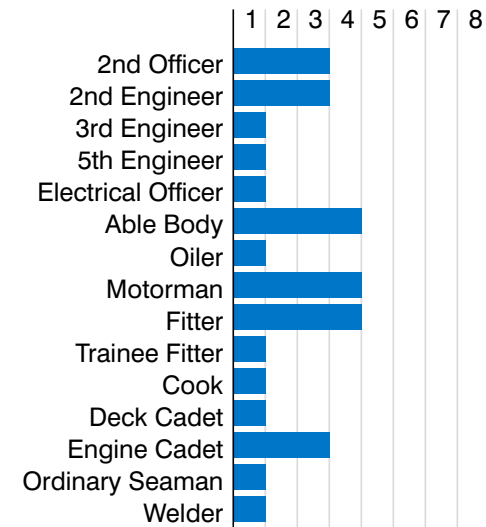


Near Misses

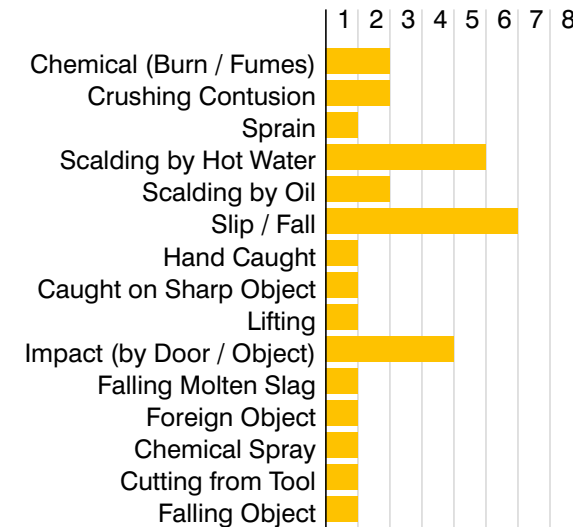


*Total Recordable Cases comprises: Lost Time Injuries + Medical Treatment Cases + Restricted Workday Cases

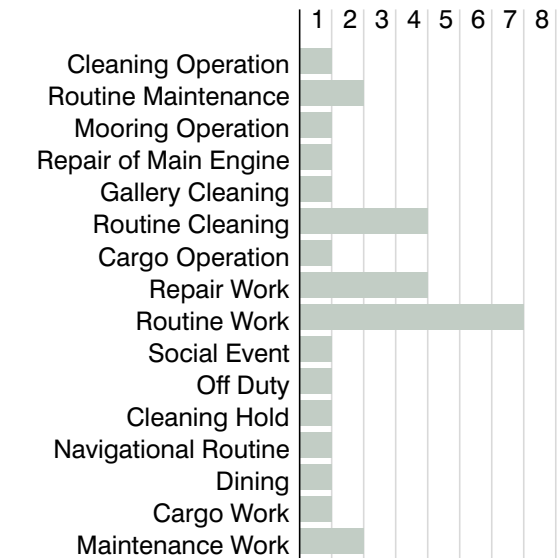
Rank



Type of Accident



Tasks Performed



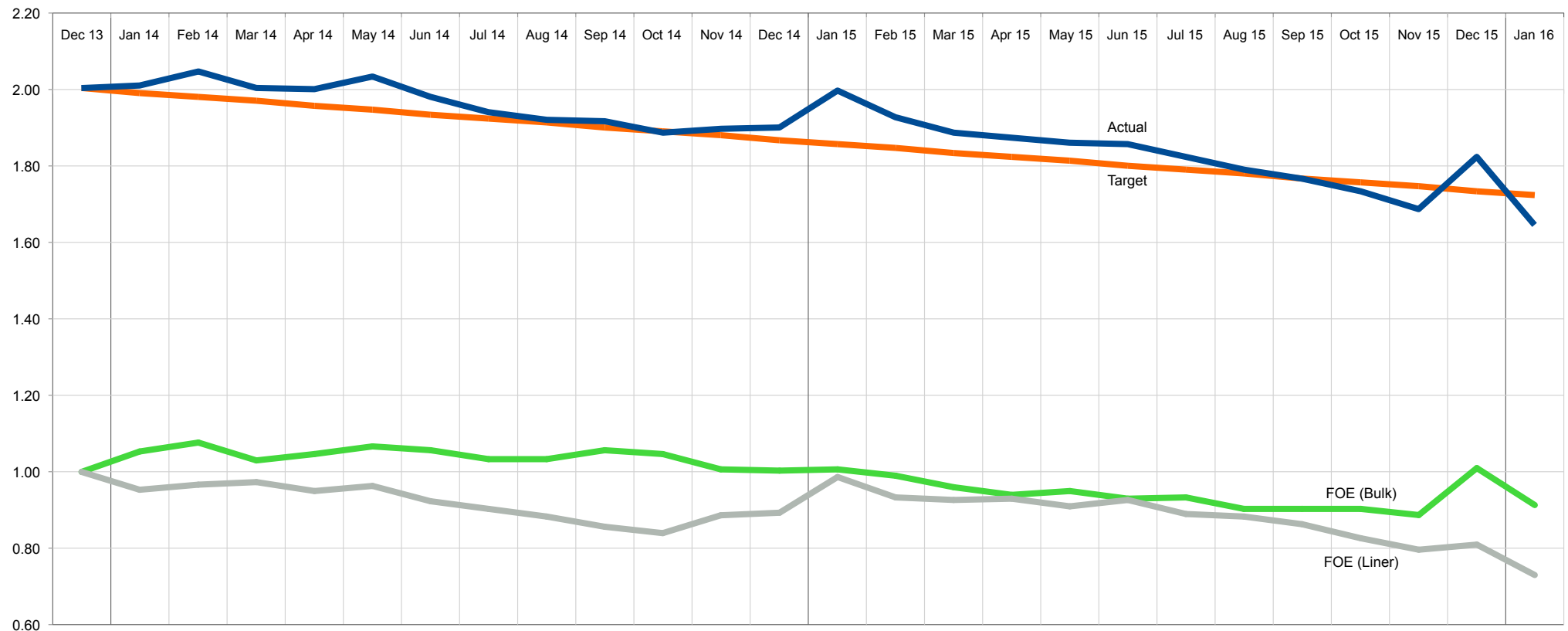
	2008	2009	2010	2011	2012	2013	2014	2015
Total vessels (owned and managed/operated) as at 31 Dec	51		34	35	15 (plus 16 u/c)	24 (+4 managed)	31 (+6 managed)	54
Scope 1 & 2 emissions (tCO₂e)	1,059,271		661,041	690,242	610,558	625,426	479,486	559,574.16
% GHG emissions of CNCo group that comes from marine fuel	99.9% marine fuels	99.9% marine fuels	99.8% marine fuels	99.8% marine fuels	99.8% marine fuels	99.9% marine fuels	99.9% marine fuels	99.5% marine fuels
EEOI - liner fleet (tCO₂e/tm)				30	31	30	27	26.82
EEOI - bulk fleet (tCO₂e/tm)	n/a	n/a	n/a	n/a	n/a	<i>Not a full year's data</i>	7	6.39
Scope 2 electricity consumed ashore (tCO₂e)				286	237	241	197	267.83
Scope 2 GHG footprint for business flights (tCO₂e)				4,284	4,547	3,098	4,467	5,482.80
SOx emissions (mT)	20,987	18,517	11,767	14,776	13,051	13,858	10,458	12,118.67
NOx emissions (mT)				17,506	15,510	16,259	12,236	14,201.44
Particulate Matter emissions (mT)				1,396	1,233	1,313	989	1,144.55
VOC emissions (mT)				261	231	241	185	215.56
Spills of substances hazardous to the marine environment (litres)				1 (20 litres oil, with 3 litres entering the sea)		2 (21 litres in total of hydraulic oil or sludge being transferred entered the sea)	Nil	<i>MV Ningpo:</i> Spill at Marsden Point 1 Dec 2015 of an undetermined amount of ballast water contaminated with oil

To track our bulk and liner fleets together to enable us to benchmark how the CNCo group is performing against our internal KPIs to reduce emissions, CNCo has produced a simplified “whole fleet” EEOI metric that we have termed FOE or “Fleet Operational Efficiency”.

As the two types of ships have very different absolute values for their EEOI, we combine the bulk fleet EEOI as constituting a relative 50% of our FOE – the green line, normalised as 1 in the baseline

month in the lower half, and the liner fleet EEOI as providing the balance of 50% - the grey line also normalised at 1 at the bottom of this page.

These are then combined to give a single global figure - the blue “actual” figure against the scale of 2 in the baseline month, showing how the company’s fleet GHG footprint reduction is performing against target that declines monthly – the orange line.



The ratings of the various components that make an organisation “Socially Responsible” are shown in Table (below).

This shows that all 12 areas we have identified are important (rated >92%).

Some areas are considered more important than others (e.g. avoidance of pollution of the marine environment, and requiring sound health and safety practices to be followed, rated >97%).

		<i>Importance level of SD area</i>
1	The Company does not cause spills or otherwise pollute the marine environment.	92.0%
2	The Company has sound Health and Safety practices, and are making protection of the health and safety of staff, clients and their employees their main priority.	95.3%
3	The Company is responsible and well governed. We operate with accountability, transparency, ethical behaviour and respect for the rule of law. We do not tolerate corrupt practices such as bribery within our own staff or our supply chain.	95.7%
4	The Company treats their employees well, providing good working environment and fair compensation & benefits.	97.3%
5	The Company respects the communities living in the regions in which we work, providing fair and good quality employment opportunities, and dealing fairly with any grievances and criticism.	94.7%
6	The Company is showing leadership in reducing carbon and other greenhouse gas emissions from its operations.	93.3%

		<i>Importance level of SD area</i>
7	The Company expects a high standard of sustainable and ethical performance throughout its supply chain. We have a clear Supply Chain Sustainability Code of Conduct and take action to ensure that everyone in our supply chain meets high standards of environmental, workers rights, and health & safety performance.	91.7%
8	The Company is among the leaders in the industry with respect to Environmental Performance.	92.7%
9	The Company promotes itself fairly, providing unbiased, factual information. Our communication with clients and suppliers is clear, accurate, credible and we have a positive and transparent approach.	96.7%
10	The Company encourages its staff, customers and supply chain to act in a socially responsible manner.	94.7%
11	The Company has a Corporate Philanthropy (charity) programme which provides meaningful benefit to the communities in which we operate.	97.7%
12	The Company works closely with both Clients and Suppliers to help them become more environmentally sustainable.	95.0%

New Hires during 2015 by Country, Age Group and Gender Identity

Country / Age Group	Male	Female	TOTAL
Australia			3
<30		1	1
>=30 And <=50	2		2
China			7
<30		4	4
>=30 And <=50	2	1	3
New Zealand			2
<30		1	1
>=30 And <=50	1		1
Papua New Guinea			19
<30	5	3	8
>=30 And <=50	10	1	11
Singapore			17
<30	4	5	9
>=30 And <=50	3	4	7
>50	1		1
Taiwan			2
>=30 And <=50		2	2
GRAND TOTAL	28	22	50

Turnover by Country, Age Group and Gender Identity

Country / Age Group	Male	Female	TOTAL
Australia			10
>=30 And <=50	3	2	5
>50	2	3	5
China			5
<30		2	2
>=30 And <=50		3	3
New Zealand			16
<30		2	2
>=30 And <=50	5	7	12
>50	1	1	2
Papua New Guinea			46
<30	6	12	18
>=30 And <=50	20	7	27
>50	1		1
Singapore			17
<30	1	5	6
>=30 And <=50	12	10	22
>50	1	2	3
Taiwan			1
>=30 And <=50		1	1
United States			1
>50		1	1
GRAND TOTAL	52	58	110

Indicator	Disclosure on Management Approach	Reported	Cross-reference/Answers/Notes
Section: Strategy & Analysis			
G4-1	MD's Cover Note	Yes	See MD's message of the report
Section: Organisational Profile			
G4-3	Organisation name	Yes	<i>Organisational Profile / Governance</i> section of the report.
G4-4	Primary brands, products, and services	Yes	<i>Organisational Profile / Governance</i> section of the report.
G4-5	Headquarters location	Yes	<i>Organisational Profile / Governance</i> section of the report.
G4-6	Where the organisation operates	Yes	<i>Organisational Profile / Governance</i> section of the report and <i>Our People</i> sections.
G4-7	Nature of ownership and legal form	Yes	<i>Organisational Profile / Governance</i> section of the report.
G4-8	Markets served	Yes	<i>Organisational Profile / Governance</i> section of the report.
G4-9	Scale of the organisation	Yes	<i>Our People</i> section for the breakdown of employees/offices. All financial information is confidential.
G4-10	Total number of employees by type	Yes	<i>Our People</i> section of the report: <i>Employment information and Diversity in the Workplace / Human Rights</i> . There were no seasonal variations in employment numbers.
G4-11	Collective bargaining agreements	Yes	All CNCo seafarers are covered by collective bargaining agreement (CBA) in accordance with the Maritime Labour Convention (MLC) 2006. Land based employees are not covered by collective bargaining agreements.
G4-12	Supply chain description	Yes	Please refer to the <i>Supply Chain Management</i> sub-section under <i>Our People</i> .
G4-13	Organisational changes during the reporting period	Yes	CNCo continued its growth strategy which the company embarked upon in 2012. Company's fleet grew by 12 vessels during the reporting period with corresponding increases of 24% for land-based staff and 37% for sea staff.

Indicator	Disclosure on Management Approach	Reported	Cross-reference/Answers/Notes
G4-14	Precautionary principle	Yes	CNCo manages all risks that have the potential to impact our operations. In 2015 CNCo hired a Group Risk Manager to oversee and manage all corporate risks. We are measuring, monitoring and reporting our Environmental impact and have a number of initiatives in place to reduce out greenhouse gas emissions and other negative environmental impact. See section on <i>Carbon and Environment</i> for more details.
G4-15	External charters, principles, or other initiatives	Yes	Hong Kong Civic Exchange's Fair Winds Charter (Voluntary prior to regulation came into force on 1 July 2015). Fair employment practices (TAFEP) Singapore. CNCo signed the TAFEP pledge in April 2013.
G4-16	Membership associations	Yes	Singapore Shipping Association Sustainable Shipping Initiative World Ocean Council Global Compact (Singapore) Maritime Anti-Corruption Network (MACN) CSR Asia (strategic partner)

Section: Identified Material Aspects & Boundaries

G4-17	Entities included in financial statements	Yes	Please refer to the organisational boundaries diagram. All companies within its scope have been reported on under this report. All financial statements are confidential.
G4-18	Process for defining report boundaries and content	Yes	<i>Introduction</i> Section of the report
G4-19	Material aspects included in the report	Yes	See <i>Material Aspects</i> under the <i>Introduction</i> Section of the report.
G4-20	Descriptions of material aspect boundaries within the organisation	Yes	See <i>Material Aspects</i> under the <i>Introduction</i> Section of the report and the Organisational and Operational Boundaries diagram. Material aspects are relevant for all CNCo entities and in all geographical locations we operate.
G4-21	Descriptions of material aspect boundaries outside the organisation	Yes	There are no material aspects outside the organisational boundaries we have defined.
G4-22	Restatements	Yes	There have been no restatements of data however some of the initiatives which started in prior years and continued during the reporting period are covered.

Indicator	Disclosure on Management Approach	Reported	Cross-reference/Answers/Notes
G4-23	Changes from previous reports in terms of scope and/or boundaries	Yes	Added Swire Shipping offices in China and PNG to the scope.
Section: Stakeholder Engagement			
G4-24	Stakeholder groups	Yes	<p>Investors: Shareholders/ JS&S Board/UK Head office and other Swire group companies (Private and Public)</p> <p>Subsidiary Companies: as per organisational boundary chart</p> <p>Employees: sea staff, shore staff, Senior execs/mid Managers/Managers/other</p> <p>Suppliers: Legal/HR/Auditors/ bunker suppliers</p> <p>Communities: Local key s/h communities/ Corporate Philanthropic funds recipients</p> <p>Government and Regulators: Classification societies/</p> <p>Shipping Industry actors: Peers/SRF/SSI members</p>
G4-25	How stakeholders were identified	Yes	In 2015 SD department working with Communications Department to develop Communications Plan and identify key stakeholder groups and communications strategies.
G4-26	Approach to stakeholder engagement		<p>Stakeholder mapping exercise was re-done in 2015 and stakeholder engagement is an ongoing process. We interact with our stakeholders regularly, through office visits (employees and clients), officer and crews' fora (for sea-going employees), training programmes (sea staff and industry partners) during SAC in Singapore and on board our vessels (sea staff), shore employee induction programmes and many other ad hoc events. Those events are organised with the aim of keeping our stakeholders fully aware of the material developments within the company and specifically covering the area of Sustainable Development. They also offer an avenue to voice any concerns related to safety, human rights, labour practices and environmental issues.</p> <p>For this report, through our stakeholder engagements and surveys, we have identified and ranked the importance of various ESG components. Please see <i>Material Aspects</i> and corresponding table in the attachment to this report.</p> <p>Stakeholder communications map identified a wide range of external stakeholders which we plan to engage during 2016.</p>
G4-27	Topics raised during stakeholder engagements	Yes	See <i>Material Aspects</i> under the Introduction Section of the report. All concerns are addressed in collaboration with other departments and in SD Reports.

Indicator	Disclosure on Management Approach	Reported	Cross-reference/Answers/Notes
Section: Report Profile			
G4-28	Reporting period	Yes	"Introduction" Section of the report - January to December 2015.
G4-29	Date of most recent report	Yes	Sustainability report for 2014 calendar year.
G4-30	Reporting cycle	Yes	Annual
G4-31	Report contact	Yes	Contact section of the report. GM - Sustainable Development is the key contact.
G4-32	"In accordance" option, GRI Index and report assurance	Yes	Report for the year 2015 has been prepared in accordance with the Global Reporting Initiative's Sustainability Reporting Guidelines (GRI 'In accordance' Standard disclosure - Core Option), with a focus on transparency and clarity. It will be externally assured and the assurance statement added to the report at a later date.
G4-33	Policy regarding report assurance	Yes	We have sought external assurance for this report from an independent assurer. The assurer does not have any known relationship to the organisation.
Section: Governance			
G4-34	Governance structure of the organisation	Yes	<i>Organisational Profile / Governance</i> section of the report.
Section: Ethics & Integrity			
G4-56	Code of conduct	Yes	CNCo's Code of Conduct is available on the company's website www.chinnav.com / Sustainability tab. The Code is applicable to all employees ashore or at sea, it sets the highest standards of business ethics. For more information see Anti-corruption and anti-trust section of the report.

Indicator	Disclosure on Management Approach	Reported	Cross-reference/Answers/Notes
Specific Standard Disclosures by Material Aspects by GRI aspect			
Environmental Category			
DMA (Material Aspect)	Energy		
G4-EN3	Energy consumption within the organization	Yes	Please refer to the <i>Carbon/Environment</i> section of the report.
DMA	Emissions		
G4-EN15	Direct greenhouse gas (GHG) emissions (scope 1)	Yes	Please refer to the <i>Energy consumption and emissions</i> subsection and <i>Environmental Summary</i> table of the report.
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (scope 2)	Yes	Please refer to the <i>Energy consumption and emissions</i> subsection and <i>Environmental Summary</i> table of the report.
G4-EN17	Other indirect greenhouse gas (GHG) emissions (scope 3)	Yes	Please refer to the <i>Energy consumption and emissions</i> subsection and <i>Environmental Summary</i> table of the report.
G4-EN18	Greenhouse gas (GHG) emissions intensity	Yes	Please refer to the <i>Environmental Summary</i> table of the report.
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Yes	Please refer to the <i>Highlights</i> section of the report. CNCo achieved FOE reduction in emissions to the level of 8.6% during 2015 which came from the reductions in GHG emissions occurred in Scope 1. While measures were taken to reduce emissions from office operations and travel, they are not very significant as 99.95% of our emissions are Scope 1.
G4-EN21	Nox, sox, and other significant air emissions	Yes	Please refer to the <i>Environmental Summary</i> table of the report.

Indicator	Disclosure on Management Approach	Reported	Cross-reference/Answers/Notes
DMA	Effluents and Waste		
G4-EN22	Total water discharge by quality and destination	Yes	Ships use ballast water which they discharge in various locations however the water undergoes treatment before it is discharged. Discharges of black and gray water generated and discharged in the course of normal ship operations is regulated by MARPOL which CNCo strictly complies with. Ship's oily water separator systems is used on board vessels.
G4-EN24	Total number and volume of significant spills	Yes	In December 2015, CNCo's vessel <i>MV Ningpo</i> , was involved in an environmental incident in New Zealand (NZ). Fuel oil from a leaking fuel tank escaped into the ballast tank and was then inadvertently discharged into the sea during a de-ballasting operation while alongside the berth at Northport in Whangarei Harbour, NZ. Most of the escaped oil was contained under a response operation headed by the Northland Regional Council Harbour Master. CNCo took this environmental incident extremely seriously and worked in full cooperation with the authorities at Whangarei Harbour on cleaning up operation. The incident was fully investigated and appropriate actions taken by CNCo's management team during the clean-up phase and repair work on the vessel. As a result, Northland Regional Council was satisfied with CNCo's response in minimising the long term effects of the spill and decided to only impose an administrative fine of SGD460.
DMA	Compliance		
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions For non-compliance with environmental laws and regulation	Yes	Please refer G4-EN24 CNCo was fined USD129,500 by the California Air Resources Board for failure to switch to lower sulfur fuel when close to the California coast. The company took prompt action after being notified and cooperated with the investigation. This incident took place in December 2012.
DMA	Environmental Grievance Mechanisms		
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	Yes	There were zero non-compliance grievances or public complaints on our environmental impact in 2015.

Indicator	Disclosure on Management Approach	Reported	Cross-reference/Answers/Notes
Social			
DMA	Employment		
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Yes	Please see <i>Our People</i> section of the report.
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Yes	All of the statutory benefits are provided as an absolute minimum in all of CNC's key locations for all employees. All of our seafarers receive: Private Healthcare for all seafarers Pension arrangements or cash in lieu for all seafarers Life Insurance Collective Bargaining Agreement in place with International Transport Federation (ITF) affiliates Discretionary training Key locations are defined as countries where more than 10% of our employees are based.
DMA	Occupational H&S		
G4-LA5	Percentage of total workforce represented in formal joint management-worker Health and safety committees that help monitor and advise on occupational health and safety programs	Yes	On board our vessels 45% (as a minimum) of our workers are represented on the joint H&S committees. For the offices, we have H&S committees in key locations: Singapore/Australia/NZ/PNG.
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Yes	Please see <i>Safety</i> Section of the report and the related tables.
G4-LA8	Health and safety topics covered in formal agreements with trade unions	Yes	Following topics are fully covered in CBA for seafarers: Working hours, sickness and injury (incl. sick pay), compensation for disability and death, medical treatment.
DMA	Training and Education		
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Yes	Training is conducted throughout the year to comply with rules and regulations. Discretionary training is also provided to uplift the Safety standards. For statistics please refer to the <i>Performance management, training and development</i> sub-section of the report under <i>Our People</i> section.

Indicator	Disclosure on Management Approach	Reported	Cross-reference/Answers/Notes
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Yes	100% of land based employees and seafarers in all locations received a yearly performance appraisal and development review in 2015. For the sea staff this was done at the end of each shift.
DMA	Diversity and Equal Opportunity		
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other Indicators of diversity	Yes	Governance Body - Board of Directors: 1 Female Director / age group 30-50 y.o. All other members are male falling into two age groups: 30-50 years old and over 50. No minority groups present.
DMA	Labour Practices Grievance Mechanisms		
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	Yes	No grievances were reported in 2015.
Human Rights			
DMA	Non-discrimination		
G4-HR3	Total number of incidents of discrimination and corrective actions taken	Yes	There was one case of harassment reported and investigated during 2015 involving a newly employed master. The master was taken off the ship and interviewed by CNCo management. An investigation was also conducted on board the vessel. Following the investigations the master was dismissed from the Company. There were no cases of sexual harassment reported in the Fleet or office.
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	Yes	There were no cases of forced or compulsory labour in 2015. CNCo will operationalise Modern Day Slavery Act in 2016.

Indicator	Disclosure on Management Approach	Reported	Cross-reference/Answers/Notes
DMA	Human Rights Grievance Mechanisms		
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	Yes	There were no grievances about human rights impacts filed in 2015.
Society			
DMA	Local Communities		
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Yes	See <i>Our Communities</i> section of the report. CNCo invests in key stakeholder communities with a number so Corporate Philanthropic projects being implemented in various geographies and employee engagement activities. Social Return on Investment (SROI) was done on the partnership with Endangered Species International project only.
DMA	Anti-corruption		
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	Yes	CNCo's Corporate Code of Conduct is a comprehensive governance document that sets out rules on how CNCo employees must behave in the course of carrying out their duties. One of the areas covered by the Code is anti-corruption. The Code together with internal controls set a strong foundation to prevent any corruption related incidents. The Company carries out anti-corruption/anti-bribery training and testing for every single employee within the group. Any incidents of potential or actual non-compliance are reported to the CNCo Audit Committee and investigated. The company has Zero tolerance towards corruption. This risk is also covered under each and every Business Unit Risk Register and reviewed periodically. CNCo joined Maritime Anti-Corruption Network (MACN) in 2015. For more information see <i>Anti-corruption, anti-trust and monopoly practices</i> sub-section of the <i>Organisational Profile / Governance</i> section of the report.
G4-SO4	Communication and training on anti-corruption policies and procedures	Yes	100% of shore and sea based employees watched a Code of Conduct video addressing all the requirements of the Corporate Code of Conduct which covers anti-bribery and anti-corruption. We also have a comprehensive FAQ document in place. Testing is done biennially for all employees in the group in all geographical locations.
G4-SO5	Confirmed incidents of corruption and actions taken Anti-competitive behaviour	Yes	There were no incidents of corruption reported in 2015.

Indicator	Disclosure on Management Approach	Reported	Cross-reference/Answers/Notes
DMA	Anti-competitive Behavior		
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Yes	There were no incidents of anti-competitive behaviour reported in 2015.
DMA	Compliance		
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Yes	There were no non-compliance with laws or regulations.
Product Responsibility			
DMA	Customer Health and Safety		
G4-PR1	Percentage of significant (product and) service categories for which health and safety impacts are assessed for improvement	Yes	See <i>Safety</i> section of the report.

SDGs listed below are relevant to CNC's business. Specific references to the relevant and reported GRI indicators are also included

Goal Number	SDG	Business Theme	GRI Indicators reported in 2015
Goal 3	Ensure healthy lives and promote well-being for all at all ages	Air quality	G4-EN15
			G4-EN16
			G4-EN17
			G4-EN21
		Occupational health and safety	G4-LA6
Goal 4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Spills	G4-EN24
		Water quality	G4-EN22
		Employee training and education	G4-LA9
Goal 5	Achieve gender equality and empower all women and girls	Gender equality	G4-LA1
			G4-LA9
			G4-LA11
			G4-LA12
		Non-discrimination	G4-HR3
Goal 6	Ensure availability and sustainable management of water and sanitation for all	Spills	G4-EN24
		Water quality	G4-EN22
		Water-related ecosystems and biodiversity	G4-EN22
			G4-EN24
Goal 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Diversity and equal opportunity	G4-LA12
		Elimination of forced or compulsory labor	G4-HR6
		Employee training and education	G4-LA9
			G4-LA11
		Employment	G4-10
			G4-LA1
		Energy efficiency	G4-EN3
		Freedom of association and collective bargaining	G4-11
		Non-discrimination	G4-HR3
		Occupational health and safety	G4-LA5
			G4-LA6
			G4-LA8

Goal Number	SDG	Business Theme	GRI Indicators reported in 2015
Goal 12	Ensure sustainable consumption and production patterns	Air quality	G4-EN15
			G4-EN16
			G4-EN17
			G4-EN21
		Spills	G4-EN24
		Water quality	G4-EN22
Goal 13	Take urgent action to combat climate change and its impacts Acknowledging that the United Nations Framework Convention on Climate Change is the primary international, intergovernmental forum for negotiating the global response to climate change.	Energy efficiency	G4-EN3
		GHG emissions	G4-EN15
			G4-EN16
			G4-EN17
			G4-EN18
			G4-EN19
Goal 14	Conserve and sustainably use the oceans, seas and marine resources for sustainable development	Ocean acidification	G4-EN15
			G4-EN16
			G4-EN17
			G4-EN18
			G4-EN19
			G4-EN21
		Spills	G4-EN24
		Water discharge to oceans	G4-EN22
Goal 15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	Forest degradation	G4-EN15
			G4-EN16
			G4-EN17
			G4-EN18
			G4-EN19
			G4-EN21
		Spills	G4-EN24