



SUSTAINABILITY AT MSC

2022



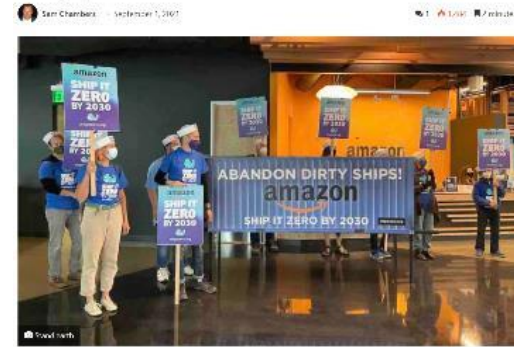
THE HEAT IS ON



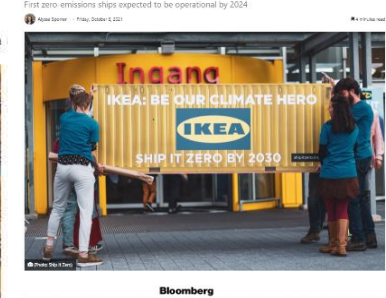
SOCIETY DEMANDS CHANGE



Climate activists call out Amazon's ship pollution



Climate coalition calls for Ikea to 'abandon dirty ships' by 2030



World's Biggest Brands Adopt Checklist to Rescue Seafarers

- Unilever welcomes initiative, plans to starting using tool kit
- 200,000 seafarers remain on ships due to crew change issues

The Big Read Supply chains + Add to myFT

Is there an end in sight to supply chain disruption?

The delays created by the pandemic are likely to continue in 2022, say shipping industry experts



CLIMATE CHANGE WIDESPREAD, RAPID AND INTENSIFYING



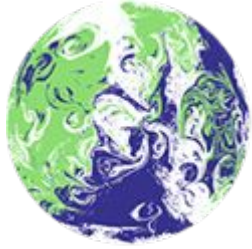
Sixth Assessment Report

The Working Group I contribution to the Sixth Assessment Report is now out

Described by UN Secretary-General António Guterres as a “**code red for humanity**”, the report predicts that unless there are rapid and large-scale reductions in greenhouse gas emissions, limiting global warming to 1.5°C or even 2°C will be beyond reach.

WORKING GROUP I CONTRIBUTION TO THE SIXTH ASSESSMENT REPORT

SPOTLIGHT ON THE SHIPPING INDUSTRY



UN CLIMATE
CHANGE
CONFERENCE
UK 2021

IN PARTNERSHIP WITH ITALY

“At MSC, we continue to collaborate with strategic partners to study net-zero solutions, from the zero-emission fuels of the future to the technologies that will enable them, with the ultimate goal of working towards a zero-carbon flexi-fuel concept vessel. MSC believes we need a range of solutions with energy efficiency remaining a key component of the future approach.”

Soren Toft

Shipping is facing growing pressure to step up its role in the energy transition towards decarbonisation by improving **energy efficiency**, investing in **new technologies**, making **operational adjustments** and changing its **fuel mix**.

The 2021 UN Climate Conference (COP26 – Glasgow, November 2021) saw an unprecedented high level gathering of industry leaders addressing key strategic issues related to **shipping’s transition to decarbonisation**, showcasing efforts to reduce the emissions from shipping and deliver a sustainable and equitable future for the industry.



CREW CHANGE CRISIS



Crew change crisis: More IMO member states need to act



Conditions for crew changes around the world have improved in the last six months, but not by enough. The global shipping community needs to maintain its pressure on IMO member states, says Ian Boyd, Group Sales Director - Shipping for the GAC Group.

Ian Boyd, Group Sales Director - Shipping for the GAC Group | Sep 13, 2021

Neptune Declaration

The Neptune Declaration, signed by more than 850 organizations, outlines the main actions that need to be taken to resolve the crew change crisis.

WAR FOR TALENT

In their search to attract the best candidates, companies are confronted to **growing expectations from future members** of their workforce, who are looking at companies' sustainability practices when picking their employer.

The **connection between purpose and retention** is reiterated in a Deloitte report, based on the views of almost 8,000 millennials questioned across 30 countries. Some of the findings include:

- **76%** regard business as a force for creating **positive, social impact**
- **62%** consider business leaders to be committed to helping **improve society**
- **48%** see employers making significant use of **technology**, while benefiting the **wider economy** and themselves.

Google CEO says companies that fail to go carbon-free will lose the talent war



Forbes

Dec 13, 2017, 06:34am EST

How To Win The War For Millennial Talent

by SAP
SAP S/4HANA | SAP Program
STRATEGY

By Sameer Arif, Chief Operating Officer – Gulf, North Africa, Levant and Pakistan for SAP

For those of us belonging to the Baby Boomers, Generation X or Generation Y – it's second nature for us to remain focused on process. The upstart, rising millennial workforce, however, is thirsty for purpose. Driven by innovation, people in this generation begin work-life with an extreme passion to achieve. And that's exactly why there's a corporate war happening to attract millennial talent.



It's no longer just about the money; sustainability is the new currency for millennial jobseekers

OUR BLUE PLANET

MSC TAKES ACTION TO SAVE ENDANGERED WHALES IN THE MEDITERRANEAN

MSC is the first major shipping line to re-route their ships on the west coast of Greece to reduce the risk of collision with endangered sperm whales in the Mediterranean. After discussions with four major environmental NGOs, the company decided to take swift action and re-route all of their container vessels in this area to safeguard the critical habitat for the subpopulation of whales. Critical action like this is urgently needed in order to protect the remaining 200 to 300 individuals that remain.



SHIPPINGWATCH

Home Ports Shipping Logistics Maritime Export - Import Trade Carriers Suppliers Offshore Ports Logistics Regulation



MSC takes action to save endangered whales in the Mediterranean

MSC reroutes vessels to protect sperm whales

The world's largest container line, MSC, changes a route in the Mediterranean to sail around an area that's home to endangered sperm whales.



A MATTER OF BUSINESS



SUSTAINABILITY IS A MATTER OF BUSINESS

- In these unprecedented times, sustainability has taken on a new meaning, with wider implications in terms of the **roles, expectations and responsibilities of global actors**.
- The growing lack of trust in institutions is changing the scenario, with citizens increasing their expectations as well as their **trust in companies' responsibility and subsequent actions** to address global challenges.
- The increased awareness of sustainable development topics will **influence decisions and choices** generating **direct impacts on all types of business**.
- On top of all that, companies are exposed to **potentially recurring global crises** such as the COVID-19 pandemic, affecting the global economy on an unprecedented scale. The evidence indicates that sustainable companies are **more resilient** to such **global crises** and recover more quickly than their less sustainable peers.



A GLOBAL TREND IMPACTING CORPORATE STRATEGIES

A structured sustainability strategy accompanied by a clear action plan is a critical success factor for the long-term competitiveness and profitability of companies.

The **financial community's** growing emphasis on sustainability is shaping their engagement with key stakeholders. Investors and lenders are shifting their focus towards companies that demonstrate their purpose and show they conduct their business responsibly.

Customers are increasingly demanding information on the social and environmental performance of their supply chain partners, as part of their sustainability strategies and decarbonisation ('Scope 3') emission targets.

Policymakers are moving towards adopting new regulation on non-financial reporting (including external audit) expected to take effect in the coming years, with companies expected to provide detailed data and include progress on targets (mandatory and voluntary).



Every company and every industry will be transformed by the transition to a net zero world. The question is, will you lead, or will you be led?

“Putting your company’s purpose at the foundation of your relationships with your stakeholders is critical to long-term success.”

Larry Fink in his annual letter to CEOs

MINIMUM REQUIREMENTS FROM OUR CUSTOMERS



NIKE SUPPLY CHAIN SUSTAINABILITY INDEX

	STRATEGY	PERFORMANCE & TRANSPARENCY	ACCOUNTABILITY	INDUSTRY ENGAGEMENT
GOLD	<ul style="list-style-type: none"> Holistic Strategy with Targets and Timelines Innovation and Partnership Alignment with Customers and Partners Standards for Partners Investment and Action Integration Across Functions Training and Orientation Culture of Engagement and Empowerment 	<ul style="list-style-type: none"> Results and Improvements Reporting Capabilities and Standards Data Verification Performance Measurement to Targets Continuous Improvement Management Systems Communication and Disclosure Culture of Engagement and Empowerment 	<ul style="list-style-type: none"> Organizational Structure Organizational Governance Management Ownership Integration Across Functions Culture of Engagement and Empowerment 	<ul style="list-style-type: none"> Sustainability Industry Membership Sustainability Industry Leadership Driving Transformational Industry Improvement Culture of Engagement and Empowerment
SILVER				
BRONZE	<p>MINIMUM REQUIREMENTS</p> <ul style="list-style-type: none"> Validation that Sustainability strategy is in place and deployed Organizational structure to effectively support sustainability and engage with NIKE on collaborations Participation in at least one Sustainability industry group Holistic set of Sustainability KPIs identified, tracked, and reported Specific targets developed for all KPIs Performance against baseline reported to NIKE 			
YELLOW	<ul style="list-style-type: none"> Incumbent Supplier: Action Plans developed to meet Minimum Requirements within 2 years New Supplier: Not considered for business 			
RED	<ul style="list-style-type: none"> Incumbent Supplier: Action Plans developed to be Yellow within 1 year New Supplier: Not considered for business 			

MISSION 2050
ZERO EMISSIONS
GOGREEN



Dear Business Partner,

December 2021

The environmental performance of its carriers remains an important aspect for DHL Global Forwarding (DGF). The annual GoGreen Carrier Evaluation is an important instrument to create visibility on the developments in this area.

Carriers are rated along following four criteria:

- Sustainable Management
- Transparency
- Sustainable Innovation & Development
- Carbon Efficiency

While of course all four elements are very important for an overall high score, the category of Sustainable Innovation & Development is particularly relevant to us.

The attached certificate shows the achieved ranking through a certain number of green vessels. The higher the overall score the more vessels will be colored in green.



At or above 90% of total points



At or above 78% of total points



At or above 65% of total points



At or above 50% of total points



CLIMATE REGULATIONS AND VOLUNTARY COMMITMENTS



2023
EEXI, CII
compliance



2023-2030
Mid-term measures to
reduce carbon
intensity (EEOI) of the
fleet by at least 40%



2030-2050
Long-term measures to
reduce carbon intensity
(EEOI) of the fleet by at
least 70%



2050
At least 50% reduction of
total annual GHG emissions
(requires approximately 85%
CO2 reduction per ship)



2050
Net zero
emissions



- MARITIME**
- Emission Trading System
 - Fuel EU Maritime
 - Energy Taxation Directive
 - Alternative Fuels Infrastructure Regulation
 - Renewable Energy Directive

2030 "Fit for 55"
55% emissions'
reduction as compared
to 1990 levels



2030
First net zero carbon
emissions capable
ship in service

Getting to Zero
Coalition

2045
Carbon intensity
(EEOI) reduced 70%
from 2008 baseline

Getting to Zero
Coalition

2050
Complete
decarbonisation
Getting to Zero
Coalition



Regulation



Commitments

Getting to Zero
Coalition



MSC SUSTAINABILITY APPROACH



A UNIQUE APPROACH TO SUSTAINABILITY

Sustainability is a strategic imperative for MSC and, above all, a **business priority**.

- We act responsibly and deliver on our sustainability commitments
- We collaborate with our stakeholders in search of sustainable solutions
- Our strong core values reflect our commitment to creating a sustainable future
- Our long-term view is reflected in our unique approach that emphasises consistency in the way we address global challenges

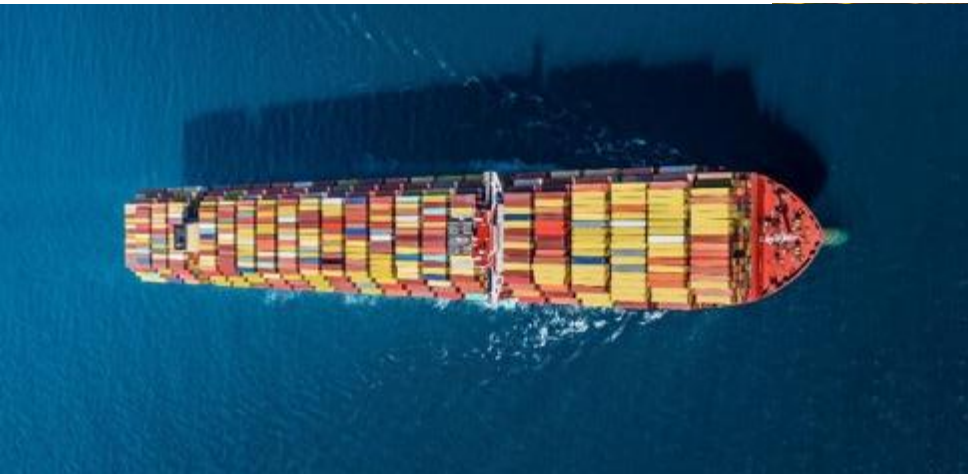


WE HAVE A CLEAR PURPOSE

Leading companies need a purpose reflecting the convergence of their core identity and activities with how they are addressing global challenges towards the creation of a sustainable world. As the number one player in our industry, in 2021 we developed our purpose to demonstrate **MSC's commitment to sustainable development.**

Our purpose is the first in our industry and defines our company's 'why':

- Consistent with our core values
- Bringing clarity on what matters and how we can make a difference
- Understanding that sustainability is directly linked to our business performance
- Setting the scene to deliver on our goals, together



WHAT MSC IS UNIQUELY GOOD AT



We connect the world

HOW MSC CAN CREATE ECONOMIC VALUE

A woman with blonde hair, wearing a black and white patterned sweater and blue jeans with black boots, is smiling as she writes the word "OPEN" in white chalk on a wooden A-frame chalkboard sign. The sign is positioned outside a white-framed glass door of a shop. The interior of the shop is visible through the glass, showing shelves with bottles and warm lighting. The scene is set at night, with the shop's interior lights providing the primary illumination.

fostering inclusive social prosperity and economic growth

WHAT THE WORLD NEEDS

An aerial photograph of a pod of whales swimming in the deep blue ocean. The whales are seen from above, moving in a loose line across the frame. Their dark, sleek bodies contrast with the lighter blue water. The surface of the water is textured with small waves and ripples. A semi-transparent white banner is overlaid across the middle of the image, containing the text.

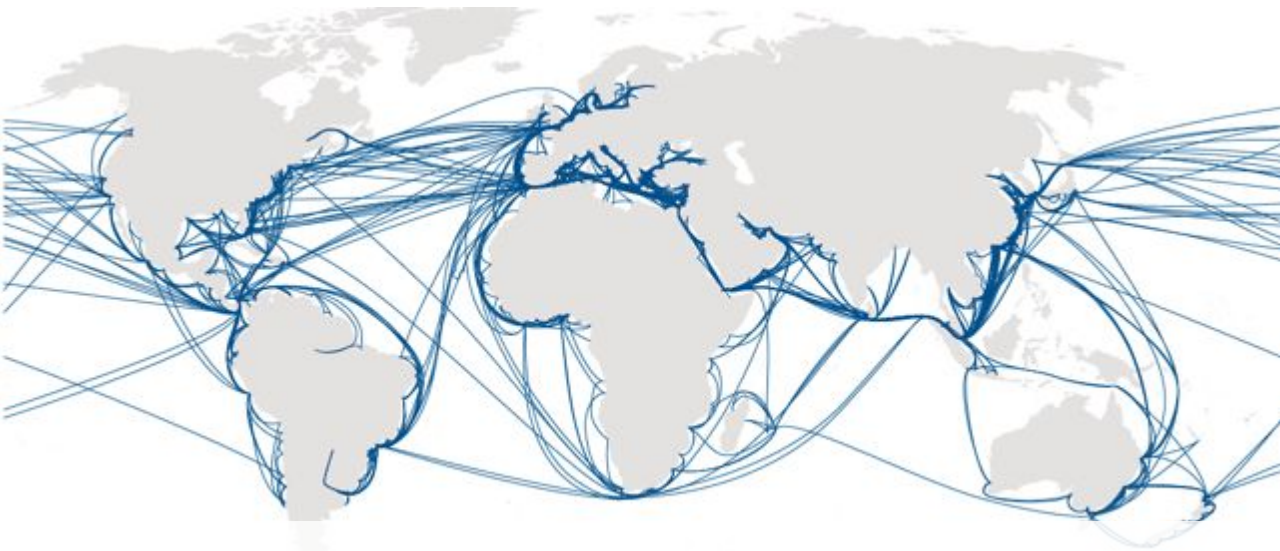
whilst respecting and nurturing the home we all share,

WHAT PEOPLE AT MSC ARE PASSIONATE ABOUT



our blue planet.

OUR PURPOSE



We connect the world, fostering inclusive social prosperity and economic growth, whilst respecting and nurturing the home we all share, our blue planet.



A DIVISION-WIDE STRATEGY FOR GREATER IMPACT

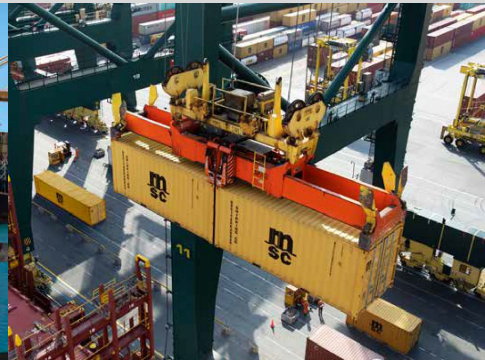
STEERING SUSTAINABILITY

- Capitalising on synergies and links, embedding sustainability across the entire Cargo Division
- Addressing all business specific topics and ensuring consistency
- Meeting customer requirements and finance community expectations on social and environmental performance – increasing our competitiveness and profitability
- Going beyond compliance with international rules and regulations

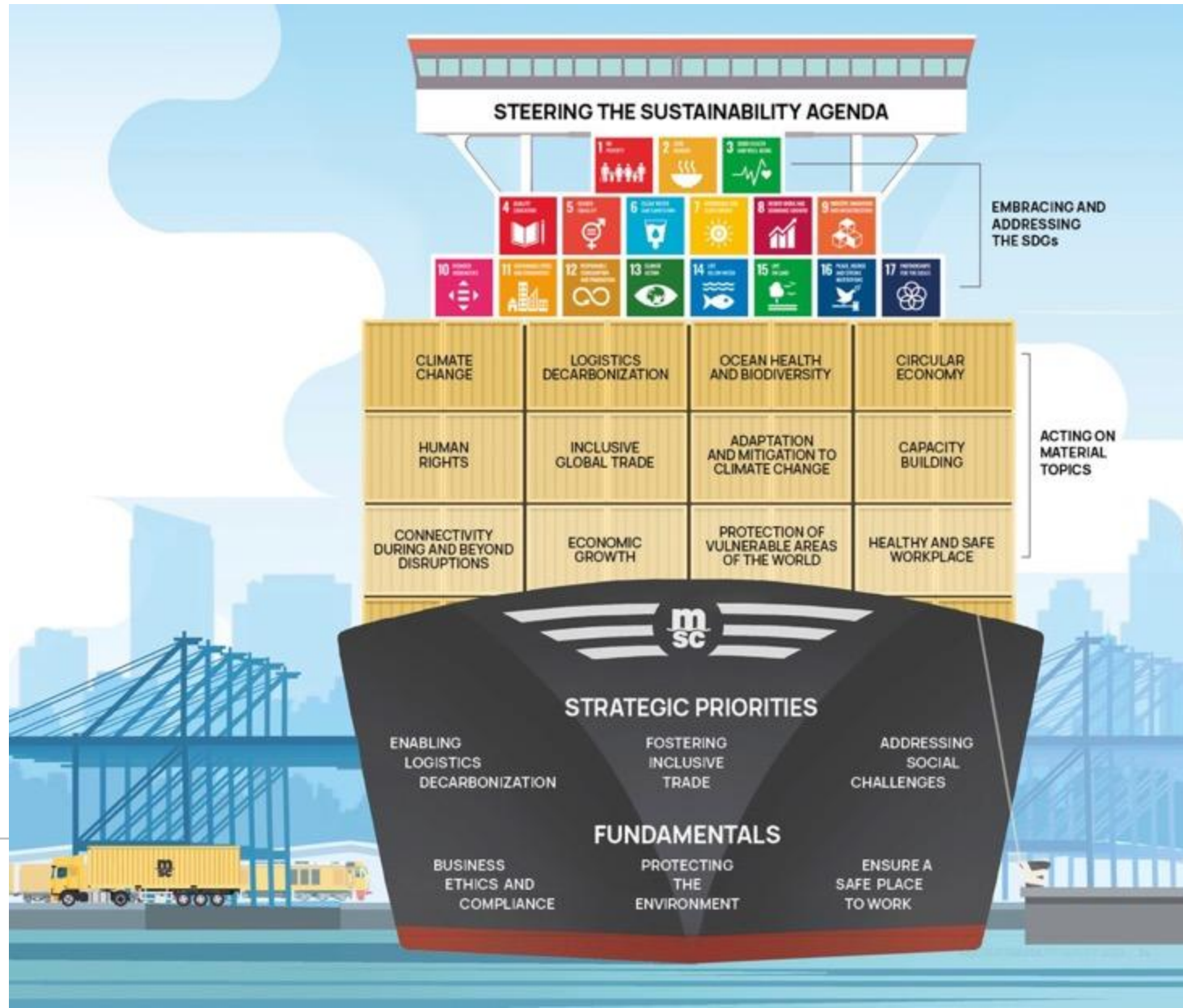


**INTERCONNECTED
& CROSS-FUNCTIONAL
APPROACH**

**MSC CARGO DIVISION
SUSTAINABILITY PLAN**



OUR SUSTAINABILITY ROADMAP



OUR SUSTAINABILITY PRIORITIES



ENABLE ECONOMIC ORGANIC GROWTH
GENERATE SHARED VALUE
BUILD PARTNERSHIPS TO ENCOURAGE SUSTAINABLE DEVELOPMENT



RESPECT AND PROMOTE HUMAN RIGHTS
INTEGRATE SOCIAL ASPECTS RELATED TO CLIMATE CHANGE
PROMOTE DIVERSITY AND INCLUSION



WORK TOWARDS CARBON NEUTRALITY
SUPPORT LOGISTICS TRANSITIONAL SOLUTIONS
KEEP ON FOCUSING ON EFFICIENCY PROGRAMMES

DELIVERING TOGETHER



SUSTAINABILITY STEERING COMMITTEE

- Steers implementation of **our Roadmap** and ensures the **Sustainability Plan progress**
- Promotes a **culture of sustainability within the organisation**

SUSTAINABILITY DEPARTMENT

- Acts as an enabler **to activate transformation within the organization** contributing to generate **direct impact on business**
- Supports and oversees implementation of the **Sustainability Plan**, ensuring **alignment at Cargo Division** while managing **business specifics and different maturity levels**
- Coordinates with **MSC Cruises Sustainability** and **MSC Foundation**

FUNCTIONAL REPRESENTATIVES

- Engage through collective action reflecting our cross-functional approach to **deliver the agreed projects** and **ensure the expected results** as per the Sustainability Plan
- **Process and data ownership** as well as **accountability** lie with the **Function** in question

PARTNERSHIPS

- **Engagement and collaboration** with stakeholders across and beyond the transport and logistics industry
- Public and private stakeholders, industry associations, governments, non-governmental organisations and other relevant business partners

ANNUAL SUSTAINABILITY REPORT

THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

HUMAN RIGHTS

1. Businesses should support and respect the protection of internationally proclaimed human rights; and

2. Make sure that they are not complicit in human rights abuses.

LABOUR

4. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

5. The elimination of all forms of forced and compulsory labour;

6. The effective abolition of child labour; and

7. The elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

7. Businesses should support a precautionary approach to environmental challenges;

8. Undertake initiatives to promote greater environmental responsibility; and

9. Encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

10. Businesses should work against corruption in all its forms, including extortion and bribery.



GRI TABLE

GRI INDICATOR	2019	2020	2021	2022	2023
101-1 Governance related metrics					See page 10
102-1 Board diversity	100%	100%	100%	100%	100%
102-2 Board independence	100%	100%	100%	100%	100%
102-3 Board composition	100%	100%	100%	100%	100%
102-4 Board effectiveness	100%	100%	100%	100%	100%
102-5 Board diversity	100%	100%	100%	100%	100%
102-6 Board independence	100%	100%	100%	100%	100%
102-7 Board composition	100%	100%	100%	100%	100%
102-8 Board effectiveness	100%	100%	100%	100%	100%
102-9 Board diversity	100%	100%	100%	100%	100%
102-10 Board independence	100%	100%	100%	100%	100%
102-11 Board composition	100%	100%	100%	100%	100%
102-12 Board effectiveness	100%	100%	100%	100%	100%
102-13 Board diversity	100%	100%	100%	100%	100%
102-14 Board independence	100%	100%	100%	100%	100%
102-15 Board composition	100%	100%	100%	100%	100%
102-16 Board effectiveness	100%	100%	100%	100%	100%
102-17 Board diversity	100%	100%	100%	100%	100%
102-18 Board independence	100%	100%	100%	100%	100%
102-19 Board composition	100%	100%	100%	100%	100%
102-20 Board effectiveness	100%	100%	100%	100%	100%



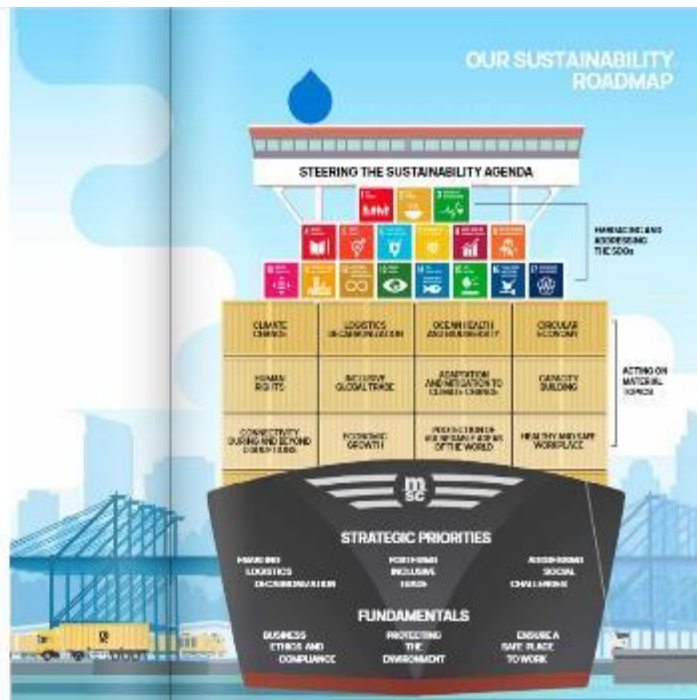
ADAPTING AND RESPONDING TO NEW MATERIAL RISKS

The COVID-19 pandemic has proven how established, potentially high-impact, low-frequency risks can also quickly become material from a financial and sustainability perspective. While the future course of the crisis cannot be predicted, to face the continuous evolving scenario gaining a clear understanding of the emerging risks is a high priority. Focusing on our sustainability strategic priorities whose direct impact on activities, commodities and markets may be affected by disruption, we decided to start a specific risk assessment process. We took into account the respective Cargo Division specificities and the local context in which we operate, while aligning with sector specific standards and regulations, the United Nations Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises (MNE Guidelines), and other relevant international frameworks. We also took into account the risk of our business, as well as risks related to the broader context in which we operate, including those associated with global value chains and activities that may affect our activities. In this context, we decided to start an approach to plan investments and enhance opportunities for future generations to flourish, as well as to create a more resilient and dynamic capability and strengthen a global economy.

THE SDGs: A GUIDE FOR RECOVERY AND BUSINESS ACTION

New from their own books, the Sustainable Development Goals set the framework for leading the world's recovery, global economic and environmental health and development plans that are in line with the UN's 2030 Agenda. The relevance of SDGs to progress of people and the planet provides a universal framework to help realize a collective ambition of working for a better future.

In 2020, we have fully integrated the SDGs into our strategy, acknowledging how they are critical to our business and economic success, to which they can help realize the UN 2030 Agenda. This provides a framework for strategic, positive economic and social impact, as well as a social and an environmental level. We have considered the role we play in addressing globally interconnected issues and challenges, such as poverty and clean energy. In 2023, we continue to support further analysis and understanding to define ESG objectives and align with the SDGs. In line with the newly defined Cargo Division Sustainability Priorities and Material Topics.



ACCELERATING FREIGHT DECARBONIZATION

Pioneering alternative efficient and environmental freight modes of transport, such as rail, is a key element of our strategy to reduce carbon footprint. We are exploring new routes and modes of transport, such as rail, to reduce our carbon footprint. We are also exploring new routes and modes of transport, such as rail, to reduce our carbon footprint.

- ### NEDLCO'S PRIORITIES TO FOSTER DECARBONIZATION
1. Decarbonizing the network through rail and other low-carbon modes of transport.
 2. Reducing the fleet in a carbon-optimized fleet mix.
 3. Investing in integrated operational solutions to increase carbon efficiency.

The transition to a greener freight network requires a combination of technology, through our strategic partnership with the most advanced companies, such as rail, to reduce our carbon footprint. We are exploring new routes and modes of transport, such as rail, to reduce our carbon footprint. We are also exploring new routes and modes of transport, such as rail, to reduce our carbon footprint.

CLIMATE ACTION: A GLOBAL STRATEGIC IMPERATIVE

In 2022, we have fully integrated the SDGs into our strategy, acknowledging how they are critical to our business and economic success, to which they can help realize the UN 2030 Agenda. This provides a framework for strategic, positive economic and social impact, as well as a social and an environmental level. We have considered the role we play in addressing globally interconnected issues and challenges, such as poverty and clean energy. In 2023, we continue to support further analysis and understanding to define ESG objectives and align with the SDGs. In line with the newly defined Cargo Division Sustainability Priorities and Material Topics.

MANAGING CLIMATE RELATED RISK

Key risks include climate change, which is a global challenge that is likely to have a significant impact on our business and economic success, to which they can help realize the UN 2030 Agenda. This provides a framework for strategic, positive economic and social impact, as well as a social and an environmental level. We have considered the role we play in addressing globally interconnected issues and challenges, such as poverty and clean energy. In 2023, we continue to support further analysis and understanding to define ESG objectives and align with the SDGs. In line with the newly defined Cargo Division Sustainability Priorities and Material Topics.

OUR PATHWAY TO LOGISTICS DECARBONISATION

Our pathway to logistics decarbonisation involves a combination of technology, through our strategic partnership with the most advanced companies, such as rail, to reduce our carbon footprint. We are exploring new routes and modes of transport, such as rail, to reduce our carbon footprint. We are also exploring new routes and modes of transport, such as rail, to reduce our carbon footprint.

OPERATING A MODERN, EFFICIENT FLEET



AN AWARD-WINNING OPERATOR

Our commitment to sustainability and operational excellence has earned us several industry awards. We are proud to be recognized as an award-winning operator for our commitment to sustainability and operational excellence. We are also exploring new routes and modes of transport, such as rail, to reduce our carbon footprint. We are also exploring new routes and modes of transport, such as rail, to reduce our carbon footprint.

ROBUST DATA MANAGEMENT AND REPORTING

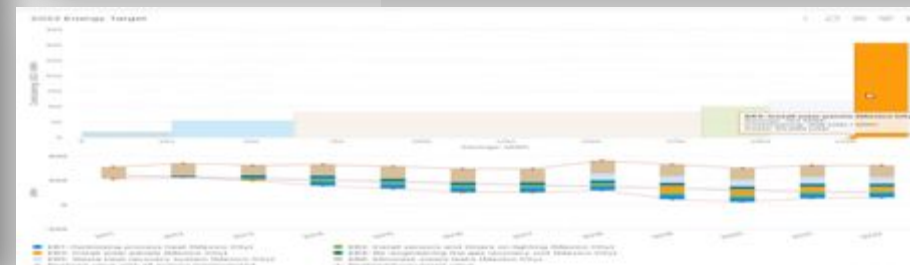
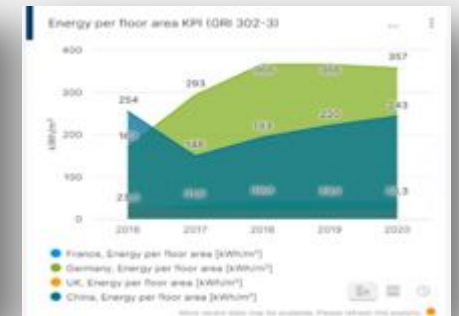
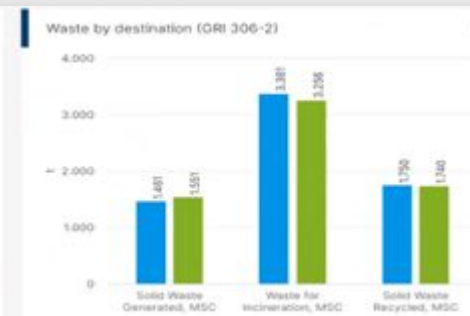
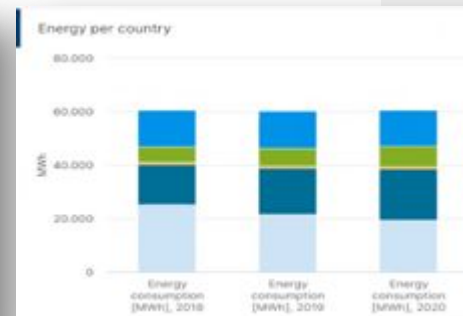
MSC'S NEW DATA MANAGEMENT SYSTEM

- Consolidate and improve reporting efficiency and accountability
- Promotion of a target-oriented approach, monitor performance and track progress on the Sustainability Plan
- Preparation for upcoming non-financial regulations and audit
- Respond to increasingly detailed customers requirements

TIMELINE AND SCOPE

FEB-MAY 2022 TOOL CONFIGURATION/DEPLOYMENT

JANUARY 2023 • **DATA COLLECTION FY2022**
• **AIMING FOR NON-FINANCIAL REPORTING AND AUDIT**



Year	2017	2018	Δ (%)	2019	Δ (%)
2,844.8	2,844.8	1,836.4	-30.0	2,018.3	-8.5
5,351	5,351	222.4	-56.4	211.7	-4.8
802.7	802.7	246.9	-56.8	238.8	-5.5
1,615.7	1,615.7	1,106.3	-31.7	1,051.2	-5.0
2,562.7	2,562.7	1,422.8	-36.9	1,284.1	-2.0
533.4	533.4	230.6	-56.8	205.5	2.2
3,048.0	3,048.0	1,312.8	-60.7	1,224.8	-4.7

OUR 3 SUSTAINABILITY PRIORITIES



ENABLING LOGISTICS DECARBONISATION



OUR PATHWAY TO LOGISTICS DECARBONISATION

Climate action is a global imperative, and as a leading logistics player we are highly committed **to intensify our efforts to contribute to the transition towards decarbonisation.**

Building **strategic partnerships** across the supply and value chain to meet the need for urgent action and **accelerate solutions at scale** is a core element of our sustainability pathway.

ROADMAP TO A ZERO-CARBON FUTURE



- Work towards **carbon neutrality / net zero (shipping)**
- Support logistics **transition solutions**
- Keep on focusing on **efficiency programmes**

LAUNCHING OUR CARBON INSETTING PROGRAMME



INSETTING: A WIN-WIN SOLUTION TO REDUCE CO₂ EMISSIONS

As of early 2022, MSC will be offering our customers the opportunity to **reduce the carbon footprint** of their supply chain by using biofuels to transport their cargo through an insetting programme (as opposed to carbon offsetting).

Our customers benefit from **carbon savings on their Scope 3 emissions** (regardless of the trade lanes of their cargo), while **we also benefit on our Scope 1 emissions**.

Biofuel comes at a significantly higher cost than conventional marine fuel; **by partnering with customers we can pass on the additional cost** (including administrative and audit costs).

CERTIFIED SUSTAINABLE BIOFUELS

In addition to using **certified sustainable biofuels** (issued by the bunker supplier), customers participating in our insetting programme will receive an MSC-issued Certificate stating the carbon savings achieved, with the process externally verified to ensure its robustness and accuracy.

POSITIVE FEEDBACK FROM CUSTOMERS

Key customers (Kuehne + Nagel, IKEA, DHL) have expressed interest to join the programme and a willingness to share costs.

AN INSETTING FRAMEWORK FOR OTHER TRANSITION FUELS

The insetting programme framework can be applied to other alternative fuels as they will become available at scale.

Facilitated by the Sustainability Department is the result of a joint effort and shared expertise (FNTE, Bunkering, Global Accounts, MPGA and Marketing)

Liners and Agencies directly involved in the programme roll-out.

FOSTERING INCLUSIVE TRADE



WE CONNECT THE WORLD

OVERCOMING ALL CHALLENGES TO KEEP GLOBAL TRADE MOVING

Enabling connection of local economies and fostering open and inclusive trade drives our investments, supports market accessibility and contributes to value generation.

Sustainable development is inspiring our decision-making process as it is instrumental to securing organic growth and delivering support through global disruptions.

We will increase our commitment to intermodal logistic solutions along the whole supply chain to better support our customers.



■ MARITIME TRANSPORT COVERS 90% OF GLOBAL TRADE,
ENABLING THE GLOBAL ECONOMY
AND ENSURING DELIVERY OF FOOD AND MEDICINES.

- Contributing to **economic growth**
- Building **resilience** across the **global value chain**
- Developing **local capacity** and **know-how** (employment, industry know-how, technologies)

MEDLOG AND IFC COOPERATION



Examples of Successful Cooperation

MSC, Global



In June 2021, IFC committed a \$37.5 million senior loan for its own account and a \$37.5 million syndicated loan to Medlog, the logistics arm of the Mediterranean Shipping Company (MSC), the world's second largest shipping company domiciled in Switzerland. The loan will help Medlog expand its logistics operations globally with a focus on Africa. The project is expected to result in improved cargo handling capacity of the logistics infrastructure in emerging markets via targeted investments in additional trucks, rail, warehouses, depots, and equipment. IFC's investment will help increase integration and efficiency of logistics networks, reduce logistics costs, and accelerate the adoption of new technologies in the logistics sector across emerging markets, significantly supporting regional economic development while contributing to building and enhancing local capacity.

ADDRESSING SOCIAL CHALLENGES



PLACING PEOPLE FRONT AND CENTRE

Addressing social challenges is at the heart of MSC business and part of our DNA, as our work interconnects societies.

Pioneering on **sector-specific social issues** and **addressing links between human rights and environmental challenges** will enable resilience and ensure economic continuity and recovery.

HEROES OF THE SEA – KEEPING GLOBAL TRADE AFLOAT



- Advancing **human rights** along the value chain
- Promoting **diversity, equity** and **inclusion**
- Engaging our **supply chain**

RESPECTING AND PROMOTING HUMAN RIGHTS

- MSC adopts a **human rights-based, cross-functional approach to conducting Human Rights Due Diligence**
- We follow a **preventive and evolutionary model** to progressively integrate emerging human rights risks in our **Human Rights Due Diligence Processes**
- Since the beginning of the global pandemic – despite the operational challenges – MSC has remained committed to foster **responsible business practices**
- We continue to implement **emergency response, business continuity and contingency plans** to prevent health risks to our employees and their families
- The **MSC Code of Business Conduct** includes specific provisions on the human rights of seafarers related to compliance with the MLC, 2006, in several relevant sections of the chapter ***Human Rights and Labour Standards***.

MSC HUMAN RIGHTS ASSESSMENT AND DUE DILIGENCE PROCESSES SCOPE

- **SEAFARERS**
Compliance with MLC, 2006 as amended
- **EMPLOYEES IN AGENCIES AND HQ DEPARTMENTS**
Applicable national laws and regulations; international standards (e.g. UNGP on Business and Human Rights, OECD Guidelines, sector-specific guidelines)
- **WORKERS IN TIER-1 SUPPLY CHAIN**
 - Carriers/national shipping lines/chartered vessels
 - Logistics service providers
 - Terminals (e.g. dock workers)

Q&A



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