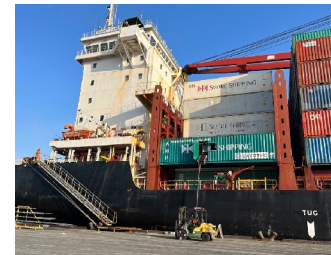
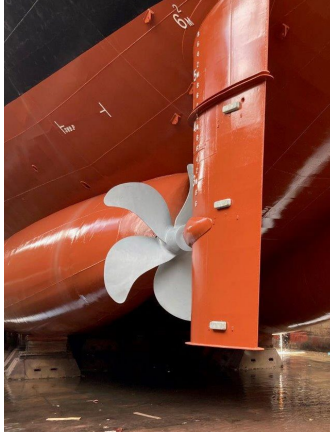


## Sustainability Report for the Calendar Year 2022



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## About this Report

This sustainability report covers the operations of Swire Shipping Pte. Ltd. (Swire Shipping) from 1<sup>st</sup> January to 31<sup>st</sup> December 2022, with any point data being as at 31<sup>st</sup> December 2022 unless stated otherwise.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards (Universal Standards 2021), and guided by the GRI principles for defining this report's content:

**Stakeholder Inclusiveness:** Being responsive to stakeholder expectations and interests;

**Sustainability Context:** Presenting performance in the broader context of sustainability;

**Materiality:** Focusing on issues through which the Company can create impact, and which are of critical importance to the business and stakeholders; and

**Completeness:** Including all information that is of significant environmental, economic and social impact to enable stakeholders to assess the Company's performance.

For a full list of specific standards applied and disclosures reported in this report, please refer to the GRI Content Index in the Data section of the report.

Feedback on any aspect of this report is welcomed.

Please contact Swire Shipping's Sustainability and Decarbonisation Department at: [SD.dept@swireshipping.com](mailto:SD.dept@swireshipping.com)



# Managing Director's Message

I am delighted to present Swire Shipping's 2022 Sustainability Report, a comprehensive account of our journey towards a more sustainable future.

2022 was a watershed year as the world shook off the effects of the global pandemic and markets reopened to global trade and commerce. Nevertheless, significant challenges remain with the war in Ukraine and a slowing global economy presenting new areas of concern. The urgent need to address global challenges such as climate change, pollution, and loss of biodiversity remains ever-present, and we are conscious of the inherent responsibility we bear as a leading global shipping company to do our part.

Through all this change and uncertainty, our seagoing and shore-based employees have shown remarkable resilience, and we thank them for their role in keeping our customers and communities connected. We pledge to continue working for their welfare and to never let commercial decisions affect the safety of our people, or our communities.

## Celebrating 150 Years

2022 also marked our 150<sup>th</sup> year in business. From humble beginnings on the banks of the Yangtze River in 1872, Swire Shipping has grown into a leading provider of sustainable shipping solutions with 3,000 seafarers and shore-based employees and offices across 21 countries and regions facilitating trade in over 70 countries.

We are immensely proud of our heritage and honoured by the opportunity to celebrate this milestone with our employees and customers around the world. Much of what we do today is driven by the desire to preserve and enhance this legacy and ensure that Swire Shipping continues to be a force for good through the next 150 years and beyond.

## SwireShippingTHRIVE

At Swire Shipping, sustainability lies at the heart of everything we do. We are more committed than ever to reducing our carbon footprint, creating a diverse and inclusive environment for our people, and improving the wellbeing of our employees and the communities we serve.

Our sustainability strategy hinges on three core pillars: Thriving Environment, Thriving People, Thriving Partners. Driven by targets closely aligned with our business strategy, and with several of the United Nation's Sustainable Development Goals (SDGs), it encompasses all the areas where we feel we can make the most difference including our efforts to champion the role of women in the maritime sector, work collaboratively with our internal teams and external partners to continuously improve safety standards across all areas of our operations, and support the communities and natural habitat of the Pacific Islands. We will be reporting on our progress in future reports.

As part of our continuing commitment to a greener future, we have developed a Decarbonisation Roadmap with short-, medium- and long-term targets to decarbonise vessel operations. For the next two years, our strategy will focus on three pillars: fleet efficiency, adoption of Energy Efficiency Technologies and research on availability and supply chains of new fuels.

Over the past seven years, we have steadily invested in building a modern and environmentally responsible fleet that helps to improve fuel efficiency and reduce emissions. The GHG emissions for each vessel are monitored on both a per voyage and annual basis, using the IMO Energy Efficiency Operational Indicator (EEOI) and we maintain an internal fleet efficiency scorecard to track vessel fuel performance.

## Towards a Greener, More Sustainable Future

As we navigate the complexities of a dynamic and evolving industry, we remain committed to listening to the perspectives of our stakeholders and working closely with our customers, suppliers and partners. This is a long-term journey and we must be prepared to adapt, innovate, and lead as we chart the course for a more sustainable future together.

I would like to extend my heartfelt appreciation to every Swire Shipping employee, partner, and stakeholder who has contributed to our sustainability journey. Your support is the driving force behind our progress, and I am confident that together, we can create a positive and lasting impact on the world around us.

Thank you for your continued trust in Swire Shipping.

### Jeremy Sutton

Managing Director  
Swire Shipping



# ENVIRONMENT

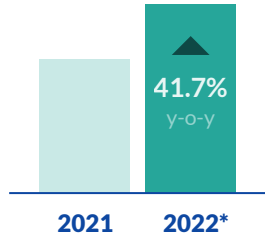
## THRIVING ENVIRONMENT

### Climate Footprint

Emissions Metric tonnes (t) CO<sub>2</sub>e

#### Scope 1

754,648



\*Operating days increased by 21% year-on-year.

#### Scope 2

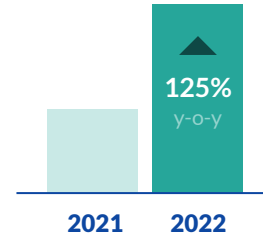
339



#### Scope 3

(Air travel only)

2,394



Number of Vessels Operated Over the Calendar Year

2021 **45**

2022 **48**

Swire Shipping has set the following decarbonisation targets:

### Carbon Intensity

#### EEOI\*

The **energy expended** moving one unit of cargo over one nautical mile.

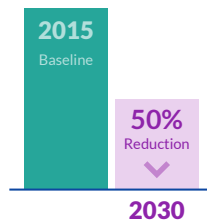
EEOI figure at the end of 2022 was 11% below the target.

\*Energy Efficiency Operational Indicator measured in grammes of CO<sub>2</sub> per Notional Revenue Tonne per nautical mile



#### MEDIUM-TERM TARGET

**50% reduction** of carbon intensity by 2030 compared to the baseline (2015).



### NET ZERO

#### LONG-TERM TARGET

**Net Zero GHG emissions** by 2050 and adoption of near zero emission fuels in the operated fleet.



**Industry Leadership:** working with like-minded partners to progress on its sustainability journey.

**Mærsk Mc-Kinney Møller Center**  
for Zero Carbon Shipping

**SSI**  
Sustainable Shipping Initiative

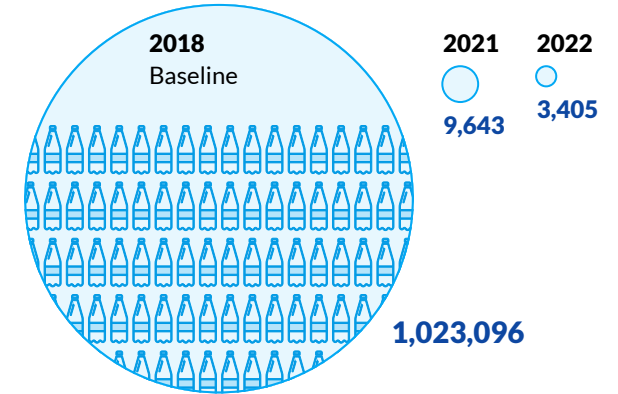
**GETTING TO ZERO**  
COALITION

**WORLD OCEAN COUNCIL**

### Reducing our Plastic Footprint

**64.69%** year-on-year reduction of Single-Use Plastic Water bottles on the vessels achieved.

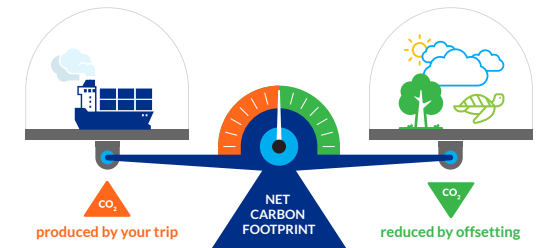
Overall reduction of **99.67%** from the baseline (2018).



### SailGreener Programme



Customers are offered the opportunity to offset the carbon footprint of their shipment(s).



### Ecological Impacts

**No significant spills**

Spills and releases to the environment

# SOCIAL

## THRIVING PEOPLE

### Employee Health and Safety

\*per million manhours

Lost Time Injury Frequency Rate (LTIFR)\*



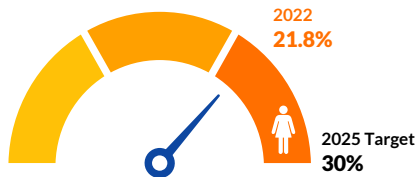
Total Reportable Case Frequency Rate (TRCFR)\*



### Diversity Targets

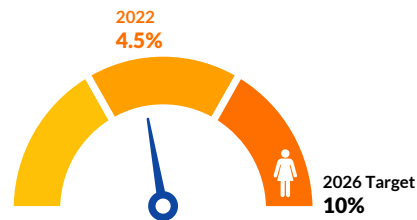
**30% female senior managers by 2025**

At the end of 2022 there were 21.8% female senior managers.

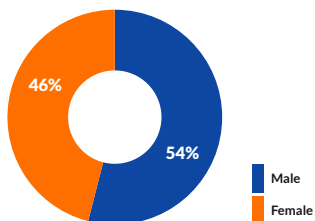


**10% female seafarers by 2026**

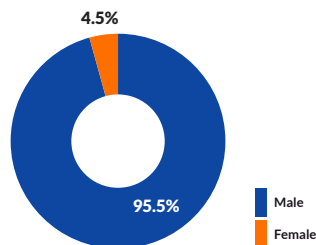
Swire Shipping had 49 (or 4.5%) female seagoing employees.



Shore-based employees by gender identity



Seagoing employees by gender identity



## THRIVING PARTNERS

### Number of Beneficiaries

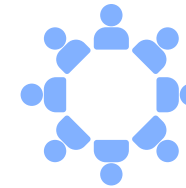
Beneficiaries in key stakeholder communities

**Over 100,000**

**117 shore-based employees spent 343 hours volunteering**

Seafarers globally

**1,890,000**



### Donations

Donations to charitable and non-charitable organisations

**Over USD 633,000**

Donation in-kind (*pro bono* / discounted shipment)

**Over USD 150,000**

### Moana Taka Partnership

**165.22 tonnes** of recyclable waste shipped out of the Pacific Island Countries & Territories (PICTs). From 2018, **1,176.6 tonnes** of recyclable waste has been shipped out from PICTs.



# GOVERNANCE

## Business Ethics

### Grievances

**7** reported  
**5** substantiated

### Corruption Cases

**0** Cases

### Fines and Sanctions

**0** Sanctions  
**1** Fine\*

\*see Governance section for more information

Swire Shipping achieved the Sapphire recognition tier for four years in a row (for 2019-2022) in the Protecting Blue Whales and Blue Skies programme in the San Francisco Bay Area and the Southern California Region.



Photo credit  
Jessica Morten, National Oceanic and Atmospheric Administration

Westwood Shipping Lines Inc. received the Port of Vancouver's 2022 Blue Circle Award for the EcoAction Programme.



Swire Shipping was conferred the **Environmental, Social and Corporate Governance Award** at the **Seatrade Maritime Awards 2022.**



# Our Business

The China Navigation Company Pte. Ltd. (CNCo) started on the banks of the Yangtze River in 1872, operating a modest fleet of Mississippi-style paddle steamers. In 2021, CNCo changed its name to Swire Shipping Pte. Ltd. as part of a wider exercise to streamline the two brand identities into a single brand, building on Swire Shipping's well-established name. CNCo remains the ultimate shareholding parent company of Swire Shipping in London, reflecting the important legacy of the business within the Swire Group.

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

Swire Shipping connects over 400 ports via an extensive network of services in the Asia-Pacific and globally. The Company maintains a worldwide agency network in addition to its own representative offices, providing customers with dedicated service and expert market knowledge.



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

- High frequency liner shipping services through the liner division for global transportation of containerised, refrigerated, breakbulk, heavy lift, projects and mini-bulk cargoes;
- Specialist shipping services to the energy, resources, and infrastructure sectors in the project logistics market through Swire Projects; and
- Integrated Logistics services including customs clearance, inland transportation services, and cargo management solutions, which complement the liner shipping products.

In June 2022, Swire Shipping acquired USA-based Westwood Shipping Lines Inc. (Westwood), from J-WeSCO Ltd, a subsidiary of The Sumitomo Warehouse Co. Ltd. This acquisition will complement Swire Shipping's growth strategy in widening its liner network while also vertically integrating many of the shipping services with first- and last-mile land service. Westwood services the transpacific trade as a first-class multipurpose operator dedicated to servicing Japan, South Korea and the Chinese Mainland markets to and from Pacific Northwest. It is headquartered in Puyallup, Washington.

Further information  
[www.swireshipping.com](http://www.swireshipping.com)  
[www.wsl.com](http://www.wsl.com)

Swire Shipping bought the remaining shares in Quadrant Pacific Ltd, a leading shipping and logistics services provider headquartered in New Zealand and it is now 100% owned by Swire Shipping.

The Company also opened a new branch office in Nuku'alofa, Tonga, on 1<sup>st</sup> October 2022. This is its 24<sup>th</sup> office in the South Pacific, strengthening its commitment to customers, partners, and communities in the region.

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

For more information, please see [www.swireshipping.com](http://www.swireshipping.com)

## Our Values

 INTEGRITY	 ENDEAVOUR
 EXCELLENCE	 HUMILITY
 TEAMWORK	 CONTINUITY

# Our Approach to Sustainability

Sustainability remains central to Swire Shipping’s business strategy, as reflected in its vision statement: to be the leading provider of safe, sustainable, innovative supply chain solutions and our customers’ partner of choice.

Swire Shipping has the governance structures in place together with policies and procedures to ensure that the Company is a market leader in terms of safety and quality of operations as well as meeting its sustainability commitments across Environmental, Social and Governance (ESG) areas. Priorities have been identified which are based on the material sustainability topics that drive long-term value for Swire Shipping’s business and stakeholders. Those are reflected in the Sustainability Strategy and are reported against material topics in this report.

## Sustainability Governance

The parent company’s Board of Directors is the highest-level governance and oversight body and sets the strategy for its subsidiary companies. Swire Shipping Board’s oversight responsibilities include strategy, risk management, compliance and internal audit as well as ESG-related matters.

The governance structure below the Board level is represented by the members of the Executive Leadership Team (ELT) who are responsible for decision making on and overseeing the management of the Company’s impacts on the economy, environment, and people.

In 2022 Swire Shipping appointed a new General Manager (GM) responsible for Sustainability and Decarbonisation (S&D) reporting to the Managing Director. The S&D Department has been expanded to increase the resources and expertise required to manage risks and opportunities related to decarbonisation.

A Fleet Efficiency team was established to measure and improve fleet efficiency covering owned and chartered-in tonnage from 2023 onwards. A newly appointed Decarbonisation Manager joined in 2023 to drive current and future projects to accelerate knowledge and engagement with alternative fuels and future fuel supply chains. The Sustainability team covers various ESG areas to ensure that Swire Shipping addresses all relevant ESG topics.

The S&D Department works closely with the members of the ELT on setting and implementing the Sustainability Strategy, goals, and measuring performance. Two sustainability reports are prepared each year for the Board of Directors to keep them abreast of the latest regulatory requirements and the Company’s progress against its sustainability priorities.

The S&D Department works together with various internal stakeholders on addressing growing ESG expectations, compliance and reporting requirements as well as to further enhance Swire Shipping’s position as a sustainability leader in the industry.

## Addressing Concerns

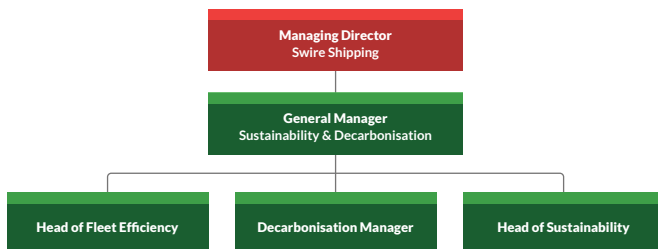
Swire Shipping encourages all stakeholders to speak up and report actual or suspected improprieties in line with the Whistleblowing Policy. Concerns from both internal and external stakeholders can be confidentially reported. All reports are reviewed by the Whistleblowing Committee and investigated as needed. The Company does not tolerate retaliation for complaints made in good faith.

## Our Sustainability Policies

Swire Shipping’s business activities and stakeholder relationships are guided by the following policies, which can be found on the Swire Shipping website:

<https://www.swireshipping.com/information/info-pages/about-us/policies>

### Sustainability and Decarbonisation Department



Biodiversity Policy	Carriage of Coal Cargoes Policy	Climate Change Policy	Corporate Code of Conduct	Data Protection and Privacy Policy	Environmental Policy	Health and Safety Policy	Human Rights Policy
Modern Slavery Policy	Responsible Cargo Carriage Policy	Supplier Code of Conduct	Sustainable Development Policy	Sustainable Ship Recycling Policy	Sustainable Waste Management Policy	Sustainably Produced Food Policy	Whistleblowing Policy



## Stakeholder Engagement and Materiality

Swire Shipping identifies and prioritises stakeholders based on their interest, influence and impacts on its business activities. Key stakeholder groups can be found under “Our key stakeholder groups and areas of concern” in the Data section of the report. A great variety of communication channels are adopted to engage with key stakeholder groups. All key stakeholder groups are engaged via the communication channel(s) suitable for their activities and levels of expertise.

Stakeholder engagement is carried out on an ongoing basis and formal materiality assessments are conducted, on average, once every three years. A structured stakeholder engagement process was undertaken in the beginning of 2022 following organisational changes. The process included a survey of internal and external stakeholders and a workshop with the Company’s senior management from key regional offices and business units.

The assessment of the sustainability issues covered actual and potential, negative and positive impacts\*, as well as likelihood and significance. A total of 15 relevant issues were identified that represent Swire Shipping’s most significant impact on the environment, economy and people, including impacts on human rights.

The ELT validated the assumptions used and prioritised the outcomes which resulted in 12 material topics being categorised as highly to very highly material (based on the GRI Standards criteria for assessing the impact). Progress on those material topics is presented in this report. For the list of material topics and impact along the value chain please refer to the Data section of the report.

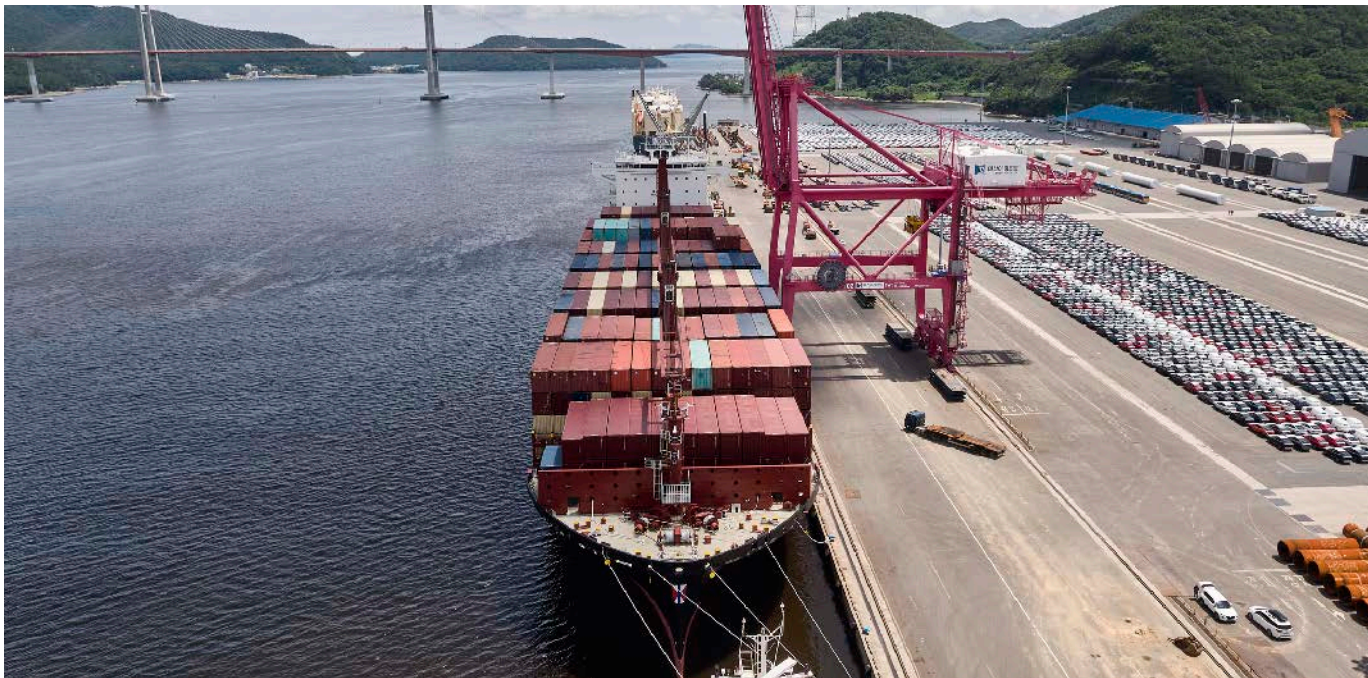
*\*Impact refers to the effect Swire Shipping has or could have as a result of its activities or business relationships.*

## Sustainability Strategy and SDGs

Swire Shipping’s Sustainability Strategy, “SwireShippingTHRIVE” is fully aligned with the Swire Group’s Sustainability Strategy (SwireTHRIVE) and covers other areas which are material to Swire Shipping’s operations. SwireShippingTHRIVE has three focus areas: Thriving Environment, Thriving People, Thriving Partners.

Short-, medium- and long-term targets have been developed and aligned with internal stakeholders and business strategy to step up the Company’s ambitions and measure performance. Progress made on achieving these targets will be reported in the years ahead.

In addition to the overarching Sustainability Strategy, the Decarbonisation Roadmap presents the actions and milestones needed to hit the long-term objective of Net Zero Greenhouse Gas (GHG) emissions by 2050. See Page 12.



Swire Shipping Sustainability Report 2022



Swire Shipping's sustainability focus areas are aligned with several of the United Nations Sustainable Development Goals (UN SDGs) designed to achieve a better and more sustainable future for all. The Company reports against SDG 3, 5, 8, 10, 12, 13, 14, 16 and 17. See Data section for more information.



# THRIVING ENVIRONMENT

## GHG Emissions Reductions and Climate Change



Swire Shipping has been investing over the past seven years in a modern environmentally responsible fleet which allows for better fuel efficiencies, resulting in fewer emissions.

Shipping is crucial to the global economy. According to the Dow Jones\*, global maritime shipping accounts for 80% - 90% of the total international trade by volume or around 70% by value. While shipping is an economical and energy-efficient way of transporting cargo, it produces around 3% of global emissions. Therefore, GHG emissions in the sector must be reduced to combat climate change.

The IMO's adoption in 2018 of a GHG reduction strategy aims to reduce total GHG emissions from shipping by at least 50% in 2050, and to reduce the average carbon intensity (CO<sub>2</sub> emitted per cargo tonne-mile carried) by 40% in 2030 and 70% in 2050, compared to 2008.

However, the pressure is mounting for the IMO to adopt a much more ambitious target for the sector to better align with the Paris Agreement to keep global warming below 2 degrees celsius above pre-industrial levels. Swire Shipping has set ambitious targets that go beyond IMO targets.

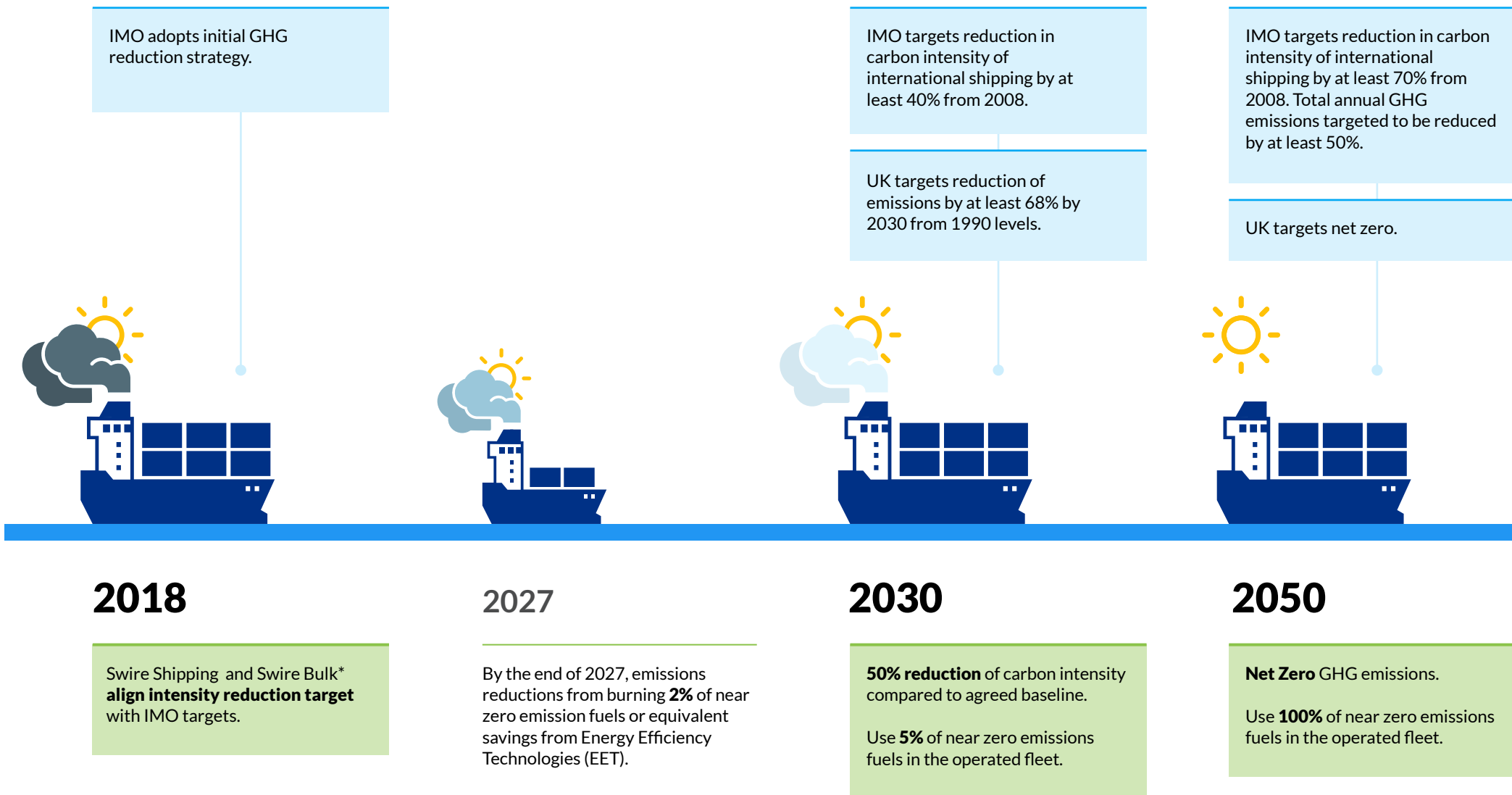
Swire Shipping has been investing over the past seven years in a modern environmentally responsible fleet, which allows for better fuel efficiencies, resulting in fewer emissions. The Company has also set a target of achieving Net Zero GHG by 2050. This will not be possible without the development of alternative low / zero carbon fuels in addition to the continuous improvement of voyage and vessel performance as well as adopting energy efficiency technologies.

Swire Shipping is dedicated to being an active industry contributor to the development and adoption of technologies that will reduce emissions as they become available.

Swire Shipping has developed a Decarbonisation Roadmap that sets out short-, medium- and long-term targets to decarbonise vessel operations.

[www.dowjones.com/professional/risk/resources/risk-blog/maritime-risks-rise](http://www.dowjones.com/professional/risk/resources/risk-blog/maritime-risks-rise)

# Decarbonisation Roadmap



\*Swire Shipping provides technical ship management services to Swire Bulk (an independent entity and the dry bulk trading division of the Swire Group).

# Decarbonisation Strategy 2023 / 2024: 3 Pillars

## FLEET EFFICIENCY

**Fuel and voyage optimisation** for owned and chartered in fleet

**Proactive management** of environmental compliance

**Use of data for continuous improvement** (digitalise to decarbonise)

## ENERGY EFFICIENCY TECHNOLOGIES (EET)

### Identification of suitable EET

What technologies can be used to incrementally decarbonise

### Optionality

How can efficiency be incrementally improved and emissions reduced through the use of new technologies

### Shore Power

### Carbon Capture and Storage

## NEAR ZERO EMISSIONS FUELS

### Fuel Strategy (2027 target)

#### Future alternative fuels

- Supply chain
- Geographical availability
- Price and supply and adoption

#### Green Corridors



#### Feasibility of adoption of dual fuel methanol technology fuels

#### Marine pilot of 3<sup>rd</sup> generation biodiesel



## Key Enablers

Collaborative Platforms for knowledge sharing and research



Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping



Alliances & Synergies



Green Voyages, SailGreener



Regulatory frameworks



UK Chamber of Shipping, World Shipping Council, Getting to Zero Coalition

## Energy Efficiency Operational Indicator

The GHG emissions for each vessel are monitored on both a per voyage and annual basis, using the International Maritime Organisation (IMO) Energy Efficiency Operational Indicator (EEOI) - the energy expended moving one unit of cargo over one nautical mile. In the short- to medium-term this is considered to be the best metric, which encourages a more efficient use of the vessels. EEOI will be the primary focus for Swire Shipping when measuring energy performance.

Swire Shipping's initial EEOI target was 3% ahead of the IMO's target (40% carbon intensity reduction by 2030 compared to 2008). This target was used to measure progress up until the end of 2022.

In early 2023, the EEOI target was reset and reinforced with a steeper reduction requirement to align with the Company's ambition to achieve a 50% reduction of carbon intensity by 2030 and Net Zero by 2050. Progress since 1<sup>st</sup> January 2015 is shown in the graph on the right (using annual weighted average).

At the end of 2022, the weighted average EEOI figure was 11% below the target line. The EEOI performance in 2022 has increased compared to 2021, which was reflective of the once in a lifetime market in the shipping industry.

The EEOI figures only include liner trades and the S&D Department is working on incorporating subsidiary companies and Swire Projects in 2023. There are a number of challenges associated with combining the units between different trades. Swire Shipping will introduce a new methodology and units for future reporting.

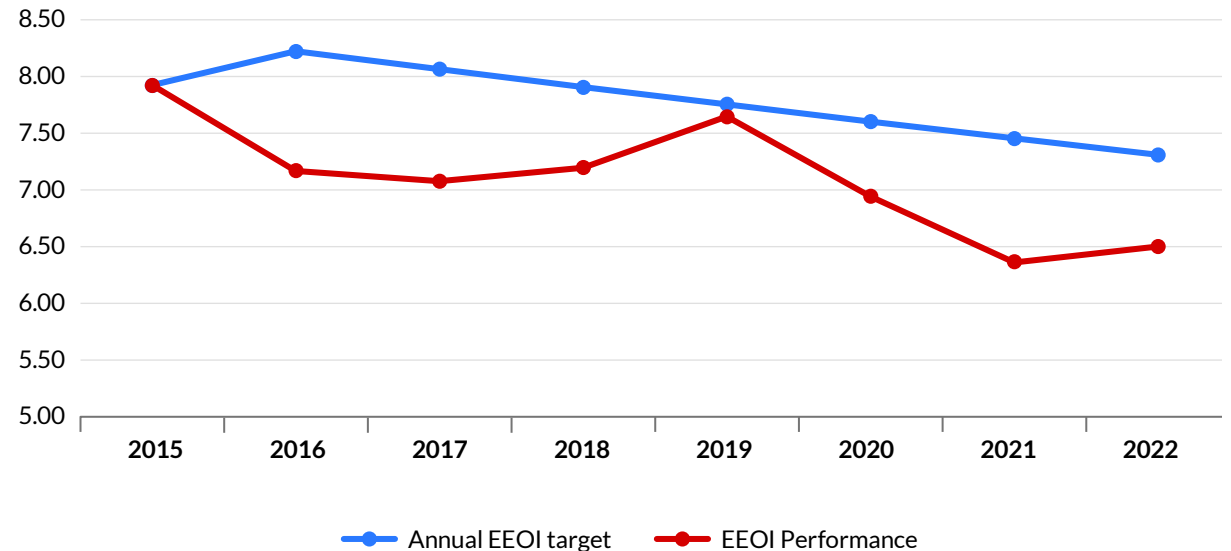
**EEOI will be the primary focus for Swire Shipping when measuring energy performance.**



### Swire Shipping EEOI

(Excludes subsidiary companies and Swire Projects)

Unit of Measurement: gCO<sub>2</sub> emitted per Notional Revenue Tonne carried over one nautical mile



## Energy Consumption and Emissions

Scope 1 emissions amounted to 754,648 tCO<sub>2</sub>e from Swire Shipping's operations.

Emissions from combusting marine fossil fuels in internal combustion engines in 2022 amounted to 99.05% of Scope 1 emissions (comprising bunker fuel / lubricant oil / escape and use of refrigerants / use of petrol and diesel in company-provided road vehicles).

Scope 2 emissions (from use of commercial electrical power in shore offices) was 338.7 tCO<sub>2</sub>e, which is immaterial in relation to Scope 1 emissions.

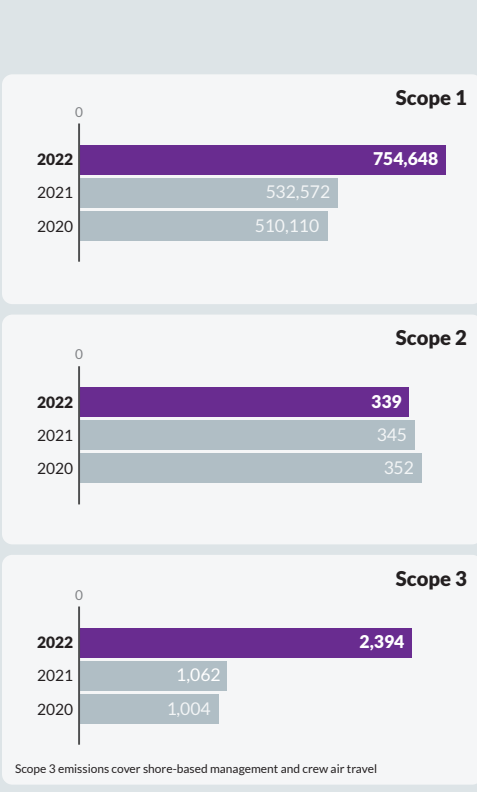
Scope 3 emissions from (only) shore-based management and crew air travel contributed 2,394 tCO<sub>2</sub>e, which is a low contributor to the total GHG footprint. Swire Shipping is working on establishing its Scope 3 emissions' boundaries, in conjunction with independent experts.

A summary of all environmental figures together with the trend over the years is presented in the Data section of report.

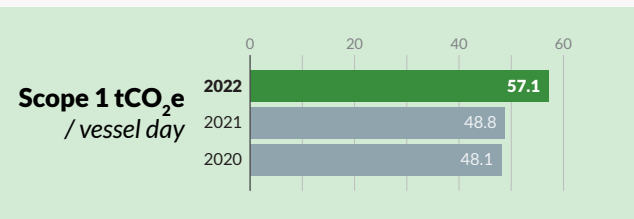
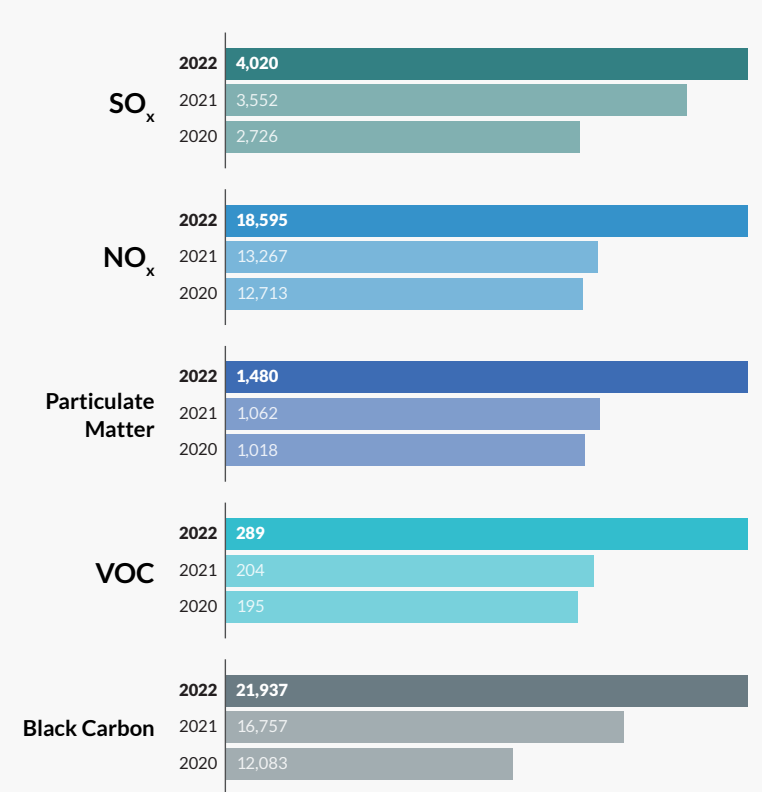
Total Scope 1 emissions increased in 2022 due to the increased number of vessels in scope and trade patterns. Similarly, the normalised Scope 1 emissions show increase compared to prior years which is reflective of the once in a lifetime market in the shipping industry over the reporting period.

Emissions of SO<sub>x</sub>, NO<sub>x</sub>, Particulate Matter (PM), Volatile Organic Compounds (VOCs) and Black Carbon emissions (calculated in accordance with the Fourth IMO GHG Study 2020) are also measured.

### Total tCO<sub>2</sub>e



### Other Air Emissions in Metric tonnes



\*All GHG emissions are CO<sub>2</sub>-equivalent except for bunker fuel due to the IMO's conversion factors being limited to CO<sub>2</sub>.

## Fleet and Voyage Efficiency

Swire Shipping continues to focus on improving fleet fuel efficiency through the following measures:

- **Internal fleet efficiency KPI scorecard** to track monthly vessel fuel performance. The scorecard highlights excess consumption of fuel in metric tonnes and the overall movement throughout the year. The scorecard supports decision making on both operational and technical performance improvements across the fleet.
- **Using scorecard data** to address irregularities through dialogue with vessel officers, and identifying corrective actions, in addition to driving management decisions on scheduling propeller polishing and hull cleaning.
- **Fleet Efficiency Managers** conduct briefings for all Masters and Chief Engineers prior to their joining a vessel. All aspects of fuel efficiency are discussed to enable them to contribute effectively to corporate targets.

Swire Shipping manages the implementation of performance management system (S-insight™) across its managed vessels. S-insight is used to optimise hull and propeller performance, voyage execution and fuel consumption on vessels. Swire Shipping is planning to deploy a performance management platform for the chartered-in fleet. The roll-out started in 2022 and will expand it to the whole fleet during the 2023 calendar year.

Energy Efficiency Technologies are continually evaluated and deployed including twisted leading-edge rudders with bulbs, optimised propellers, premium anti-fouling coatings, optimised bow designs, trim optimisation integrated with loading computers and improved hydrodynamic efficiency.

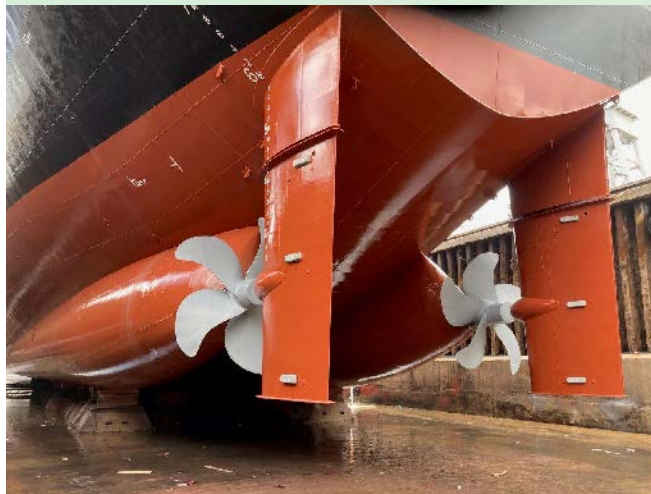
These efforts have translated into 8,400 metric tonnes of fuel savings and the avoidance of 26,150 tCO<sub>2</sub> emissions to the environment during the reporting period (based on data from 22 owned vessels).

Energy efficiency / GHG emissions are reported in accordance with European Union (EU) Monitoring, Reporting and Verification requirements and the IMO Data Collection System.

### Application of Graphite Innovation and Technologies product on vessel propellers

Innovation is a key driver in helping Swire Shipping achieve its ambitious environmental goals. Application of a Graphite Innovation and Technologies (GIT) product – XGIT Prop – on the propellers on *MV Dili Chief* was successfully completed in 2022. This is the first cooperation between Swire Shipping and GIT.

Some fuel savings are expected and the vessel's performance and condition of the propellers will be monitored. The Company will collaborate with GIT during future underwater inspections.



These efforts have translated into **8,400 metric tonnes of fuel savings and the avoidance of 26,150 tCO<sub>2</sub> emissions to the environment during the reporting period.**



### Alternative Maritime Power

ShorePower technologies, also called cold ironing or Alternative Maritime Power (AMP), enable the connection of ships in port to shore side electricity to power on board services. This enables ships' diesel generators to be switched off, thereby reducing noise and emissions (such as PM, NO<sub>x</sub>, SO<sub>x</sub>, carbon oxides, and VOC).

Swire Shipping commissioned AMP installation on one of its vessels in 2022 to ensure the vessel's compliance with California Air Resources Board regulations in California when the vessel calls the ports of Long Beach and Oakland.

### Brighter and safer vessels

In 2020, a project to install LED lights on all vessels managed by Swire Shipping was launched. Marine type LED tubes and floodlights were delivered to 40 vessels including bulk carriers and multipurpose vessels over a period of two years and the project was completed in 2022.

CO<sub>2</sub> emissions, which harm the environment and human life, reduced by 2,160 tonnes annually, as a result of using LED lights. Benefits of using these LED tubes include 340,000 kWh per annum energy savings as well as a ten-fold increase in service life, together with improved safety onboard.



## EEXI / EEDI, CII and EU ETS


On 1<sup>st</sup> January 2023, the IMO introduced two new environmental regulations: Energy Efficiency eXisting ship Index (EEXI) / Energy Efficiency Design Index (EEDI) and Carbon Intensity Indicator (CII). EEXI / EEDI is a one-time calculation based on the ship’s design data, whilst CII requires annual reporting, monitoring and verification.

### EEXI / EEDI

EEXI is an extension of the existing EEDI concept. EEDI was applicable only for newbuilding vessels that were delivered after 2013. The EEDI concept that was applicable on new-building vessels after 2013, is now being retroactively applied on all existing vessels irrespective of their delivered year.

This regulation (EEDI / EEXI) requires ship owners to practically demonstrate (during sea-trials) the amount of carbon dioxide emission when a vessel is being operated at 75% Main Engine (ME) power and 70% deadweight (DWT) (for container ships). The unit of this measurement is **grams CO<sub>2</sub> per ton mile (gmCO<sub>2</sub>/ton mile)**.

### CII Ratings of Swire Shipping's owned fleet

Grade A	21 Vessels	
Grade B	0 Vessels	
Grade C	1 Vessel	
Grade D	1 Vessel	
Grade E	1 Vessel	

For vessels where sea-trial data are not available, IMO has devised a generic calculation based on a statistical method.

Only two of the 24 vessels owned by Swire Shipping will require minimal Engine Power Limitation in order to be compliant with this regulation, meaning 91% of the fleet is highly efficient and does not require any additional measures.

### CII

Unlike EEXI which is valid for just one condition (75% ME power, 70% DWT), CII is the actual operational index of the vessel.

The measure chosen as CII by IMO is the **Annual Efficiency Ratio (AER)**. The unit of AER is also the same as EEXI. That is **grams CO<sub>2</sub> per ton mile (gmCO<sub>2</sub>/ton mile)**.

Every year, an AER Rating will be calculated and compared against the CII reference line that reduces every year. Depending on that benchmark against the CII rating, each vessel will be given a rating between A and E, with A being the best.

$$\text{Annual Efficiency Ratio (AER)} = \frac{\text{Annual CO}_2 \text{ Emission}}{\text{DWT} \times \text{Distance travelled}} \quad \left( \begin{array}{l} \text{emissions per} \\ \text{dwt-miles} \end{array} \right)$$

The major impact on AER comes from the vessel speed (and therefore its consumption and related emissions) and distance travelled. Superior AER values can be obtained by reducing vessel speed and waiting times at port/anchorage.

The Fleet Efficiency Team monitors the ongoing AER (or CII) of each vessel to manage the coefficient proactively. Any change of rating or forecast in the change of rating will trigger set actions to ensure compliance. The Fleet Efficiency Team also prepares and submits each vessel’s Ship Energy Efficiency Management Plans in accordance with IMO regulations and provides the data necessary to ensure compliance with the IMO Data Collection System.

## EU ETS

In December 2022, the EU legislative bodies have reached an agreement to include shipping in the EU Emission Trading Scheme (ETS) with effect from 2024. This will be the first significant programme in which the sea transport value chain will have to pay for its carbon emissions. This is a part of the “Fit for 55” package to contribute to EU’s climate goal of reducing net GHG emissions by at least 55% by 2030 and reaching climate neutrality by 2050. Processes are being put in place to comply with EU ETS for relevant vessels.

### Our contribution to decarbonisation in shipping

Swire Shipping is a signatory to the *Getting to Zero 2030* Coalition and is working with other industry leaders to convince the industry and UN regulator, the IMO, to adopt robust, realistic targets to help the maritime sector play its part in achieving the UN Framework Convention on Climate Change goals.

Swire Shipping has set carbon intensity reduction targets while continuing to work on the long-term ambition to fully decarbonise operations. The Company is engaging with alternative fuel producers, new technology companies, engine manufacturers, ship designers and other stakeholders to evaluate and subsequently adopt measures that will drive Swire Shipping towards its decarbonisation ambitions.

Swire Shipping’s parent company, John Swire & Sons Ltd., is a member of the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping (MMMC). Together with other partners at the Center, members are collectively addressing decarbonisation issues, investigating new technologies and exchanging views on sustainability best practices at an industry level.

Representatives from the Company provided input into various working groups in 2022 under Programme 2: Realising energy efficiency, including energy efficiency regulations, role of digitalisation in shipping and business models for adoption of new technology. One employee is seconded to work at the MMMC on alternative fuel pathways and “Green Corridors”, to accelerate decarbonisation within the industry. “Green Corridors” refers to the specific trade routes between major port hubs where low / zero emission solutions will be supported.

Swire Shipping is also working with the Global Centre for Maritime Decarbonisation in Singapore on the first-ever marine trial for the use of crude algae oil as a marine fuel. The project aims to establish an assurance framework to ensure the supply chain integrity of current and future green marine fuels. The project commenced in 2022 and is expected to take 12 - 18 months to complete.

Biofuels are expected to be recognised by IMO as a low carbon fuel in 2026 which will help to further reduce the fleet's carbon emissions intensity, or be used as a drop-in fuel. Discussions with sister company, Argent Energy (a waste-based biodiesel producer and part of the Swire Group), are ongoing on the supply and availability of marine biofuel.

Swire Shipping remains an active member of the Sustainable Shipping Initiative (SSI) and World Ocean Council (WOC).

Swire Shipping collaborated with the University of Canterbury on a study that looked at opportunities to decarbonise New Zealand's heavy domestic freight sector and considers both direct and indirect emissions associated with different modes of transport. The study identified coastal shipping as New Zealand's greenest mode of freight transport, producing one-fifth of the carbon emissions (well-to-wheel) of road freight. The report is available online:

<https://www.canterbury.ac.nz/epecentre/research-and-innovation/tools--services/transport-dashboard>

**Biofuels are expected to be recognised by IMO as a low carbon fuel in 2026 which will help to further reduce the fleet's carbon emissions intensity, or be used as a drop-in fuel.**

## Task Force on Climate-related Financial Disclosures

There is a growing demand for climate-related information by investors, lenders, insurers and other stakeholders. The Task Force on Climate-related Financial Disclosures (TCFD) provides voluntary, consistent climate-related financial risk disclosures for use by companies in information to investors, insurers and other stakeholders.

While the recommendations of the TCFD primarily relate to listed entities, Swire Shipping will look to assess the relevant climate-related risks and opportunities. This will involve conducting an analysis on the likelihood and implications of different scenarios for global warming and how these might impact Swire Shipping's business operations in future (supported by John Swire & Sons Ltd.). What is clear is that Swire Shipping must mitigate the transition risks and decarbonise its operations as soon as possible. This is also aligned with customers' expectations of decarbonising their supply chain.

## Offsetting Carbon Emissions

Carbon offsetting involves financing reductions of emissions in other entities to balance CO<sub>2</sub> emissions from the company's own operations. Electricity used in all Swire Shipping's offices (Scope 2 emissions) is offset, together with air travel undertaken by shore-based and seagoing employees, and the events organised and sponsored by Swire Shipping (part of Scope 3 emissions).

Emissions are offset through Cathay Pacific's Fly Greener Programme via four projects: cookstoves replacement in Bangladesh; solar water heating in India; household biodigesters and solar-powered cookers in the Chinese Mainland. These projects are certified under the Gold Standard to ensure that they are verifiable, credible and make a difference to local communities and the environment.

Offsetting is not an equal substitute for emission abatement and the primary focus remains on reducing emissions from operations in accordance with the Decarbonisation Roadmap.

Swire Shipping will offset 4,572 tonnes of carbon using Fly Greener programme for emissions in 2022.



Above: 2022 Carbon Offset Certificate

## SailGreener

SailGreener is a programme through which Swire Shipping offers its customers an opportunity to offset the carbon footprint of their shipment(s) by contributing to projects that reduce or prevent carbon emissions as well as deliver economic, community, and social benefits. This will result in a carbon-neutral shipment. All carbon credits are purchased in partnership with Cathay Pacific's Fly Greener programme. For more information please visit:

<https://www.swireshipping.com/calculateCarbonEmission>

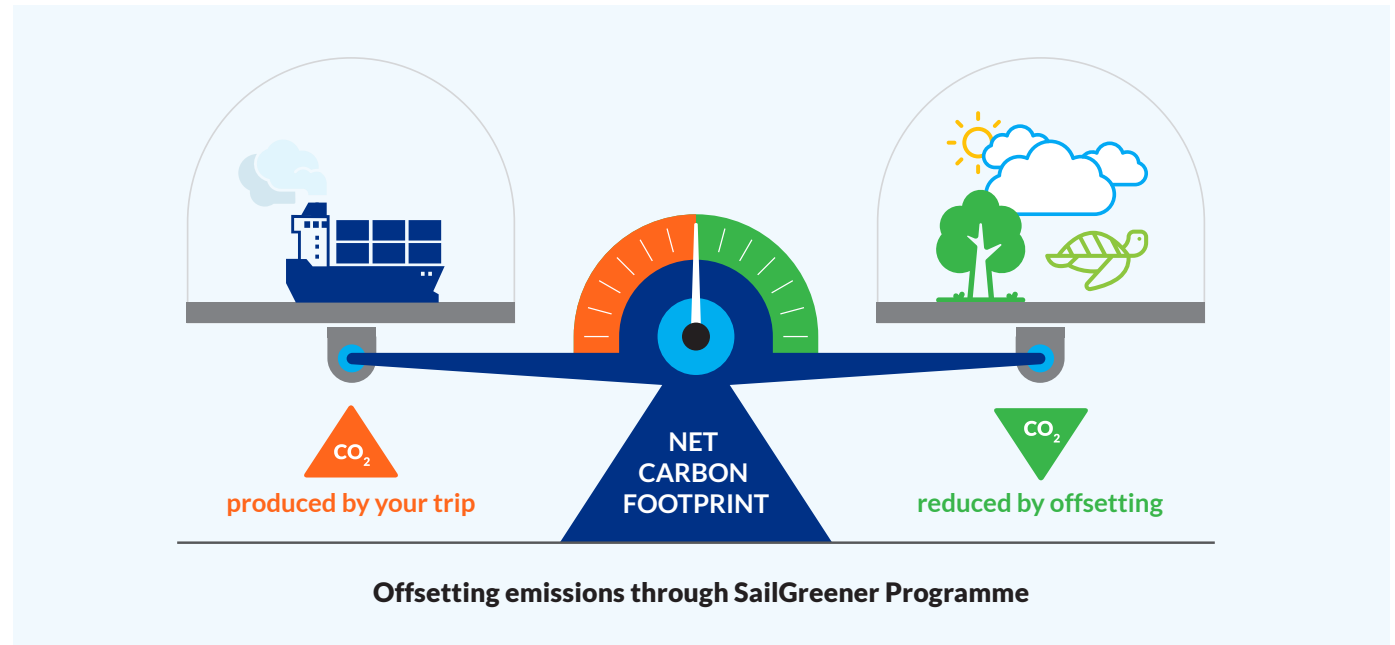
## Swire Shipping Green Voyages

### Virtual Carbon Abatement, Cost Effective Carbon Emissions

Swire Shipping has committed to reducing its footprint to Net Zero GHG by 2050 and is looking to provide pathways for customers to reduce their carbon emissions through practical, verifiable and cost-effective means.

Through its decarbonisation journey, Swire Shipping understands the realities and difficulties of the complex science, supply chains and most importantly cost behind reducing the transport industry's GHG emissions. Carbon abatement will be achieved through carefully considered solutions ensuring the overall GHG emissions from a Well-to-Wake perspective. These solutions will be deployed at scale to reduce the cost of carbon abatement for customers.

**Swire Shipping has committed to reducing its footprint to Net Zero GHG by 2050.**



This initiative is the Swire Shipping Green Voyages (SSGV) programme. Swire Shipping will offer to customers the ability to abate the carbon emissions of their cargoes, through the mass balance concept. Customers will be issued with third-party assurance, detailing the cargo, voyage and method of abatement. The SSGV programme is currently being developed with plans to be externally certified.

## Zero Carbon / Zero Waste Events

Carbon emissions generated by material events and conferences organised and sponsored by Swire Shipping, are tracked and offset following the zero waste and zero carbon events guidelines. The aim is to reduce emissions associated with events and work will continue with internal and external stakeholders on making them carbon-neutral and waste-free.

## Swire Shipping plants trees in our customers' names

1,880 trees were planted in over five countries over the past two years. The trees planted have helped to sequester 103.8 tonnes of atmospheric CO<sub>2</sub>, a significant contributor to global warming.

A tree is planted for every customer who completed a Net Promoter Score survey, and this was extended to an internal stakeholder engagement questionnaire for all employees.

**In 2022 alone, 700 trees were planted in Bhutan, the Philippines, Indonesia, Thailand, and Ecuador.**

# Marine Biodiversity and Pollution Prevention

Over the course of the last decade, the shipping industry has defined a healthy marine environment as the protection of biodiversity through the appropriate release of ballast water, application of anti-fouling paint to prevent the spread of invasive species, limit harm to marine life, limit chemical and oil spills, and limit plastic leaching. Mitigating the effects of poor ocean management and pollution have been disparate at best and the opportunity to protect has not been adequately embraced by companies or governments globally. This includes the development of onboard circular waste systems and in partnership with ports, to ensure zero chemical and oil spills as well as minimising waste to landfill by developing and utilising better recycling practices.

The various inputs to operations (such as fuel, paints, ballast water, food and packaging, cargo packing materials, lubricant oil and chemicals), while vital to operations and in improving vessel efficiency, can also result in negative impact on the biodiversity in the areas in which Swire Shipping operates. The Company aims to ensure that best practices are implemented on board, and all relevant regulations are complied with.

In line with global biodiversity regulations and conventions, a greater understanding and emphasis of ecosystem resilience is required. There is a need to assess and identify biodiversity issues of concern to eliminate or minimise the adverse impacts on biodiversity.

**In line with global biodiversity regulations and conventions, a greater understanding and emphasis of ecosystem resilience is required.**

Swire Shipping produced Biodiversity Issues of Concern (BIC) and Biodiversity Action Plan (BAP) manuals to address high-risk areas. BIC looks at issues of concern such as marine and shore discharge, atmospheric emissions and other and their impacts while BAP looks at the Ecologically and Biologically Significant Marine Areas and Particularly Sensitive Sea Areas. These manuals will be reviewed once the Convention on Biological Diversity and an international agreement on the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction are ratified.

A number of policies (e.g. Biodiversity, Environmental and Sustainable Development Policies) are in place, which provide the framework for reducing Swire Shipping's environmental impact and impacts on biodiversity under its influence. The shipping industry follows regulations with regards to environmental violations and any incidents are immediately reported to the authorities who investigate them. The Company has a whistleblowing procedure in place to report any environmental violations.

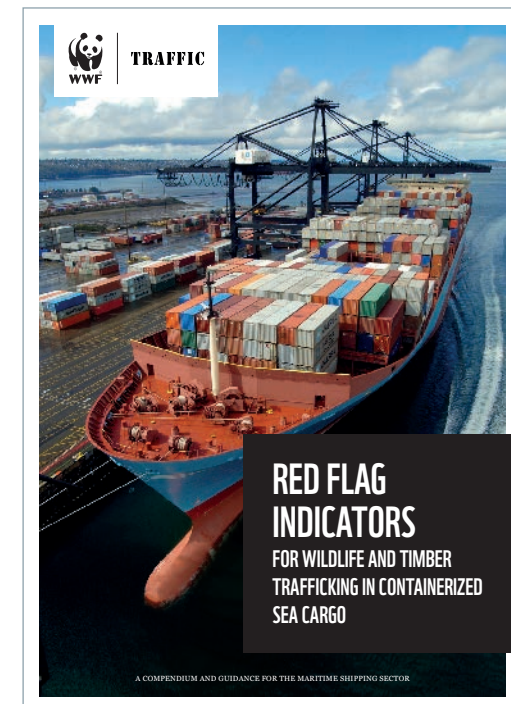
Swire Shipping is an active participant in the Protecting Blue Whales and Blue Skies programme in the San Francisco Bay Area and the Southern California Region. Some of its vessels also participate annually in the Enhancing Cetacean Habitat and Observation (ECHO) Programme sponsored by the Vancouver Fraser Port Authority. Please see *Protecting the Environment and Biodiversity* information under **Thriving Partners** section.

The Company's work on Sustainable Ship recycling in Alang, India and the *Moana Taka Partnership* (MTP) in the Pacific region have also had positive environmental and biodiversity impacts.

Ending wildlife crime would help to minimise zoonotic risks to humans and reduce destruction to wild fauna and flora species. The shipping industry is crucial in breaking the chain between suppliers and consumers, as part of a global collaboration to eliminate wildlife trafficking. Swire Shipping continues to look for opportunities to work with other champions and organisations to end wildlife crime.

Swire Shipping has in place a Responsible Cargo Carriage Policy, which covers carriage of flora and fauna, illegal wildlife products, unsustainable food, live animals, forest products, ivory and among others. Training is provided to agents who are encouraged to ask questions when they are dealing with one of the above-mentioned cargo categories.

Swire Shipping continues to work with World Wide Fund for Nature Singapore on implementing "The Red Flag Compendium for Wildlife and Timber Trafficking in Containerised Cargo". The Compendium details the warning signs of corruption, smuggling and other related crimes, and outlines red flags and additional tools to identify prolifically trafficked CITES-listed species.



# Recycling and Disposal of Materials

Swire Shipping seeks to minimise the amount of waste generated during operations and ensure the safe and responsible disposal of waste. The prevention of pollution by solid waste from ships is regulated by IMO MARPOL Annex V, which prohibits the discharge of most waste into the sea. Waste accumulated aboard vessels is disposed of at designated port reception facilities and, where port facilities allow, waste materials are recycled as much as possible. All disposal of waste is recorded, and only qualified contractors are used.

In the offices, recycling bins are placed throughout and e-waste bins are provided in countries with dedicated facilities for e-waste recycling. Recycling efforts are monitored regularly. Eco-Office certification is in place for the Singapore Head Office and employees are regularly engaged in environmental education and activities. All waste is disposed of through licensed recycling companies.

Since vessels produce only hotel waste during their operations and waste generation in offices has been reduced as much as possible, the most material areas are recycling of vessels at the end of their economic lives and reduction of Single-Use Plastic (SUP) used on board.



## Sustainable Ship Recycling

Swire Shipping believes that the sustainable recycling of ships is the most responsible way to manage ships at the end of their commercially viable lives. The Sustainable Ship Recycling Policy states that all ships at the end of their economic lives will be recycled in a sustainable, safe, responsible and environmentally sound manner.

The Ship Recycling Facilities used by Swire Shipping should demonstrate compliance with the Hong Kong International Convention for the Safe and Environmental Sound Recycling of Ships and social commitments as well as be independently audited. A Compliance Monitoring Team is appointed to ensure demolition work follows all regulatory requirements.

**16 owned ships have been recycled over the past 10 years.  
No vessels were recycled in 2022.**



## Reducing our Plastic Footprint

Marine plastic and microplastic pollution are harmful to marine biodiversity and human health. Around the world, billions of SUP water bottles are used just once and then thrown away every year. Of these, only 9% are recycled, resulting in close to eight million tonnes of plastic leaking into the oceans and aquatic environments annually.

**Therefore, in 2018, Swire Shipping set a goal to reduce SUP water bottles on board owned vessels to zero.**

Under the national flag regulations, ship owners must provide potable water on board; Swire Shipping owned vessels produce their own potable water through reverse osmosis from seawater. The reverse osmosis units on board ensure high-quality water is provided for the crew on board. Individual reusable water bottles are provided to encourage seafarers to “say no to single-use plastics”.

During 2022, work continued on reducing the number of SUP water bottles consumed across the fleet and a 64.69% year-on-year reduction was achieved. This brings the overall reduction in SUP water bottles used on board the Swire Shipping owned fleet to 99.67% between 2018 (the baseline year) and 31<sup>st</sup> December 2022.

The Company is determined to continue the journey towards zero SUP water bottles within the Swire Shipping fleet. This will be a significant contribution towards protecting oceans and working together to achieve the SDG 14 (Life Below Water), which aims to have sustainably managed marine and coastal ecosystems free from pollution.

Ashore, employees are encouraged to reduce their SUP footprint by switching to reusable and more environmentally-responsible options. The Company strives to eliminate SUP from company-organised events and this requirement has been incorporated into the “How to run a Sustainable Event” procedure.

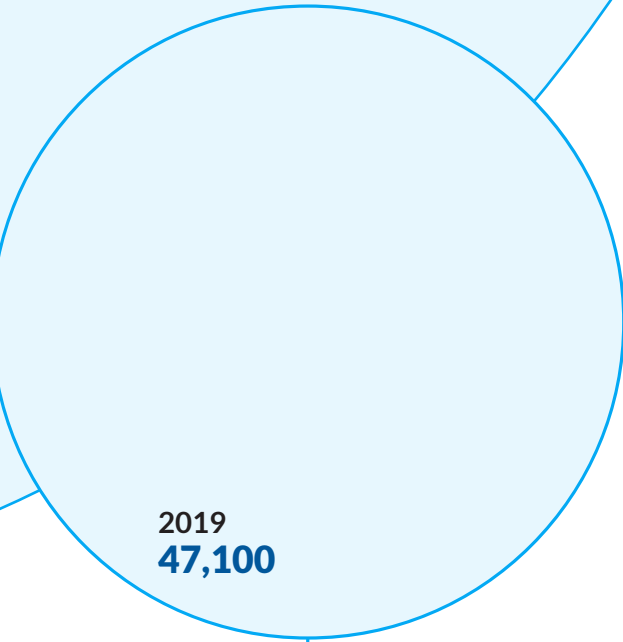
**In 2022, single-use cutlery was also banned from managed vessels, which reduced the overall amount of SUP items purchased.**

The remaining SUPs in use on board vessels include plastic bags and wrapping foil, which should be reduced or replaced with more environmentally-responsible alternatives when such options are available.



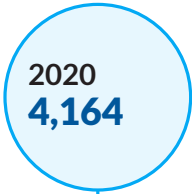
2018  
**1,023,096**

Reduction from 2018 baseline  
**-99.7%**



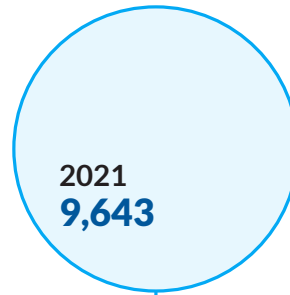
2019  
**47,100**

Year-on-year reduction in SUP **-95.4%**



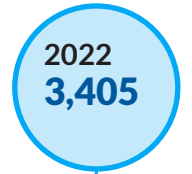
2020  
**4,164**

**-91.2%**



2021  
**9,643**

**131.6%**



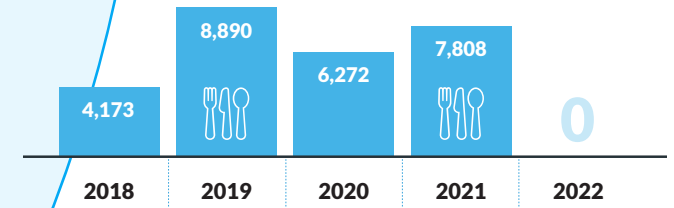
2022  
**3,405**

**-64.7%**

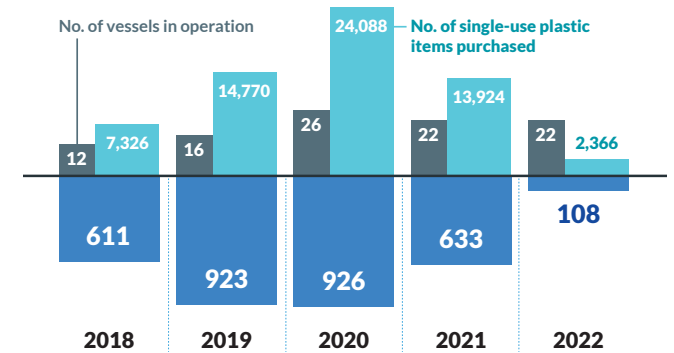
Furthermore, under MTP Swire Shipping enables private sector companies to move recyclable waste out of the Pacific Island Countries and Territories (PICTs) where it is accumulating, to countries with competent and sustainable recycling plants. The Company thus helps to resolve a long-standing environmental and social issue.

Please see *Moana Taka Partnership* and other waste recycling projects in the Pacific Islands under **Thriving Partners** section.

*\*SUP statistics for Swire Bulk vessels are reported in Swire Bulk's Sustainability report*



Single-Use Cutlery: Purchased Quantity



Average number of plastic items purchased per vessel

# THRIVING PEOPLE

## Diversity, Equity and Inclusion

Evidence shows that diverse teams perform better, hence it is very important that Swire Shipping offers the right conditions for all employees to thrive, regardless of gender, race, culture, religion and other differences. For a multinational shipping company, with employees from 44 countries and regions, having an inclusive, cohesive and supportive culture is key to the Company's continued sustainability.

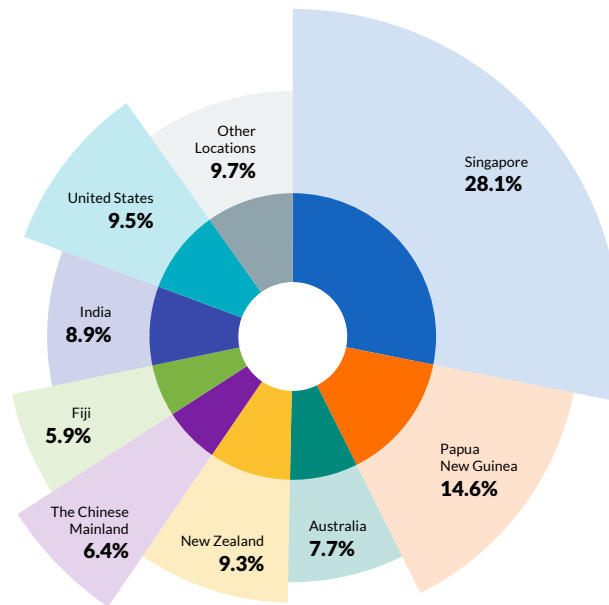
Swire Shipping endeavours to create a welcoming, positive, innovative and high performing work environment by promoting equal opportunities, diversity and inclusion and respect in the workplace.

As at the end of 2022, Swire Shipping employed 3,168 people around the world; 1,128 being shore-based employees, and 2,040 were seagoing employees. Swire Shipping provides manning services to Swire Bulk (an independent entity and the dry bulk trading division of the Swire Group). In 2022, 954 seafarers were working on Swire Bulk vessels.

In 2022, the gender split was consistent with past years. 46% of shore-based employees identified as female, while 54% of employees identified as male. The Company acknowledges that gender is a spectrum and there is a range of gender identities between and outside of the categories of male and female. As a company that values inclusion, employees will be offered the opportunity to identify beyond the gender binary through an anonymous voluntary disclosure survey.



Shore-based employees by key location\*



\*Key location is defined as having over 5% of global employee count



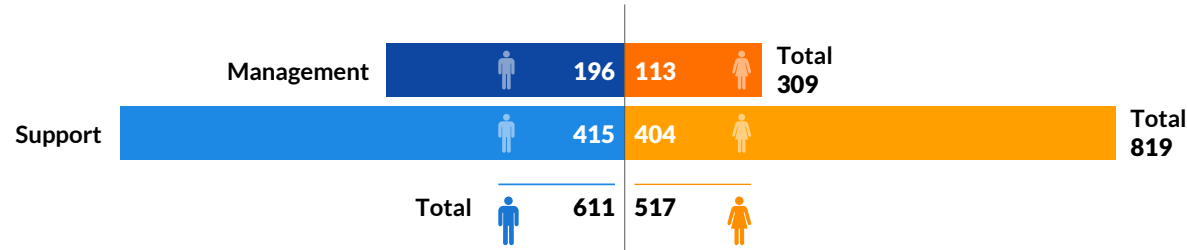
For a multinational shipping company, with employees from 44 countries and regions, having an inclusive, cohesive and supportive culture is key to the Company's continued sustainability.

The shore-based employee strength by geographical location is as follows:

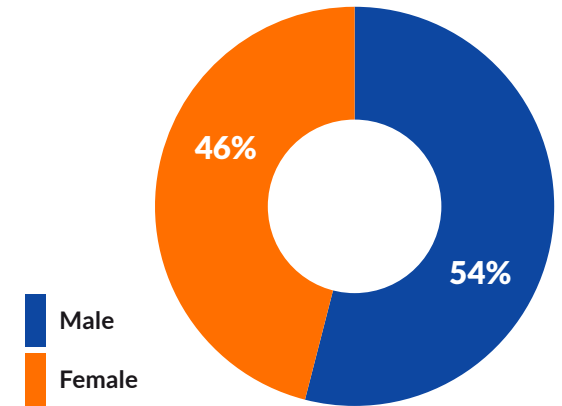
Seagoing employees come from 32 countries and regions while shore-based employees come from 38 countries and regions around the world.

Shore-based employees by Employment level

TOTAL 1,128

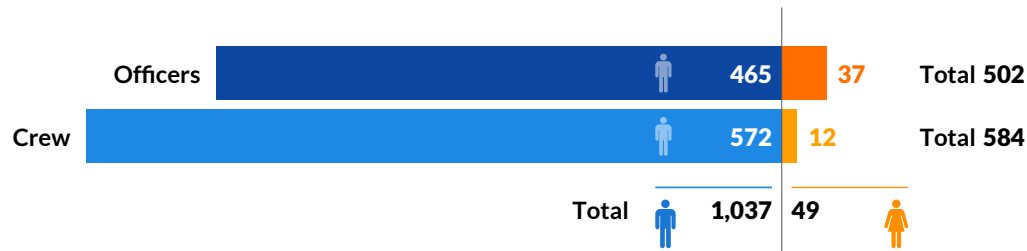


Shore-based employees by gender identity

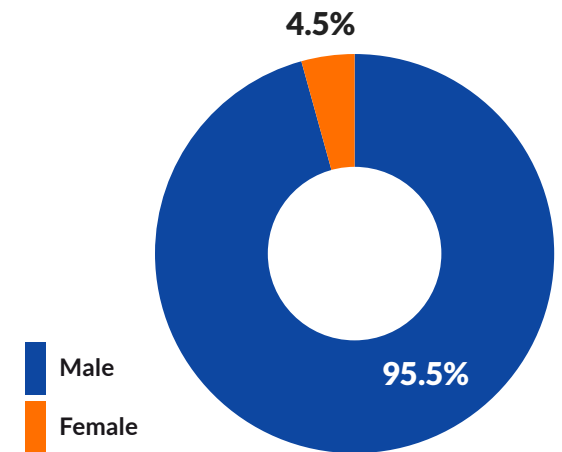


Swire Shipping seagoing employees

TOTAL 1,086

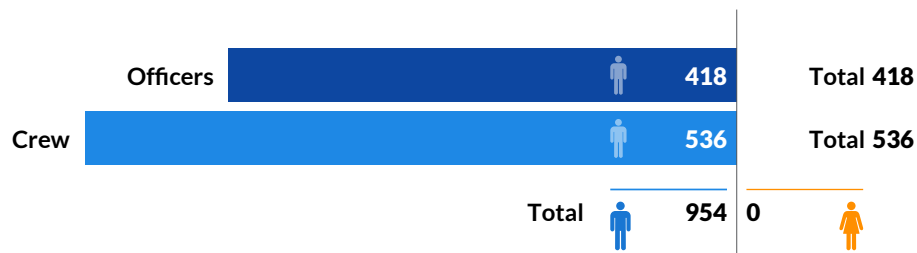


Seagoing employees on Swire Shipping vessels by gender identity



Swire Bulk seagoing employees

TOTAL 954



Note: "Other" gender identity category was zero.



The Board of Directors comprised six male members. There was one female member on the Executive Leadership Team. The Company recognises this as a challenge and aims to address it in 2023 and beyond.

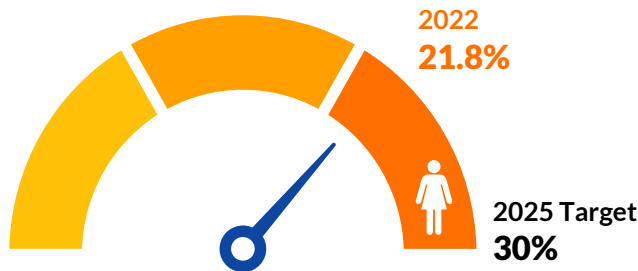
Swire Shipping has set a KPI of achieving increased gender diversity by having 30% female senior managers by 2025. At the end of 2022, 21.8% were female senior managers.

Swire Shipping has Country Managers in locations with greater presence. In 2022, the number of female Country Managers doubled, bringing the total to four.

Swire Shipping has in place a Diversity, Equity and Inclusion (DEI) Strategy, which is spearheaded by the Head of Culture, Diversity, Equity & Inclusion (CDEI) and is aligned with the People Strategy. The new culture framework was introduced in 2022 and two Employee Action Groups (EAGs) were re-launched: Gender Equity and Empowerment Group, and Lesbian, Gay, Bisexual, Transgender, Queer and other terms (LGBTQ+) Network.

The aim of the EAGs is to encourage colleagues to participate and discuss, take the lead to initiate activities around how a diverse, equitable and inclusive workplace can be fostered, aligned with the business strategy.

Female Senior Managers Diversity Target



There are two proprietary training programmes: Launchpad and Unconscious Bias Launchpad. Launchpad is an introductory course on what DEI stands for and why it matters to the Company. The Unconscious Bias Launchpad helps employees become more aware of unconscious biases and shares practical techniques for acting more consciously and objectively.

Every year, International Women’s Day (IWD) is celebrated in March. In 2022, the global campaign theme was #BreakTheBias. Whether deliberate or unconscious, bias makes it difficult for women to move ahead. Knowing that bias exists is not enough, action is needed to level the playing field.

Throughout the month of March, EAG members interviewed women across the organisation about their experiences in shipping, the challenges they are facing and what they think can be done to make a difference.

The Lae office participated in group discussions about breaking the bias and presented their ideas. In Singapore, a virtual coffee session was held to commemorate IWD with participants sharing their experiences and ideas to help break biases. The Sydney office celebrated the amazing women within the organisation. Employees in Shanghai and Qingdao discussed gender-blind recruitment approaches, senior female leaders as well as having female participation at management and Board levels.

Celebrations of PRIDE month took place in June to let LGBTQ+ colleagues, clients and loved ones know they belong in the Company and their colleagues’ lives. A series of webinars, ranging from Understanding Gender Pronouns to LGBTQ+ Inclusion at Work and Mental Health Challenges in the LGBTQ+ Community, was organised.

Swire Shipping is committed to celebrating differences and building an inclusive and progressive work environment for all. Every year in November, Pink Friday is celebrated around the world where colleagues dress in pink to show support for LGBTQ+ colleagues.

Throughout the week of 20<sup>th</sup> September, the CDEI team lined up a series of activities for the first Global Gratitude Festival to collectively build a “thank you” culture to motivate and inspire one another to give their best every day. Colleagues attended two workshops, where they learned about the power of gratitude and the various methods they can use to unlock gratitude in their lives.

There was also a Gratitude Wall created, which allowed employees to show their gratitude by writing a note on the wall. The highlight was undoubtedly the ‘Ice Cream Social’, encouraging employees to take some time out of work to interact and enjoy ice cream / snacks in various offices around the globe.



### Supporting Women in Maritime

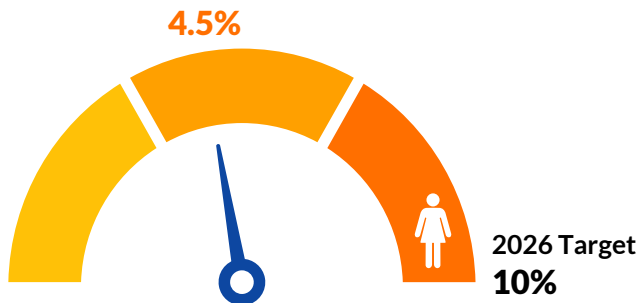
Swire Shipping continues to encourage and support the growing role of women in maritime by creating a culture where women feel safe and are supported. Policies, such as D&I Policy, Respect in the Workplace Policy as well as the Corporate Code of Conduct (CoC), further embed diversity and equality of treatment and opportunity into all operations to ensure that all employees benefit from a welcoming, positive, innovative and out-performing work environment, which is essential to Swire Shipping’s continuing success. In addition to the policies, the Company also provides a whistleblowing hotline to deal with any potential issues.

Swire Shipping had 49 (or 4.5%) female seagoing employees in 2022. While being cognisant that this is a low figure, women make up only an estimated 2% of the world’s maritime workforce\*. The Company is proud to be able to retain female seafarers year-on-year. Swire Shipping will continue to encourage more women to join the Company, supporting its goal of having 10% female seafarers by 2026.

\*Source: <https://www.itfseafarers.org/en/issues/women-seafarers>

Swire Shipping supports IMO’s effort to increase the number of women joining the shipping industry. Females are continuously encouraged to apply for positions and the Company has been ensuring fair and equitable recruitment practices are in place. This has been effectively communicated to the manning agencies as well.

#### Female Seafarers Diversity Target



### Supporting WISTA

Swire Shipping is an active member of Women’s International Shipping & Trading Association (WISTA) in Singapore, Australia and New Zealand and regularly participates in local activities. Through participation via WISTA and other initiatives, the Company hopes to empower employees and drive positive change towards minimising the gender gap in the maritime industry.





## Anti-discrimination and Anti-harassment

An inclusive workforce is one whose members are not discriminated against. Accordingly, full compliance with applicable employment and other laws is required and unlawful discrimination\*, harassment or any other breaches of applicable law will not be tolerated.

Equal opportunity practices commit the Company to ensuring there is no unjustified discrimination in the recruitment, promotion, retention, skills training and competence development of any employees on the basis of aspects including: age, disability, ethnicity or ancestry, family responsibilities, gender identity, language (whilst noting that proficiency in the English language is a legal requirement of the marine industry), marital status including civil partnerships, nationality, political views, pregnancy, race, religious beliefs or creeds, or sexual orientation.

Swire Shipping provides a Confidential Reporting hotline to deal with any potential issues. The process is clearly defined in its Grievance and Dispute Settlement Policy which is available to all shore-based and seagoing employees.

As part of Swire Shipping's annual training programme for all shore-based employees, there are online Corporate CoC and Workplace Harassment Prevention training courses. These courses set out Swire Shipping's values, principles and commitment to compliance with applicable laws and aim to help employees deal with any ethical dilemmas that they may encounter in their everyday work.

\*Decisions become a form of unlawful discrimination when race, creed, national origin, ethnicity, or gender cause one person to be treated differently than another. Some states have laws that also protect against discrimination on the basis of marital status or sexual orientation.

In 2022, a Preventing Sexual Harassment Onboard training module was introduced, which is presented during seafarer seminars and Safety Awareness and Safety Leadership Courses. Swire Shipping is committed to recruiting more female seafarers and is therefore obligated to ensuring a safe environment on vessels, educating seafarers on what is acceptable behaviour, empowering female seafarers, and providing them with means of discreetly reaching out for assistance should there be any unwelcome behaviour on board.

In PNG, it is estimated that two out of three women and one out of three men / boys have experienced some sort of family sexual violence (FSV). Swire Shipping PNG worked with the Business Coalition for Women on a FSV Policy, which was implemented in 2022. The initiative was funded by the UN and included training for the FSV First Response team in Port Moresby and Lae offices to adequately respond to FSV inquiries from team members, information sessions on FSV, access to forums to exchange knowledge with FSV teams from other organisations and a survey at the beginning and end of the project to track success.

It is important for Swire Shipping to lead by example by taking a clear stand on FSV and equip teams with the knowledge to be able to create change at home and within their communities.

Swire Shipping was notified of five potential cases of discrimination or harassment in 2022 (see *Fines and Grievances* section of the report).

**An inclusive workforce is one whose members are not discriminated against.**

# Human Rights and Labour Practices

Respecting human and labour rights and ensuring there is no modern slavery within the business and supply chain is critical to Swire Shipping's sustainability. This includes ensuring that all employees receive proper instruction regarding their own rights and are in a position to seek immediate help if those rights are violated. Statutory benefits cover workers' basic needs, including healthcare, and have a full explanation in the appropriate language. Employees are provided with fair and safe working conditions, equitable remuneration and benefits.

Swire Shipping's Corporate CoC requires that all employees comply with all applicable local, national and international laws and regulations in each of the countries / jurisdictions in which it operates and with all Swire Shipping's company policies. That requirement includes ensuring that Swire Shipping and its suppliers do not engage in child, forced, bonded, prison and compulsory labour, or apply unjustifiable disciplinary measures to employees.

The Corporate CoC is supplemented by global People procedures, which include pre-employment screening conducted prior to the offer of employment.

The Supplier CoC spells out all the principles to which suppliers are required to adhere covering, *inter alia*, forbidding forced and child labour.

In addition to the Corporate CoC, a Human Rights Policy is in place. Employees are encouraged to use the whistleblowing procedure to report any issues related to labour practices and / or human rights.

Swire Shipping complies with The Modern Slavery Act 2015 (as amended 2021) and publishes annual statements on the website.

<https://www.swireshipping.com/information/info-pages/sustainability/modern-slavery>

As part of that commitment the Company will not tolerate child / forced or compulsory labour within the business or in its supply chain. Swire Shipping is working closely with The Mekong Club, a non-profit organisation that focuses on systemic change to permanently break the cycle of modern slavery, on reviewing and strengthening its response to modern slavery.

There have been no incidences of modern slavery reported within, or uncovered during risk-based audits, of Swire Shipping operations, or supply chains, globally within the calendar year 2022. There were also no cases of child labour reported in 2022.

## *Protecting Human Rights of Seafarers*

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

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

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

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



## **Delivering on Seafarers' Rights**

Swire Shipping worked with the SSI, in partnership with the Institute for Human Rights and Business and Rightship, on the development of an industry Code of Conduct for Delivering on Seafarers' Rights. A self-assessment questionnaire against the Code of Conduct is also developed for shipowners, operators, charterers and cargo owners to understand the extent to which current operations meet their seafarers' rights and welfare obligations.

This questionnaire provides practical guidance on meeting the Code of Conduct – Delivering on Seafarers' Rights and is based on international and human rights standards and principles. The Code of Conduct goes beyond the ILO MLC 2006 and focuses on the full spectrum of seafarers' rights and welfare, from fair terms of employment and crew protection to availability and appropriate management of grievance mechanisms.

Swire Shipping completed the self-assessment and obtained the Rightship badge.

# Talent Attraction and Development

People are at the core of Swire Shipping’s business operations. The Company is committed to providing a continuous learning environment where employees are empowered to reach their highest potential. The Company strives to attract highly-skilled individuals, providing them with training and development opportunities to build a high-performing and engaged workforce.

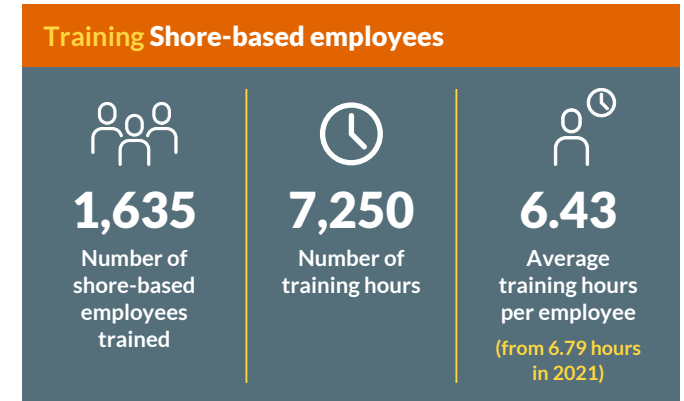
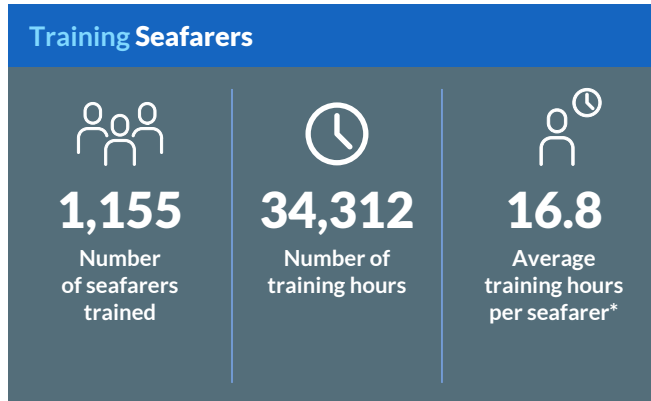
The maritime industry is an international business and the backbone of global trade and supply chains. With the shipping industry’s expansion plans, there is a need for more skilled talent. The industry has new needs in areas like digitally-controlled operations, automation engineering, software development and sustainability – these are areas that appeal to the younger generation who are digitally-agile, technologically-savvy and passionate about creating a better, more sustainable world. However, skilled and young talent also have many opportunities elsewhere, so the maritime industry must adapt in order to offer a compelling value proposition, and proactively showcase the prospects it has to offer.

With strong focus on Swire values, organisational culture, diversity and sustainability, Swire Shipping is creating a welcoming, positive, innovative and high performing work environment. The Company’s commitment to training and development remains strong which is demonstrated by its investment in training.

## Average Training Hours for Shore-based Employees

by gender and employee category

	Male	Female
Management	4.02	4.75
Support	4.21	4.74



## Seagoing employees

In 2022, the following training courses were organised:

- Safety Leadership and Awareness Courses for senior and junior officers and ratings:
  - 58 courses attended by 787 seagoing employees
- Engine and electric cranes training courses for new seafarers:
  - 43 courses attended by 90 seagoing employees
- Other courses:
  - 65 courses attended by 278 seagoing employees

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

\*Includes both Swire Shipping and Swire Bulk seagoing employees. Not comparable with last year as 2021 figures covered Swire Shipping only.

## Shore-based employees

Swire Shipping continues to invest in learning and development of shore-based employees. Training provided includes the annual governance compliance training programme, first aid and CPR courses, media training as well as more specialised training for specific job functions.

Employees are encouraged to access the extensive selection of learning resources through the online learning e-portal. The platform allows employees to learn new skills and acquire new knowledge at their own convenience.

Performance management for shore-based employees is done using “SMART Goals” in an online system. Performance assessments include a review of the SMART goals, and performance against the Swire values and job competencies. All employees undergo annual performance and career development review.

**The Company is committed to providing a continuous learning environment where employees are empowered to reach their highest potential.**

## Average Length of Service in Years

### Shore-based



### Officers



### Crew



### Employer of Choice

Swire Shipping is proud of its long-serving employees and their commitment reflects the Company's ambition to be an Employer of Choice.

### Long Service Awards

In 2022, 217 awards were issued to employees ashore and at sea, for lengths of service ranging from 10 to 30 years. When these are summed, the total length of service recognised amounted to 2,045 years.

Years of Service	Shore-based employees	Seagoing (Swire Shipping)	Seagoing (Swire Bulk)
10 years	33	31	15
15 years	13	26	10
20 years	6	5	3
25 years	3	3	-
30 years	2	1	-

### Swire Shipping

2022 **5.59** years

**6.40** years

**4.92** years

### Swire Bulk

2022 -

**4.02** years

**5.15** years

**With strong focus on Swire values, organisational culture, diversity and sustainability, Swire Shipping is creating a welcoming, positive, innovative and high performing work environment.**

# Employee Health, Safety and Wellbeing

Swire Shipping is committed to ensuring that safety is an integral part of the decision-making process and culture. The Company continuously strives to provide a safe and healthy working environment and to cultivate a safe mindset for both employees and contractors alike. By having a strong safety focus together with a robust reporting and learning culture, safety is everyone's priority. The Company's goal is to build an industry leading safety culture and fully integrate safety in all aspects of the business. Safety behaviour and work practices are continuously evaluated to improve safety performance. Wellbeing for employees is also of paramount importance, which is addressed through various initiatives.

Swire Shipping has a Fleet Health and Safety Policy and a Global Onshore Safety, Security and Wellness Policy, which state its priority commitment to Zero Harm to all personnel and at all business / operations sites ashore and at sea. The Safety Management System (SMS), which is the core requirement for the International Safety Management (ISM) Code, is in place to guide daily operations, and is strictly adhered to. The ISM Code is the international standard for the safe management and operation of ships and for pollution prevention. Full compliance with the ISM Code is required in order to be able to continue operating under that flag registry, and is indicated by the issue of a Document of Compliance.

Swire Shipping's philosophy is never to allow business objectives to compromise the health and safety of all employees, customers, visitors, contractors and the wider community. The Company takes responsibility for safety on its vessels both at sea and at port, as well as in offices and other worksites.

Swire Shipping's safety boundaries cover three categories:

- Fleet Safety (ship structure and seafarers);
- Office Safety;
- Cargo operations and port community (Stevedores, Port Workers and other Third-Party Contractors).

## Fleet Safety

Long-term preventive measures are in place to improve the Situational Awareness and Hazard Perception of seafarers that cover:

**Safety Campaigns:** Based on both leading and lagging indicators, seafarers' involvement is monitored using the Ocean Learning Platform, risk management, permits to work, lockout / tagout, toolbox talks and situational awareness campaigns.

**Safety Dialogue Sessions:** Ship Managers conduct regular safety dialogue sessions by using online tele-conferencing to observe pre-work meetings, safety meetings and toolbox talks and provide appropriate feedback for improving the overall Risk Management process on board.

**Safety Observations:** Close follow-up on reported safety observations with emphasis on using safety behaviours (Safety I's™) whilst conducting work activities on board.

**Competency Management System:** Involves Fleet Auditors, Safety & Training Managers and Ship Managers to assess the proficiencies of Masters, Chief Engineers and Electro-Technical Officers, serving on board vessels. Senior officers are appointed as on-board assessors to junior officers.

Swire Shipping continues to measure and monitor safety statistics and has taken a number of initiatives to improve safety across the fleet and within its offices. See the statistics / trends in the "Data" section.

## Office Safety

Swire Shipping is committed to providing and sustaining a work environment and culture that supports the safety, security, and wellbeing of its people. To achieve this, considerations in these areas are an integral part of the decision-making process and culture, and as such, a set of standards relevant to onshore offices is in place. This includes office safety committees, safety training and wellbeing workshops.

In the aftermath of the COVID-19 pandemic, the Singapore Wellness Committee organised "T.H.R.I.V.E. towards resilience", a session where external speakers hosted a conversation about thriving sustainably through resilient living and shared how resilience goes beyond grit or perseverance. They also covered the necessary pillars for increasing one's odds of success in an ever-changing world.

### Safety Statistics

Fatalities: **0**

Safety Observations Reports: **2,712**

LTIFR per 1 million manhours: **0.65**

TRCFR per 1 million manhours: **1.30**



Behaving Safely. Always. Naturally.

## Cargo Operations and Port Community

The Company aims to engage with stevedoring companies, port workers and other third-party contractors in many major ports around the world. Swire Shipping's Safety Strategy is "To be a leading organisation that provides sustainable safety excellence", endeavouring a paradigm shift from the traditional role of "Enforcer" to "Influencer" with broad consultation and collaboration with the port community.

The Safety Strategy is supported by three Safe Way of Working (SafeWOW) Programmes, and a 2025 roadmap to roll this out to 25 stevedoring companies. The SafeWOW Programmes include:

- Hardware (maintenance and equipment),
- Software (safety guidelines and 10 life-saving rules), and
- Heartware (outreach and engagement).

Highlights of the SafeWOW Programmes:

- Adoption and training of Swire's 10 Lifesaving rules
- Launch of "Accident-Free" milestone celebration
- Joint site safety walk-about
- Safety Awards

In 2021, the SafeWOW Programmes welcomed five stevedoring companies situated in Fiji, Honiara, Sri Racha, Pago Pago and Noumea and were expanded to another five other stevedoring companies in 2022 in Taiwan region, Apia, Port Vila, PNG and Tarawa. Swire Shipping aims to invite more stevedoring companies on board this safety charter in the coming years.

**As part of cargo care duty, Swire Shipping actively engages with stakeholders and continues to monitor the safety compliance level of cargo operations in port so that swift measures can be taken if any unusual trend is detected.**

In 2022, the Company partnered with stevedoring companies on the following:

- Trialling safety poles to adopt "hands-free" operations, to reduce the risks associated with hand pinching and work-at-heights when positioning hoisted containers on board vessels (Suva, Lautoka, Noumea, Motukea, Lae and Sri Racha)
- Reducing the number of Lost Time Injuries –worked with agency management to address lapses (Sydney)
- Safety mural displayed at the Port of Suva (Fiji)

Six-month accident-free safety plaque was awarded to stevedores in Kaohsiung and safety banners were displayed onboard a vessel in Tarawa.

The SafeWOW Programmes were also successfully extended to a Swire Projects' agency in Vietnam. Alongside VIP Greenport in Haiphong, safety protocols were formulated and safety commitments reinforced. Swire Shipping's safety team conducted a site verification on board a vessel. Swire Shipping's agency in Vietnam will conduct regular site checks to verify safety compliance.

## Cargo Safety

The safety of customers' cargo is of utmost importance. As part of cargo care duty, Swire Shipping actively engages with stakeholders and continues to monitor the safety compliance level of cargo operations in port so that swift measures can be taken if any unusual trend is detected.

## Strengthening mutual commitment to safety

Swire Shipping's Sydney team visited ACFS Sydney, the largest privately owned container logistics operator in Australia, and a major depot used by Swire Shipping in Sydney. Safety is an absolute priority for both companies.

During the visit, the entire process of container drop-off to pick-up in the depot was demonstrated together with the different sizes and types of containers including surveying, maintenance, repair, cleaning, pre-tripping, and container movement. Seeing the inside of the containers provided better understanding of the costly damage and repairs needed to one if goods are not loaded or packed correctly.

This visit showed the hard work that ACFS undertakes to ensure safety within the depot whilst maintaining efficiency.





## Safety Training

Swire Shipping runs Safety Leadership Courses for all seagoing senior officers and Safety Awareness Courses for all junior officers and ratings, which are mandatory upon joining the Company and then repeated every three years thereafter. All senior officers undergo a three-day course whereas junior officers and ratings undergo a two-day course at their respective manning agencies.

Annual crew / safety forums are held in various locations. Physical safety forums resumed globally in April 2022.

The Safety Leadership Course is based on the Company's Zero Harm programme, to provide senior management on board with the tools and techniques to exercise leadership and gain maximum accountability from their teams. The course includes modules on safety culture, team leadership, decision-making, problem solving, communication, soft skills, safety mindset and motivation.

The topics are delivered via a mix of theoretical presentations, gamification, group activities, team challenges, and reflective learning. Swire Shipping strongly believes in lifelong learning and that all employees should strive to develop and enhance their abilities through team discussions, interaction, and reflection, and above all, acquiring the necessary soft skills.

A number of other courses related to safety are carried out regularly on subjects such as practical safety for ratings, bosun courses, safe crane operation, and many more. The Company also sponsors a number of other courses ranging from AMOS training, welders training, navigation safety courses, Senior Officer Attachment Programmes, Recruitment Evaluation and Assessment Programmes.

**Swire Shipping runs Safety Leadership Courses for all seagoing senior officers and Safety Awareness Courses for all junior officers and ratings.**

To continue the 'Zero Harm' journey, and to reinforce the application of Safety Behaviours, practical onboard training is conducted every quarter. This training is conducted by senior officers and has been designed to ensure active participation through group discussion, quizzes, and reflective learning. In 2022, the Zero Harm and Hazard Identification training was launched fleetwide. A Navigation Safety Training course was also developed to address navigation-related incidents, reinforce the basics of safe navigation, and share best practices.



### Driving the 'Safety' message home to our seafarers

With the re-introduction of physical safety courses and forums, a number of events were held in 2022 with the aim to drive home the message of 'Safety'. This included discussions around current safety practices, workplace harassment, complacency, best practices for crane operations, and the responsible use of social media.

Participants were also asked to reflect on the ability to carry out comprehensive risk assessments, respect cultural diversity and diverging views, and enable teamwork and empathetic interactions with one another.

## COME HOME SAFELY



 SWIRE SHIPPING

## Addressing Employee Wellbeing

Good mental health is important for both personal wellbeing and work performance, while poor mental health can lead to illness and reduced productivity. It is therefore essential to support good mental health among seafarers and shore-based employees. In doing so, it should be recognised that individuals, families, communities, employers, workmates, and regulators can all make a difference.

Swire Shipping partners with Befrienders Worldwide (BW), an international network of crisis helplines, and has in place a dedicated email and hotline service for Swire Shipping employees who are feeling depressed or need emotional support. In July 2022, the BW service was extended to employees' dependents to support them in times of need. The services are confidential in nature. Records of personal health related information are maintained on the Company's propriety system with controlled access to maintain confidentiality. Personal health-related information is not shared with any other third-parties.

The COVID-19 pandemic had a huge impact on the wellbeing of seafarers. However, in 2022 restrictions were gradually lifted, which brought life back to normalcy within ports around the globe. With effect from April 2022, seafarers on board ships berthed in ports were permitted to disembark, which meant crew members can enjoy shore leave once again after a two-year hiatus. This has greatly reduced one of the contributing factors of mental stress at work.

Physical fitness is of great importance in the world of seafaring. Health and wellness workshops are conducted on all vessels. Sessions include breathing techniques and yoga workouts, with the aim of introducing how yoga could help combat the stress of daily work. The second part focuses on weight loss and core strengthening exercises. Material covers nutrition together with regular movement patterns, which are vital for joint health, muscle and bone strengthening.

In celebration of World Mental Health Day, Swire Shipping introduced Mental Wellness Day and no meeting Wednesdays. Mental Wellness Day (in July and October) allowed shore-based employees to take time off to renew, recharge and refresh. A no meeting Wednesday was also implemented on the first Wednesday of every month, from July 2022, to give people time to plan their own workday.

An infographic was developed to help employees identify the warning signs of mental health crisis as well as what they can do if someone is experiencing mental health issues. The Company encourages employees to watch out for one another and act if necessary.

In conjunction with International Men's Day in November, mental health and medical experts, together with Swire Shipping employees, were invited to discuss the implications of men's health and mental health.

An onshore safety training workshop was held in December conducted by the Safety and Training Manager, covering areas such as common office hazards and how to identify them, as well as a refresher on the onshore safety reporting app.

The Swire Group's Women's Network hosted a workshop on the difference between burnout and stress, and provided useful tips for coping with and recovering from burnout. Various resources were made available on the intranet that address topics around mental wellness and resilience.



# THRIVING PARTNERS

## Supporting Local Communities




Swire Shipping is committed to supporting key stakeholder communities in countries where it operates. This includes strategic philanthropy / community investment, charitable donations, disaster relief and fundraising efforts. Key stakeholder communities are defined as communities where the Company has greater presence.

Swire Shipping believes in doing right by its communities and investing in worthy causes, through supporting charities and community organisations as well as employees in need. The Company is committed to establishing long-term, mutually rewarding relationships with its partners and communities. Swire Shipping allocates a percentage of annual profit towards supporting key stakeholder communities in the various countries in which it operates.

The Corporate Philanthropy (CP) fund donations are guided by the following principles:

- Provision of Educational and / or Health Opportunities for Youth; and / or
- Enhancing the Company's presence in Stakeholder Communities; and / or
- Environmental protection, conservation and biodiversity issues; whilst simultaneously achieving the following if possible:
  - Demonstrating a strategic fit with Swire Shipping's business;
  - Fostering or enhancing a Corporate Partnership with Swire Shipping (rather than being disconnected philanthropy);
  - Involving a Long-Term Partnership;
  - Being responsive to Community Needs.

The Company avoids "One-Offs", as fewer, but larger sums, are likely to have a bigger impact multiplier.

Number of Beneficiaries	Countries where majority of donations were made	Donations
Beneficiaries in key stakeholder communities <b>Over 100,000</b> <hr/> Seafarers globally <b>1,890,000</b> 	Australia The Chinese Mainland Fiji Papua New Guinea New Caledonia Philippines Singapore Ukraine 	Donations to charitable and non-charitable organisations <b>Over USD 633,000</b> <hr/> Donation in-kind (pro bono / discounted shipment) <b>Over USD 150,000</b> 

### Main Areas of Support

 <b>Health</b>	 <b>Education</b>
 <b>Community Welfare</b>	 <b>Environment / Biodiversity</b>



**117 shore-based employees spent 343 hours volunteering**

## Supporting Seafarers

Swire Shipping has long-term global partnerships with both The Mission to Seafarers (MtS) and Sailors' Society (SS) who care for and support seafarers of all races, religions and ranks around the world. This support is provided through fundraising events and other collaborations.

Swire Shipping is the Gold Sponsor of the event Adventure Race Japan organised by MtS. This is the first bespoke adventure challenge to take place on the Izu Peninsula, Japan. The event will take place in May 2023 and four teams of three, involving both customers and employees, will participate.

Swire Shipping was also a Silver Sponsor at the Awards Dinner hosted by the MtS in 2022 after a two-year hiatus. The dinner was a great opportunity to catch up with the MtS and peers across the industry. The Company appreciates all the work MtS does to ensure welfare and protection of the lives and safety of seafarers.

Swire Shipping will also be a Gold sponsor of SS' Mt Kilimanjaro Challenge in 2023.

## Lifeboat set for the Fiji Maritime Academy

The Fiji Maritime Academy (FMA) has been one of Swire Shipping's close partners in the region over the last seven years. Swire Shipping has been working closely with FMA to bring in graduates who meet its employment assessment standards, and those on board the ships have shown great aptitude and a strong work ethic. In 2022, nine FMA graduates joined the fleet.

Swire Shipping was asked to secure a new lifeboat set for FMA. The old boat reached its end of working life and had to be replaced urgently. The new lifeboat set was ordered and will be shipped on a Swire Shipping vessel in 2023.

**In 2022, the inaugural University Bursary Scheme was launched and the Company is supporting two youths through their university education.**

## EDUCATION

### University Bursary Scheme

In 2022, the inaugural University Bursary Scheme was launched and the Company is supporting two youths through their university education. This scheme aims to provide financial assistance to the children of Swire Shipping employees, by helping them pursue a full-time degree course at a university.

"I am **Emily**, and I am currently a student at McMaster University in Hamilton, Canada, pursuing the Honours Life Sciences programme. Since my first year as an undergraduate, I have been fortunate to receive the bursary. Transitioning to university life marked my first experience living away from home, which presented both academic challenges and financial concerns.

However, the bursary greatly alleviated the stress on my family as the deadline for school fees approached. The Swire Shipping team provided excellent communication and assisted me with great care. Without their support, my family and I would have needed to work extensively to cover the expenses of tuition and living costs. Their assistance has significantly improved the quality of my life."



"My name is **Nisakya** and I am an undergraduate at University of South Australia, studying a Degree of Bachelor of Engineering (Civil) (Honours). I am truly honoured to have been chosen as a candidate to receive the University Bursary Scheme provided by Swire Shipping. The bursary has provided numerous benefits and opportunities for me. It has not only helped me with my tuition fees, but also covered my daily expenses such as accommodation, groceries and other educational costs, allowing me to pursue my education without any financial burdens.

The bursary also enabled me to focus more on my academic success, allowing me to dedicate more time and energy into my studies, research and extra-curricular activities at the university. The boost in confidence, potential and aspirations that I have received through this scheme has immensely helped me with my personal development.

I would also like to express my gratitude to the team at Swire Shipping who has remained in touch with me, providing me necessary updates and offering a helping hand whenever needed."



### Sponsoring underprivileged youths in the Philippines

Approximately 32% of Swire Shipping's seafarers come from the Philippines, hence the nation is one of the Company's key stakeholder communities. Swire Shipping took on the sponsorship of The Propeller Club of Manila (PCM), a non-profit organisation offering fully funded residential scholarships to youths from underprivileged families in the Philippines. Through this programme, 25 underprivileged youths will receive technical and vocational training at the Don Bosco Technical Institute in Manila over 18 months to become fitters and / or mechanics.

Upon successful completion of the course, the scholars could be offered employment aboard Swire Shipping managed vessels based on their level of competency or return with new skills that can be used to add value to their communities. Swire Shipping is sponsoring 50% of the 24<sup>th</sup> PCM batch together with TK Foundation Fund Grant Programme, which is sponsoring the other half. As a Company that greatly emphasises DEI, it is encouraging to see that five out of 25 scholars are female.

### Inspire Pacific

Swire Shipping is supporting a creative arts programme at the Fiji Juvenile Rehabilitation and Development Centre developed by Inspire Pacific, a non-government organisation whose vision is to inspire and empower young Pacific Islanders to fulfil their fullest potential.

The programme aims to identify the creative interests of participants and then develop the latter further through a tailored curriculum covering music lessons, sports, painting, and cooking. Participants will also be able to pick up skills such as listening, critical thinking and creativity. Several times a year, participants will be able to showcase their talents to a selected audience, including their own family members.

Through the programme, the hope is to help the youth to discard negative patterns and behaviours, discover their passions and what they are capable of, as well as how they can contribute meaningfully to society with their talent and skills.

This programme is also supported by the Ministry of Women, Children and Poverty Alleviation, Fiji.

### Our support via provision of *pro bono* / discounted shipments

Swire Shipping has been supporting various organisations through *pro bono* / discounted shipments. A number of long-term partnerships with charitable and not-for-profit organisations have been established in countries where the Company operates. Examples of such partnerships are presented below.

#### Upcycling of school furniture

Swire Shipping is working with Thomas Hassel Anglican College, Australian Anglican private schools and local partners on upcycling donated school supplies and furniture.

Anglican school's collective in Australia updates their school furniture every two to three years on a rotational basis. By re-using the furniture, which is still in a very good condition, it is diverted from the landfill and its life extended by several years.

In order to ensure that donations go to the right schools, Swire Shipping works closely with partners in the Pacific to select schools that would really benefit from it. Many schools in the region often lack infrastructure and equipment, with children taking their lessons on the floor.

Swire Shipping will continue working with Anglican school's collective and other communities around the Pacific Islands where there is a need for those donations. The shared commitment to sustainability from all partners and everyone involved in this shipment made a tangible difference to the selected schools. As a result of this partnership, there is now a blueprint to extend this initiative to the wider Pacific Islands.

Below: Inspire Pacific



#### Disaster Relief

Natural disasters have been occurring with increasing frequency in the Pacific region, affecting key stakeholder communities. Over the years, the Company has been working with governments and charitable organisations on assisting communities in the Pacific Islands by providing financial support, containers and *pro bono* shipments of goods to affected areas.

Following the volcanic eruption and tsunami in Tonga in 2022, Swire Shipping provided assistance by shipping over 120 containers on a *pro bono* basis (USD 150,000 of value in-kind), donating USD 35,000 in emergency supplies plus committing to funding four fishing vessels to replace those destroyed during the tsunami. Swire Shipping Fiji office also donated 1,000 pillows, 1,000 blankets, 500 first aid kits and 15 bags of clothing to communities and organisations in Tonga including the Tonga National Centre for Women and Children.

Below: Disaster Relief



Below: Upcycling of school furniture



## Employee Volunteering

Supporting local communities can also be a source of inspiration and motivation for employees. When individuals contribute time and resources to help others, it also strengthens the connection to these communities and helps with employee attraction and retention.

Swire Shipping spearheads meaningful community partnerships and corporate volunteering events for employees to learn, volunteer and to raise awareness of the work of non-profit organisations and charities. Employees can get up to two days of volunteering leave, which they can use for volunteering activities they do outside of work.

As part of the Company's 150<sup>th</sup> anniversary celebrations, colleagues around the world spent time performing acts of community service on 14<sup>th</sup> June. Called the Global Day of Service, it was a great way to support Swire Shipping's purpose of Enriching Lives by Connecting our Communities and Customers.

In **Singapore**, employees participated in waterway clean-ups and spent time with seniors and the differently abled community. Colleagues in the India offices donated blood. In **New Zealand**, colleagues spent time supporting two charities: Sea Cleaners and City Mission. The **UK** team organised an EIRE WW2 memorial 'Painting Day' and cleared the area around the new RNLI Lifeboat Station in Wells-Next-the-Sea.

The **Sydney** office participated in mulching, weeding, composting, and planting activities at the Royal Botanic Garden and supported St Vincent de Paul Society by contributing food items and preparing snack packages for the homeless, those living in poverty or the underprivileged and asylum seekers.

The team in **Port Moresby**, helped with weeding, grass cutting, raking, painting and chopping firewood at the Laloki High School.

Colleagues in the outer **PNG** port offices also organised various community projects ranging from visits to the children's ward, to cleaning local towns, beaches and port areas.



Photo credit: Lae Chamber of Commerce & Industry - PNG

In 2022, employees participated in eight events organised by the Company contributing 343 volunteering hours.

## Partnership with Endangered Species International

Swire Shipping partners Endangered Species International (ESI) in South Mindanao in the Philippines on mangrove and coastal reef conservation to enhance the biodiversity and encourage population growth of the endangered Philippine forest turtles. The Philippine forest turtle is listed as Critically Endangered on the International Union for Conservation of Nature Red List. Under this partnership, Swire Shipping seafarers act as volunteers and work in the field alongside the ESI on various conservation and community engagement activities.

The first group to volunteer since the pandemic went in November 2022. Five seagoing colleagues planted 125 trees (belonging to six native species), collected 1,826 wildlings from the rainforest belonging to seven native tree species, and prepared bagging for 1,554 wildlings. Through this, they gained first-hand experience in conservation work. They also participated in open discussions around nature conservation, environmental issues, and the revival of eco-tourism activities in the area.



## Swire Shipping PNG launches partnership with Mahonia Na Dari

Mahonia Na Dari (MND) (Guardian of the Sea) is a local marine environment research and conservation education centre based in West New Britain. Following the provision of infrastructure funding for non-income generating facilities to support its research, marine education and conservation work, Swire Shipping re-launched its partnership with MND in 2022. Three volunteers from offices around PNG spent four days participating in a Marine Environmental Education Programme with two local schools, which included mangrove planting and a coral reef survey. The volunteers also led a shipping career workshop for students and a tour of a vessel.

### PNG colleagues volunteered to plant mangrove trees for World Mangrove Day

Seven colleagues in the PNG team volunteered with The Nature Conservancy and planted close to 100 Rhizophora mangrove tree seedlings at Dogura Beach Bootless Bay, just outside Port Moresby. The area is on the last remaining patch of healthy mangroves within the city limits, and the goal was to plant 5,000 mangrove trees.

Through this initiative, Swire Shipping aims to develop relationships with stakeholders in this field and increase support for mangrove restoration and conservation efforts across the provinces it operates out of in PNG.



## Upcycling food waste with Insectta

With food waste being a prevalent problem around the world, the Singapore team organised an educational outreach activity with Insectta, a start-up that aims to combat food waste using black soldier flies (BSF). Volunteers learned about food waste at different stages of the food supply chain and the potential of BSF in creating a circular food economy. They also spent some time mixing spent grains and soybean pulp from local microbreweries to feed BSF larvae, turned compost piles and cleared weeds from surrounding land for planting crops. Volunteers were also encouraged to help reduce food waste by being more conscious of their consumption.



### Spending quality time with persons with autism

The Qingdao team volunteered with the Tongmu Sunshine Assisted Employment Center, a non-profit organisation that provides care for the differently abled, people with autism, and intellectually-challenged people.

The team donated drums, watercolour pens and drinks, and prepared canvases to paint together. A big part of the activity was really listening to their ideas and talking with them.



### Employee Fundraising Matching Assistance scheme

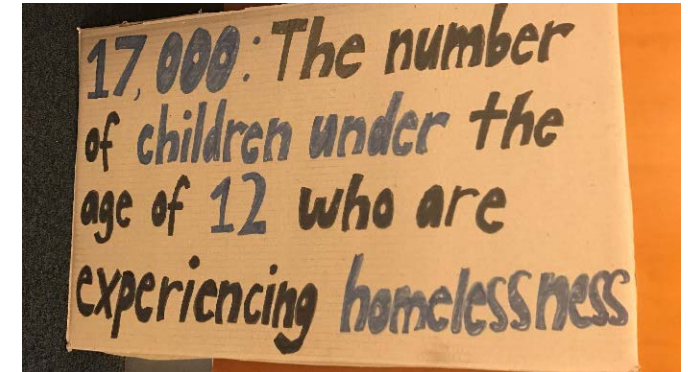
Swire Shipping has an Employee Fundraising Matching Assistance scheme in place, which is accessible to all full-time employees who have passed their probation period. Administered by the Sustainability team, the Company will match employees' fundraising efforts if the proposal meets the stipulated criteria.

A number of employees have benefited from this scheme raising funds towards awareness of pancreatic cancer, mitochondrial disease and homelessness.

**Randy Selvaratnam**, Country Manager, Pacific, **Mike Arnold**, Global Head, Integrated Logistics, and **Leon Ross**, Logistics Manager – Australia, took part in the Vinnies CEO Sleepout raising money for the homeless.

The three slept outdoors at the White Bay ferry terminal in Sydney to raise money for the St Vincent de Paul Society. With COVID-19 and as a result of the tough economic times, there are many more less fortunate people who have been forced to sleep on the streets at night.

Amongst them are thousands of women and children who have been displaced due to family violence. Swire Shipping matched the amount of funds they raised making it over AUD 95,000 in total.



**Isabel Maguire**, Regional Commercial Manager for PNG and the Solomon Islands, and **Jenny Ruffell Smith**, Business Process Owner, Integrated Logistics, took part in the #RememberSeptember challenge in Australia. They walked 100 kilometres each to help raise awareness of pancreatic cancer in Australia and around the world. Swire Shipping matched the donation on a dollar-for-dollar basis, taking the total contribution to AUD 2,352.

Our Australian team completed The Bloody Long Walk – a 35-kilometre walking challenge in support of the Mito Foundation, which supports people affected by mitochondrial disease. They raised a total of AUD 2,526, with Swire Shipping's support taking the total contribution to AUD 5,052.



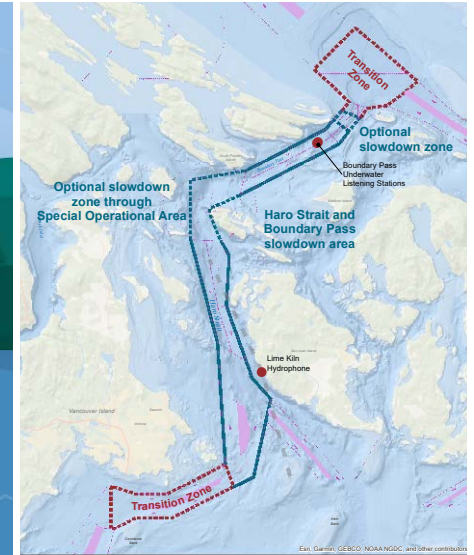


## Protecting the Environment and Biodiversity

### Protecting Blue Whales and Blue Skies Vessel Speed Reduction Programme

Swire Shipping is an active participant in the *Protecting Blue Whales and Blue Skies* programme in the San Francisco Bay Area and the Southern California Region. The Company achieved the Sapphire recognition tier for four years in a row (2019-2022).

Vessels are a significant source of noise and air pollution, and occasionally ships can accidentally hit endangered blue, humpback, and fin whales. The Vessel Speed Reduction incentive programme is a voluntary programme where vessel operators are asked to slow down to a speed of 10 knots or less, which reduces fatal strikes on endangered whales, air pollution, and ocean noise.



### Supporting Vancouver Fraser Port Authority's commitment to saving whales

Swire Shipping continues to participate in the ECHO Programme (for selected vessels), which aims to reduce underwater noise generated by vessels to support the recovery and survival of endangered southern resident killer whales. The programme is led by the Port of Vancouver, which coordinates the voluntary vessel slowdown initiatives in key feeding areas within the whales' critical habitat.

These research initiatives help to better understand and manage the cumulative effects of shipping activities on whales. The speed reduction applied to Haro Strait, Boundary Pass and Swiftsure Bank areas. With speed reduction and depending on vessel type (11 knots for bulk vessels and 14.5 knots for container ships), transit times may increase by up to 29 minutes.

In 2022, Swire Shipping vessels slowed down while transiting through important areas for the endangered southern resident killer whales, helping to measurably reduce underwater noise and create quieter oceans for healthier whales.

### Westwood wins Blue Circle Award

Westwood received the Port of Vancouver's 2022 Blue Circle Award for the EcoAction Programme. The team was recognised for their voluntary environmental stewardship efforts – for adjusting operational activities to reduce potential threats to southern resident killer whales.



**The ECHO Programme aims to reduce underwater noise generated by vessels to support the recovery and survival of endangered southern resident killer whales.**



Photo credit:  
Jessica Morten, National Oceanic and Atmospheric Administration



## Waste Recycling in the Pacific Islands

### Moana Taka Partnership

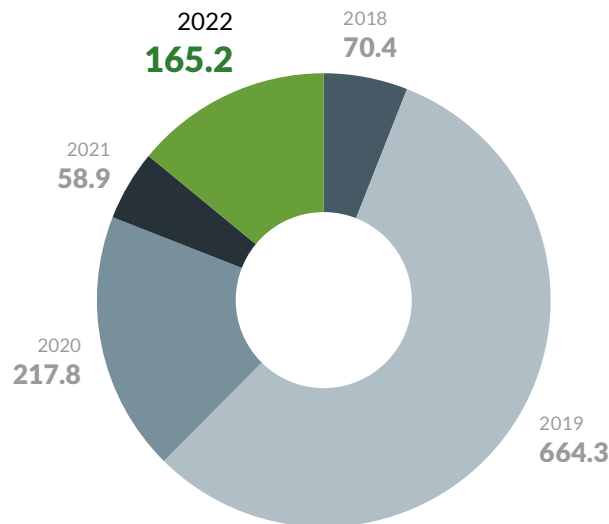
Waste management is a pressing issue in the Pacific Islands. Swire Shipping's MTP is a collaboration with The Secretariat of the Pacific Regional Environment Programme to address this issue. Under MTP, Swire Shipping enables private sector companies and governments, to move recyclable waste out of the Pacific Islands where it is accumulating, to countries with competent and sustainable recycling plants ensuring that waste products from oil to plastics, are properly recycled and processed.

Under MTP, Swire Shipping provides both the containers and ocean freight carriage on a *pro bono* basis, as well as dedicated resources to support programme coordination and work on scaling up the programme across the Pacific region.

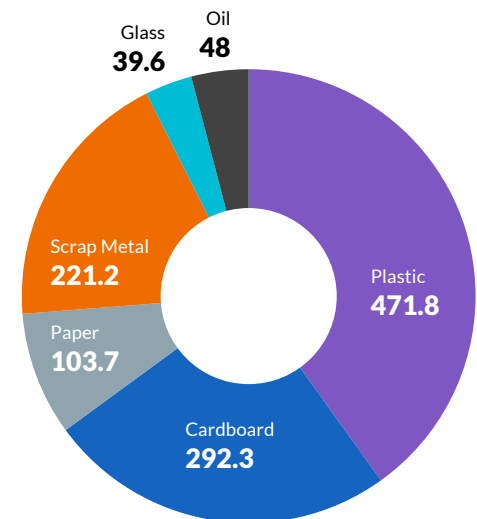
This partnership connects government and commerce together for the first time in the waste stream removal / treatment area for the benefit of all, and helps resolve a long-standing environmental and social issue.

21 PICTs are eligible for the programme. Since the start of the programme in 2018, 1,176.6 tonnes of recyclable waste have been shipped out from PICTs.

Tonnes of Recyclable Waste Shipped (2018 - 2022)



Type of Waste Shipped (2018 - 2022)  
Weight (tonnes)



### MTP aims to address





### Recycling on the Go

MTP has revealed that one of the major challenges faced by the waste management sector is the mindset of people. There is a need to address this behavioural change and that is why Swire Shipping signed a Memorandum of Understanding with Waste Recyclers (Fiji) Limited, Pacific Recycling Foundation and Jai Narayan College in Suva. Titled “Recycling on the Go” or ROG Ambassador Project, this project is the first of its kind in Fiji. The Company is also working in conjunction with the Ministry of Education and Department of Environment, to boost in-country recycling efforts.

This year-long pilot project covered the design and set-up of a recycling hub, together with a regular waste collection as well as training and advocacy. Comprehensive data was gathered on the types and volumes of recyclable waste collected, as well as data on the end process of recycling.

The pilot project proved to be successful, and therefore will be scaled up to two more schools in 2023, an all-girls secondary school and one primary school in a rural area. The implementation of two additional schools will provide comparative data that will be critical in the development of a national programme.

The ROG will act as a blueprint to lobby for national implementation of such programmes by the Ministry of Education in years to come.

**The pilot project proved to be successful, and therefore will be scaled up to two more schools in 2023, an all-girls secondary school and one primary school in a rural area.**



### Project Rivendell

Building on the successful and globally regarded MTP, Swire Shipping has a deeper interest in other under- / improperly processed waste streams in PICTs; specifically abandoned End of Life Vehicles (ELV). *Project Rivendell* aims to ‘To recover, move, and sustainably recycle the large numbers of ELVs, such as large industrial vehicles from surface mining operations, and discarded “white goods” and tyres that are currently abandoned across the wider PICTs’.

The Global Environment Fund has sponsored up to USD 150,000 for an initial baseline study to establish the quantities, locations and optimum removal modalities of the different waste streams across the PICTs. The results of the study are expected in 2023.

### Support GEF ISLANDS Programme

Swire Shipping supports the UN Environment Programme for the preparation of the GEF ISLANDS “Communication, Coordination and Knowledge Management Project” and GEF ISLANDS “Pacific Regional Child Project”. This presents opportunities to connect relevant efforts of the GEF ISLANDS Programmes with the work under MTP and the proposed Project Rivendell and their sub projects.

\*GEF: Global Environment Facility

**ISLANDS:** Implementing Sustainable Low and Non-Chemical Development in Small Island Developing States

## Industry Collaborations

### Coastal-SOS Programme

Swire Shipping, together with the State Key Laboratory of Marine Environmental Science, Xiamen University and others, is a partner of "Coastal Zones Under Intensifying Human Activities and Changing Climate: A Regional Programme Integrating Science, Management and Society to Support Ocean Sustainability" (The Coastal-SOS Programme).

This Programme was set up in response to the call for action under the UN Decade of Ocean Science for Sustainable Development (2021-2030).



Photo by Maahid Photos on Unsplash

### Supporting the World Ocean Council

Swire Shipping supports the WOC managed SMART Ocean – SMART Industries (SO-SI) Programme for a three-year period.

The SO-SI Programme organises industry/science partnerships and promotes data collection by companies with vessels or platforms at sea. Its goal is to increase knowledge of the oceans and climate, enabling the development of effective strategies to reverse alarming climate trends. This project helps to deliver on SDG 14 and the UN Decade of Ocean Science.

The programme aims to expand the amount and quality of ocean and climate data by engaging ocean industry in collaborating with the science community to collect data from a greater number of stakeholders.



Understanding the relationship between the atmosphere and our oceans is crucial to mitigating the effects of global warming. We must step up our efforts for data collection, especially as this can be achieved using ships, rigs and undersea cables of opportunity often at minimal additional expense. We look forward to it bringing real benefits to stakeholders at the earliest opportunity.”

**Sam Swire**  
Chairman, Swire Shipping

### Asia-Pacific Green Deal for Business

As a signatory, Swire Shipping is committed to align with, support, or meet all the provisions within this declaration. This is a high-level policy framework, which sets the scene for future workstreams in the areas of S&D. The broad themes are: green energy; green infrastructure and logistics; green finance; green innovation; and green production, consumption and waste.

This is an initiative of the ESCAP ESNB, which advocates for business leadership in implementing the 2030 Agenda for Sustainable Development and advises the UN Economic and Social Commission for Asia and the Pacific.



### Other regional collaborations

Swire Shipping is a member of the Economic and Social Commission for Asia and the Pacific (ESCAP) Sustainable Business Network (ESBN) and Task Force on Disaster and Climate Risk Reduction. ESBN is set up to drive businesses in working towards the 2030 Agenda for Sustainable Development and associated UN SDGs.

# GOVERNANCE

## Ethical Business Conduct

Ethical business conduct and responsible business practices have converged. Corruption is increasingly viewed as much a human rights risk as it is a governance issue. Various guidelines or norms on corporate responsibility have been translated into hard laws. For example, provisions of the UN Guiding Principles on Business and Human Rights (The Ruggie Principles) are incorporated in modern slavery legislations, and anti-bribery and anti-corruption are now firmly established as a legal compliance requirement.

The more aligned convergence between corporate governance and responsible business practices will lead to further governance and legal compliance footprints into both environmental and social issues. Companies are expected to move from complying with anti-corruption and ESG laws into integrating the spirit of those laws into their operations and being stringent in its application.

Swire Shipping is committed to act with probity, transparency and accountability. The Company has high standards of business ethics and corporate governance, including zero tolerance towards any corrupt practices. This includes curtailing the practice of facilitation payments, as well as conducting due diligence on the ethical record of transactional partners, including customers and suppliers.

The Corporate CoC, together with other policies and internal controls, sets a strong foundation to prevent any corruption and anti-competitive / anti-trust behaviours. Swire Shipping carries out training for all employees testing their understanding of these principles and how they apply to employees' daily work / duties.

This governance compliance training programme covers:

- Corporate CoC;
- Global Anti-Bribery (Based on the UK Act, but applicable to all operations globally);
- Global Anti-Trust (Based on the UK Act, but applicable to all operations globally);
- Workplace Harassment Prevention (Based on the UK Act, but applicable to all operations globally);
- Modern Slavery (Based on the UK Act but applicable to all operations globally);
- Cyber Security Awareness training; and
- EU General Data Protection Regulation (GDPR) and Singapore Personal Data Protection Act (PDPA) (for specific employees / functions).

This training is held annually for existing employees and is part of the induction programme for new employees. 100% of employees completed this training in 2022.

Any incidents of potential or actual non-compliance with the Corporate CoC are reported to the Swire Shipping Internal Audit Committee and investigated.

Swire Shipping has been a member of the Maritime Anti-Corruption Network (MACN) since 2015 and continues to contribute towards the maritime industry's vision and aim of being free of corruption. 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.

The Company participates in the Network's self-assessment every year on progress made. Any requests made to the crew for small items ranging from cigarettes to alcohol and soft drinks etc. are being recorded and reported to MACN. There were 739 requests reported during the reporting period (from 653 requested reported in 2021). No cash payments were made in 2022.

Swire Shipping was not involved in any legal actions for anti-competitive behaviour, anti-money laundering, anti-trust, or monopolistic practices, and thus no sanctions, financial or otherwise, were imposed in 2022.



**“Doing the right thing has been a core commitment over the past 150 years of our history and is an important part of our vision to be the leading provider of safe, sustainable, innovative supply chain solutions and our customers’ partner of choice.”**

**Jeremy Sutton**, Managing Director, Swire Shipping

## Fines and Grievances

Swire Shipping has a Whistleblowing Policy and procedures in place for shore-based and seagoing employees to report any issues that they feel may negatively affect health, safety or the environment, or relate to any regulatory areas. This can be an entirely confidential process should the reporter choose to remain anonymous. All personnel are encouraged to use the whistleblowing channels. This Policy and details of the process can be found on Swire Shipping's website.

Swire Shipping also provides a Confidential Reporting hotline to deal with any issues. The process is clearly defined in its Grievance and Dispute Settlement Policy which is available to all employees. The following numbers of issues were reported, investigated and dealt with appropriately, in line with the Company's policies and procedures during 2022 (seven reported but only five substantiated):

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**Swire Shipping has a Whistleblowing Policy and procedures in place for shore-based and seagoing employees to report any issues that they feel may negatively affect health, safety or environment, or relate to any regulatory areas.**

Potential Health and Safety Breaches / Issues – **one reported**.  
*Case 1: The Master was disembarked and will not be rehired by the Company.*

Potential Breach of Corporate CoC wrt Malpractice, Misconduct, Wilful Negligence, etc. – **none reported**.

Potential Breach of Corporate CoC wrt Bribery, Corruption, Facilitation Payments etc. – **one reported but unsubstantiated**.

Potential Cases of Harassment or Discrimination on any grounds (Age, Race, Religion, Ability, Gender, Gender Identity, Sexual Orientation etc.), verbal or non-verbal – **five reported and four substantiated**.

*Case 1: The engine cadet was dismissed and will not be rehired.*

*Case 2: The Able Bodied seafarer was dismissed from employment with the Company.*

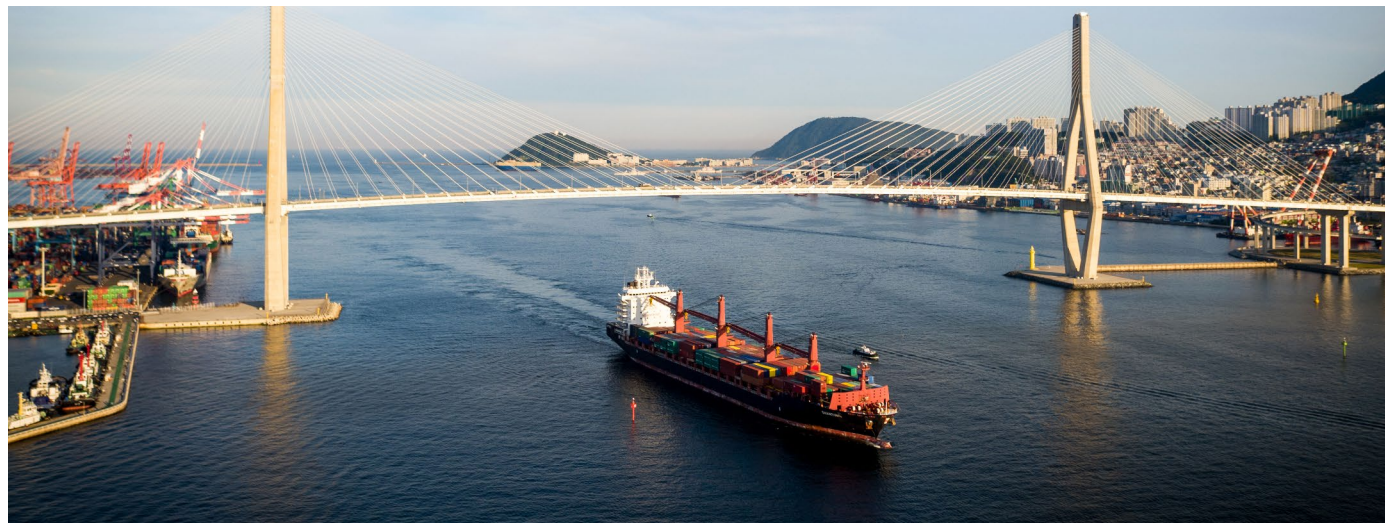
*Case 3: The Master's employment with the Company was terminated.*

*Case 4: The Electro-Technical Officer was dismissed from the vessel, and he will not be re-hired by the Company.*

## Incident of non-compliance with environmental regulations

Swire Shipping has been penalised by the USA Environmental Protection Agency for violations of the Clean Water Act by three ships that called on California and Pago Pago. These violations pertain to the testing of ballast water discharge as well as monitoring and comprehensive inspections which occurred between 2016 and 2021.

The Company deeply regrets the oversight that led to this error and has since put in place robust processes and systems to ensure that all appropriate testing, inspection, and reporting procedures are performed correctly. Full cooperation was given to the California Environmental Protection Agency, and Swire Shipping would like to thank them for their efforts in working with the Company to resolve this matter.



# Supply Chain Management

The past decade has seen growing expectations for consumer-facing organisations to disclose information about how and where their products and materials are sourced from, and the impact on the whole value chain, driving full supply chain transparency and reporting initiatives. Customers and shipowners now regularly conduct due diligence on suppliers and supply chain partners to meet these expectations.

A growing number of companies are introducing strategic supplier engagement programmes with a focus on sustainability. This is an opportunity for companies to differentiate their services by building the sustainability capacity of actors across the supply chain and offering assurance to their customers. On top of environmental and social risks associated with the production of raw materials and products, these programmes also seek to cover transport and logistics service providers, including shipping.

In the same way that customers' expectations directly influence the performance of shipping lines' social and environmental performance, shipping companies purchasing decisions have the opportunity to influence environmental, social and economic conditions, and governance practices where their own suppliers operate. The ability to assess, monitor and improve the sustainability performance of suppliers is set to become a key differentiator for the business.

Swire Shipping works with thousands of diverse suppliers globally, with the majority located in Australia, New Zealand, PNG, Singapore and USA. Together with key internal stakeholders, the Procurement team aims to ensure that the suppliers adhere to the same ESG standards as Swire Shipping.

## Swire Shipping's supply chain covers *inter alia*:

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

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

Swire Shipping is the end user of products and services and does not manufacture any goods or use raw materials.

The Company is dedicated to promoting sustainable and responsible practices and therefore incorporated a number of requirements into the Procurement Policy. As a minimum, all suppliers are required to follow the Supplier CoC.

By understanding its supply chain risks, conducting due diligence on suppliers and supply chain partners, Swire Shipping endeavours to ensure that its supply chain is compliant with all regulatory, environmental and health and safety requirements, as well as being free of human rights violations and modern slavery.

Material global suppliers were mapped and risk-assessed in the past and self-assessments were conducted against the Supplier CoC for those who are considered to be high-risk. This assessment is designed to provide the Company with a better understanding of how its vendors manage these aspects and risks to give insights into procurement and contractual decision making, as well as to identify potential sustainability risks in the supply chain. Swire Shipping has set a goal of refreshing the framework for identifying critical suppliers by the end of 2023.

During 2022, self-assessments of seven material suppliers in the higher risk category of the supply chain were carried out. These assessments gave an insight into the state of supplier maturity against key sustainability areas and allowed the Company to propose improvements to strengthen their governance systems. No serious non-conformities were recorded.

Swire Shipping outsources a small percentage of ship management services to third-parties. All subcontractors are carefully selected following a thorough, due diligence process before entering into any contractual relationships with them.

The due diligence process covers undertaking background checks during the tendering exercise and ensuring that their policies are aligned with the Company's. Regular monitoring is carried out to ensure that their practices do not deviate from the Company's policies and SMS, and they remain committed to the undertakings they had made at time of contracting.

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

## Swire Shipping awarded the Silver EcoVadis Medal

Swire Shipping was awarded a Silver Medal for our sustainability efforts from EcoVadis. We have been judged to be in the top 15% of companies rated by EcoVadis within the Sea and Coastal Water Transport sector.

EcoVadis is the only universal sustainability ratings provider and is used by companies large and small, public and private. They are the world's largest and most trusted provider of business sustainability ratings.



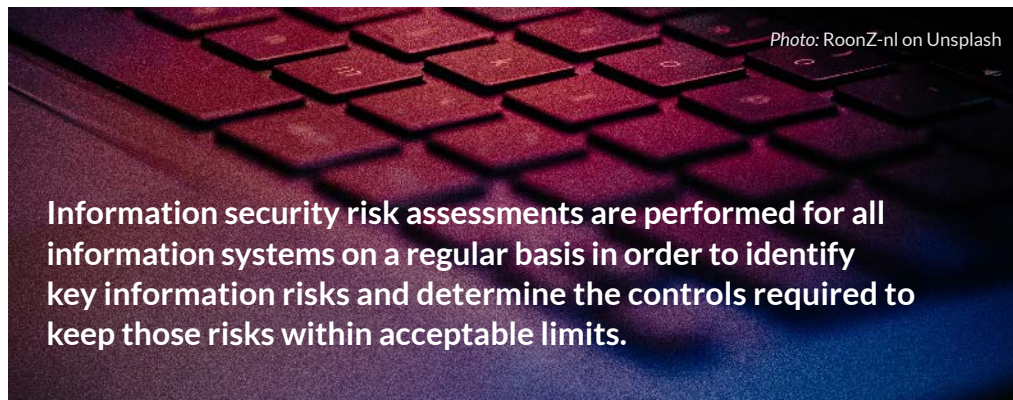
## Data Privacy and Cybersecurity

The pace of digitisation has far exceeded regulation to control and manage data privacy and protection, leading to data and liability breaches that can cost millions, and compromise data. In the marine sector, increased automation and integration via online platforms, have simultaneously increased the risk of cyber attacks that threaten to affect operations and safety of crew on board. Swire Shipping takes these risks seriously and has identified "Data Privacy and Cybersecurity" as a material issue for business.

Information Security and IT Governance Policies are in place and the Company recognises the importance of cybersecurity for both offices and vessels. Information security risk assessments are performed for all information systems on a regular basis in order to identify key information risks and determine the controls required to keep those risks within acceptable limits. The Company is committed to providing relevant education and training to users to ensure they understand the importance of information security and exercise appropriate care when handling confidential information.

Swire Shipping values the privacy of the personal data collected from business customers, suppliers and partners (and each of their employees, officers, agents, contractors or any other individuals they engage with) and is committed to protecting the privacy and security of all personal data in accordance with Data Protection Legislation. The Data Protection and Privacy Policy together with the Employee Data Protection and Handling Policies, outline the information collected, how personal data is used, shared and stored, with the rights of access and complaints procedures clearly stated. A Data Protection Officer was appointed, who ensures compliance with all relevant legislation. For more information please visit Data Protection and Privacy Policy on the website.

All employees must complete Cyber Security Awareness Training, EU GDPR and Singapore PDPA (for specific employees / functions) and pass the short exam online as part of the annual governance compliance training programme.



## Awards

### Seatrade Award

Swire Shipping was conferred the *Environmental, Social and Corporate Governance Award* at the *Seatrade Maritime Awards 2022*.

This is one of the most influential global award programmes for the maritime industry. This award recognises the exceptional responsibility in the way Swire Shipping conducts its business and its commitment to good corporate governance.



Above: **Chris Hardy**, Regional Manager, Europe & EPE Trade Manager, Swire Shipping (on the left) accepting the award at the award presentation in London. Photo credit to Seatrade Awards.



# Memberships and Associations



### Getting to Zero Coalition

Swire Shipping signed a Call to Action for Shipping Decarbonisation under the Getting to Zero 2030 Coalition. This is a partnership between the Global Maritime Forum, the Friends of Ocean Action, and the World Economic Forum.



### UK Chamber of Shipping

The trade association and voice of the UK shipping industry, representing around 200 member companies, to work with Government, international organisations and others to champion and protect the industry on behalf of their members.



### Singapore Shipping Association

Singapore's national trade association to serve and promote the interests of its members and to enhance the competitiveness of Singapore as an International Maritime Centre.



### Singapore Business Federation

The Singapore Business Federation is the apex business chamber championing the interests of the Singapore business community in the areas of trade, investment and industrial relations.



### Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping

### Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping

Through parent company, John Swire & Sons Ltd., Swire Shipping is a Strategic Partner with the MMMC.



### Maritime Anti-Corruption Network

Swire Shipping has been a member of the MACN since 2015.



### Sustainable Shipping Initiative

Swire Shipping has been a founding member and an active participant in the 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 biggest opportunities and challenges. The group is working to achieve a vision "of an industry in which sustainability equals success".



### World Ocean Council

Swire Shipping is a member of the WOC, a global, cross-sectoral ocean industry leadership alliance committed to "Corporate Ocean Responsibility" (since 2012). It was developed by and for the private sector, with a unique and multi-sectoral approach to address cross-cutting issues affecting ocean sustainable development, science and stewardship of the seas.



### Women's International Shipping & Trading Association

Swire Shipping is a member of WISTA in Singapore, Australia and New Zealand. WISTA has a consultative status at IMO.



### World Shipping Council

A trade group representing the international liner shipping industry. As a member, Swire Shipping collaborates with other companies and governments to develop actionable solutions for global transportation issues and promote environmental stewardship.

