



# **MODERN SLAVERY TRANSPARENCY STATEMENT 2022**

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## FINANCIAL YEAR 2022

### INTRODUCTION

MSC Mediterranean Shipping Company SA (thereafter “MSC”) publishes this document on behalf of all relevant reporting entities of the MSC’s Cargo Division<sup>1</sup>, for the fiscal year ending on December 31<sup>st</sup>, 2022, 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. MSC has consistently submitted a Modern Slavery Transparency Statement annually since 2016 as a demonstration of its commitment to anti-slavery practices and related principles and values we strive to promote in our operations and supply chain.

Access to all prior statements is available on MSC's official global website: [MSC Modern Slavery Transparency Statement | MSC](#)

This statement underwent review through consultations with pertinent functions and the top management of each reporting entity, ultimately receiving endorsement from the CEO of MSC Mediterranean Shipping Company SA.

## 1. OUR BUSINESS OPERATIONS AND SUPPLY CHAINS

Headquartered in Geneva, Switzerland, and privately owned, MSC is a leading shipping and logistics conglomerate, offering an integrated network of road, rail, sea and air transport resources, facilitating international trade between the world’s major economies and among emerging markets, across all continents. Our integrated operational business model is illustrated below and on our official website.

Given the evolving complexity and diversity within our value and supply chains, the different levels of risk areas, sectors, and geographical locations, this statement supplements the details presented in our annual Sustainability Reports. It provides an overview of the actions and processes we have put in place regarding the most salient and/or emerging modern slavery risks throughout the reporting period.

During 2022, MSC has diversified its business operations through creating new businesses, mergers and/or acquisitions to offer its customers a growing portfolio of services; such as Africa Global Logistics, Log-In Logistica Intermodal and MSC Air Cargo. These entities have compliance as well as reporting policies and procedures in place in terms of modern

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<sup>1</sup> These include Mediterranean Shipping Company (UK) Limited and Mediterranean Shipping Company (Australia) Pty.

slavery and broader human rights issues. We have undertaken harmonization processes to ensure alignment with MSC's commitments to international human rights standards.

## 2. OUR REPORTING APPROACH AND METHODOLOGY

There is increasing focus of protective social laws and Human Rights Due Diligence laws (HRDD) at the national and regional levels. In order to address these developments and evolving expectations, MSC adopts an approach that promotes a shared vision and establishes a methodology and framework for action that fosters compliance at both national and regional level. In terms of reporting approach, this statement reflects our efforts in terms of broader **Human Rights Due Diligence processes (HRDD)** and provides an overview of processes designed to identify, mitigate, and where possible prevent the risks of modern slavery, slavery-like practices, and human trafficking within our business activities, operations, and supply chains. In parallel, we also follow a number of official guidance tools and compliance requirements, including but not limited to:

- Non-binding guidance on due diligence for EU businesses addressing the risk of forced labour in operations and supply chains (issued in 2021);
- Sector-specific labour-related and human rights regulatory frameworks developed for our sectors by the international community, including the United Nations system
- Adherence to the United Nations Guiding Principles (UNGPs) Reporting Framework, aligning with our commitment to uphold the United Nations Global Compact principles-based approach
- The UN Sustainable Development Goals (SDGs), particularly SDG 8.7, which aims to eradicate forced labour, modern slavery, and human trafficking by 2030.

## 3. ACTIONS TAKEN AND ONGOING PROCESSES

### 3.1 OUR COMMITMENTS, KEY POLICIES AND PROCEDURES

We are committed to support international efforts to address and eliminate forced labour, modern slavery and human trafficking. Our commitment aligns with the above mentioned regulatory framework as set out in [MSC Code of Business Conduct](#).

Operating within the complex and highly regulated framework of the international shipping and logistics sector, we comply with sector-specific standards, such as the maritime and labour conventions, for instance, the ILO Maritime Labour Convention, 2006, as amended (MLC, 2006), recognized as the "Seafarers Bill of Rights" and serving as the fourth pillar of international maritime regulations.

The MSC Supplier Code of Conduct, to be published in 2024, will set forth similar minimum standards and compliance requirements for our suppliers and business partners, including modern slavery practices and human trafficking.

### 3.2. IMPLEMENTATION PROCESSES

Incorporating measures to identify, prevent, and address modern slavery practices is an integral component of MSC's comprehensive Human Rights Due Diligence Process. In the past seven years, we have created our human rights framework and developed relevant structural support for the implementation of the various activities to ensure being able to replicate and scaling up our efforts across the MSC Cargo Division. Key processes are outlined below:

- **Training activities:** we provide training and communication activities to our employees on the MSC Code of Business Conduct, policies and procedures. We regularly raise awareness on human rights and modern slavery issues to allow for a greater understanding on areas of concern and issues, within our operations and supply chains.
- **Accountability and access to remedies:** prioritizing the adherence to internal policies and ethical standards outlined in our Code of Business Conduct is a paramount focus that guides our global operations. This was reinforced during our 2022 campaign aimed at cultivating a culture where individuals feel secure and

encouraged to report potential misconduct, wrongdoing, or illegal activities, including instances of modern slavery.

- **Reporting channels:** This reporting is facilitated through our confidential online tool, "MSC Speak-Up Line" operated by EQS Integrity Line (an independent global provider of whistleblowing hotlines). All concerns raised are thoroughly and confidentially investigated, so as to ensure that there is no retaliation. We regularly feed examples back into our training and learnings so as to improve our culture of compliance. For additional details on reporting channels and grievance mechanisms established to uphold the human rights of our seafarers, please refer to our Sustainability Reports.
- **Risk-based approach:** The nature of MSC's business often requires employees and value chain workers to operate under challenging conditions or in high-risk locations. To ensure the safety of our employees and the success of our operations, we have implemented an overarching risk management approach. This approach includes proactive risk assessments, awareness-raising activities, and the deployment of appropriate Personal Protective Equipment (PPE) and Health, Safety, Security, and Environmental (HSSE) processes. Our Behavioural Based Safety Programmes are instrumental in mitigating critical risks associated with specific activities. Human Rights Impact Assessments (HRIAs) and risk assessments processes include also the identification and the evaluation of the risk of modern slavery in our operations and supply chains. These processes are integrated into our Sustainability Roadmap and foster collaboration within key functions and departments within the Cargo Division.

### 3.3 MULTI-STAKEHOLDER ACTIVITIES

Since 2019, we have developed specific contractual requirements, focusing on emerging risks related to the human rights of our employees.

For instance, through the Responsible Shipping Dialogue, MSC maintains ongoing engagement with major cargo owners, non-governmental organizations, seafarers' representatives, and others. The objective is to propose practical ways to implement the Delivering on Seafarers' Rights Code of Conduct and develop model clauses for inclusion in contractual requirements. Capitalizing on this momentum, we collaborate with customers and business partners to raise awareness about the imperative to address human rights standards for seafarers in due diligence processes.

Our efforts in this regard emphasize operationalizing the UNGPs by advocating for a shift from a "traditional" approach to Human Rights Due Diligence to a "risk-based approach" grounded in shared responsibility.

MSC has bolstered advocacy efforts with regulators, industry associations, and the international community. This includes active participation in events such as the 9th session of the UN Conference on Trade and Development (UNCTAD) Multi-year Expert Meeting on Transport, Trade Logistics, and Trade Facilitation<sup>2</sup>.

## 4. FOCUS ON EMERGING RISKS

### COLLABORATING WITH OUR CUSTOMERS ON MODERN SLAVERY

MSC collaborates with customers to address seafarer well-being and human rights risks in commercial service agreements. To adapt to the evolving impact of pandemic on human rights and modern slavery risks, MSC and a key customer (an Australian public company operating several retail chains) engaged their respective internal functions to jointly develop modern slavery-related clauses. The company adopted these clauses in its Modern Slavery Statement and considered them as best practice for use in other shipping contracts.

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<sup>2</sup> Please see our annual [Sustainability Reports](#) for additional information.

A groundbreaking pilot project tracked the implementation of human rights-related contractual obligations on MSC vessels used for customers' shipments. This first-of-its-kind agreement facilitated ongoing monitoring of seafarers, revealing challenges such as prolonged onboard stays beyond their original contract duration due to changing COVID-19 travel restrictions, vaccination and safety requirements. The collaboration will continue with a focus on promoting and expanding information sharing and respective sector-specific risks related to human rights due diligence processes.

## **MANAGING HUMAN RIGHTS AND MODERN SLAVERY ISSUES IN CONFLICT AREAS**

During 2022 we have seen a rise in geopolitical tensions, security threats, and significant macroeconomic impacts. As a result, we are continuously adapting our business contingency plans, customer-service activities, and strengthening collaborative efforts with relevant authorities.

In conflict areas, the intersection of human rights issues and modern slavery presents a complex challenge that demands a nuanced and strategic approach. As an illustration, February 2022 marked the beginning of the Russia-Ukraine war, a conflict that has displaced millions of people, disrupted economic activities and created an unprecedented energy crisis. Since the conflict's onset, MSC has been steadfast in providing support to affected employees and their families, numbering over 3,300. This assistance includes financial aid, shelter, additional medical insurance for relatives, coordination of relocations, and support for repatriation efforts, among other initiatives.

## **5. INCREASING EFFECTIVENESS: THE WAY FORWARD**

We are continuously improving our approach to addressing human rights and modern slavery. Particularly, we are working to:

- enhance supplier due diligence processes
- collaborate with industry partners and organizations to share best practices
- expand employee training programs on modern slavery awareness.

In line with MSC's Sustainability Roadmap, we are implementing a data management system in collaboration with leading consulting firms and service providers, 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 compliance requirements as well as improve performance on KPIs, indicators and targets.

**Signed**

**Soren Toft**

**CEO**

**MSC Mediterranean Shipping Company**