

MSC STATEMENT

BLOOMBERG ARTICLE ABOUT THE MSC GAYANE INCIDENT

Geneva, Switzerland, 17 December 2022

MSC Mediterranean Shipping Company is aware of a mid-December 2022 <u>Bloomberg media story</u> about the 2019 MSC GAYANE container ship incident.

Most of the elements in the Bloomberg story have already been publicly reported during the 3 ½ years since the Gayane incident and MSC's Victim Impact Statement related to the incident is filed in court.

The cocaine trade has been surging in recent years¹ and this is an industry-wide issue. All modes of transport, from ships to trucks, trains and planes, are subject to the threat of illicit trafficking and as long as consumption continues, supply through international drug cartels will persist.

Shipping lines and their staff are neither mandated, resourced nor trained to confront the dangerous individuals who operate organized criminal organizations.

The traffickers behind the MSC Gayane incident used groundbreaking methods to smuggle their drugs and the operation could not have been foreseen or predicted by any honest shipping operator. MSC, like others in the liner shipping industry, remains firmly opposed to this illegal trade and actively takes steps to counter the criminals' new techniques.

MSC strongly objects to Bloomberg's headline claim that the subversion of a small number of seafarers from Montenegro, in what remain very specific circumstances, amounts to the "company" being "infiltrated" by a drugs cartel.

Montenegro has a long tradition of seafaring. The majority of its crew are honest, good at their job and work hard to earn a living for themselves and their families. All contractors to MSC passed through a robust vetting procedure that included the U.S. C-1/D visa for all Montenegrins who would call at U.S. ports. While MSC's precautionary response to the Gayane drug seizure was to reallocate its Montenegrin contractors away from shipping routes that are most vulnerable to drugs trafficking, the company takes issue with the article's overall characterization of one country's maritime workforce based on the emergence of a tiny minority of criminals among them.

Unfortunately, there will always be individuals who can be corrupted by drugs traffickers – or, even more difficult to predict, decent people who will succumb to violent threats by dangerous criminals against them and their families. This is a human factor which is impossible for individual companies to control entirely.

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¹ UN Office on Drugs Control, World Drug Report 2022

The MSC GAYANE incident was certainly a wake-up call for the entire container shipping and logistics industry, given the elaborate nature of the underlying criminal activity.

Since learning of this increased threat in 2019, MSC has significantly intensified its own security efforts, investing far in excess of USD50 million in 2022, and will continue to do so in future years. MSC is today recognized as the industry leader for its anti-smuggling efforts.

In fact, there are now more than 50 different ways in which MSC seeks to detect potential illicit activity across major trade lanes, including state-of-the-art and proprietary technology based on artificial intelligence, in close cooperation with law enforcement bodies.

The global drugs trade is a systemic problem that no single company can address alone. From the sources of production to the consumers who drive demand, everybody in the supply chain must seek to play their part, to help law enforcement, customs and port authorities to better control the issue.

Following on from MSC's long track record of collaborating with authorities such as U.S. Customs Border Protection (CBP) and the Drug Enforcement Administration (DEA), MSC will continue to constructively assist governments around the world wherever it can. The company remains an active partner of the U.S. C-TPAT (Customs-Trade Partnership Against Terrorism) initiative.

For further information, media may contact the MSC press office: media@msc.com.