



MODERN SLAVERY STATEMENT

FINANCIAL YEAR 2017

In line with the Section 54 of the UK Modern Slavery Act 2015, this statement describes current practices and processes that MSC Mediterranean Shipping Company SA (“MSC” thereafter) takes to mitigate risks of modern slavery and human trafficking in its business activities and its supply chain.

Headquartered in Geneva, Switzerland, MSC is a world leader in the international shipping sector with activities in 155 countries. MSC’s long-term vision focuses on enhancing connectivity between populations and countries, offering a global and holistic integrated network of sustainable logistics and transportation solutions by road, rail and sea.

Member of the United Nations Global Compact since 2016, MSC is strongly committed to promote fair business practices as well as the respect of internationally recognized human rights, labour and environmental standards.

For more information about MSC’s initiatives and progress with regards to the respect and promotion of human rights and social welfare please refer to MSC Sustainability Report on [msc.com/sustainability](https://www.msc.com/sustainability).

INTRODUCTION

Article 4 of the United Nations Universal Declaration of Human Rights clearly states that “*no one shall be held in slavery or servitude; slavery and the slave trade shall be prohibited in all their forms*”.

Pursuant to UK Modern Slavery Act 2015, modern slavery: (i) is a crime resulting in an abhorrent abuse of human rights; (ii) is constituted in the UK Modern Slavery Act 2015 by the offences of slavery, servitude and forced or compulsory labour and human trafficking.

Although slavery and slave-related practices are universally recognized as a crime against humanity¹, according to the [Global Slavery Index](#), in 2016 “*around 40.3 million men, women and children from every part of the globe were victims of modern slavery.*” These estimates cover different forms of slavery, including trafficking of human beings, forced marriage, child labour and forced labour.

MSC’s efforts to tackle modern slavery are fully supported and endorsed by MSC’s top management. The MSC Code of Business Conduct includes dedicated sections in this regard.

The responsibility to respect human rights and international labour standards includes concrete actions to ensure not being complicit in human rights abuses and to prevent them whenever possible. This responsibility exists independently of States’ abilities and/or willingness to fulfil their own human rights obligations and does not diminish those obligations. MSC’s ethical business conduct is built on these considerations and strive to promote the above-mentioned highest standards.

¹ <https://www.ohchr.org/Documents/Publications/slaveryen.pdf>

MSC CARGO DIVISION

ORGANISATIONAL STRUCTURE

The MSC Group has a Cargo Division which includes: MSC Mediterranean Shipping Company SA (MSC), Terminal Investment Limited (TIL) and MEDLOG SA.

MSC is a pure service provider transporting physical commodities from one point to another of the world. To do so, MSC operates a fleet of 510 vessels calling 500 ports. Headquartered in Geneva, Switzerland, MSC has 480 offices (hereinafter “Agencies”) worldwide in 155 countries and employs 47’000 people for its shipboard and shoreside activities.

The technical management of MSC’s vessels and crew management are handled by MSC Shipmanagement technical offices, respectively located in Limassol, Cyprus and Sorrento, Italy.

Terminal Investment Limited (TIL) manages and invests in 54 terminals in 29 countries across 5 continents.

MEDLOG SA offers global inland transport solutions to customers in over 53 countries around the world. services include transportation by road, rail and barge, as well as off-dock storage, container maintenance & repairs, warehousing & distribution, project cargo (breakbulk & out-of-gauge) as well as reefer containers services.

IMPLEMENTATION OF THE MSC CODE OF BUSINESS CONDUCT

The MSC Code of Business Conduct sets forth the fundamental principles and standards that should lead MSC’s conduct and its managers and employees’ behaviour in all their business activities.

Throughout 2017, MSC has continued developing a culture of integrity within its organization in line with its Code of Business Conduct as well as the ten principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this respect, MSC provides mandatory training courses having as their object the MSC Code of Business Conduct to all its employees around the globe. At MSC’s headquarters, special introductory sessions are organized for newcomers in the context of their onboarding program.

MSC expects its network of agencies (“MSC Agencies” thereafter) to meet the principles and standards contained in its Code of Business Conduct. MSC has also enhanced its compliance system effectiveness, designating a local “Code Implementer” in each MSC Agency worldwide. In 2017, customized trainings have been performed by the Code Implementers around the world both via on-line webinars and live sessions. Considering the cultural diversity of its employees, MSC ensured the translations of the MSC Code of Business Conduct in 20 different languages, all published on MSC’s worldwide intranet.

In 2017, MSC has inserted anti-slavery clauses into its contracts with some of its subcontractors such as with terminal operators and connecting carriers. MSC strives to impose to the identified business partners to comply with all applicable anti-slavery and human trafficking laws including but not limited to the UK Modern Slavery Act 2015. Furthermore, MSC expects them not to have been convicted of any offence involving slavery and human trafficking. MSC also encourages such subcontractors to share similar standards to those set out in MSC Code of Business Conduct and operate under common ethos.

PROMOTING HIGH LABOUR STANDARDS

As stated in the MSC Code of Business Conduct, MSC prohibits forced labour or compulsory work as well as any form of exploitation or slavery as defined by the ILO C029 - Forced Labour Convention.

To this end, any employment relationship with MSC is based on the principles of equal opportunity, fair treatment and non-discrimination. Such principles are applied to any aspect of the employment relationship, such as

recruitment and hiring, working conditions and terms of employment, access to training, job assignment, termination of employment or retirement.

MSC's commitment is to seek to ensure that children and young persons in our supply chain are not victims of economic and social exploitation. In this respect, through its Code of Business Conduct, MSC also requires that no young seafarers, as defined by ILO's R153 - Protection of Young Seafarers Recommendation, are assigned to inappropriate duties, taking into consideration their age and skills.

CHILD LABOUR

Child labour is defined by international standards as children below 12 years working in any economic activities, those aged 12 - 14 engaged in more than light work, and all children engaged in the worst forms of child labour (ILO Minimum Age Convention C138 and ILO Worst Forms of Child Labour Convention C182).

Children can be particularly vulnerable to exploitation but child labour will not always constitute modern slavery. It will still be necessary to determine whether the children in question are being exploited in such a way as to constitute slavery, servitude and forced or compulsory labour or human trafficking. For example, it is possible for children to undertake some 'light work' which would not necessarily constitute modern slavery. 'Light work' is defined by article 7 of ILO Convention C138.

With reference to the above, MSC's Code of Business Conduct strongly opposes the use of child labour as defined by the ILO Conventions: C058 - Minimum Age (Sea) Convention and C138 - Minimum Age Convention. MSC adheres to minimum age provisions of national labour laws and regulations, however, whenever appropriate, MSC considers the applicable international standards set out under ILO Convention C182.

MONITORING COMPLIANCE MECHANISMS

MSC promotes a collaborative approach throughout the organisation to ensure that internal departments in charge of the supply chain communicate with suppliers on our expectations. To achieve this objective, in 2017, the collaboration between the Compliance Team and the Corporate Audit Department has been further strengthened. Their joint ongoing efforts aim to monitor and ensure effective implementation of all ethical standards, policies, practices and processes throughout the organisation, including MSC's Agencies.

The Corporate Audit Department carries out regular on-site visits in Agencies and therefore verifies compliance with MSC's policies. Audit findings are regularly reported to MSC's Top management. Corrective actions are taken in case of infringement to the MSC Code of Business Conduct and related policies, practices and processes.

MSC has also established a reporting channel to strengthen transparency and build a culture of trust within its organisation. Employees are free to speak up without fear of retaliation and report any alleged infringements of communicated policies, practices and processes. In 2017, the reporting channel has been enhanced to better promote dialogue with our internal stakeholders. The Compliance and the Corporate Audit Departments are in charge to establish and implement a centralized management workflow of reported cases and allegations.

This statement was approved on July 9, 2018

Signed

Diego Aponte
President & CEO
MSC Mediterranean Shipping Company SA