



**MODERN SLAVERY
TRANSPARENCY STATEMENT
2021**

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FINANCIAL YEAR 2021

INTRODUCTION

MSC Mediterranean Shipping Company SA (thereafter “MSC”) submits this document as “combined group statement”, in accordance with Section 54 of the UK Modern Slavery Act 2015 and analogous legislations on the subject matter, such as the Australian Modern Slavery Act 2018, on behalf of all relevant entities of the **MSC’s Cargo Division**: MSC and its global network of Agencies (thereafter “MSC Agencies”), including Mediterranean Shipping Company (UK) Limited and Mediterranean Shipping Company (Australia) Pty. Ltd MSC Shipmanagement; MEDLOG SA and entities; Terminal Investment Limited S.à.r.l (TiL) and its affiliates. Information about additional reporting entities resulting from acquisitions and/or mergers will be included in next year’s statement as appropriate.

MSC has a systematic approach in relation to **Human Rights Due Diligence (HRDD)** which promotes a shared vision and a common framework of action, while respecting each reporting entity’s sector specificities and risk areas. Therefore, this statement provides an overview of key practices and processes aimed to identify, prevent, and mitigate the risk of modern slavery, slavery-like practices and human trafficking in business activities, operations and supply chains as part of the broader **MSC’s Cargo Division Human Rights Due Diligence Process**. The statement was reviewed in consultation with relevant Functions and the Top Management of each of the reporting entity and signed by the CEO of MSC Mediterranean Shipping Company SA.

In terms of reporting methodology, in addition to the above-mentioned legislative frameworks, this statement takes into account the following:

- relevant considerations as provided by: UK Statutory Guidance entitled “Transparency in supply chains: a practical guide” (updated as of December 2021); the Australian Commonwealth Modern Slavery Act 2018, ‘Guidance for Reporting Entities’¹; the Guidance on due diligence for EU businesses to address the risk of forced labour in their operations and supply chains (issued in 2021);
- applicable sector-specific labour-related and human rights regulatory frameworks developed for our sectors by the international community, including the United Nations system;
- the UNGPs reporting framework, in line with our commitment to adhere to the United Nations Global Compact principles-based approach and contribute to the realisation of the UN Sustainable Development Goals (SDGs), particularly, the UN SDG 8.7 (to eradicate forced labour, modern slavery and human trafficking by 2030).

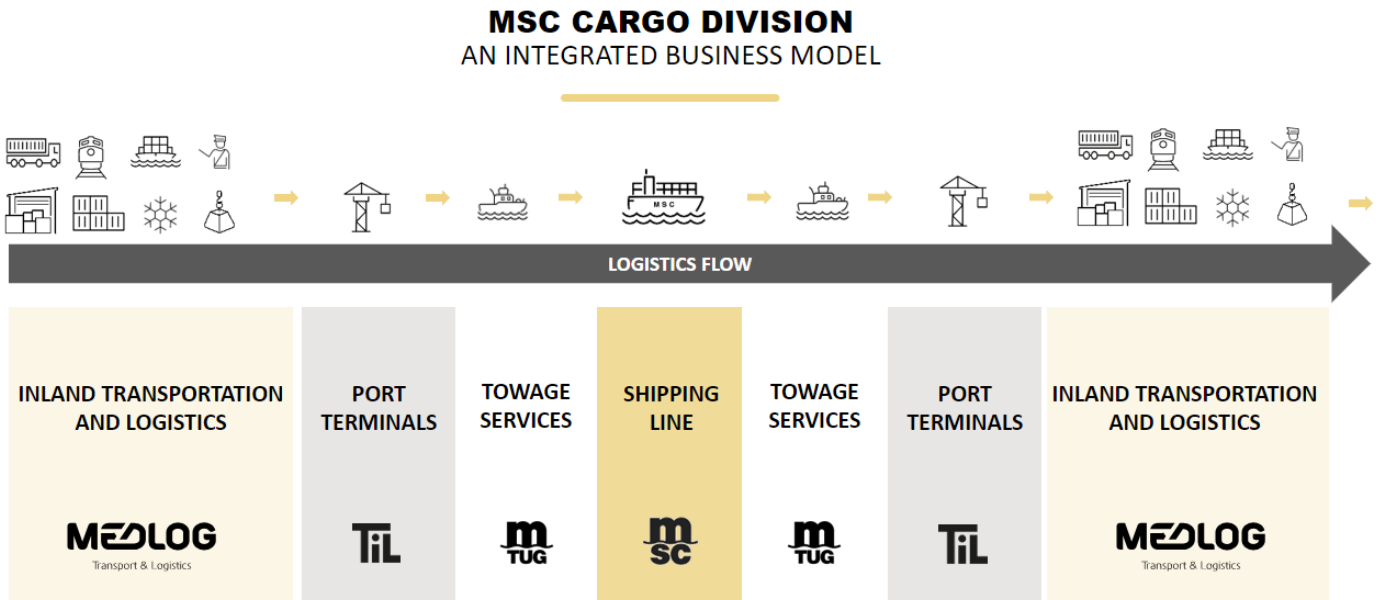
This statement covers the **financial year 2021**. MSC has submitted a Modern Slavery Transparency Statement every year, in line with the approach described above, since 2016. All previous statements can be found on MSC’s global official website: [MSC Modern Slavery Transparency Statement | MSC](#)

¹ <https://www.homeaffairs.gov.au/criminal-justice/files/modern-slavery-reporting-entities.pdf>

1. ORGANISATIONAL STRUCTURE AND SUPPLY CHAINS

Headquartered in Geneva, Switzerland, and privately owned, MSC is a global business engaged in the shipping and logistics sector, facilitating international trade between the world’s major economies, and among emerging markets, across all continents. We deliver goods and services to local communities, customers and international business partners in more than 150 countries through over 230 trade routes. Over the years, MSC has diversified its business operations to include overland transportation, logistics and a growing portfolio of port terminal investments. The various entities responsible for these activities are part of the MSC Cargo Division, which counts 83’056 direct employees and 5’500 indirect employees². Being a key leading actor in the international shipping sector, we ensure the continuity of global supply chains by managing a very complex freight management system involving partnerships and strategic collaborations with thousands of suppliers, national and international customers as well as a wide range of stakeholders from both the private and public sector (such as flag states, port authorities, the United Nations system, etc). Our integrated operational business model is illustrated below and on our [official website](#).

Due to the evolving complexity and variety of our value and supply chains, implying different level of risk areas, sectors and geographical locations, this statement complements the information reported in our annual Sustainability Reports, by describing key actions and processes we have implemented to address the most salient and/or emerging modern slavery risks during the reporting period.



2. POLICIES, PROCESSES AND PROCEDURES

MSC’s policy commitment to prohibit any form of forced labour, human trafficking and slavery-like practices is stated in [MSC Code of Business Conduct](#), revised in 2020 and publicly available in 20 languages, which addresses compliance with all applicable laws and regulations as well as with high ethical standards. The Code has dedicated chapters on Human Rights and Labour Standards as well as on Occupational Health and Safety and is applicable to all MSC’s employees and agents worldwide. Being a member of the UN Global Compact, and in line with the UN Guiding

² [MSC Sustainability Report 2021](#)

Principles on Business and Human Rights (UNGPs), MSC's commitment to promote fair business practices adheres and draws upon internationally recognized human rights and labour principles and standards. These include the UNGC's Ten Principles in the areas of human rights, labour, environment and anti-corruption, the International Bill of Human Rights as well as relevant provisions and recommendations of International Labour Organization (ILO) instruments and Conventions. Being part of the international shipping sector, we operate in a very complex and comprehensive regulatory framework. In this respect, the Code also addresses compliance with sector-specific standards and requirements defined by maritime and labour conventions adopted at the international level by the International Maritime Organization (IMO) and the International Labour Organization (ILO). These include the **ILO Maritime Labour Convention, 2006, as amended (MLC, 2006)**, which is known as the "Seafarers Bill of Rights" and as the fourth pillar of international maritime regulations.

3. TRAINING

All MSC's employees and newcomers are trained on the respect of MSC Code of Business Conduct. Its implementation is ensured at the local level by relevant functions. No further activities were implemented in 2021.

4. REPORTING CHANNELS

Promoting the respect of our internal policies and ethical standards addressed in our Code of Business Conducts is a top priority and guide how we operate worldwide. Throughout 2021, we kept implementing initiatives to foster a culture where everyone feels safe and supported to report about potential misconduct, wrongdoing or illegal activity, including modern slavery practices, via our confidential online tool "**MSC Speak-Up Line**" (operated by EQS Integrity Line, which is an independent global provider of a whistleblowing hotline) or any of our other reporting channels. All concerns that are raised are investigated fully and anonymously without retaliation. This enables us to understand and address issues, take appropriate action and continue to build a more transparent future. Additional information about reporting channels and grievance mechanisms developed and implemented to address the respect of human rights of our seafarers can be found in our Sustainability Reports. To further strengthen our efforts in promoting accountability and ethical practices, in 2022 we plan to launch a global campaign in collaboration with relevant departments of the MSC Cargo Division.

5. ASSESSING RISKS: MSC'S HUMAN RIGHTS DUE DILIGENCE PROCESS

Identifying, preventing and addressing Modern Slavery practices is part of MSC's broader Human Rights Due Diligence Process, which is fully integrated in our Sustainability Roadmap through consistent and long-term cooperation with key Functions and departments across the Cargo Division.

We adopt a human rights-based approach to conducting Human Rights Due Diligence, which enables us to progressively embed and integrate emerging modern slavery and other human rights risks in relevant internal procedures and risks assessment processes. Our approach is detailed below.

OUR APPROACH

PREVENTIVE AND RESPONSIBLE

INTERNALLY

- Bring together different departments and/or functions to create shared responsibility and ownership
- Enhance collaboration, information-sharing and dialogue to develop creative approaches and solutions to sector-specific challenges
- Integrate internal stakeholders' views and concerns through reporting channels and other measures

EXTERNALLY

- Promote understanding and external awareness of MSC's sectors specifics and best practices
- Support continuous exchange with customers, business partners and regulators to address current and emerging human rights-related risk areas
- Maximize positive impacts and shared value on the long term

EVOLUTIONARY MODEL

- Ensure compliance with future developments at the domestic and international level
- Allows adaptation to specifics related to evolving business activities and operating contexts
- Increases resilience, reduces adverse impacts/risks and help addressing emerging and future human rights challenges

We acknowledge that COVID-19, evolving corporate due diligence regulatory framework and geopolitical threats are impacting risk assessments analysis and therefore processes need to be adapted to these changes. In light of this, in 2021 we continued to focus on ensuring the integration of human rights and Modern Slavery-related considerations into the work of relevant Functions of the whole Cargo Division. Particularly, we worked on identifying salient emerging human rights and Modern Slavery risks which are affecting our employees worldwide and our people at sea, causing also operational disruptions and delays across our global supply and value chains. Key risk areas were assessed through a variety of tools and resources which we have developed to include stakeholders' views, such as employees' reporting channels, including the MSC Speak-Up Line, surveys and social audits. Priority focus areas also address emerging key risk areas in our customers' value chains and evolving compliance expectations from our business partners and regulators. In 2022 we plan to launch a Working Group on Social Challenges, led by the HQ Human Resources Department and supported by the Human Rights Function, within the Sustainability Department, to improve relevant processes and procedures in line with our Sustainability Priorities and expected development in applicable labour-related national and international legislations. In relation to supply chain management, MSC has included exclusion criteria for suppliers related to forced labour, human trafficking and slavery-like practices in its Vendor Homologation Questionnaire and Procurement Practices. Employees are regularly trained on this matter.

In addition, we kept focusing on the following areas:

- Actively advocating for the need to integrate human rights standards for seafarers into existing corporate Human Rights Due Diligence processes and contractual requirements by all sectors using the services of maritime freight transport
- Collaborating with our customers to identify and raise awareness of emerging Modern Slavery risks and broader social challenges across supply chains
- Protecting our seafarers' health, safety and wellbeing, particularly in the face of operational challenges such as during the pandemic, including through engagement with regulators and the international community, including the United Nations system.

6. SECTOR-SPECIFIC INITIATIVES: ADDRESSING EMERGING MENTAL HEALTH RISKS

Mental health risks impacting seafarers as a result of COVID-19 and other disruptions remain a critical concern for MSC. Governmental restrictions continue to pose challenges for the delivery of basic human rights and needs, such as the right to family life, to physical and mental health and the right of freedom of movement. MSC's efforts focus on minimizing the risks posed to its seafarers and ensuring the continuity of global supply chains. Proactively addressing seafarers' health and wellbeing helps MSC attract and retain quality crew, as well as obtain structured data to inform our operations.

RISK ASSESSMENT AND RISK MANAGEMENT APPROACH: KEY ACTIONS AND FOCUS ON AFFECTED STAKEHOLDERS

CREW WELFARE DEPARTMENT (since 2012) with a dedicated MLC Superintendent to:

- Enhance efforts in protecting our seafarers' human rights
- Proactively address emerging risks
- Ensure timely compliance with applicable new regulatory requirements (e.g. amendments to the MLC)

HEALTH AND WELLNESS COMMITTEE (established onboard each vessel in 2020)

- To enhance better cooperation with onshore offices and with our panel of doctors that hold specific expertise in psychological evaluation

APPOINTMENT OF INDEPENDENT MEDICAL ASSESSORS

- To ensure the delivery of appropriate support where needed

DEVELOPMENT OF SPECIFIC VIDEO TRAINING MODULES (in collaboration with training providers)

- Delivered on board each vessel to raise awareness of mental health issues, including coping strategies

FLEET INTERNET BANDWIDTH UPGRADE FOR OPERATIONAL USE AND FOR CREW SOCIAL CONNECTIVITY

- Among the first companies to implement full internet connection onboard our vessels (early 2020)

REGULAR REVIEW OF SHORE LEAVE POLICY

- To cope with current disruptions, governments' restrictions and geopolitical evolving scenario

SURVEYS ON CREW WELLBEING

- Surveys are conducted on a regular basis
- Additional voluntary surveys on crew wellbeing ('Re:fresh'³), are conducted as part of the MBAS Loss Prevention programme. These include areas such as wellbeing, stress depression, anxiety, worries, loneliness, isolation and happiness as well as specific questions related to the impact of the COVID-19 pandemic
- Re:fresh reports are taken into account when designing and improving preventive programmes and the ongoing management of medical benefits. This aims to ensure a healthy working environment, resulting in less accidents and illnesses

MBAS MEDICAL PLAN⁴

- Seafarers can visit a health care facility during his/her time at home, proactively addressing any health issues, promoting health and preventing disease leading to a lower risk illness while at sea
- Evidence from past claims indicates that medical costs are largely due to lifestyle-related illnesses which, if addressed in a timely fashion, can also reduce the risk of subsequent complications.
- Seafarers' spouses may also have access to MBAS medical benefits while home. Maintaining the health of seafarers and their spouses can serve as a retention tool and ensure their continued sailing.

³ **RE:FRESH** is a management tool tracking health and wellbeing of seafaring crew through a systematic and holistic approach, emphasising MLC objectives, based on global best practice models. It facilitates the identification of the root causes which may affect seafarers' health and wellbeing through a number of specific questions related to physical, psychological, social and spiritual factors.

⁴ **MARINE BENEFITS (MBAS)** is a partner of shipowners and operators providing employment medical benefit solutions – including insurance programmes aimed at assisting ship owners and ship management companies to fulfil the insurance requirements of the ILO Maritime Labour Convention (MLC, 2006) – MBAS provides medical insurance for close to 110,000 seafarers and family members in 80 countries. More information is available at www.marinebenefitsas.com

7. DEMONSTRATING PROGRESS

Amendments and improvements in MSC's processes and procedures reflect sector-specific official guidance developed by relevant stakeholders and/or recommendations and are regularly assessed by external third parties. These include stakeholders from the public sector, the International Organization for Standardization (ISO) and recognised classifications societies. Additionally, MSC follows the ISO 26000 Guidance on Social Responsibility. In line with MSC's Sustainability Roadmap, we are implementing a comprehensive data management system in collaboration with a third party, covering all entities of the MSC Cargo Division, which addresses Modern Slavery, human rights-related issues and broader sustainability key areas. This will enable us to further increase transparency and reporting, manage emerging and expected compliance requirements as well as improve performance on KPIs and targets.

This statement was approved on December 30, 2022

Signed

Soren Toft

CEO

MSC Mediterranean Shipping Company SA