INTEGRATION OF THE SDGS INTO THE ACTIVITIES OF A LARGE SHIPPING COMPANY

March 2019
“OURS IS A BUSINESS BUILT ON A GENUINE PASSION FOR THE SEA”

Captain Gianluigi Aponte
MSC CARGO DIVISION

510 vessels
200 routes
500 ports of call
54 terminals

20 million TEU carried annually
480 offices
155 countries
47,000 staff
MSC SUSTAINABILITY APPROACH
BASED ON A LONG-TERM VISION

• Global presence with a local approach

• Fostering economic and social development by connecting population and countries in the most efficient, technologically-advanced and environmental-friendly way

• Business models and day-to-day-operations bring inclusive social progress, facilitate international trade and contribute to economic growth on a global scale while promoting the respect of human dignity, responsible business practices and the protection of the environment

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MSC is strongly committed to contribute to global efforts aimed to realize the ambitious plan of action for “People, Planet and Prosperity” set up by the UN’s 2030 Agenda for Sustainable Development and is an active member of the United Nations Global Compact.
The MSC Group values have been put at the center of MSC’s Sustainability Approach, as common link between all MSC Group companies.
FOUR PILLARS

SOCIAL INCLUSION

ENVIRONMENT

HEALTH & SAFETY

BUSINESS ETHICS & PROTECTION OF HUMAN RIGHTS
INTEGRATION OF THE SDGS: METHODOLOGY

SUSTAINABILITY APPROACH
- MSC Cargo Division
  - Global Assessment

GAP ANALYSIS & INTERNAL ASSESSMENT
- Identification of strategic SDGs in line with **existing** MSC’s practices and activities
- Industry challenges, sustainability drivers

MATERIAL TOPICS
- Internal and external stakeholders expectations (value and supply chains)

CROSS-DEPARTMENTAL COOPERATION
- Awareness raising
- Steps to further operationalise the integration of the SDGs and broader sustainability considerations in core business activities of the MSC Cargo Division in line with focus strategic areas
DECISION-MAKING DRIVERS OVERVIEW

SUSTAINABILITY’S DECISION-MAKING DRIVERS

SOCIAL, ECONOMIC & GEOPOITICAL MEGA TRENDS

- Rise of Human Rights
- National Legislation & Environmental Regulations

INNOVATIVE & SUSTAINABLE PRODUCTS AND SERVICES

INCLUSIVE BUSINESS MODELS

STAKEHOLDERS

- Governments
- Industry associations
- UN & UN Global compact NGOs & international community
- Other companies & competition
- Employees
- Business partners & shareholders
- Customers
- Sub-contractors
- Local communities
- Asset management industry
- Investors community
- Commercial Banks
- Multilateral Development Banks
MSC SHARED VISION: STRATEGIC AREAS

• Fair/ethical business practices
• Local employment opportunities without discrimination
• Respect for community rights and vulnerable groups
• Promotion of safe & healthy working environment
• Vocational training and long-term career opportunities

• Women’s empowerment
• Protection of the environment and biodiversity
• Responsible use of natural resources and energy efficiency
• Adaptation to broad social, economical & environmental changes and challenges
EXAMPLE OF LINKAGES AMONG SDGS:
MSC’S COMMITMENT TO THE PROTECTION OF THE ENVIRONMENT

**MSC FLEET CARBON EMISSIONS**

<table>
<thead>
<tr>
<th>Year</th>
<th>Emissions (tCO₂)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>17.00</td>
</tr>
<tr>
<td>2016</td>
<td>16.50</td>
</tr>
<tr>
<td>2017</td>
<td>16.00 (-11%)</td>
</tr>
</tbody>
</table>

**EEOI definition**

In its most simple form, the Energy Efficiency Operational Indicator is defined as the ratio of mass of CO₂ (M) emitted per unit of transport work:

Indicator = \( \frac{\text{MC0}_2}{\text{(transport work)}} \)

**Source:** IMO
MSC’S ROLE AS ENABLER OF OTHER SECTORS’ ACHIEVEMENTS

Global supply chain:

- Producers: need container shipping lines to transport goods;
- Container shipping lines: require suitable ports to dock at
- Container terminals: have to undertake the physical movement of containers between one mode of transport and another
- Inland logistic providers: have to move the containers between final origins and destinations and the container terminals.

The transportation of containers is therefore a fully integrated system with strong mutual dependencies.
MSC CARGO’S CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

- Trade facilitation & adaptation to customer’s needs
- Connecting people and continent through MSC global network
- Creating trade opportunities for emerging and developing countries, SIDS and LDCs
- Job creation
- Reduction of transportation costs and just-in-time delivery
- Contribution to global welfare
- Supporting the Logistics Humanitarian Cluster
- Shipping-related industries in emerging and developing countries and LDCs
MEDLOG IS PRESENT IN OVER 60 COUNTRIES WORLDWIDE

ASSETS
• 5,000 trucks
• 10,000 trailers (incl. overdimensioned)
• 4,000 rail wagons
• 68 locomotives (29 electric)
• 18 barges
• 622 lifting equipment

OFF-DOCKS
• 138 operating yards
• 6.8 million sqm
• > 10 million TEU moved
• Over 40 warehouses (incl. refrigerated)

• > 6’500 EMPLOYEES (mostly blue collars and locals)
MEDLOG’S CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

• Increasing inland regional and inter-island connectivity
• Facilitating access to global shipping market including for SIDS, LLDCs and Landlocked countries
• Transportation solution for small cargo volumes and competitive freight rates for small players
• Logistics tailor-made services
• Reefers expertise and investment on reefers technologies

• Investments on and promotion of the most environmentally-efficient mode of transport
• Continuous investments on efficient and sustainable freight transportation system
• Inland logistics centres to minimize and reduce negative externalities
• Job creation
TiL ACTIVE IN 29 COUNTRIES ACROSS 5 CONTINENTS & PRESENT AT 7 OF THE WORLD’S BUSIEST PORTS

www.tilgroup.com
TIL’S CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

• Modernization of existing infrastructure and/or Greenfield terminals
• Operational efficiency and risk elimination/reduction measures/procedures
• Efficient energy management and use of natural resources
• Resilient infrastructures
• Leapfrogging of state-of the art technologies & equipment
• Creation of direct and indirect jobs
• Vocational training
• Strategic supporting sites for national emergencies or natural disasters