



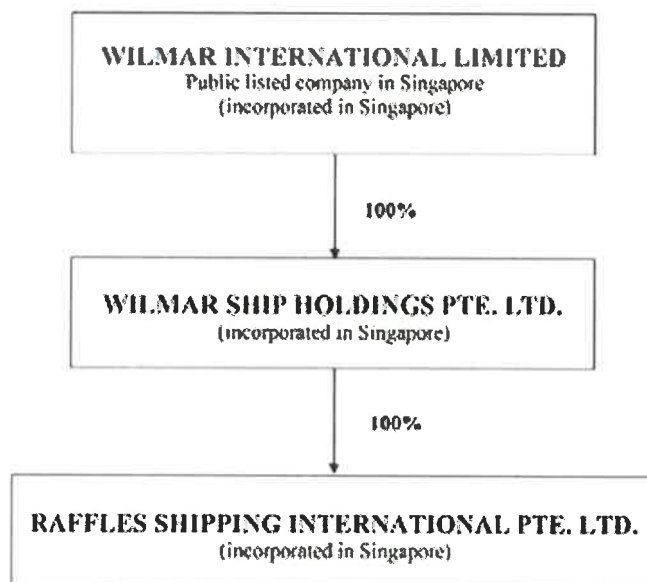
# Raffles Shipping International Pte Ltd Modern Slavery Statement 2021

## 1 Introduction

This Modern Slavery Statement (**Statement**) is made by Raffles Shipping International Pte Ltd (**RSI, we, us our**) pursuant to the *Modern Slavery Act 2018* (Cth) in Australia for the financial year ended 31 December 2021 (**Reporting Period**). This statement, which is RSI's first Modern Slavery Statement, describes the risks of modern slavery in RSI's operations and supply chains, the actions we have taken to assess and address those risks and the how we plan to assess the effectiveness of our actions.

## 2 Our structure and operations

RSI (ARBN 654 519 552 & ABN 59 336 348 388) is a wholly owned subsidiary of Wilmar Ship Holdings Pte Ltd which is incorporated in Singapore. RSI does not own or control any other entity. Wilmar Ship Holdings Pte Ltd is itself wholly owned by Wilmar International Limited (**Wilmar**), a publicly listed company in Singapore. An extract of our corporate structure is shown below:



RSI is headquartered at 28 Biopolis Road, Wilmar International, Singapore 138568.

RSI has IT, finance, HR, and compliance support teams that comply with Wilmar's group policies and guidelines.

Wilmar's strategy is to build an integrated model encompassing the entire value chain of the agricultural commodity business, from origination to processing, trading, merchandising branded products and distribution. To this end, Wilmar, through its subsidiaries, owns a fleet of liquid and dry bulk carriers which improves the flexibility and efficiency of Wilmar's logistic operations. This fleet provides partial support for Wilmar's total shipping requirements while the balance of Wilmar's requirements is met by chartering-in third-party vessels.

RSI is the subsidiary of Wilmar responsible for chartering ships with crew along with providing ship chartering, with operator and ship brokering services. RSI does not own any vessels. Approximately 29% of the total number of ships chartered by RSI are Wilmar's fleet.



RSI employs approximately 70 people, who are all located in Singapore. The types of roles performed by RSI employees include:

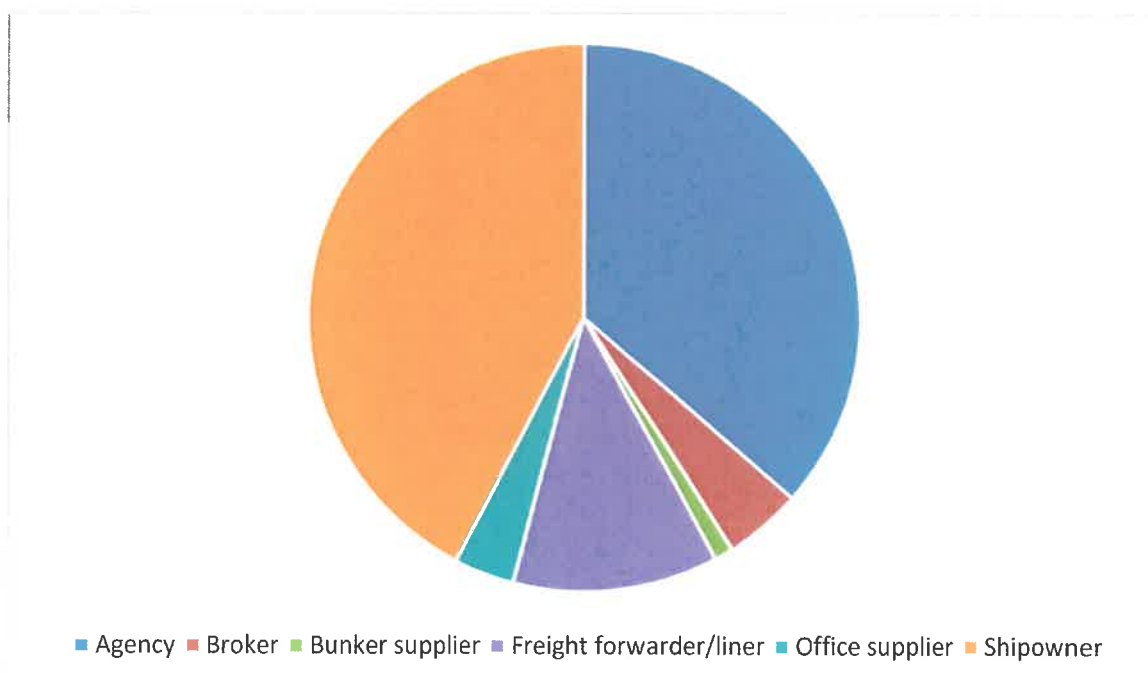
- Management
- Chartering
- Operations
- Administration
- Human Resources
- Accounts management
- IT Department

### 3 Our supply chain

During the Reporting Period, RSI procured goods and services from approximately 1,000 direct suppliers. The goods and services provided by the said suppliers to RSI, include the provision of hire and freight services (79.8%), bunkering (petroleum products loaded aboard a vessel for consumption by that vessel) (13.7%), payment of port and agency fees (5.9%) and other ship operating costs (0.6%).

RSI also procures goods and services to support its office operations in Singapore. Categories include IT hardware and software, telecommunications, printing services, professional services, and other office consumables. The majority of suppliers that provided goods or services to RSI's operations are Singapore-based companies.

During the Reporting Period, payments were made to the following categories of vendors (by number of vendors):





Given the global nature of the shipping industry, the companies providing goods or services for the above procurement agencies (with the exception of office suppliers) are from approximately 60 different countries around the world.



#### 4 Modern slavery risks in our operations and supply chains

We consider the risks of modern slavery in our operations to be low. This view is based on the fact that Singapore is considered to have a lower prevalence of modern slavery according to the Global Slavery Index<sup>1</sup> and the people that we directly employ are performing office-based roles and are paid in excess of the Singapore minimum wage. Remuneration is set according to, amongst other things, level of education and years of experience. Although Singapore is considered a lower risk country for modern slavery, in some sectors, Singapore's non-residents do not have the protection of a mandated minimum wage and standardised working hours. However, this risk is mitigated within RSI because all personnel employed via recruitment agencies are typically skilled workers who are Singapore citizens and Singapore Permanent Residents.

The salient risks are most likely to exist in the supply chain and operations of the shipowners and shipping agencies. The COVID-19 pandemic has put a spotlight on the human rights impacts within the shipping industry. We are cognisant of the reports in relation to the working conditions aboard some ships and the slavery-like practices such as withholding crew pay and the imposition of restrictions on the freedom of movement resulting in the risks of forced labour. This risk has been exacerbated because many ports now do not allow crew to disembark as a result of COVID-19 controls.

A proportion of the shipowners and shipping agencies that we use operate in locations with a greater prevalence of modern slavery which increases the risk of modern slavery in our supply chain. Furthermore, there may be modern slavery risks in the supply chains of suppliers providing us with bunker supplies.

The risks of modern slavery may be present in the later tiers of the supply chain supporting our office operations, whereas the risks may be nearer for the suppliers supporting the services provided to our customers.

<sup>1</sup> <https://www.globalslaveryindex.org/2018/data/country-data/singapore/>



## 5 Actions taken to assess and address modern slavery risks in our operations and supply chain

As outlined in the United Nations Guiding Principles on Business and Human Rights (UNGPs), businesses have a responsibility to respect human rights in their operations and supply chains and to provide remedy where it has caused or contributed to human rights impacts. RSI takes this responsibility seriously and seeks to achieve year-on-year improvements in the way in which human rights, including modern slavery risks are assessed and addressed in our business.

### **Policies and procedures**

RSI takes modern slavery and human trafficking very seriously and we are committed to maintaining the highest level of integrity, ethical standards, and legal principles in every aspect of our business.

Within the Wilmar group of companies, all policies, strategies and actions are centralised globally and regionally. As a subsidiary of Wilmar, we follow a number of policies and procedures to uphold the commitment to business ethics and zero tolerance for modern slavery in our operations and supply chains.

#### Supplier Guidelines

All of our suppliers are required to adhere to the Wilmar Supplier Guidelines which is published online.<sup>2</sup> The Supplier Guidelines require suppliers to comply with all applicable international, national and local laws and regulations. Amongst other things, the Guidelines provide that suppliers cannot engage child labour, must respect freedom of association of employees and shall eliminate forced/bonded/indentured labour, trafficking of persons and restrictions on workers movements. Suppliers are required to ensure ethical recruitment such that recruitment fees are not paid by employees at any stage of the recruitment process. The Guidelines also require suppliers to provide fair compensation and working conditions, and to provide a safe and conducive workplace. Suppliers are expected to communicate and implement the principles within the Supplier Guidelines throughout their supply chain. Suppliers must also be able to demonstrate compliance with our Supplier Guidelines to our satisfaction.

The Supplier Guidelines make it clear that employees and suppliers can raise concerns using the whistleblowing channels as set out in the publicly available Whistleblowing Policy or Grievance Procedure and those reports will be promptly investigated which may include corrective action.

#### Wilmar's No Deforestation, No Peat, No Exploitation (NDPE) Policy

The NDPE Policy, action plans and mechanisms are guided by the UNGPs.<sup>3</sup> It applies to all third-party suppliers at a group level. One of the core principles relate to human rights.

<sup>2</sup> [https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/wilmar-supplier-guidelines.pdf?sfvrsn=322d5b97\\_2](https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/resource/wilmar-supplier-guidelines.pdf?sfvrsn=322d5b97_2)

<sup>3</sup> [https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/policies/wilmar-ndpe-policy--2019.pdf?sfvrsn=7870af13\\_2](https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/policies/wilmar-ndpe-policy--2019.pdf?sfvrsn=7870af13_2)



#### No Exploitation of People and Local Communities

- Respect and support internationally recognised human rights
- Respect and recognise the rights of all workers
- Respect and protect the rights of children and their welfare
- Support the inclusion of smallholders into the supply chain
- Respect land tenure rights
- Respect the rights of indigenous and local communities to give or withhold their Free, Prior and Informed Consent (FPIC) to operations on lands to which they hold legal, communal or customary rights
- Identify measures to provide remediation where the company has caused or contributed to negative human rights impacts

The NDPE Policy sets out the commitment to upholding and promoting internationally recognised human rights as described in the International Bill of Human Rights (consisting of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights) and the International Labour Organization (ILO) eight fundamental Conventions and Declaration on Fundamental Principles and Rights at Work.

#### Wilmar's Human Rights Policy and Framework

Our Human Rights Policy applies to all subsidiaries and associates of Wilmar, including suppliers and contractors. This policy commits RSI to strive to respect human rights and provide safe, clean and healthy workplace living environment.<sup>4</sup> The definition of human rights covers labour rights, including freedom of association, prohibition on forced or bonded labour and child labour and conducive working conditions.

Our Human Rights Framework supports our Human Rights Policy and provides specific commitments in relation to managing impacts on human rights (as shown below). These commitments relate to our workforce as well as our suppliers.

<sup>4</sup> [https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/policies/human-rights-policyed16f04afc7043738e7579b103a3a15e.pdf?sfvrsn=9378b7f5\\_2](https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/policies/human-rights-policyed16f04afc7043738e7579b103a3a15e.pdf?sfvrsn=9378b7f5_2)



Policy Statement	Our Approach
<p><b>No Exploitation – Forced Labour</b>            Wilmar and its suppliers and sub-contractors shall not knowingly use or promote the use of forced or bonded labour or human trafficking and shall take appropriate measures to prevent the use of such labour in connection with their activities.            The company shall employ remedial actions in the case that such labour or trafficking is uncovered to ensure that victims are referred to the existing services for support and assistance.</p>	<ul style="list-style-type: none"> <li>- Standardized employment contracts</li> <li>- Passports return</li> <li>- Voluntary overtime</li> <li>- Ethical recruitment</li> <li>- Decent living conditions</li> <li>- Freedom of movement</li> <li>- No unlawful deductions</li> <li>- Access to remedy with no reprisals</li> <li>- Post arrival orientation</li> <li>- UK Modern Slavery Act Transparency Statement Wilmar International</li> </ul>

### Due Diligence

The Human Rights Framework stipulates the due diligence measures in place to ensure our supplier's compliance with the NDPE Policy. These include:

- Supplier third party verification assessments
- Corrective action and remediation process
- Supplier support
- Training

RSI seeks to ensure that shipowners follow the standards of ITF (International Transport Workers' Federation) by requesting shipowners to provide RSI with their crewing compliance statement in compliance with the ILO Maritime Labour Convention 2006 (MLC) which we then review and take into consideration. The MLC encompasses all relevant standards of existing ILO maritime labour conventions and recommendations, as well as fundamental principles contained in core ILO conventions and the ILO 1998 Declaration on the Fundamental Principles of Rights at Work. Minimum requirements and standards include:

- Minimum requirements 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

Periodical verifications are carried out by relevant flag state and port state control authorities to ensure compliance with the MLC. Port state inspectors further verify compliance during the routine and periodic port state control examinations at the ships' ports of call. The ITF representatives also visit vessels randomly at various ports as part of their responsibility to monitor the effective implementation of the MLC requirements and standards.

### Grievances and approach to remediation

RSI uses the same Grievance Procedure deployed by Wilmar to enable any stakeholder to raise a grievance against any party. All grievances logged under the Grievance Procedure are required to be dealt with in a timely manner.



Like Wilmar, RSI:

- adopts a zero-tolerance policy on child labour, bonded and forced labour and restrictions of freedom of movement. Where these are found within our supplier's operations, the supplier is required to acknowledge the issue and put in place an immediate corrective action and remediation plan. Failure to do so may result in suspension.<sup>5</sup>
- supports protection for environmental and human rights defenders and prohibits threats, harassment, intimidation, the use of violence, or retaliation against anyone who raises a concern, lodges a complaint or participates in an investigation or whistleblowing.

In the event that RSI is found to have caused or contributed to modern slavery, RSI would take guidance from the UNGPs in providing remedy.

## **6 Assessing the effectiveness of our actions**

RSI is committed to achieving year-on-year improvement in our approach to assessing and addressing modern slavery risks in our operations and supply chains. We will seek to assess the effectiveness of our overall approach by tracking the progress of the following goals during the second reporting period:

- monitor the concerns raised via the grievance mechanisms to assess if they reflect any modern slavery risk in our operations or supply chains;
- consider the ways in which modern slavery considerations can be incorporated into our procurement framework and processes;
- seek to obtain a deeper understanding of the modern slavery risks beyond the first tier of our supply chain; and
- seek to raise awareness of modern slavery within our workforce.

Furthermore, in accordance with the Human Rights Framework, we will continue to work with Wilmar to:

- report on human rights specific Key Performance Indicators (KPIs) in annual sustainability reporting;
- conduct a periodic review of relevant policies;
- participate in multi-stakeholder collaboration to promote and pursue key human rights principles; and
- engage in pre-competitive collaboration with peers to continuously improve on industry best practice.

RSI's management will review the progress of the above goals and provide periodic updates to the Board on the same.

## **7 Consultation and approval**

As noted previously, RSI does not own or control any other entities. For this reason, we have not addressed the criteria regarding the description of consultation.

This statement has been approved by the Board of RSI on 26 May 2022 and is signed by Mr Beh Hang Chwee in his role as director on 6 June 2022.

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<sup>5</sup> <https://www.wilmar-international.com/docs/default-source/default-document-library/sustainability/policies/human-rights-framework.pdf>



A handwritten signature in black ink, consisting of a large loop and a long horizontal stroke extending to the right, positioned above the printed name.

Beh Hang Chwee  
Director  
Date: 6 June 2022