

# Third-party Opinion



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### Biography

Currently serves as Head of ESG Research Center, via Corporate Strategy Research and Technology and Research divisions. Engages mainly in industrial research and corporate assessment from the viewpoint of corporate social responsibility (CSR).

This year marks the fourth time I have contributed a third-party opinion on the MOL Group Safety, Environment and Social Report. Reading through this year's report, I paid particular attention to some new challenges in FY2015 on which the MOL Group is taking a proactive stance in social responsibility.

The first is the establishment of the IT Strategy Committee and Technology, Innovation and Environment Committee. It is a natural step for the MOL Group to focus on safe operation and environmental conservation as critical challenges facing the ocean shipping industry, and further, it underscores how both are intertwined. I was especially interested in evaluating the group's stance on advancing safe operation and environmental conservation by using ICT (IoT/big data) in this report.

The second is establishment of the new "guidelines for prevention of bribery, etc." Payment of port fees for loading/unloading, customs clearance, and so on, mainly in developing countries, has shown a tendency to become a problem among overseas ocean shipping companies. There is criticism that ocean shipping companies are involved in illegal trade with local corporations in Africa and other regions. In FY2015, MOL presented seminars outlining laws and regulations in Japan and overseas and points to remember for executives and employees. I expect the company to maintain and sharpen its focus on expanding this initiative to its overseas companies and group companies to establish a more solid framework of business ethics.

The third is gaining approval to establish MOL Magsaysay Maritime Academy Inc. in the Philippines. The MOL Group

has established training centers in the Philippines, and has focused on training of seafarers, based on the idea that a workforce of highly skilled, committed seafarers is fundamentally important to maintain and enhance its leadership in safe operation and environmental protection. I expect that this school, which is slated to open in June 2018, will play a key role in the MOL Group's infrastructure.

The fourth is establishment of the new position responsible for diversity in the MOL Human Resources Division. It is now driving initiatives to promote larger roles for women in the workplace. Considering that the company now has major offices in 36 countries and regions, establishment of a global human resources development system is a major objective in developing a workplace environment that allows for multinational, diversified personnel to maximize their own abilities. In addition, I believe this will directly connect to MOL's competitiveness as a world-leading multimodal ocean shipping company. I hope the company continues to promote these measures over the long term.

Looking back at events in the past year, the Paris Agreement adopted by the 2015 United Nations Climate Change Conference (COP21) marked a new step in international cooperation toward addressing global warming. The MOL Group's CO<sub>2</sub> emissions per unit load (ton-mile) (merchant freighters) shows a steady downward trend, but considering the various treaties and guidelines under examination by the International Maritime Organization (IMO), we must accept the possibility of measures to limit business activities and place additional financial burdens on ocean shipping companies. So please continue to focus on initiatives to stay a step ahead of changing environmental regulations.

Furthermore, Sustainable Development Goals (SDGs), comprising 17 goals and 169 targets set out in "Transforming our world: the 2030 Agenda for Sustainable Development" adopted by the United Nations, clearly shows the social issues that various countries, corporations, citizen's groups and other organizations must address in the future. I hope MOL Group will internally discuss how it can help fulfill the SDGs through its main business.

## Management's Response to the Third-party Opinion

We appreciate your objective analysis and your praise for the new initiatives aimed at fulfilling our group's social responsibility. The four initiatives that were appraised in this report are integrated to realize our group's corporate principles, meet our social responsibility as a multimodal ocean shipping group, and enhance our competitiveness. We have worked steadily and consistently to implement these measures, acknowledging that we cannot achieve sustainable growth unless we meet the challenges of this new era. In addition, we will hold further internal discussions on the MOL Group's initiatives aimed at achieving the SDGs you pointed out, as another issue that we need to address.

We will continue to promote highly transparent business management, draw upon the activities of the CSR and Environment Committee to build group-wide awareness of CSR, and maintain our tireless efforts to earn even greater trust from stakeholders as a corporation that takes a proactive stance in contributing to society.



**Kenichi Nagata**  
Executive Vice President and  
Executive Officer  
Chairman of CSR Committee