

Further enhancing initiatives to reduce environmental impact as an “Environmentally Advanced Company”



Environmental Targets in the Midterm Environment Plan (FY2014 ~ FY2016)

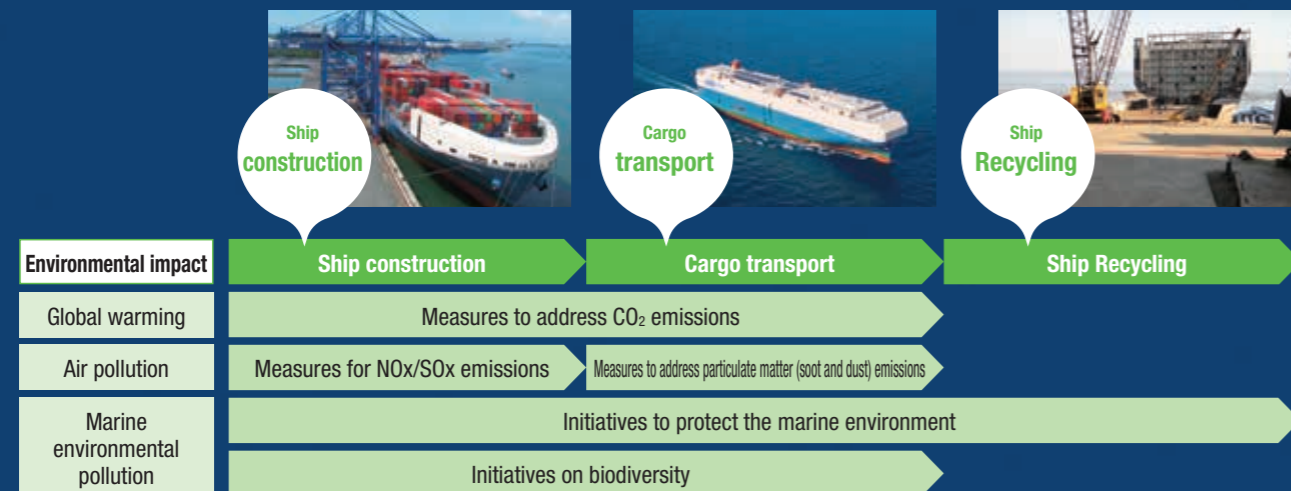
Fully aware of the environmental impact of its business activities, the MOL Group will lead the world shipping industry by proactively responding to environmental regulations and differentiating our performance by actively adopting superior environmental technologies for protecting the global environment.

Opportunities and Risks

Opportunities
Risks

- Use technology to differentiate the MOL Group and gain a competitive advantage, while meeting the needs of customers who have especially high standards regarding environmental performance.
- Environmental measures help reduce fuel consumption and result in lower operating costs.
- Environmental laws and regulations covering the shipping industry have become more stringent, and companies that do not respond quickly enough risk losing business opportunities.
- Delaying the response to laws and regulations also results in higher costs.

Environmental Impact of Business Activities and Initiatives



MOL's Approaches

MOL identified the highest-priority environmental issues and set about addressing those issues in a proactive manner.

MOL Group Environmental Policy Statement

Philosophy

As one of the world's leading multi-modal transport groups, the MOL Group is committed to protecting the health of our marine/global environment and therefore promotes and supports the following policies.

Policies

1. Protect all aspects of the marine/global environment and foster safe operation;
2. Comply with all environmental legislation and regulations required by law, and all relevant standards and other requirements that we subscribe to. And, whenever possible, further reduce the burden on the environment by setting and achieving even tougher voluntary standards;
3. Periodically review and revise our environmental protection measures on the basis of our framework for setting and reviewing environmental objectives and targets;
4. Conserve energy and materials through recycling and waste reduction programs;
5. Purchase and use environmentally safe goods and materials;
6. Promote the development and use of environmentally safe technology;
7. Educate and encourage group employees to increase their focus on protection of the environment through enhanced publicity efforts, and communicate our Environmental Policy to group employees;
8. Publish our Environmental Policy Statement and disclose our environmental information on a regular basis;
9. Always strive to ensure that our business activities contribute to and adequately support worthy environmental protection activities

Key Environmental Issues

In March 2014, we identified the highest-priority environmental issues and set about addressing those issues in a proactive manner. To identify these priorities, we analyzed issues from international conditions regarding about environmental issues, the opinions of stakeholders including customers, investors, and so on, as well as our own internal viewpoints. Finally, through discussions in

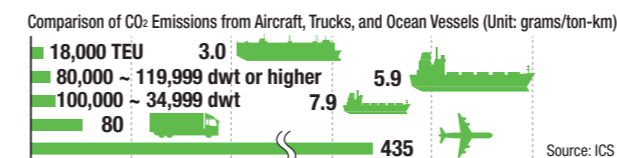
the CSR and Environment Committee, we identified the following five issues.

- 1 Comply with environmental regulations
- 2 Utilization of technologies to reduce environmental impact
- 3 Disclose environmental data
- 4 Ensure safe operation
- 5 Contribute to conservation of biodiversity

Ocean Shipping's Impact on the Environment

Compared to other modes of transport, ocean shipping can transport larger volumes of cargo at once and is rather an environment-friendly mode, with lower emissions per ton-mile of CO₂ and other air pollutants.

However, with a growth of the world economy spurred by the development of emerging markets, the overall world ocean cargo traffic continues to increase. Seaborne trade has exceeded 10 billion tons, and we anticipate further increases in the future. As seaborne trade increases, CO₂ emissions will rise in step with growing energy consumption. This can exacerbate pressing environmental issues. CO₂ emissions from merchant vessels account for about 2% of global emissions, and the shipping industry must do more to protect the environment. MOL strives to control emissions of pollutants through ongoing initiatives, such as the adoption of advanced technologies and slow steaming. In FY2015, we reduced CO₂ emissions per ton-mile by 3.0% in comparison with the previous year.



Organizational Structure for Environmental Initiatives

Establishing Technology, Innovation, and Environment Committee

To effectively promote environmental initiatives based on the MOL Environmental Policy, the CSR Committee, a sub-committee of the Executive Committee, oversees planning and promotion of environment-related measures under the direction of the president. The CSR Committee assesses environment-related risks and opportunities involving MOL, identifies the highest-priority issues in the group's environmental management, and sets environmental targets, striving to achieve environment-friendly business activities.

In addition, MOL formed the new Technology, Innovation, and Environment Committee in February 2016, to more effectively promote initiatives that fulfill our environmental policy. We continue to take a proactive approach to reducing the burden our business activities place on the global environment.

Organizational Structure to Promote Environmental Management

