

DATE: 24th February 2021

A/TO: Ms. Beatriz Balbin
Chief
Special Procedures Branch
OHCHR
Special Rapporteur on the issue of human rights obligations relating to the enjoyment of a safe, clean, healthy and sustainable environment;
the Working Group on the issue of human rights and transnational corporations and other business enterprises;
Special Rapporteur on the right to food and the Special Rapporteur on the implications for human rights of the environmentally sound management and disposal of hazardous substances and wastes.

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REF: AL OTH 79/2020

SUBJECT: **RESPONSE TO JOINT COMMUNICATION**

Dear Ms. Beatriz Balbin,

We, Mitsui O.S.K. Lines, Ltd., herein after called MOL, are in receipt of the joint communication sent by you on behalf of the Special Rapporteur dated 14 December 2020. We hereby provide you with the following information in response to your request for clarification and observations, as outlined in your joint communication.

We have long been committed to protecting and enhancing human rights through our operations, employee behavior and our environmental and corporate social responsibility activities. In 2005, we became the first Japanese shipping company to participate in the United Nations Global Compact (UNGC). Since then, we have worked to support and practice the ten principles of the UNGC including Principle 1, which sets an expectation that business respects human rights, which we understand is the basis on which the UN Guiding Principles were established. These Principles are enshrined in our Rules of Conduct and are a set of guidelines for executives and employees. Our Rules of Conduct are publicly disclosed at <https://www.mol.co.jp/en/ir/data/annual/index.html> (page 40~ on the latest version 2020)

Our actions following the grounding of the Wakashio reflect the UN Guiding Principles on Human Rights, and as far as we can achieve as the Charterer of the vessel (as distinguished from the vessel owner, please refer to 1.-I on page 2), the Procedural Elements of the Right to a Healthy Environment; Good Practices.

We recognize the significant impact that the incident has had on the local community, fishermen,

local families, schools and the volunteers, who came together to stem the flow of oil and to protect the shoreline and sensitive environmental areas. Our relief and recovery activities have been directed towards meeting the specific needs of the groups working on the ground through this incident and those most directly impacted by the spill.

Our representatives have met with key groups and stakeholders to determine how best to support them. As a direct result of these conversations, we have provided equipment and materials including:

- Oil absorbent materials to aid in the clean-up of the spill;
- Locally manufactured clothes and masks to support the health and safety of volunteers and others;
- Reefer containers to increase the preservation period of caught fish to support the ability of local fishermen; and
- Other large containers to be used as workshops and other uses by NGOs were provided together with basic training on safe usage.

The cost of these actions and the provision of 21 employees including our group companies is more than JPY (Japanese Yen) 200 million (about USD1.9m) to date.

We have worked with Nagashiki Shipping Co. Ltd. (herein after called “Nagashiki Shipping”), the substantive owner of the Wakashio and the party responsible for the technical and safety management, as well the crewing of the vessel throughout the incident to encourage them to take all necessary actions to support the clean-up of the area and the removal of the vessel. We will continue to use our legal and commercial leverage to encourage timely and sustainable outcomes.

We, MOL, have publicly committed to work with the Mauritian people and Authorities for the foreseeable future, to support the clean-up, recovery and prevention of future incidents of this nature. Additionally, we have announced our plan to contribute a total fund of approximately JPY 1 billion (almost USD 10 million) over several years. This fund will be used to support recovery of the natural environment in Mauritius, financial contributions to local NGOs / the government of Mauritius / etc., personnel contribution such as the provision of employees / establishment of the Mauritius Representative Office, contribution to fisheries and marine product industries in Mauritius.

We are delivering our commitment to the Mauritian people, to support the efforts being made to enable them, once again, to live in an environment that is safe, clean, healthy and sustainable.

1. Additional information and/or comments on the supplied information.

Firstly, we request that you note the following information in response to several inaccuracies in the information you have received concerning the oil spill from the Wakashio:

- I. The grounded bulk carrier has been and is being misreported by sources that the vessel was owned by MOL and is flagged under the flag of Japan. To be precise, Nagashiki Shipping, was the manager of the vessel and is the parent company of Okiyo Maritime Corporation (herein after called “Okiyo Maritime”), the registered owner of the bulk carrier under the flag of Panama.

- II. The Joint Communique states that MOL ‘operated’ the vessel, but again to be precise, the vessel was time chartered by MOL under a charter contract between MOL and Okiyo Maritime.

A time charter contract is simply a contract by which the owners of a vessel agree to provide the charterers with the services of the Master and crew of that vessel for the performance of voyages ordered by the charterers. The charterers do not acquire possession of the ship or any proprietary right at all – instead they have the right to direct the use to which the owners put their ship. It is properly characterized as a contract for services and is a typical arrangement in the maritime industry.

The charter contract for the Wakashio required the owner, Okiyo Maritime to manage and crew the vessel, and navigate the vessel safely and responsibly in accordance with maritime law and regulation. The role of the charterer is to find a cargo to load onboard, and to give orders to the vessel to transport the cargo from one location to another. In return, the charterer pays the ship owner a daily rate of hire for the use of the vessel. The relationship of the charterer and the owner is analogous to that of a passenger hiring a taxi. The passenger has no role or interest in the driving or maintenance of the taxi; he or she hires the taxi and it simply takes him or her where they want to go, in return for paying a fare.

The safety management, pollution prevention, oil spill response, navigation, crewing, insurance and maintenance of the vessel is described in the charter contract as wholly the responsibility of the owner, Okiyo Maritime. The owner is, by law, required to provide a properly experienced and certified crew for the vessel and properly maintain the vessel so it is seaworthy. The vessel must be managed in accordance with proper safety management principles as required by international convention. The charterer’s practical obligations are very limited and can be summarized as follows; to only order the ship to safe ports, to use the ship for lawful purposes and cargo, to provide fuel oil for the vessel to use, to give lawful orders and to pay the hire rate. The charterer has no insurable interest in the vessel and does not take out any insurance in relation to it.

The charterer is lawfully and contractually entitled to rely on these safeguards and to rely on the assurances and legal requirements that the owner and the vessel crew will strictly comply.

In any incident at sea, such as a collision, or grounding or pollution, the charterer is entirely reliant on the ship owner together with his insurers to deal with the emergency and mitigate the effects. Although the charterer can provide support, as we did in Mauritius, the charterer has no operational or practical role in dealing with the consequences of an accident.

- III. In this case, prior to the accident occurring, we, had instructed the vessel to proceed towards Brazil via the Cape of Good Hope. The owner and crew were responsible for deciding on the specific details of the route and performing a safe voyage to Brazil. Although the master may take action to avoid navigational hazards and bad weather, in general terms he must proceed by the safest and most economical route and should not

deviate unnecessarily. Once the charterer has given the orders, the master and crew will execute the passage plan towards the destination and the only contact the charterer will have with the vessel is the receipt of a daily noon report, giving the position course and speed of the vessel, the ETA of the vessel at the next port and the amount of fuel remaining etc.. This is solely so the charterer can ensure preparations are made for when the ship arrives at the next port.

- IV. We, MOL, as a company that takes environmental and social issues seriously, are taking supportive actions in good will, not only as a charterer but as a global citizen.

The following is a timeline basis local time after the incident, including a summary of our activities and support for the Mauritian peoples and environment:

2020	MOL's actions	Key Events
25 July		The vessel ran aground off Mauritius Island while underway from China to Brazil. The vessel owner requested a salvage and pollution response team to attend in Mauritius on the same day.
26 July	Emergency Response Committee lead by the CEO of MOL started internally. External response desks separately set for Individuals, Media, and Investors. Claims and comments were reported to the Emergency Response Committee which was held daily. There was close liaison with the ship owners who were in operational control of the situation with their oil pollution liability insurers.	
31 July		The advance team of the salvage company, appointed by Nagashiki Shipping and/or Okiyo Maritime, that came to examine the grounding site arrived, testing negative for PCR / COVID testing requirements.
4 August		The second team of the salvage company arrived on site aboard the salvage boat. The salvage operation began but was hampered by adverse weather.
6 August		About 1,000 tons of bunker fuel oil on the vessel leaked in the middle of the salvage operation.
7 August	<u>Update issued to MOL website</u>	
11 August	<u>Update issued to MOL website</u>	2 representatives (employees) from Nagashiki Shipping are dispatched to Mauritius after meeting PCR / COVID testing requirements.

2020	MOL's actions	Key Events
12 August	6 representatives (employees) from MOL arrived in Mauritius after meeting PCR / COVID testing requirements. MOL dispatched an expert in inventory and logistics to support activities in Mauritius.	Collectable oil remaining on the vessel was recovered, which was nearly all the amount besides the oil leaked.
13 August	<u>Update issued to MOL website</u>	
15 August		The hull split completely in two.
16 August	<u>Update issued to MOL website</u>	
19 August	MOL sent equipment (oil absorbent) to Mauritius to aid in clean up. <u>Update issued to MOL website</u>	Refloating operation of the forward part of the hull was completed by the salvage team.
21 August	<u>Update issued to MOL website</u>	
22 August	1 member from MOL Group arrived at the site, for the purpose of managing the logistic and inventory of equipment such as oil absorbent.	
24 August		The forward part of the hull was scuttled in the waters off Mauritius under agreement of the Mauritian Government and Nagashiki Shipping / Okiyo Maritime. The charterers were not involved in relation to this decision.
25 August	<u>Update issued to MOL website</u>	
26 August	Additional MOL supplied equipment such as masks, protective suits, oil absorbents, etc. arrived in Mauritius.	
27 August	End of quarantine for first 6 MOL employees in Mauritius	
30 August	6 representatives from MOL arrived in Mauritius	
1 September	Established MOL's "Mauritius Environmental and Social Contribution Team" Established MOL's Mauritius Representative Office <u>Update issued to MOL website</u>	
3 September	Further supplies from MOL arrived.	
5 September	The 6 members of the second MOL team finished second round of PCR testing	
10 September	MOL team made a courtesy visit to Prime Minister of Republic of Mauritius, Pravind Jugnauth A public-private ceremony was held to mark the delivery of cleaning equipment with concerned parties from both Mauritius and Japan in attendance, including MOL-dispatched team.	

2020	MOL's actions	Key Events
10 September	Mauritius Minister of the Environment Kavydass Ramano and Ambassador Extraordinary and Plenipotentiary of Japan to Mauritius Yoshiharu Kato represented their respective governments at the event.	
11 September	The MOL arranged reefer container, to store seafood until shipment, arrived. MOL announced a plan to contribute approximately JPY 800 million (almost USD 8 million which is a part of a total fund approximately JPY 1 billion for the contribution we mentioned on page 2) over several years for recovery of Environmental Damage from the Wakashio Incident, and to contribute to the Mauritian Community. Focus areas include mangrove, seabirds and coral. Update issued to MOL website	
15 September	MOL held an online roundtable with the environmental NGOs acting globally, and experts on environmental issues to exchange views on our support.	
18 September	MOL team met with the Ministry of the Blue Economy, Marine Resources, Fisheries and Shipping.	
21 September	4 new MOL team members arrived	
25 September	4 representatives from MOL were dispatched.	
6 October	2 schools visits by MOL	
9 October	School visit by representatives Visits to government agencies First MOL team returned home to Japan	
16 October	T-shirts and masks donated by MOL to clean-up crews and spill site Second MOL team depart Mauritius	
22 October	2 more representatives from MOL arrived	
26 October	T-shirts and masks donated by us to clean-up crews and spill site	
5 November	MOL donated oil absorbents to the Mauritian Port Authority.	
13 November	MOL donated four containers to EcoMode Society.	
16 November	1 representative from MOL was dispatched.	
10 December	MOL made financial donations to the Mahebourg Espoir Education Centre. MOL signed an MOU with the school.	

2020	MOL's actions	Key Events
18 December	MOL officially announced measures to prevent reoccurrence of the incident as well as considering probable causes. <u>Update issued to MOL website</u>	
22 December	MOL delivered Christmas presents to nine local families living in poverty. We donated a container to Precious Plastics for a new workshop.	
23 December	MOL provided a Christmas party for 250 local school students and their families.	
2021	MOL's actions	Key Events
14 January	1 representative from MOL was dispatched.	
26 January	MOL held a ceremony for handing over of one refurbished container to Precious Plastic.	

2. Information regarding the oil spill response plans, procedures, and resources that MOL has put in place.

We, MOL have disclosed information and other updates available to the public via our website. The information released by us is contained in this section.

At the first opportunity following the incident and once we had liaised with local authorities, salvors, ship owners, clean up teams and other interested parties to determine how best we could help, we provided goods and equipment to support the clean-up efforts and ultimately a team of 21 employees to deliver natural environmental protection and recovery projects and social contribution activities in Mauritius. A Recurrence Prevention Taskforce and an Environmental Recovery / Social Contribution Taskforce have been set up. Additionally, we announced a plan to contribute JPY 800 million (almost USD 8 million which is a part of a total fund approximately JPY 1 billion for the contribution we mentioned on page 2) over several years to support environmental initiatives directed towards; Protecting and restoring the natural environment; Mangrove protection/nurturing project; Coral reef recovery; and Protecting seabirds and conducting research on rare species of seabirds.

We have supported the public's human right to access to information through the following updates via the website. The following text in italics is from MOL's website;

7 August 2020 *"Nagashiki Shipping, provides the following update on the grounding of the vessel off the east coast of the island of Mauritius at approximately 1925 hours, local time, Jul 25. Due to the bad weather and constant pounding over the past few days, the starboard side bunker tank of the vessel has been breached and an amount of fuel oil has escaped into the sea. Oil prevention measures are in place and an oil boom has been deployed around the vessel.*
ITOPF (International Tanker Owners Pollution Federation) is advising the owner, salvage team and the Government on the pollution and possible effects. The Owner and its P+I Club have contracted a specialist oil response and salvage team who are coordinating with the Mauritian authorities to mitigate the effects of any pollution. Nagashiki Shipping takes its environmental responsibilities extremely

seriously and will take every effort with partner agencies and contractors to protect the marine environment and prevent further pollution.

The situation is being closely monitored and in view of poor sea conditions, salvage efforts are currently on hold. The decision has been made to remove the crew from the vessel, who are all safe and have been transferred to the shore.

The cause of the incident will be fully investigated, and the Owner/Manager will continue to work closely with the authorities to determine the cause."

MOL is fully aware of the incident and the regretful harm to the beautiful nature in Mauritius. After the incident, MOL has organized "Emergency Control Headquarter" lead by President Ikeda to deal with the situation rapidly. MOL will cooperate with related parties based on the advice from authorities of Mauritius and Japan, as well as is to send company personnel to Mauritius and will provide necessary support to the Owner as much as possible. We hope the situation is brought to a safe and timely conclusion.

<https://www.mol.co.jp/en/pr/2020/20042.html>

11 August 2020 1. Situation of leaked Fuel Oil

As of July 25, Local Time when the vessel ran aground, it had approximately 3,800 MT of Very Low Sulphur Fuel Oil (VLSFO) and 200 MT of Diesel Oil (DO) onboard.

By August 11, Local time, approximately 1,020 MT of VLSFO onboard had been pumped out and transferred onto small tankers.

Approximately 1,180 MT had leaked out from the vessel fuel tank, which an estimated 1,000MT has leaked outside of the vessel, and 460 MT is estimated to been manually recovered from sea and coast.

About 1,600 MT of VLSFO and about 200 MT of DO remain on the ship, and transfer work will continue.

2. Situation of the Ship

We confirmed that the crack inside the hull of the ship had expanded. Since this ship is unable to navigate by itself, it is moored to a tugboat so that it will not drift even if it is broken.

3. Status of cargo. There is no cargo on board.

4. Others

MOL, has dispatched 6 members from our company, who have tested negative for PCR, to the site today (11 Aug) for the purpose of cooperating with the authorities, collecting information, preventing the spread of oil pollution, and supporting oil spill recovery. We will continue to consider additional dispatch of personnel and transportation of supplies.

As Charterer, MOL has been in constant touch with the owner since first informed of the incident on the island of Mauritius.

MOL have offered all support and assistance and are aware that a large team of professional oil responders and salvors, led by Smit International of the Netherlands, which has been contracted by owners and has been on site for some days. MOL are doing everything possible to support the efforts of owner and manager, Nagashiki Shipping and their appointed teams in mitigating the effects of the spill. MOL deplores any incident of oil pollution and continues to offer support to all involved in the response.

<https://www.mol.co.jp/en/pr/2020/20043.html>

13 August 2020 1. Situation of leaked Fuel Oil (As of August 12 Local Time)

As of July 25, Local time, when the vessel ran aground, she had approximately 3,800 MT of Very Low Sulphur Fuel Oil (VLSFO) and 200 MT of Diesel Oil (DO)

onboard.

Approximately all quantity (Estimated around 3,000MT) of oil remaining onboard, except for the 1,000MT which had leaked out has been recovered from the vessel and transferred to small tankers by August 12 Local Time.

There are still oil spill remaining in the sea and the coast which to be recovered. A skilled oil spill response team has been activated and equipped with specialist spill remediation equipment. Including skimmers, pumps and absorbents to contain and clean-up the oil in compliance with regulation and in line with the local authorities' guidance.

2. Situation of the Vessel

The crack of the hull has expanded again. The vessel is being continuously assessed by a team of industry experts, including Naval architects, reef experts and salvors who are closely monitoring and assessing the vessel. Since the Wakashio is unable to navigate, a tow connection has been established between a tug and Wakashio, so that she will not drift should the status of the vessel deteriorate further.

3. Others

The members from MOL has arrived at the site for the purpose of cooperating with the authorities, collecting information, preventing the spread of oil spill, and supporting oil spill recovery.

<https://www.mol.co.jp/en/pr/2020/20044.html>

16 August 2020 It was confirmed on August 15 that the vessel has broken into two.

1. Situation of leaked Fuel Oil (As of August 15 Local Time)

As of July 25, when the vessel ran aground, she had approximately 3,800 MT of Very Low Sulphur Fuel Oil (VLSFO) and 200 MT of Diesel Oil (DO) on board.

Approximately all quantity (Estimated around 3,000MT) of bunker oil remaining onboard, except for the 1,000MT which had leaked out has been recovered from the vessel and transferred to small tankers by August 12. Owner has reported most of the Lubricant oil and Residual oil onboard (approximately 100MT) has been collected by August 14. An amount of unrecovered oil is believed to have leaked out of the vessel.

In order to prevent contained oil to reach ashore, oil fence has been installed around the ship, and the spilled oil is being collected by adsorbents.

A Team of specialists continue to work on recovering the remaining oil from the sea and coastal areas in order to minimize the impact to the environment. The expert team appointed by Nagashiki Shipping continue to work in close cooperation with the authorities and local volunteers.

2. Situation of the Vessel

A crack in the cargo hold No. 8 to the stern side had progressed which has caused the vessel to break. The vessel is being continuously assessed by a team of industry experts, including naval architects, reef experts and salvors, who are closely monitoring and assessing the vessel. The professional team of salvors will focus on the safe and environmentally sound removal of the vessel from the reef. The salvage will be carried out in compliance with regulation and in line with the local authorities' guidance.

3. Investigation on the cause of incident

The crews are being investigated by the authorities to help determine the cause of the incident. Thereafter, Nagashiki Shipping as the Owner and Manager of the vessel, will be able to interview the crew. Nagashiki Shipping will continue to work closely with the authorities to determine the cause of the incident.

4. Others

The members from MOL and Nagashiki Shipping have arrived at the site for the purpose of cooperating with the authorities, collecting information, preventing the spread of oil spill, and supporting oil spill recovery. Due to measures to prevent the spread of the COVID-19 infection in the area, activities will be limited.

MOL will continue to consider additional dispatch of personnel and transportation of supplies.

<https://www.mol.co.jp/en/pr/2020/20045.html>

19 August 2020 MOL as the Charterer of Capesize Bulker "Wakashio", are doing everything possible to support the efforts of Owner and Manager, Nagashiki Shipping and their appointed teams in mitigating the effects of the spill. MOL deplores any incident of oil pollution and continues to offer support to all involved in the response.

Wakashio went aground off Mauritius on July 25, and the bunker oil has leaked out on August 6, and the vessel broke apart on August 15.

A Team of specialists continue to work on recovering the remaining oil from the sea and coastal areas in order to minimize the impact to the environment. The expert team appointed by Nagashiki Shipping continue to work in close cooperation with the authorities and local volunteers.

MOL as the Charterer, has dispatched a team of 6 employees and arrived in Mauritius on August 12, to cooperate and support Nagashiki Shipping to recover the environment of Mauritius. Also, MOL has sent equipment to recover the oil from sea and coast which is scheduled to arrive on August 21.

MOL plans to dispatch an additional team in later August.

Nagashiki Shipping has confirmed that the Master and Chief Officer of Wakashio have been arrested by the local authority on August 18.

<https://www.mol.co.jp/en/pr/2020/20046.html>

21 August 2020 Wakashio went aground off Mauritius on July 25, and the bunker oil has leaked out on August 6, and the vessel broke apart on August 15.

Following information has been received from Nagashiki Shipping.

- *Forward part of the hull has been towed to the designated position instructed by the Mauritius Authority, and the Owner of the vessel is waiting for further instruction from the Authority.*
- *Team of salvage experts are in close dialogue with the local Authority about the plan of safe removal plan of the stern part of the hull.*
- *A Team of experts appointed by Nagashiki Shipping continue to work together with the Authority and Volunteers, to recover the oil from the sea and coastal areas in order to minimize the impact to the environment.*

MOL as the Charterer, has dispatched a team of employees and clean-up equipment such as oil absorbent, to cooperate and support Nagashiki Shipping to recover the environment of Mauritius. Moreover, one of MOL Group employee has departed today to the site for the purpose of managing the logistics and inventory of the supporting equipment. MOL plans to dispatch an additional team in later August and will continue to send necessary cleanup equipment.

MOL will continue to work with the relevant authorities of Mauritius and Japan to mitigate the situation as soon as possible together with the ship owners.

<https://www.mol.co.jp/en/pr/2020/20049.html>

25 August 2020 Wakashio went aground off Mauritius on July 25, and the bunker oil has leaked out on August 6, and the vessel broke apart on August 15.

Following information has been received from Nagashiki Shipping.

The Forward part of the hull has been towed to the designated position instructed by the Mauritian Authority, and the order to sink the vessel at that position was given on August 21. Owner was informed on August 24 that the forward half of the vessel has sank within the Mauritian territorial waters after measures such as removing hydraulic oil by a team of experts in accordance with the instructions from the local Authority and applicable Law.

Team of salvage experts appointed by Nagashiki Shipping, are in close dialogue with the local Authority about the plan of safe removal plan of the stern part of the hull.

A Team of experts appointed by Nagashiki Shipping continue to work together with the Authority and Volunteers, to recover the oil from the sea and coastal areas in order to minimize the impact to the environment.

MOL as the Charterer, has dispatched a team of employees from MOL Group and clean-up equipment such as oil absorbent, to cooperate and support Nagashiki Shipping to recover the environment of Mauritius.

Six members from MOL has arrived at the site on August 12, for the purpose of cooperating with the authorities, collecting information, preventing the spread of oil spill, and supporting oil spill recovery.

One member from MOL Group has arrived at the site on August 22, for the purpose of managing the logistic and inventory of equipment such as oil absorbent.

Due to the measures to prevent the spread of COVID-19, area of activity will be limited. Members in Mauritius are collecting information from related parties and Authorities.

The first clean-up equipment sent by MOL, has arrived in Mauritius on August 23. Thereafter, additional equipment such as masks, protective suits, oil absorbents, etc. will arrive in Mauritius on August 26 and August 28.

MOL plans to keep sending necessary equipment.

<https://www.mol.co.jp/en/pr/2020/20050.html>

1 September 2020

Wakashio went aground off Mauritius on July 25, and the bunker oil has leaked out on August 6, and the vessel broke apart on August 15. The forward part of the hull has sunk within the Mauritian territorial waters on August 24. Team of experts and local Authority are discussing about the safe removal plan of the stern part of the hull.

[Provision of goods and dispatch of personnel]

In order to support activities in Mauritius as charterer, we have dispatched personnel and provided supplies as follows.

- *Equipment necessary for oil cleaning arranged by MOL have arrived by air on August 23. Additional supplies, such as protective suits, masks, and oil adsorbents, also arrived on site on August 26. In addition, further supplies are on the way and expected to arrive around September 3.*
- *With the aim of supporting local fisheries, MOL has arranged a reefer container (*1) to store seafood until shipment, which is scheduled to arrive on around September 11.*
- *On August 29 and 30th, six additional MOL employee has arrived in Mauritius for the purpose of cooperating with the authorities, collecting information, preventing the spread of oil pollution, and supporting oil spill recovery.*
- *Due to the measures to prevent the spread of COVID-19, area of activity is restricted for 14 days after entry, but efforts are being made to gather information, discussing with relative parties, and considering specific action*

plans. As for the first group, restrictions have been lifted, so they are expanding the range of activities.

*(*1) Refrigerated Container capable of controlling temperature and used for transporting fresh food such as meat, fish, and vegetables as well as refrigerated and frozen products.*

[Change of Organization to set up a specialized team to support Mauritius]

- *Establishment of "Mauritius Environmental and Social Contribution Team"*

On September 1, MOL will establish "Mauritius Environmental and Social Contribution Team" within the Corporate Planning Division specializing in environmental restoration efforts in Mauritius, support for local communities, and liaison with the authorities and local communities regarding Mauritius' environmental and social contributions. The team consists of 3 employees dedicated to this team, and 10 employees who has multi roles.

In the short term, the new team will focus on arranging logistics of necessary equipment for oil spill recovery and removal work. On a longer term, the team will seek for plans to restore the environment and contribute to the local community in Mauritius by coordinating with experts who has knowledge about the natural environment and its conservation activities.

In order to promote the above activities, a specialized team was set up in order to advance cooperation and response to the relevant authorities and parties.

- *Establishment of the Mauritius Representative Office*

The Mauritius Representative Office is scheduled to be established in October this year for the purpose of cooperation and responses with relevant authorities and communities in Mauritius.

<https://www.mol.co.jp/en/pr/2020/20051.html>

11 September 2020

MOL Announces Initiatives aiming for recovery of Environmental Damage from the Wakashio Incident, and to Contribute to the Mauritian Community

MOL today announced to provide long-term contributions to the environment and the society of Mauritius with the support and cooperation of experts and organizations with specialized knowledge of environmental restoration and protection and working closely with the government of Japan. Thirteen MOL Group employees have been dispatched to the site, and MOL has procured and transported essential items for the collection and recovery of leaked oil as well as other relief supplies. The details of the projects are as follows.

1. Protecting and restoring the natural environment

The Japanese Ministry of the Environment has already dispatched experts to Mauritius to conduct mid and long-term environmental monitoring and consider measures to restore the environment. MOL will implement the following projects in cooperation with Japan's Ministry of the Environment

(1) Mangrove protection/nurturing project

Plan to set up a Consortium with companies, and to cooperate with local NGOs.

Advise & Cooperation: Japan Society for Mangroves, University of Mauritius

Planning activities: Cleaning that does not damage the mangrove forest ecosystem

Conservation of biodiversity beneath Mangrove forests

Planting of Mangrove trees

(2) Coral reef recovery project

Cooperate with Universities, Research Institutes, and Corporation, and plan to build up a joint project with local NGOs.

Cooperation: Innoqua Inc., University of Mauritius, Albion Fisheries Research

Center, EcoMode Society

Planning activities: Immediate nurturing of coral reef using cutting-edge technologies including artificial intelligence (AI)

Support coral farming activities in underwater coral shelves

Use the latest technology to protect coral reefs from mud suspended in seawater

(3) Protecting seabirds and conducting research on rare species of seabirds

Protection of seabirds and support research related to the protection of rare species

(4) Establishment of the Mauritius Natural Environment Recovery Fund (tentative name)

Founded with the objectives of carrying out items (1) - (3) above

As the founder, MOL plans to contribute about a total of JPY 800 million Japanese Yen (almost USD 8 million which is a part of a total fund approximately JPY 1 billion for the contribution we mentioned on page 2) over several years

The fund is planned to be open to public including companies and individuals. (Nagashiki Shipping as the Owner of Wakashio has expressed intention to join the fund)

Operational support: The Japan Research Institute, Limited

2. Financial contributions to local NGOs, the government of Mauritius, and funds from the international public organizations

MOL will make donations to several local NGOs (Note 1) and contribute to funds (Note 2) established by public agencies such as those related to the government of Mauritius and the United Nations (UN). It plans to contribute a total of about JPY 100 million.

(Note 1) NGOs such as the Mauritian Wildlife Foundation, EcoMode Society, Reef Conservation, which the MOL team dispatched to the site has contacted and has supported. MOL may develop long-term cooperative relationship with some of the NGOs involved in projects in (1) above.

(Note 2) The funds include those supporting Mauritius-based groups and support organizations (The Fishermen's Welfare Fund, Mauritius Oceanography Institute, etc.) related to the fisheries industry.

3. Personnel contribution

(1) Continue to dispatch MOL employees to the site

Following the first and second groups (13 employees in total), which are now on site, MOL plans to dispatch a third group to replace the first group, which is scheduled to return to Japan in mid-September.

(2) Establishment of the Mauritius Representative Office (already announced)

MOL will establish the office in October, with the objectives of mid- and long-term cooperation and support for local communities and other concerned authorities in Mauritius

(3) Employee Training

To select several employees globally and conduct employee training in Mauritius every year to deepen the understanding of marine pollution prevention and nature environment conservation and contribute to local communities.

4. Contributions to the community and industries

(1) Contribution to fisheries and marine product industries

To make various plans to support the development of fisheries based on local needs.

One of the plans is to donate a reefer container, which was a local inquiry to support the supply chain of refrigerated goods. (To be arrived at site on September 11)

(2) Contribution to tourism industry

MOL plans a cruise trip by Mitsui O.S.K. Passenger Line Ltd.'s Nippon Maru from

Japan to ports in Mauritius, tentatively scheduled for 2022.

MOL plans to contribute a total fund of about JPY 1 billion (almost USD 10 million) over several years to support measures 1–3 above. Detail of 4. Contributions to the community and industries will be considered.

MOL continually engages in efforts to resolve the situation in Mauritius and restore the environment in cooperation with authorities in Mauritius and Japan, other concerned parties around the world, and the ship owner.

<https://www.mol.co.jp/en/pr/2020/20053.html>

18 December 2020

MOL reports Measures to prevent reoccurrence based on possible causes of the Wakashio Grounding Incident

MOL today announced that it has formulated measures to prevent a reoccurrence of the incident involving the bulk carrier Wakashio, chartered by MOL from a subsidiary of Nagashiki Shipping (the ship owner), which ran aground off the island of Mauritius on Saturday, July 25, and leaked bunker oil on Thursday, August 6.

In developing the measures to prevent reoccurrence, because the investigation and survey by local authorities are still in process, MOL reviewed its past initiatives on safe operation based on probable causes, from the beginning not only from the aspect of the vessel, the front line of safe operation, but other aspects including MOL's shoreside support system and management systems of ship owners and ship management companies. And in taking these measures, MOL continually works to establish a system that it can implement with vessels, ship owners, and other concerned parties, and to further improve the level of safety in overall supply chains that are jointly provided.

1. Background of grounding incident (Based on the information the Ship owner obtained from the crewmembers)

Two days before the grounding of Wakashio (July 23), she changed her passage plan-the distance from the coast when sailing off the island of Mauritius-from 22 nautical miles (Note 1) to 5 nautical miles.

On the day of grounding (July 25), she tried to further reduce the distance from the coast from 5 nautical miles to 2 nautical miles, to enter an area within the communication range of mobile phones and used a nautical chart without sufficient scale to confirm the accurate distance from the coast and water depth. In addition, a crewmember neglected appropriate watch-keeping (visually and by radar), even though she was trying to sail 2 nautical miles off the coast. As a result, she ran aground in shallow water (10m deep) 0.9 nautical miles off the coast of Mauritius.

2. Probable causes

Because of not only the above-mentioned background, but also the fact that she had approached to other coasts several times even before the incident, they may have taken unsafe behaviors due to overconfidence that stems from complacency. In MOL's view, such behavior on a large vessel reflects a lack of safety awareness.

Another reason behind the cause is that the crewmembers lacked awareness of the guidelines on performing navigation in a safe manner and their efforts to conform were insufficient, because they did not prepare an appropriate passage plan that would have ensured appropriate performance, did not own and use the correct nautical map, and neglected visual and radar watch keeping.

3. Measures to prevent reoccurrence

MOL will invest the equivalent of about JPY 500 million (almost USD 5 million) in measures to prevent reoccurrence of probable causes, based on the following

measures.

1) Addressing the lack of safety awareness

(1) Warning by circular

Make sure personnel on vessels that owned by MOL or its subsidiaries ("MOL Vessels") and vessels MOL charters ("Chartered Vessels") know about the causes of the incident and measures to thoroughly enforce measures to prevent any such reoccurrence.

(2) Holding safety campaign (dialogue with crewmembers)

Targeting MOL Vessels, hold online dialogues with crewmembers onboard and on leave to exchange opinions about safety culture.

For Chartered Vessels, enforce thorough prevention of reoccurrence by exchanging opinions about safety culture in a proactive manner.

(3) Conduct a safety awareness survey for crewmembers on navigation watch duties

Conduct a safety awareness survey targeting crewmembers on navigation watch duties on MOL Vessels and Chartered Vessels, to check fact-finding of crewmembers' operations. Take necessary measures based on the results.

2) Addressing the lack of awareness of regulations on safe navigation and insufficient performance

(1) Provide education related to operation of electronic nautical charts

Targeting crewmembers on navigation watch duties on vessels that MOL Vessels and Chartered Vessels, provide information and education on correct use of electronic nautical charts.

(2) Introduce fail-safe operation of electronic nautical charts

Plan to introduce a service plan for MOL Vessels, which allows browsing of worldwide electronic charts at all scales, without requiring purchase of the chart. Approach ship owners of Chartered Vessels with the same plan.

(3) Ensure thorough awareness and performance in line with guidelines necessary for safe navigation, through circulars and safety campaigns as mentioned above

(1)

3) Enhancement of ship operation quality

(1) Strengthen support system from shore side

Improve skills of crewmembers in charge of ship operation and review operational procedures.

After matters related to route selection are newly specified in voyage instructions, require the crewmember in charge of ship operation must check the status of conformity with the instructions. In addition, improve skills of crewmembers in charge of ship operation through in-house seminars and so on related to ship movement monitoring methods and the newly established qualification system.

Reinforce support by the Safety Operation Supporting Center (SOSC)

Re-develop the watch keeping operational manual to reinforce the 24-hour monitoring system.

In another move to upgrade the monitoring system, establish a system using multi-faceted methods as well as manned monitoring, by proposing a plan to put in place a new grounding risk monitoring system.

(2) Enhance involvement with ship owners

Liaison meetings and mutual visits between MOL and ship owners

Make individual and mutual visits in addition to ship owner liaison meetings (for executives/once a year) and ship owners/ship management companies safe operation liaison meetings (for officials/once a year), to check the safe operation system.

Enhance involvement in selection of senior officers

Check personal histories, etc. when changing senior officers (captain, chief engineer, chief officer, 1st engineer).

In addition, convey MOL's intention and instructions through briefings to senior officers by the ship owner and direct dialogue with MOL.

Review ship's quality and quality standard/valuation criteria related to the safety management system

Review the quality standard MOL requests to ship owners, offer improvement requests as needed by ship inspections and company visits, and establish procedures to assess the selection of ship owner, improve the ship quality and safety management system with ship owners, and put these procedures into place.

4) Response on hardware side

(1) Strengthen deterrent capacity by monitoring cameras on bridge

Trials are underway on some MOL Vessels. Examine installation of cameras on all MOL Vessels, after verifying effectiveness of the trials.

(2) Upgrade onboard communication systems

Install high-speed and large-capacity communication systems on MOL Vessels.

Request ship owners to install high-speed and large-capacity communication systems on Chartered Vessels.

To continually "nurture and protect the natural environment by maintaining the highest standards of operational safety and navigation," as stated in the MOL Corporate Principles, every MOL Group member must take to heart the message that safe operation is the major premise for corporate activities and work to prevent the reoccurrence of this incident.

(Note 1) 1 nautical mile = 1.852 kilometers

<https://www.mol.co.jp/en/pr/2020/20090.html>

Further update are provided via <https://www.mol.co.jp/en/sustainability/incident/>

The measures we have taken will be monitored and evaluated our headquarters and by our local branch.

Information regarding the activities of employees dispatched is as follows. The following text in italics is from MOL's website;

12 August 2020 Six (6) employees from us arrived on the site, with the aim of cooperating with the parties on the local site and local authorities, collect information, and provide support in preventing the spread of the oil spill and recovering the leaked oil.

FYI, locally, they were required to isolate for 14 days after entering the country, based on the Government of Mauritius' measures to prevent the spread of COVID-19, but they have focused on collection and negotiations with other parties and planning the action agenda after their isolation. Restrictions on some of the six employees were lifted as an exception, and they were engaged in activities such as participation in various meetings, negotiation with other organizations.

In addition, we dispatched an expert in inventory and logistics management from one of MOL group companies, MOL Logistics (Japan) Co., Ltd., to handle inventory management and delivery of items needed in cleanup activities on the local site. He left Japan on August 21 and started the work immediately after arriving on the site on August 22.

27 August 2020 The six (6) employees from us were permitted to go outside, and since then, they have participated in local emergency response meetings and discussed with the local authorities.

The first MOL-dispatched team have examined measures and contributions that we can or must do, formulated plans, and put them into action. They listened to the views of more than 50 people representing about 30 organizations in all (Note), including officials from government agencies in both Mauritius and Japan, NGOs and other groups, and the local Japanese Association. The team also participated regularly in local emergency response meetings and worked to gain a thorough grasp of the local situation by gathering information from various perspectives through a designated local shipping agency and gained support to ensure that the team's on-site activities will proceed smoothly.

(Note) As of Monday, September 7

30 August 2020 Six members of the second MOL team arrived in Mauritius.

5 September 2020

The six (6) members of the second MOL team finished their second round of PCR testing. They were engaged in information gathering and holding discussions with concerned parties at their isolation site (a local hotel), in preparation for their activities, when their Mauritius government-mandated isolation period ends.

10 September 2020

The MOL-dispatched team have made a courtesy visit to Prime Minister of Republic of Mauritius, Pravind Jugnauth, at the New Treasury Building in Port Louis.

The leader of the dispatched team explained the background of the incident and our stance, and then discussed our future initiatives. The team received favorable comments from the prime minister about the way the country views our initiatives. The prime minister also discussed his expectations for the team of experts dispatched by the Japanese government, support that the country will request from MOL in the future, and so on. In addition, he readily agreed to receive a visit from members of the MOL representative office slated to open in Mauritius after they assume their duties in October and pledged close cooperation in the future.

On the same day, a public-private ceremony to mark the delivery of cleaning equipment was held at Blue Bay Marine Park Centre with concerned parties from both Mauritius and Japan in attendance, including MOL-dispatched team.

Mauritius Minister of the Environment Kavydass Ramano and Ambassador Extraordinary and Plenipotentiary of Japan to Mauritius Yoshiharu Kato represented their respective governments at the event. In his opening address, Minister Ramano expressed his appreciation for Japan's ongoing support, including the provision of equipment, other relief supplies. When presenting the cleaning equipment, the leader of MOL-dispatched team said, "The provision of equipment and relief supplies is the first step, and we will continue mid-to-long-term support for Mauritius."

11 September 2020

We Announced to provide long-term contributions to the environment and the society of Mauritius with the support and cooperation of experts and organizations with specialized knowledge of environmental restoration and protection, and working closely with the government of Japan, as mentioned in question item 1.

*In Mauritius, a delivery ceremony for an MOL-donated reefer container (*1) was held at a pier in Port Louis after the MOL car carrier Prominent Ace, the vessel carried the container, arrived in port. This donation reflects our commitment to supporting the lives of those working in the local fishing industry by helping them develop a cold supply chain (*2) and was based on a request the MOL team received during a meeting with the Minister of Blue Economy, Marine Resources, Fisheries and Shipping. We transported a reefer container from Singapore to Port Louis via an MOL car carrier, which was scheduled to call at these ports.*

At the delivery ceremony, the Ministry's Director of Fisheries expressed his appreciation and his hopes for economic support for the fisheries industry in the future. The leader of the MOL team pledged our continued support for Mauritius.

In addition to planning of the optimal location for the reefer container, we pledge ongoing efforts on support for local communities and people such as those who depend on the fishing business.

*(*1) A 40ft (about 12m) container. Refrigeration temperature can be set in the container.*

*(*2) The donation of the container ensures that marine products can be refrigerated as soon as possible after they are caught and preserved before shipping. The container will help local fishermen who, due to the oil spill, must now go further out to sea to harvest their catch.*

18 September 2020

The MOL-dispatched team in Mauritius met with the Ministry of Blue Economy, Marine Resources, Fisheries and Shipping and Agricultural Marketing Board (AMB), and started considering the AMB site as the first choice as the location for the reefer container, which was donated by us and delivered on September 11.

FYI, this reefer container was transported from Singapore to Port Louis via an MOL car carrier. The donation reflects MOL's commitment to supporting the lives of those working in the local fishing industry by helping them develop a cold supply chain, based on a request the MOL team received from the Minister of Blue Economy, Marine Resources, Fisheries and Shipping.

21 September 2020

On September 21, new four (4) members as third MOL-dispatched team have arrived at the site. In accordance with the Mauritian government's instruction to prevent the spread of COVID-19, they were planned to spend 14 days in quarantine at designated place.

In addition, the first and second MOL team, which have started their activities after a period of isolation, conducted their activities in several separated working groups (WG), such as Oil Removal/Cleaning WG, and Logistics/Material Supply WG, etc. They met local organizations and companies for consecutive days and exchanged information with Mauritian and Japanese government officials and Experts.

6 October 2020 *Members of the MOL-dispatched team visited two local schools. At the Special Education Needs (SEN) School they visited in the morning, they created paper airplanes with the children and then went outdoors to see them fly. We also presented other origami works made by the team leader that the students could play with, such as cranes and shuriken throwing stars.*

That afternoon, they visited an Elementary School in Mahebourg and presented three origami classroom sessions for fifth- and sixth-grade students. A total of nine team members from us took part in the sessions as the origami teacher and assistants, helping all the students fold their own origami cranes. In addition, they donated several books to both schools with their best wishes for local children who were temporarily restricted from playing outside due to the oil spill.

9 October 2020 The MOL-dispatched team visited a public school in Bois Des Amourettes, which had been forced to close for four days due to the offensive odor caused by the oil spill. The team presented all students with sets of stationery, origami cranes and shuriken throwing stars, with our sincere hopes that they will find our gifts useful in their studies.

On the same day, the leader and subleader of the first MOL-dispatched team officially left their posts. With this, the entire first team, who played active roles on site since August 12, completed their missions and returned to Japan.

The seven members of the first team (including one who joined on site after the others) had taken the lead in our activities during the period of turmoil immediately after the oil spill. The team's activities ranged from grasping the status of onsite efforts and serving as a liaison with our task force to determining the types of cleaning equipment and tools, and relief supplies needed and arranging to have them delivered, and sharing information and building relationships with governments of both Japan and Mauritius, organizations responding to the oil spill, NPOs, and the local Japanese Association.

The MOL-dispatched team have made courtesy visits to concerned government agencies and private organization and explained about the handover. They also had meetings and discussions with concerned local parties to develop stronger relationships before the launch of operations at the MOL office in Mauritius.

16 October 2020

Six (6) members of the MOL second dispatched team, who had worked in Mauritius since the end of August, have left the site.

22 October 2020

Two (2) new members arrived as our fourth dispatched team. The team officially joined local activities after the government-designated isolation period and confirmation of their PCR testing results.

16 and 26 October 2020

Our original T-shirts and facemasks, prepared by us, were distributed at the oil spill cleanup site. The T-shirt distribution was based on a proposal from local people after members of the MOL-dispatched team met and exchanged opinions with many residents and groups. The T-shirts are mainly for local citizens, including fishermen who are involved in the cleanup work, to wear as the inner layer of their personal protective equipment (PPE).

FYI, the design was selected from among ideas submitted through our internal process in September, and we entrusted a local company in Mauritius with production and delivery. Then all the team members visited the cleanup site to distribute the items.

At the event, the team leader introduced our company, explained the intent of the distribution, and then handed out the unique T-shirts and cloth face masks to many appreciative recipients. We received exceptionally good reviews from local people regarding the design of the blue and white T-shirts. The colors were determined after consultation with the local company about local people's favorite colors. The site was bustling as some cleanup workers changed into their new T-shirts, and some wanted to save the shirts for their families.

FYI, the copy on T-shirts says "We love Mauritius" with "M" in the colors of national flag of Mauritius. "Blue" out of four colors of the flag is said to be representing the Indian Ocean.

These items were sold internally to our employees, and the proceeds were donated for environmental recovery and social contribution of and for Mauritius.

5 November 2020

A ceremony marked the handover of oil absorbents donated by Japanese companies to the Mauritius Port Authority (MPA). The MOL dispatched team was on hand, as our company transported the materials. Supplies and equipment have been presented several times since late August.

At this ceremony, MPA Chairman Maistry Ramalingum talked about the dispatched teams' support activities since the incident occurred and expressed his appreciation for the Japanese companies () that contribute to MPA operations through the donation of oil absorbents. The leader of the MOL team also addressed the ceremony, saying it was an honor to attend as a representative of the company transporting the materials, and then signed the handover document.*

() In this case, oil absorbents were provided by the three companies of Showa Denko Materials Co., Ltd., Teijin Frontier Co., Ltd., and NEOS COMPANY LIMITED. In August, Japan Petroleum Exploration Co., Ltd. has also provided materials, which have already been presented to a local organization involved in the cleanup.*

The materials to be transported are determined based on local needs, but we have also been receiving offers of materials from many other companies.

13 and 20 November 2020

We donated four containers to NGO EcoMode Society (), which is engaged in environmental protection activities, and the MOL-dispatched team was on hand for the handover ceremonies.*

Since the needs of containers came up in the meeting with EcoMode Society in mid-October, our team have arranged all procedures, from securing used dry containers and completing onsite exterior and interior work to foundation work and determining the delivery route to the site.

The containers will serve as a warehouse for materials used to monitor coral, as well as a workshop and conference center as part of the coral transplantation and reproduction project led by EcoMode Society.

() EcoMode Society is a Mauritius-based group established as gathering of volunteers in 2012. It began full-scale activities as an NGO in 2016. The group focuses mainly on ocean environmental protection such as beach cleanup and coral farming.*

Three (3) members of the third MOL-dispatched team completed their onsite mission, which began in September, and went back to their countries. The remaining team members continued activities focusing on more deeply rooted in the local community under the leader of the dispatched team.

10 December 2020

We dispatched team met with Mahebourg Espoir, a local NGO actively involved in helping poor communities in Mahebourg, which is one of the closest towns within the oil polluted area where many local residents derive their living solely on the sea for fishing. The NGO operates the Mahebourg Espoir Education Centre (MEEC) for children coming from vulnerable families who have been dropped out of school.

FYI, there are currently about 50 teenagers studying in MEEC. Some classrooms are currently made of converted and refurbished shipping containers. There is also gymnasium and various workshops to provide physical education, music and computer classes along with academic studies and life skills in the facility. Mahebourg Espoir also supports a nursery school in the center of a deprived areas in the region for about 25 children aged between 2 and 5 years. This childcare service is currently being provided in a small apartment under the supervision of a caregiver. Since the facility is facing a possibility of closing order due to its poor infrastructure below the legally required level, Mahebourg Espoir developed a project to open a new facility for pre-school children with larger capacity with used container houses on the site of the Education Centre. We have gratefully decided to fund this significant project for children and the community.

We dispatched team made some donations for the children studying in MEEC and signed an MOU with Mahebourg Espoir.

22 December 2020

Together with the NGO Precious Plastic Mauritius () (founder: Mr. Valery de Falbaire), We delivered Christmas presents to 9 families living in extreme poverty in the deprived areas of Mahebourg, located on the South-East part of Mauritius. The organization is collaborating with other inhabitants of the area to help those families in addition to its major activity of recycling plastic waste. The MOL dispatched team in Mauritius joined their initiatives and helped them by giving our original Mauritius T-shirts and masks. The children and their families also received toys and cookies. We cooperated with the NGO to support deprived families in the region.*

() Precious Plastic Mauritius is an NGO based in Mahebourg that collects plastic waste and recycles it into plastic products. Once a week, using a bicycle with a trailer they collect plastic from local homes and beach clean-ups, and then recycle the plastic into colorful coasters and accessories. They are currently producing small objects by recycling plastic on a trial basis in a small workshop in a residential area. In January 2021, they will establish a new workshop with larger equipment in a state-run site where a youth training camp is established. They will make tables, chairs and other items from recycled plastic. We donated a container house as this workshop. At this workshop, training for plastic manufacturing and sales techniques will be given to fishermen in the Mahebourg area, where the facility is located.*

23 December 2020

The Ministry of Blue Economy, Marine Resources, Fisheries & Shipping, the Japanese Embassy and we, MOL jointly hosted a Christmas Party for some 250 primary school students within the nearby villages affected by the oil spill incident as well as their parents at Bamboo Virieux located near Mahebourg in collaboration with CELERO Group, the local partner of us.

On this occasion, the following dignitaries graced the party to share their

Christmas greetings to the children and parents: His Excellency Shuichiro KAWAGUCHI, Ambassador of Japan; Honorable Sudheer MAUDHOO, Minister of Blue Economy Marine Resources, Fisheries & Shipping; Honorable Mahen Kumar SEERUTTUN, Minister of Financial Services; Honorable Mrs. Naveena RAMYAD, the Government Chief Whip; Honorable Mrs. Teenah JUTTON, Permanent Parliamentary Secretary of the constitution; and Mr. Goro YAMASHITA, of MOL and Mr. Patrice MAURY of CELERO Group.

Ustad RAJA, a very popular Mauritian magician produced a wonderful magic show to entertain the children followed by the local folkloric music, song and the famous Sega dance. All the children received toys and other gifts from Santa Clause, and locally made T-Shirt and face mask from us. Finally, all invitees were served a delicious lunch followed by tasty dessert prepared by the chef of a famous hotel in Mauritius.

26 January 2021

A handover ceremony was held to mark MOL's donation of a 40ft shipping container to the non-government organization (NGO) Precious Plastic Mauritius and the opening of the facility made from the refurbished container.

Precious Plastic Mauritius, founded in 2019 by Valery de Falbaire, is an NGO based in Pointe d'Esny, Mahebourg, that seeks to provide recycling solutions by collecting waste and at the same time cleaning beaches and mangrove sites. Once a week, volunteers ride around neighborhoods on bicycles with trailers attached, collecting plastic trash, mainly bottles, for recycling into colorful items such as coasters. Until last year, plastic was recycled, and small items were produced on a trial basis in a small workshop in the corner of this residential area, but starting in January of this year, Precious Plastic obtained the right to set up a new workshop in the Youth Training Centre on state-owned land at Point Jerome in Mahebourg.

The container will be used to set up workshops, which will provide vocational training to fishermen in the Mahebourg area, where the facility is located, to teach plastic manufacturing and sales techniques and for kids to learn how to recycle plastic into various decorative items.

In collaboration with the NGO Precious Plastic Mauritius and the Ministry of Youth Empowerment, Sports and Recreation, MOL (Mauritius) Ltd. organized a handing over ceremony to inaugurate the refurbished container donated to the NGO.

On hand for the event were Minister of Youth Empowerment, Sports and Recreation, Honorable Jean Christophe Stephan Toussaint, Ambassador of Japan, His Excellency Shuichiro Kawaguchi, Counsellor Korehito Masuda of the Japanese Embassy in Mauritius, Precious Plastic Mauritius Founder Valery de Falbaire, MOL (Mauritius) Managing Director Goro Yamashita, CELERO Group Executive Chairman Marc Dalais, CELERO Group CEO Patrice Maury, and various representatives of the ministry and distinguished guests from the NGO.

The ceremony began with an opening speech by de Falbaire, underscoring the tremendous support of the Ministry as well as MOL (Mauritius) in holding the event. After his remarks, Yamashita from MOL (Mauritius) spoke about MOL's commitment to engage in activities to support the inhabitants of the area and promote its long-term development and sustainability. Minister Toussaint then took the floor to stress that this aid demonstrates the support and solidarity of the

Japanese government in Mauritius. Ambassador Kawaguchi, for his part, emphasized the importance of reviewing waste management and ended his speech by reaffirming Japan's willingness to work with Mauritius in the context of disaster prevention.

3. Actions being taken to reduce or eliminate the effects of the oil spill on human rights including the rights to food, health, and a healthy environment

As charterers, we were unable to take any immediate steps to reduce or eliminate the effects of the spill. However, once it became clear how MOL could assist, we, MOL have undertaken key actions and activities to reduce or eliminate the effects of the oil spill on human rights including the rights to food, health, and a healthy environment. For details of the efforts we have made please see the text above, the timeline and the information posted on the website as set out above.

4. Steps taken on behalf of the company to guarantee the public its right to be provided with timely and accessible information about the health and environmental impacts of the oil spill, as well as the actions being taken to clean up and restore the environment?

As charterer, we had no direct access to any information relating to the immediate impact of the oil spill. We were kept informed to some degree by the ship owners, the salvors and from the press. Once it became clear that assistance was required over and above what was being provided by the clean-up teams, salvors and local government, we sent a representative team to Mauritius to ascertain the best in which we could assist the government and population of the island to deal with the effects of the spill. We have now established a representative office to a point of contact for the islanders and to co-ordinate MOL's actions in assisting to mitigate the damage alongside the other parties involved. For more detail of these efforts, please refer to the above listed information in question item number two for information released via

<https://www.mol.co.jp/en/sustainability/incident/> in the period between 25 July and 28 December 2020.

Under the "Protecting and restoring the natural environment" project announced on September 11, we have engaged in long-term activities to assist local communities and industries including fishing and other marine products, and tourism, as well as protection and nurturing of mangroves, restoration of coral reefs, and support of research on the protection of wild birds and rare species. Since announcing the project, we have assessed the impact of the incident in cooperation with experts and research institutes in various fields.

Including those initiatives, we have released the following information in italics to the public. We will continue to provide this kind of information to the public.

18 December 2020

As a part of the Natural Environmental Protection and Recovery Project, MOL has been conducting a survey of the impact on birds in cooperation with Yamashina Institute for Ornithology and BirdLife International Tokyo.

Hereunder, we would like to introduce a column by Masayoshi Kamioki, a Research Fellow at BirdLife International Tokyo, who has been conducting local survey in Mauritius since October 25. In order to restore Mauritius' original, beautiful nature and ecosystems, MOL will continue its contributions to support the recovery of the environment.*

[Surveying the impact on birds]

Masayoshi Kamioki, Research Fellow, BirdLife International Tokyo

The most famous bird in Mauritius is the "dodo" we remember from Alice's

Adventures in Wonderland and "Pokémon." T-shirts and ornaments with the "dodo" design are lined up in rows at souvenir shops. However, the dodo went extinct about 300 years ago due to overhunting and deforestation by settlers.

Even now, the island's original environment has been damaged by resort development, sugar cane fields covering most of the island, and invasive alien species. Today, less than 20% of the land is forested (and only about 2% of the native forestland remains), a far cry from the days when forests covered the entire country.(Note1) Rare endemic species such as the Pink Pigeon, Mauritius Kestrel, and Mauritius Fody inhabit the small areas of surviving forest, and conservation activities are underway by the National Parks and Conservation Service(Note2) and The Mauritian Wildlife Foundation(Note3).

In first days after the oil spill occurred, we were concerned about direct damage from the oil slick killing these rare species and water birds in coastal areas. There is only one Striated Heron reported to be found dead shortly after the oil had reached the coast in August (Note4). Fortunately, however, the oil spill had no impact of the forest habitats of the island's endangered species, and local residents and cleaning companies acted swiftly to collect the spilled oil, so as of December, we have no other confirmed case of directly damaged birds.

On the other hand, the indirect/mid- and long-term impacts are unknown. We need to continually monitor not only the polluted areas but also non-polluted areas, even after the completion of oil collection and cleanup. The extinct dodo is gone forever, but as we work to restore Mauritius' original, beautiful nature and ecosystem, I feel it is indispensable to preserve and protect the environment of inland areas of the island, as well as coastal areas affected by the oil spill.

** BirdLife International is one of the oldest international environmental NGOs in the world, founded in the United Kingdom in 1922, working together towards the sustainable use of natural resource. The organization strives to conserve birds, their habitats, and global biodiversity.*

Masayoshi Kamioki is a Research Fellow at BirdLife International Tokyo. He has arrived in Mauritius on October 25, and has been carrying out local survey of the WAKASHIO incident's impact on birds in cooperation with Taku Mizuta of Yamashina Institute for Ornithology and local organization, as a part of the Natural Environmental Protection and Recovery Project of MOL.

18 January 2021

Reef Conservation is a Mauritius-based NGO engaged in environmental conservation of the nation's coastline and lagoon through community conservation, research, and education. Considering the environmental impact of the oil spill, MOL decided to donate to the organization and cooperate in its project to survey and protect mangrove forests.

MOL asked Dr. Toyohiko Miyagi, a mangrove expert who also played a key role as a member of the Japanese government's Disaster Relief Team immediately after the incident, to join the field survey and supervise the project. In cooperation with Dr. Miyagi, we plan to apply advanced Japanese technologies in the NGO's mangrove monitoring program. We will work with Reef Conservation to restore a healthier environment than before the incident by supporting ecological surveys of mangrove forests, not only in areas contaminated by the incident, but throughout Mauritius.

Francois Baguette, Project Coordinator at Reef Conservation, measuring mangrove trees during post-oil-spill field surveys with the JICA (Japan International Cooperation Agency) team members to quantify the impact of the oil spill on

mangrove ecosystems.

Dr. Toyohiko Miyagi, shown here developing a mangrove topographical profile during post-oil-spill field surveys, also helped train the Mauritian survey team in these procedures.

Reef Conservation's mangrove display is showcased at an educational event for local children to raise awareness about the importance of mangrove conservation.

In addition to the above mentioned, we provide you more information about "Organizational response" and "Dialogue with environmental NGOs and experts" which we have already released to the public as below in italics.

Organizational response;

The "Mauritius Environmental and Social Contribution Team" was established within the Corporate Planning Division as of September 1. The new team's responsibilities are shown as below;

Three full-time members were officially appointed and have already started their activities. Furthermore, we enhanced the structure of the team by assigning about 10 members who will take part in team activities in addition to their regular duties in other divisions.

*Team Name: Mauritius Environmental and Social Contribution Team, Corporate Planning Division
Responsibility: Initiatives to restore the environment in Mauritius, measures to support communities and industries, negotiations related to the environmental and social contributions (government, environmental organizations and NGOs, communities)*

Dialogue with environmental NGOs and experts;

On 15 September, we held an online roundtable with the participation of environmental NGOs acting globally, and experts on environmental issues to exchange views on our support for Mauritius.

Representatives from a total of 10 companies and organizations expressed a wide range of opinions on our environmental recovery and local contribution measures announced on September 11.

Helped by these valuable suggestions, we will keep seeking the advice of experts, and continue to implement assistance and contribution activities for Mauritius.

Current condition of each oil-polluted area and progress of cleaning reported by MOL dispatched team was shared during the roundtable.

5. Steps taken on behalf of the company to guarantee that the public has a right to participate in the required investigation and in decision-making about clean up and restoration activities, including the decision regarding the fate of the broken vessel

We, MOL were the charterer of the vessel and not the owner. We have no operational role and are not consulted in any of the decisions made in relation to wreck removal or clean-up. Accordingly, we do not have the authority nor ability to ensure that the public is involved in the owner's decision-making, which is done in close consultation with government authorities and other interested parties, such as insurers regarding the fate of their broken vessel.

Although the clean-up activities were led by the ship owners and their insurers and pollution clean-up contractor consultation with the government and other interested parties. We engaged deeply with the Mauritian Government and cooperated fully with them to provide equipment, resources and experts in the field to support the NGOs and Government in their efforts to reduce the effects of this incident.

We understand that the clean-up was completed ahead of schedule in December 2020.

FYI, please refer to news at

<https://defimedia.info/nettoyage-du-littoral-suivant-la-maree-noire-polyeco-en-avance-sur-son-calandrier>

MOL have provided regular updates and shared information with the community via our website as mentioned in question item number two.

The community is also able to contact us through the website to seek further information, make a complaint or for any other purpose. FYI, we have received more than 200 inquiries via the website and 150 phone calls related to the Wakashio incident from individuals and organizations that are not media outlets.

6. Please provide information regarding how your company is protecting to the right to food, in terms of protecting the livelihoods of fisher-people in the affected area and what measures have been foreseen in the sense of any compensation to victims who have suffered impacts from the oil spill?

Please refer to above listed information, activities we have released to the public and announcement on 11th of September 2020 regarding initiatives to support the recovery of the environment following the Wakashio Incident, and to contribute to the Mauritian community. These initiatives are also mentioned in question item number two above. In relation to compensation, the chief source of compensation to the affected islanders will come from the vessel's third-party insurer of pollution risks, the Protection and Indemnity (P&I) Club. This policy provides third parties with high levels of liability cover to both fund clean-up and provide compensation. The quantum of claims is for the Mauritian courts to decide and it is not appropriate for us to comment further here whilst such proceedings are ongoing. However, we are aware that such proceedings take some time to be determined so in the meantime we will respond any requests for assistance in good and will continue to do what we can to mitigate the effects of this spill as set out in the website.

7. Information about the human rights due diligence policies and processes put in place by the company to identify, prevent, mitigate and remedy adverse human rights impacts of your activities, in line with the UN Guiding Principles on Business and Human Rights.

We, MOL, have a broad range of policies and commitments related to human rights. The following is an overview of the main policies and contributions.

We have publicly available Rules of Conduct to protect human rights in line with the UN Guiding Principles on Business Human Rights. The rules of conduct are available via our website at <https://www.mol.co.jp/en/corporate/compliance/index.html>

The Rules of Conduct are as follows:

- Respect human rights and refuse to permit discrimination and harassment.
- Respect every individual's basic human rights; and do not discriminate based on ethnicity, faith, religion, nationality, age, sex, class, disability, and the like.
- Understand, appreciate, and value the diversity of cultures, customs, and so on, in every area and nation, and work to achieve harmony between them.
- Do not subject anyone to sexual harassment or make offensive sexual remarks and do not act or speak in a way that might be misunderstood as sexual harassment.

- Do not cause mental or physical suffering to anyone or act in a way that negatively affects the working environment by ignoring a person's human rights or speaking or acting in a way that does not respect an individual's human rights by using your position or authority in the workplace or exceeding the appropriate scope of your delegated authority.

Our documented policies addressing human rights and labor standards practices include the following elements;

- Child labor and young workers
- Forced labor and human trafficking/Modern slavery
- Non – discrimination, bullying and harassment
- Freedom of association and collective bargaining
- Terms of employment – Wages and working hours
- Security arrangements according to UN principles on the Use of Force and Firearms
- Community impacts

In 2005, we, MOL became the first Japanese shipping company to participate in the United Nations Global Compact. Since then, we have worked to support and practice the ten principles in four areas of the UN Global Compact, which share the same values as our Rules of Conduct. The Rules of Conduct are a set of guidelines for executives and employees.

Our Environmental / Energy Policy commits the company and employees to contributing to society and customers through ship management services and environment / energy management systems in order to create a safe and clean environment. The Policy is compliant with international standards of ISO14001: 2015 and ISO50001: 2018. Under this policy, we consider the content of proposals, requests or complaints from stakeholders and utilizes them to revise or improve environmental and energy management.

We have published its latest "Modern Slavery Statement" pursuant to Section 54 (1) of the UK Modern Slavery Act 2015. More information can be found at <https://www.mol.co.jp/en/csr/csr/molcsr/humanrights/index.html>

Following the grounding of the Wakashio, we completed an exercise to identify the influential and key stakeholders, those most impacted by the incident, the level of impact and possible remedies. The findings of this research will be incorporated into our forward planning and recovery support for Mauritius.

We have previously pledged to assist with UNHCR Aid Transport and Purchase of Emergency Supplies. Please refer to below;

- <https://www.unhcr.org/jp/23196-070313.html>
- <https://www.mol.co.jp/en/pr/2006/675.html>
- <https://www.mol.co.jp/en/pr/2006/625.html>

Additionally, our ships have ever saved many castaways in the past, which is one of our humanitarian assistance activities. Please refer to below examples;

- <https://www.mol.co.jp/en/pr/2020/20061.html>
- <https://www.mol.co.jp/en/pr/2019/19045.html>

Accountabilities for human rights and labor standards related practices are clearly defined, documented and aligned with job responsibilities, authority levels and performance objectives (confidential). MOL Group employees demonstrate the MOL CHART values of Challenge, Honesty,

Accountability, Reliability and Teamwork. More information is at <https://www.mol.co.jp/en/corporate/principle/index.html>

We provide appropriate training for managers on how to implement MOL's human rights and labor standards related policy commitments and procedures (Deepen Initiatives to Ensure Thorough Compliance) including:

- Training to prevent harassment,
- Lecture related to human rights in the stratified training.
- Solicited and selected slogans to build awareness of human rights within the group as part of the human rights week project.

Read more at

<https://www.mol.co.jp/en/sustainability/sustainability/overview/humanrights/index.html>

MOL Group has a system for reporting, recording and reviewing human rights or labor standards practices related events/incidents, which includes:

- Both Internal and External Compliance Advisory Service Desks. Lawyers from outside the company serve the External Compliance Advisory Service Desk. Each desk accepts reports and provides consultations for not only from MOL Group employees but also business partners.
- Additionally, MOL has a Diversity and Healthcare Management Team in the Human Resources Division, for our employees.
- After accepting reports, each arm is required to report to our Compliance Committee Secretariat immediately, in case they find breaches of compliance. Read more at <https://www.mol.co.jp/en/corporate/compliance/index.html>

MOL compliance structure

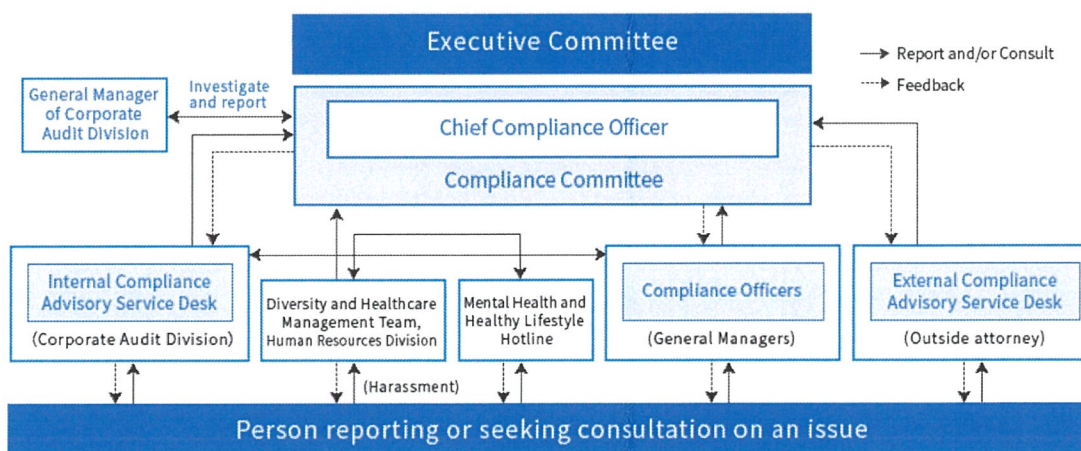


Figure 1 MOL Compliance Structure

The MOL Group has a wide variety of stakeholders around the world, since it does business on a global scale, centered on its core business of ocean shipping. CSR focuses on conducting business management that appropriately considers laws and regulations, social ethics, safety and environmental issues, human rights, and other considerations. We believe we can develop our business sustainably, in step with society, benefiting all or stakeholders and earning their support and trust.

8. Information about specific due diligence or impact assessment measures taken by the company concerning the oil spill off the coast of Mauritius.

On September 11, we announced initiatives to support environmental recovery and local contributions. Following discussions with global environmental NGOs and experts on environmental issues at an online roundtable on September 15, we initiated a team to investigate the nature and effects of the spill on the local environment. This investigation included experts in oil spill response and characterization of impacts, MOL personnel to catalog ongoing activities related to the spill and identify areas of oil impacts in the medium- and long-term. Response situation reports were obtained from time to time, and oil clean up progress was mapped. As of today, although it has been reported that the impact of the spill in the future will be limited, we refrain from commenting whilst the investigation of the spill and its ramifications are still being conducted.

Based on the opinions and specific reports from experts, we will continue activities for the environmental recovery and local contributions in Mauritius as set out in paragraphs 3 to 6 above.

9. Describe the measures that the company has taken, or plans to take, to prevent recurrence of such disasters in the future.

Please refer to our announcement on 18 December 2020, regarding measures to prevent reoccurrence based on possible causes of the Wakashio grounding incident, which is mentioned in question item number two.

We, MOL have begun explaining our determination and the measures to prevent recurrence to external stakeholders such as ship management companies and ship owners who have contracts. We will continue to monitor the progress of these measures, evaluate the results, and manage them appropriately by making corrections as necessary with these stakeholders.

10. Information on steps taken by the company to establish operational-level grievance mechanisms, in line with the UN Guiding Principles, to address adverse human rights impacts caused by your company throughout your operations globally.

We have a long-standing contact point on the website to enable individuals and organizations to lodge operational and other grievances globally. As noted earlier, we have received more than 200 inquiries via the website. The contact form is at <https://www.mol.co.jp/en/contact/index.html>

FYI, number of complaints that we received via the website in the six months before the Wakashio accident was less than 10 inquiries.

Records of complaints related to external human rights are maintained by the Compliance Committee. While the grievance mechanism for internal complaints is via the MOL Compliance Service Desk.

Please refer to Figure 1 above for the compliance structure.

In addition, we deployed a team of 21 employees from MOL Group companies to interview local residents and organizations, to understand and record grievances. Our team has had a continued presence in Mauritius from August 2020, to support CSR and recovery activities. The team met with local residents through four school visits, participated in local events and clean-up activities, hosted a Christmas party for 250 primary school aged children and their families, made donations to NGOs and conducted face to face interviews on the impact from the Wakashio and appropriate remedies with the Mauritian Government.

We trust that information provided herein demonstrates our commitment to the protection and enhancement of human rights and our actions to support the Mauritian people in their recovery following the Wakashio incident.

We hope that the Special Rapporteurs and Working Groups will positively reflect on the account of our actions regarding the recovery in Mauritius from the Wakashio incident and our continuing and future efforts to prevent future incidents and continuing support of the Mauritius people, in any future press releases or communiques on the Wakashio incident.

Please advise if you require further information or clarification on the contents of this response.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'J. Ikeda', with a long, sweeping horizontal stroke extending to the right.

Junichiro Ikeda,
President,
Chief Executive Officer