Corporate Social Responsibility (CSR)

MOL's Approach to CSR

In our view, CSR means conducting business management that adequately takes into account laws and regulations, social norms, safety and environmental issues, human rights and other considerations, and developing together with society sustainably and harmoniously while earning the support and trust of stakeholders, including shareholders, customers, business partners, employees and local communities.

Based on this belief, MOL sees CSR being directly linked to management principles and policies and it is clearly stipulated as item which should be discussed directly in the Executive Committee. Moreover, the Corporate Planning Division will administrate overall CSR policy, propose targets and manage progress, while the divisions named in the chart below will take charge of the individual areas of Compliance, Safety Operations, the Environment, and Human Resources Development/Social Contribution Activities. This creates a framework capable of dealing soundly with each field.

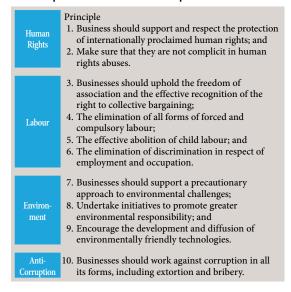
To further ensure sustainable growth, MOL CHART was established in 2015 as a set of values to be passed down between MOL Group employees indefinitely. For more information on MOL CHART, see page 2.



Participating in the UN Global Compact

CSR activities are broad and, from time to time, the strength and priority of those activities change depending on the operating environment, global circumstances and region where business is being developed. With business activities spread across the globe, MOL believes that building good relationships with various stakeholders worldwide and contributing to the realization of sustainable growth of society are vital as it seeks to realize the ideas set forth in the MOL Group Corporate Principles. In order to contribute to an international framework for realizing these goals, MOL became the first Japanese shipping company to participate in the United Nations (UN) Global Compact in 2005. Since then, MOL has worked to support and practice the 10 principles in 4 areas of the UN Global Compact, which shares the same values as MOL's Rules of Conduct, which were established as a set of guidelines for executives and employees.

10 Principles of the UN Global Compact



The MOL Group Basic Procurement Policy

We formulated the MOL Group Basic Procurement Policy in 2012. This clearly documents our CSR activity policy regarding the Group's procurement activities. To embed this policy in the MOL Group, we work throughout our supply chain to observe laws and regulations and social norms, incorporate consideration for environmental protection in our activities, pursue safety, engage in fair trading and build trust, with the understanding and cooperation of business partners. In this way, we aim to contribute towards the realization of sustainable societies together.

The MOL Group Basic Procurement Policy

The MOL Group procures goods and/or services in accordance with the following basic policy:

- 1. We comply with applicable laws, regulations and social norms, and pay due consideration to the protection of the
- 2. We procure goods and/or services, including the delivery or execution of such goods and/or services, that meet high safety
- 3. We conduct fair trade, and endeavor to establish trusting relationships with contractors.

We work to make sure that our contractors understand our Basic Procurement Policy, with the aim of contributing towards the realization of sustainable societies together.

Corporate Social Responsibility (CSR)

Third-Party Evaluations (Environment-Related)

MOL has used its own environmental management system MOL EMS21 since April 2001, and also holds ISO 14001 certification, an international standard for environmental management. (Since 2003)

■ ISO 50001 Certification

MOL acquired ISO 50001 certification for its energy management system and ISO 14001 certification for its environmental management system. Certified companies: MOL Ship Management Co., Ltd., MOL Ship Management (Singapore) Pte. Ltd., MOL Ship Management (Hong Kong) Company, Limited and Magsaysay MOL Ship Management, Inc.

■ CSR Rating by the FTSE4Good Developed Index Series

External Recognition (Overall, CSR-Related)





FTSE Blossom

MSCI

MSCI

2018 Constituent MSCI ESG

2018 Constituent MSCI Japan ESG

MSCI Women Index (WIN)

responsible investment index. **■** FTSE Blossom Japan

FTSE is a global index provider owned by the London Stock Exchange. Since 2003, FTSE Russell

has included MOL in one of its major indices, the FTSE4Good Developed Index, which is a

Since 2017, MOL has been included in the FTSE Blossom Japan Index. The index was developed in 2017 by FTSE and targets Japanese companies making a superior response to environment, social, and governance (ESG) issues.

■ MSCI ESG Leaders Indexes

MOL has been included in the MSCI ESG Leaders Indexes for its superior efforts on measures taken for risks and opportunities related to ESG. (Since 2010; index name changed in 2017)

■ MSCI Japan ESG Select Leaders Index

Since 2017, MOL has been included in the Japan ESG Select Leaders Index, which was newly developed in 2017 and targets companies with a superior ESG evaluation relatively speaking for each industry.

■ MSCI Japan Empowering Women Index (WIN)

MOL has been included in the MSCI Japan Empowering Women Index (WIN), which was newly developed in 2017 and identifies companies in all industries with superior performance in promoting gender diversity.

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■ SMBC Work Style Reform Finance

MOL was rated for its initiatives adopted in the past (see page 33), and Sumitomo Mitsui Banking Corporation approved MOL for an SMBC Work Style Reform Finance as a growth enterprise that can be expected to encourage workstyle reform in the future (2018).