

CSR Activities Results (FY2015) and Targets (FY2016)

The Midterm Management Plan: Aiming to achieve sustainable growth together with society and to respond to stakeholders' trust by making all MOL Group executives and employees aware of our social responsibility and putting it into practice.

Legend: ●Achieved ○Generally achieved △Partially achieved ●Did not achieve (target period/content changes)

CSR Targets in the Midterm Management Plan		FY2015 Targets	FY2015 Results	Achievement	FY2016 Single-year Targets	Reference
High Priority	1. Thoroughly implement safe operation and provide safe, secure, stable, high-quality services. Supplying safe, secure and stable services is the basis for earning stakeholders' trust and becoming their choice. By reminding ourselves once again that marine shipping is a social mission as it supports industries and the daily lives of people around the world, we will strive to supply high-quality services, which meet the requirements of the new era and contribute to the development of the world economy.	1. Achieve "Four Zeros," i.e., an unblemished record in terms of serious marine incidents, oil pollution, fatal accidents, and cargo damage.	<ul style="list-style-type: none"> Issued reminders before/after the dates when past serious marine incidents occurred to make sure these incidents do not fade from memory. Introduced and explained the importance of achieving the "Four Zeros," and past cases and corrective measures at the Safety Conference, seafarer seminars, and safety campaigns, in the monthly report aimed at sharing information on safe operation, at pre-boarding meetings, and other opportunities. Building awareness and establishing a corporate culture in which seafarers voluntarily think about specific ways to continually achieve the "Four Zeros" and increase safe behavior, by promoting group discussions. Could not achieve "Four Zeros" in FY2015 due to fatal workplace accidents that occurred on vessels operated by MOL and MOL Group companies. (FY2015 workplace fatality accidents) 	●	1. Achieve "Four Zeros" (an unblemished record in terms of serious marine incidents, oil pollution, fatal accidents, and cargo damage) as MOL group. 2. Achieve KPI targets for vessels owned by MOL (1) Reduce operational stoppage time per vessel (achieve operational stoppage time per vessel of 24 hours/year or less) (2) Reduce operational stoppage accident rate per vessel (achieve target operational stoppage accident rate of 1.00 incident per vessel/year or less) (3) LTI ^(*) (0.7 or less) 3. With both land-based and seagoing employees, continue full-scale efforts to build awareness of the "Return to Basics" and "Behavior Based Safety" messages. 4. Expand use of IT system for effective utilization of data related to incidents, to help prevent similar incidents in the future. 5. Fully review the content of Rank Step required duties, position by position, and its operational system. 6. Enhance and ensure comprehensive initiatives on external crises including piracy/terrorism. 7. Promote services that meet customer needs and are ahead of their time, with the watchwords "One MOL, One Goal."	P.13-20
		2. Further reduce operational stoppage time per vessel (achieve operational stoppage time per vessel of 24 hours/year or less).	<ul style="list-style-type: none"> Work continues to prevent reoccurrence by horizontally disseminating information on reasons for halting operation on MOL- and MOL Group-operated vessels, and measures to address those issues. Introduced and explained the past cases and measures at the Safety Conference, seafarer seminars, and safety campaigns, in the monthly report aimed at sharing information on safe operation, at pre-boarding meetings, and other opportunities. Building awareness and establishing a corporate culture in which seafarers voluntarily think about specific ways to continually achieve the "Four Zeros" and increase safe behavior, by promoting group discussions. 	●		
		3. Further reduce operational stoppage accident rate per vessel (achieve target operational stoppage accident rate of 1.00 incident per vessel/year or less).	Same as above (0.99 incidents/vessel/year, achieved)	○		
		4. Improve seafarers' occupational safety and health. Achieve LTI ^(*) 0.7 or less after making LTI standards more stringent.	Same as above (0.53, achieved)	○		
		5. Share near-miss and incident information using IT tools. Develop measures to prevent incidents by analyzing near-miss information.	Promoted use of Shipnet ^(**) to managed vessels, remedied problems, and shared near-miss information, which is circulated to encourage measures to prevent such incidents.	○		
		6. Extend targets of the safety campaign to MOL Group ship management and manning companies. Through visits by vessel inspectors and marine superintendents, explain the background and reasoning behind operation manuals and seafarers' responsibility to prevent incidents by thoroughly following onboard operating procedures.	<ul style="list-style-type: none"> Implement Safety Campaign at in-house ship management companies and manning companies, led by personnel from the Safety Operation Headquarters and local employees on a case-by-case basis. Inspectors and superintendents checked every operation manual during vessel visits. Land-based marine engineers also conducted these checks when visiting vessels during the Safety Campaign. This highlighted the importance of operational procedures, and helped explain the background and reasoning behind the manuals. 	○		
		7. Strengthen business continuity plan (BCP) system by implementing practical drill exercises along with continuous education to all executives and employees.	<ul style="list-style-type: none"> Prioritized issues of each division and office raised by BCP drill implemented, and confirmed future steps. Uploaded updated version of "MOL BCP summary" on company-provided mobile phones. Revised "Earthquake and other disaster response manual". 	○		
		8. Promote services by meeting and responding to our customers' needs and to this new era.	<ul style="list-style-type: none"> Sealed shipping deal for transportation of liquefied ethane from the U.S. to India, becoming the first shipping company to launch full-scale transport of liquefied ethane. Met customer needs, while collecting the most up-to-date information on construction plans for new power plants and new ports, in addition to supplying the existing power plants of electric utility companies. Developed the world's first methanol carrier equipped with a low-speed dual fuel (methanol/diesel) main engine. 	○		
		9. Provide high-quality services.	<ul style="list-style-type: none"> Revised antitrust law compliance "Dos & Don'ts Guide" (Japanese/English) (May 2015). Presented antitrust seminars in level-specific required training programs, organized by the Human Resources Division. (New employees in May, mid-career hire employees in July, AMGR appointed employees in August). Presented antitrust law E-learning program (MOL Liner: May-Sept, group companies in Japan: August-October, Headquarters and employees seconded to HQ: September-November, overseas group companies: November-December). 	○		
		2. Deepen initiatives to ensure thorough compliance.	Each of the MOL Group executives and employees values compliance as a corporate social responsibility, and fosters a company culture that demonstrates compliance in business activities.	1. Fully appreciate the seriousness of the Japan Fair Trade Commission's March 2014 ruling that MOL violated the Japanese Antimonopoly Act in certain car carrier shipping trades, and continue thorough compliance with antitrust laws on a global scale.		
2. In addition to complying with antitrust laws, build a more thorough compliance structure for anti-corruption, protecting the confidentiality of customer and company information, and prohibiting discrimination and harassment, and continue implementation of various measures including internal training and E-learning.	<ul style="list-style-type: none"> Continued bimonthly in-house dialogue meetings called Cross Talk Wednesdays with the aim of building an open corporate culture. Conducted an organizational atmosphere assessment, targeting the Head Office in August. Provided feedback to division/office GMs on November 9 and executed reforms of corporate culture for FY2015. 			○		
3. Foster an open and free corporate culture through roundtable talks, etc., and observe changes by regular and extensive surveys of the organization culture.	<ul style="list-style-type: none"> Established the Nomination Advisory Committee and the Remuneration Advisory Committee under the umbrella of the Board of Directors, concentrating on and reviewing issues to be discussed by the Board of Directors, to help the board focus on deliberating the direction of long-term vision and strategies. 			○		
3. Strengthen initiatives on corporate governance.	Further enhance corporate governance to ensure that MOL gains the trust of stakeholders and achieves sustainable growth.	1. Enhance corporate governance to meet the needs of the times and study the advancement of governance structure.	<ul style="list-style-type: none"> Held meetings of the Compliance Committee, chaired by the Chief Compliance Officer, every three months, continually monitoring the group's compliance. The committee addressed the requirement that the Board of Directors approve the submission of Q1 and Q3 financial results and the financial statements, and established guidelines for preventing bribery, etc. 	○	1. Establish a method to assess the overall effectiveness of the Board of Directors. 2. Confirm appropriateness of group companies' operations. 3. Enhance the Business Continuity Plan (BCP) system by implementing practical drills.	P.9
		2. Comply with and put into practice of the revised Corporate Law in FY2014 — the basic policy of establishing an organization to ensure the appropriateness of business operations (internal control system)—to prevent illegal activities and corruptions and operate the organization in sound, effective, and efficient manner.	<ul style="list-style-type: none"> Aimed to create a deterrent against excessive investment by regularly measuring the magnitude of MOL's consolidated market risks (fleet, securities, and real estate) and allowable investment additions and reporting those results to management. Started measurement for every three months from FY2015, ended Mar 2015, striving to firmly establish this initiative. 	○		
		3. Provide comprehensive risk management to ensure appropriate investment in management resources.	<ul style="list-style-type: none"> Further improved the content of the "Global Management College" program, which aims to improve management skills in a cross-cultural work environment, and provided a short-term training program at IMD, an overseas business school for mid-career professionals. 	○		
4. Promote personnel training and diversity to strengthen comprehensive group capabilities.	Further strengthen human resources development of the entire MOL Group globally. Improve the comprehensive capabilities of the MOL Group by facilitating work environment where multinational and diverse human resources including women can demonstrate their abilities.	1. Further enhance training programs to strengthen management capabilities of MOL Group personnel (executives and employees, seafarers in Japan and overseas).	<ul style="list-style-type: none"> Explained these concepts at the group executive committee and group company meetings, during visits to overseas subsidiaries and at group workshops, sought contributions from group companies and vessels, streamed video of a message from the president & CEO, distributed posters, and made presentations at various training programs and organized group workshops. 	○	1. Enhance management skills of MOL Group employees, and expand training with the goal of improving the quality of its businesses. 2. Instill the concepts of MOL CHART, established as the group's shared sense of value, and promote the creation of an environment that allows diversified personnel to play active roles with a sense of unity. 3. Continue to support women employees to encourage their success and career development, toward achieving the target of 8% of women in management ranks in 2020. 4. Promote use of systems that flexibly meet changes in lifestyles to improve work-life balance, and study ways to improve those systems in the future. 5. Step up preparations to establish a school in the Philippines, with opening slated for 2018, that aims to be one of Asia/Oceania's largest maritime academies. 6. Further improve onboard welfare programs.	P.33-38
		2. Instill the concepts of MOL CHART, which reflect ideal MOL Group employees, throughout MOL and MOL Group companies. Foster a corporate environment that allows diverse personnel to play active roles with shared values.	<ul style="list-style-type: none"> Established a division responsible for promoting diversity, presented diversity promotion seminars, and publicized its initiatives in the in-house magazine. 	○		
		3. Continue to support women employees to encourage their success and career development.	<ul style="list-style-type: none"> Rolled out a partial working at home system, presented briefings on the theme "Promoting diversified ways of working" for management class when the system was introduced, and improved pre/post-leave interviews for employees on maternity/childcare leave. 	○		
		4. Promote use of systems that flexibly meet changes in employees' life stages and lifestyles to improve work life balance.	<ul style="list-style-type: none"> Installed FBB^(***) or VSAT^(***) fleet broadband with in-house chartered vessels, and confirmed the establishment of an environment in which broadband service is freely available to seafarers. Standardized division of business and personal use in onboard LANs and enhanced security measures. 	○		
		5. Further improve onboard welfare programs.	<ul style="list-style-type: none"> Installed FBB^(***) or VSAT^(***) fleet broadband with in-house chartered vessels, and confirmed the establishment of an environment in which broadband service is freely available to seafarers. Standardized division of business and personal use in onboard LANs and enhanced security measures. 	○		
5. Make further progress on solving social issues and promoting environment initiatives as an environmentally advanced company.	Further enhance initiatives to reduce environmental impact as an "Environmentally Advanced Company" with full awareness of the environmental impact of the business activities of the MOL Group, and protect the global environment, which is an issue common to the whole world.	Please refer to page 23-26.	Please refer to page 23-26.	○	Please refer to page 23-26.	P.21-32
Issues	6. Proactively disclose sustainability data. Foster stakeholders' trust by proactively disclosing information to show the sustainability of MOL businesses	1. Proactively disclose information demanded by stakeholders regarding MOL's solid growth through the execution of the new midterm management plan "STEER FOR 2020".	<ul style="list-style-type: none"> Proactively invited media not only in Japan, but also overseas to publicize the company's business strategies on a global scale, and accomplished these initiatives. Proactively developed public relations activities in close cooperation with relevant divisions/offices centering on the Marine Safety and Technical divisions, and CSR & Environmental Office in the Corporate Planning Division to disclose information on safety, technology, and the environment in a more proactive manner. 	○	1. Proactively disclose the progress of business structural reforms. 2. Proactively disclose information based on KPI and achievements on the Web site, Environmental and Social Report, Annual Report, etc. 3. Further increase the transparency of corporate information including negative information, and disclose it in a timely and appropriate manner, as a company trusted by stakeholders.	All pages
		2. Earn stakeholders' trust by proactively disclosing information based on KPI and achievements on the Web site, Environmental and Social Report, Annual Report, etc.	<ul style="list-style-type: none"> Proactively disseminate the company's long-term strategies centering on STEER FOR 2020 to investors and shareholders through the Annual Report, etc. Publicize initiatives on safe operation and diversity using KPI through the Safety, Environmental, and Social Report. The MOL Annual Report and Safety, Environmental, and Social Report 2015 received the Award of Merit in Environmental Report section at the Environmental Communication Awards, earning praise for their integrated approach to reporting. 	○		
		3. Further increase the transparency of corporate information including negative information, and disclose it in a timely and appropriate manner, as a company trusted by customers and society.	<ul style="list-style-type: none"> Zero serious marine incidents occurred involving MOL vessels (on a non-consolidated basis). One serious accident occurred on a group company vessel, and the information was proactively disclosed through a press conference and press release. 	○		
		4. Respond quickly to disaster-affected areas, and continue activities to support reconstruction after the Great East Japan Earthquake.	<ul style="list-style-type: none"> Invited 21 university students living in Miyako City to a "One Night Cruise," boarding the ship "NIPPON MARU" during a call at the port of Miyako, Iwate Prefecture. Presented onboard dialogue between the youth and the city's mayor to envision the future of Miyako City. Implemented educational support activities in which company employees explained the ocean shipping industry to high school students in Japan. Invited children to visit TIC and the ship operation simulator in cooperation with "The Project Linked by Sea" organized by the Japanese Shipowners' Association. Group employees served as guides for the visits. In December 2015, presented in-house charity events in cooperation with the United Nations World Food Programme (WFP), which helped provide nutritious meals to about 4,000 children. Transported used wheelchairs and firefighting equipment to the Philippines, a nation that is critical to the development of a highly skilled seagoing workforce, and received letters of appreciation from related organizations at local ceremonies. In addition to the activity in item No. 1, the Head Office cafeteria served a menu of foods sourced from disaster stricken areas, in combination with exchange meetings. Transported relief supplies to quake-stricken areas in Nepal. 	○		
7. Promote social contribution activities related to MOL's businesses.	Promote social contribution activities that are highly relevant to MOL's businesses, and continue our efforts to solve social issues as a corporate citizen	1. Address social issues using know-how accumulated in the company's main business and drawing upon the company's resources.	<ul style="list-style-type: none"> Invited 21 university students living in Miyako City to a "One Night Cruise," boarding the ship "NIPPON MARU" during a call at the port of Miyako, Iwate Prefecture. Presented onboard dialogue between the youth and the city's mayor to envision the future of Miyako City. Implemented educational support activities in which company employees explained the ocean shipping industry to high school students in Japan. Invited children to visit TIC and the ship operation simulator in cooperation with "The Project Linked by Sea" organized by the Japanese Shipowners' Association. Group employees served as guides for the visits. In December 2015, presented in-house charity events in cooperation with the United Nations World Food Programme (WFP), which helped provide nutritious meals to about 4,000 children. Transported used wheelchairs and firefighting equipment to the Philippines, a nation that is critical to the development of a highly skilled seagoing workforce, and received letters of appreciation from related organizations at local ceremonies. In addition to the activity in item No. 1, the Head Office cafeteria served a menu of foods sourced from disaster stricken areas, in combination with exchange meetings. Transported relief supplies to quake-stricken areas in Nepal. 	○	1. Further enhance social contribution activities by executives and employees in Japan and overseas. 2. Address social issues using know-how accumulated in the company's main business and drawing upon the company's resources. 3. Further enhance educational activities that convey the important role of the maritime industry. 4. Further enhance support of seafarer supply areas.	P.39-42
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*1 LTI: Lost Time Injury Frequency. The number of industrial accidents occurring per 1 million man-hours. Conventionally, occupational injuries and illnesses, which forced seafarers to disembark vessels, were counted. But starting in FY2015, the total includes cases in which seafarers did not have to disembark, but were unable to return to work, including light duty.
*2 Shipnet : A database system that manages information among vessels and shore, ensuring speedy and accurate transmission of information.

*3 FBB: Fleet Broad Band. INMARSAT Satellite telecommunication service, using L Band (frequency range: 1-2 GHz)
*4 VSAT: Very Small Aperture Terminal system. Satellite telecommunication service, using mainly Ku Band (frequency range: 12-18 GHz).