



MSC CRUISES PUBLISHES 2020 SUSTAINABILITY REPORT: NAVIGATING THROUGH THE PANDEMIC

- *Report focuses on how MSC Cruises navigated the challenges caused by the COVID-19 pandemic, adapted its operations and prepared for the return of guests and crew*
- *Outlines how the Company's Industry-leading Health & Safety Protocol allowed a safe and sustainable resumption sailing in the Western Med in August 2020*
- *And despite the pandemic, how MS Cruises never lost sight of its environmental commitments and reinforced medium-long term sustainability strategy, focusing on air emissions, use of plastic, waste management and impact on marine life and biodiversity*
- *Company remains on track to meet, or likely exceed, the target for 40% improvement in emissions intensity by 2030 compared to 2008 as part of its journey to achieve net carbon neutral operations by 2050.*

Geneva, Switzerland xx July 2021 – Today MSC Cruises published its 2020 Sustainability Report. Due to the extraordinary circumstances of the past year, which saw the global cruise industry come to a complete halt due to the COVID-19 pandemic, this year's report focuses on the steps that MSC Cruises took to secure the sustainability of its business, adapt its operation and prepare for a safe return of guests and crew alongside the key longer term targets including decarbonization.

Pierfrancesco Vago, MSC Cruises' Executive Chairman, said: *"During 2020 we achieved a huge amount and MSC Cruises rose to the challenges posed by the pandemic. We got all our guests and crew home safely early on, and we were then the first to launch our industry leading health and safety operating protocol that has redefined cruising and made it one of the safest options for a holiday now, and in the future. And during all this, we did not lose sight of our commitments to be an ethical as well as sustainable company."*

"We made significant progress in protecting our planet by reducing emissions through investment in new technologies like LNG, which are bringing us closer to achieving net carbon neutral operations by 2050, as well as other major accomplishments in looking after our people, caring for the places we visit, improving procurement and providing emergency support through the MSC Foundation. This year's report is another important milestone in our journey towards fully sustainable and zero climate impact operations."

Having abruptly halted all sailings fleet-wide in March 2020, MSC Cruises had to see tens of thousands of guests safely home in a matter of days, establish a warm layup regime for the fleet, and start repatriating the vast majority of nearly twenty thousand crew members in an increasingly closed border environment. Due to this halt, MSC Cruises saw the number of commercially operational days for the year drop by 75% and the number of passengers carried decrease by 78%.

For the crew, closed borders and isolation periods meant that some of them were unable to return home for many months. They were duly looked after while they remained on board, given guest cabins for individual use with all the possible comforts, and provided additional emotional support services. While the Company looked for viable ways to safely repatriate them, MSC Cruises' specialised team ashore offered crew members ongoing group and one-to-one psychological support and assistance to help combat loneliness.

With the start of the pandemic, MSC Cruises also rapidly set up the infrastructure required to enable a smooth transition to remote working for shoreside employees. A leading global communication platform was introduced to keep the business connected and allow effective smart working. The human resources teams worked rapidly with our IT team to ensure a smooth transition for employees, with online training being provided on its use and application. Over 700 shore-based staff attended these sessions, supporting an effective transition to safe and secure remote working.

In parallel to dealing with the immediate challenges brought by the pandemic, MSC Cruises worked on an industry-leading Health & Safety Protocol in partnership with a specially convened Blue Ribbon COVID-19 Expert Group of internationally renowned public health experts. MSC Cruises redesigned the entire cruise experience to provide guests with a safety bubble from the moment of embarkation to their return home. Thanks to this, MSC Cruises became the first cruise line to get approval from the relevant national and regional authorities to resume cruise operations in the Mediterranean region. On 16 August MSC Grandiosa departed from Genoa, Italy on a seven-night sailing having tested all guests and crew prior to embarkation, periodically screening everyone on board, and with robust contingency plans to manage suspected cases with the local health authorities. MSC Cruises also developed a shore bubble excursion concept that ensures the safety of guests and the local communities during port calls.

And despite the pandemic, MSC Cruises continued to make significant achievements in sustainability in 2020, which included the following:

- **Continued commitment to decarbonisation:** Remain on track to meet, or likely exceed, the target for 40% improvement in emissions intensity by 2030 compared to 2008 as part of our journey to achieve net carbon neutral operations by 2050. Whilst true comparisons in 2020 compared to previous years are not possible with the long layups, a 2.5% improvement was seen prior to lay up in 2020 compared to the previous year, which would bring efficiency improvements since 2008 to over 30%.
- **Optimising energy use:** In 2020, MSC Grandiosa's crew supported the implementation of Ecorizon, an innovative process of ship energy optimisation that collects data using onboard automation systems and sensors, allowing a very precise status report on the energy profile of the ship. The information collected is then compared with a dynamic digital twin to guide onboard operators, improve operational profiles and voyage management.
- **Preparing for LNG operations:** 2020 saw work advance on MSC World Europa, MSC Cruises' first LNG powered ship. The ship is due to enter service in 2022, enabling a lower carbon footprint and significant reductions of SOx and NOx emissions compared to conventional propulsion. Two additional LNG-powered ships are due to enter service in 2023 and 2025.
- **Promoting innovation:** MSC Cruises continued to collaborate with other industry leaders in their fields to research and develop new solutions that will help the decarbonisation of shipping. At the end of

2020, the EU Horizon 2020 fund awarded funding to the CHEK Consortium, a collaborative effort focusing on combining progressive energy technologies and forward-thinking ship design to promote low-carbon maritime operations including hydrogen propulsion and onboard waste to energy systems.

Additionally, teams across the business continued to work collaboratively to further reduce plastic use and creation of waste as well as lessen the Company's impact on marine life and biodiversity.

Linden Coppel, MSC Cruises' Sustainability Director, said: *"This report recognises the immediate challenges that COVID-19 brought to us, and despite this, our continued focus on our environmental and social obligations and actions, not least the growing demand for decarbonisation. At present, our industry is almost wholly reliant on fossil fuels. To achieve our zero emissions goal, we will need to switch to new fuels and require the support of governments and regulators to enable this major transition in the cruise industry.*

"In the meantime, we are committed to improving the energy efficiency of our existing fleet and are considering how best to prepare for the future. This includes investigating the use of low carbon fuels that, if available at scale, can replace existing fuels without significant modification of current machineries and systems."

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