

# SCM Index

Stakeholder Capitalism Metrics (SCM) is a framework of non-financial information proposed in "Measuring Stakeholder Capitalism Towards Common Metrics and Consistent Reporting of Sustainable Value Creation", a report compiled by the big four global accounting firms based on the recommendations of the World Economic Forum's International Business Council.

There are two types of metrics in SCM: Core Metrics and Expanded Metrics. This index is prepared in accordance with the Core Metrics, and some of the information are referred to the Expanded Metrics.

Although the SCM metrics are designed to be used in a wide range of industries and regions, there are some metrics that do not apply to the characteristics of the banking industry or the business activities of MUFG, which is based in Japan. For these items, MUFG is striving to disclose as much information as possible in consideration of the purpose of SCM.

We will continue to expand the content of our disclosure as part of our engagement with all of our stakeholders, including customers, business partners, shareholders and investors.

## • Principle of Governance

Theme	Core Metrics and Disclosures	Details and related information
Governing purpose	<p><b>Setting purpose</b></p> <ul style="list-style-type: none"> <li>The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues.</li> <li>Corporate purpose should create value for all stakeholders, including shareholders.</li> </ul>	<a href="#">Sustainability Management</a>
Quality of governing body	<p><b>Governance body composition</b></p> <p>Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.</p>	<p><a href="#">Corporate Governance</a> "Responsibility and Authority in Sustainability Management"</p> <p><a href="#">Board of Directors</a></p> <p><a href="#">Committees</a></p>
Stakeholder engagement	<p><b>Material issues impacting stakeholders</b></p> <p>A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.</p>	<p><a href="#">Priority Issues</a></p> <p><a href="#">Process of Identifying and Resolving Priority Issues</a></p>
Ethical behavior	<p><b>Anti-corruption</b></p> <ol style="list-style-type: none"> <li>Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region               <ol style="list-style-type: none"> <li>Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; and</li> <li>Total number and nature of incidents of corruption confirmed during the current year, related to this year.</li> </ol> </li> <li>Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.</li> </ol>	<ol style="list-style-type: none"> <li>Not applicable</li> <li><a href="#">Global Financial Crimes Policy Statement</a></li> </ol>
	<p><b>Protected ethics advice and reporting mechanisms</b></p> <ol style="list-style-type: none"> <li>A description of internal and external mechanisms for: 1. Seeking advice about ethical and lawful behavior and organizational integrity; and</li> <li>Reporting concerns about unethical or unlawful behavior and lack of organizational integrity.</li> </ol>	<ol style="list-style-type: none"> <li><a href="#">Compliance</a> " Compliance Framework"</li> <li><a href="#">Compliance</a> " Whistle-Blowing Systems"</li> </ol>
Risk and opportunity oversight	<p><b>Integrating risk and opportunity into business process</b></p> <ul style="list-style-type: none"> <li>Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes.</li> <li>These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.</li> </ul>	<a href="#">Risk Management</a>

Theme	Expanded metrics and disclosures	Details and related information
Governing purpose	<p><b>Purpose-led management</b></p> <p>How the company's stated purpose is embedded in company strategies, policies and goals.</p>	<p><a href="#">Sustainability Management</a></p>
Quality of governing body	<p><b>Remuneration</b></p> <p>1. How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental and social topics, as connected to the company's stated purpose, strategy and long-term value.</p> <p>2. Remuneration policies for the highest governance body and senior executives for the following types of remuneration:</p> <ul style="list-style-type: none"> <li>• Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses and deferred or vested shares</li> <li>• Sign-on bonuses or recruitment incentive payments</li> <li>• Termination payments</li> <li>• Clawbacks</li> <li>• Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives and all other employees</li> </ul>	<p>1. <a href="#">Corporate Governance</a> "Executive Compensations"</p> <p>2. <a href="#">Corporate Governance Report</a> "Disclosure Policy Determining Remuneration Amounts and Calculation Methods"</p>
Risk and opportunity oversight	<p><b>Economic, environmental and social topics in capital allocation framework</b></p> <p>How the highest governance body considers economic, environmental and social issues when overseeing major capital allocation decisions, such as expenditures, acquisitions and divestments.</p>	<p><a href="#">Priority Issues</a></p> <p><a href="#">Process of Identifying and Resolving Priority Issues</a></p>

• Planet

Theme	Core Metrics and Disclosures	Details and related information
Climate change	<p><b>Greenhouse gas (GHG) emissions</b></p> <ul style="list-style-type: none"> <li>For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO2e) GHG Protocol Scope 1 and Scope 2 emissions.</li> <li>Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.</li> </ul>	<p><a href="#">ESG Data Book 2023</a> (P.7-9)</p>
	<p><b>TCFD implementation</b></p> <ul style="list-style-type: none"> <li>Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).</li> <li>If necessary, disclose a timeline of at most three years for full implementation.</li> <li>Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050.</li> </ul>	<p><a href="#">Disclosure Based on TCFD Recommendations</a></p>
Nature loss	<p><b>Land use and ecological sensitivity</b></p> <p>Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).</p>	<p>There are no sites held within protected areas or biodiversity areas.</p>
Freshwater availability	<p><b>Water consumption and withdrawal in water-stressed areas</b></p> <ul style="list-style-type: none"> <li>Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool.</li> <li>Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.</li> </ul>	<p><a href="#">ESG Data Book 2023</a> (P.6)</p>
Climate change	<p><b>Paris-aligned GHG emissions targets</b></p> <ul style="list-style-type: none"> <li>Define and report progress against time-bound science-based GHG emissions targets that are in line with the goals of the Paris Agreement –to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C.</li> <li>This should include defining a date before 2050 by which you will achieve net-zero greenhouse gas emissions, and interim reduction targets based on the methodologies provided by the Science Based Targets initiative, if applicable.</li> <li>If an alternative approach is taken, disclose the methodology used to calculate the targets and the basis on which they deliver on the goals of the Paris Agreement.</li> </ul>	<p><a href="#">Disclosure Based on TCFD Recommendations “Metrics and Targets”</a></p>
	<p><b>Impact of GHG emissions</b></p> <ul style="list-style-type: none"> <li>Report wherever material along the value chain (GHG Protocol Scope 1, 2 &amp; 3) the valued impact of greenhouse gas emissions.</li> <li>Disclose the estimate of the societal cost of carbon used and the source or basis for this estimate.</li> </ul>	<p><a href="#">ESG Data Book 2023</a> (P.7-9)</p> <p><a href="#">MUFG Progress Report 2023</a> (P.15)</p>

• People

Theme	Core Metrics and Disclosures	Details and related information
Dignity and equality	<p><b>Diversity and inclusion (%)</b></p> <p>Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).</p>	<p><a href="#">ESG Data Book 2023</a> (P.14-18)</p> <p>Diversity, Equity &amp; Inclusion (DEI)</p> <p><a href="#">Encouraging Diverse Talent to Play an Active Role</a></p>
	<p><b>Pay equality (%)</b></p> <p>Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.</p>	<p><a href="#">ESG Data Book 2023</a> (P.31)</p> <p>Equal treatment for equal job responsibility (There are no disparities by gender or region with equal job responsibility in Japan.)</p>
	<p><b>Wage level (%)</b></p> <p>1. Ratios of standard entry level wage by gender compared to local minimum wage.</p> <p>2. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.</p>	<p>2.Average annual salary of all employees: <a href="#">ESG Data Book 2023</a> (P.31)</p> <p>Annual total compensation of the CEO: <a href="#">Corporate Governance Report</a></p>
	<p><b>Risk for incidents of child, forced or compulsory labour</b></p> <p>An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to:</p> <p>(a) type of operation (such as manufacturing plant) and type of supplier; and (b) countries or geographic areas with operations and suppliers considered at risk.</p>	<p><a href="#">MUFG Human Rights Report 2023</a> (P.7-31)</p>
Health and well-being	<p><b>Health and safety (%)</b></p> <p>1. The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked.</p> <p>2. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.</p>	<p>1. <a href="#">ESG Data Book 2023</a> (P.32)</p> <p>2. <a href="#">Health Management</a></p>
Skills for the future	<p><b>Training provided</b></p> <ul style="list-style-type: none"> <li>• Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees).</li> <li>• Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).</li> </ul>	<p><a href="#">ESG Data Book 2023</a> (P.26-27)</p>

Theme	Expanded metrics and disclosures	Details and related information
Dignity and equality	<p><b>Discrimination and harassment incidents (#) and the total amount of monetary losses (\$)</b></p> <p>Number of discrimination and harassment incidents, status of the incidents and actions taken, and the total amount of monetary losses as a result of legal proceedings associated with:</p> <p>(a) law violations; and</p> <p>(b) employment discrimination.</p>	<p><a href="#">MUFG Human Rights Report 2023</a> (P.19-36)</p>
	<p><b>Freedom of association and collective bargaining at risk (%)</b></p> <p>1. Percentage of active workforce covered under collective bargaining agreements.</p> <p>2. An explanation of the assessment performed on suppliers for which the right to freedom of association and collective bargaining is at risk, including measures taken by the organization to address these risks.</p>	<p>1. <a href="#">ESG Data Book 2023</a> (P.34)</p> <p>2. <a href="#">MUFG Human Rights Report 2023</a> (P.19-32)</p>
	<p><b>Human rights review, grievance impact &amp; modern slavery (#, %)</b></p> <p>1. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.</p> <p>2. Number and type of grievances reported with associated impacts related to a salient human rights issue in the reporting period and an explanation on type of impacts.</p> <p>3. Number and percentage of operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to:</p> <p>a) type of operation (such as manufacturing plant) and type of supplier; and</p> <p>b) countries or geographic areas with operations and suppliers considered at risk.</p>	<p><a href="#">MUFG Human Rights Report 2023</a> (P.19-36)</p> <p>MUFG Group companies have issued the following statements regarding their efforts to prevent labor exploitation and trafficking in persons in their operations and suppliers.</p> <ul style="list-style-type: none"> <li>- <a href="#">MUFG Bank</a></li> <li>- <a href="#">Mitsubishi UFJ Trust and Banking</a></li> <li>- <a href="#">MUFG Securities EMEA</a></li> </ul>
Health and well-being	<p><b>Employee well-being</b></p> <p>The number of fatalities as a result of work-related ill-health, recordable work-related ill-health injuries, and the main types of work-related ill-health for all employees and workers.</p>	<p><a href="#">ESG Data Book 2023</a> (P.32)</p>

• Prosperity

Theme	Core Metrics and Disclosures	Details and related information
Employment and wealth generation	<b>Absolute number and rate of employment</b> <ul style="list-style-type: none"> <li>Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region.</li> <li>Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region</li> </ul>	<a href="#">ESG Data Book 2023</a> (P.14-25)
	<b>Economic contribution</b> <ol style="list-style-type: none"> <li>Direct economic value generated and distributed (EVG&amp;D), on an accruals basis, covering the basic components for the organization's global operations, ideally split out by:               <ul style="list-style-type: none"> <li>Revenues</li> <li>Operating costs</li> <li>Employee wages and benefits</li> <li>Payments to providers of capital</li> <li>Payments to government</li> <li>Community investment</li> </ul> </li> <li>Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.</li> </ol>	<ol style="list-style-type: none"> <li>Community investment: <a href="#">ESG Data Book 2023</a> (P.35) Others <a href="#">MUFG Report 2023 (data)</a> in Japanese (P.73-74)</li> <li>-</li> </ol>
	<b>Financial investment contribution</b> <ul style="list-style-type: none"> <li>Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy.</li> <li>Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.</li> </ul>	<a href="#">MUFG Report 2023 (data)</a> in Japanese (P.73-74)
Innovation of better products and services	<b>Total R&amp;D expenses</b> Total costs related to research and development.	-
Community and social vitality	<b>Total tax paid</b> The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	<a href="#">MUFG Report 2023 (data)</a> in Japanese (P. 74)
Employment and wealth generation	<b>Infrastructure investments and services supported</b> Qualitative disclosure to describe the below components: <ol style="list-style-type: none"> <li>Extent of development of significant infrastructure investments and services supported.</li> <li>Current or expected impacts on communities and local economies, including positive and negative impacts where relevant.</li> <li>Whether these investments and services are commercial, in-kind or pro bono engagements.</li> </ol>	[Infrastructure Investments] <a href="#">Climate Change Measures &amp; Environmental Protection</a> <a href="#">Developing Social Infrastructure</a> <a href="#">Supporting Industrial Development &amp; Innovation</a> [Services Supported] <a href="#">Response to Aging Population &amp; Low Birthrate</a> <a href="#">Ensuring Equal Access to Financial Services</a>
	<b>Social value generated</b> <ol style="list-style-type: none"> <li>Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts.</li> <li>Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities (e.g. national and international standards, protocols, policy agendas).</li> </ol>	<ol style="list-style-type: none"> <li>Please refer to MUFG's initiatives for each priority issue. <a href="#">Climate Change Measures &amp; Environmental Protection</a> <a href="#">Response to Aging Population &amp; Low Birthrate</a> <a href="#">Inclusion &amp; Diversity</a> <a href="#">Developing Social Infrastructure</a> <a href="#">Supporting Industrial Development &amp; Innovation</a> <a href="#">Ensuring Equal Access to Financial Services</a> <a href="#">Promoting Workstyle Reforms</a> <a href="#">Response to Poverty</a> <a href="#">Reduction of Educational Disparities</a> <a href="#">Overcoming Threats to Health</a></li> <li><a href="#">Sustainability Management "Stakeholder Engagement"</a></li> </ol>
<b>Theme</b>	<b>Core Metrics and Disclosures</b>	<b>Details and related information</b>

<p>Innovation of better products and services</p>	<p><b>Social value generated</b></p> <p>Percentage of revenue from products and services designed to deliver specific social benefits or to address specific sustainability challenges.</p>	<p>Please refer to MUFG's initiatives for each priority issue.</p> <p><a href="#">Climate Change Measures &amp; Environmental Protection</a></p> <p><a href="#">Response to Aging Population &amp; Low Birthrate</a></p> <p><a href="#">Inclusion &amp; Diversity</a></p> <p><a href="#">Developing Social Infrastructure</a></p> <p><a href="#">Supporting Industrial Development &amp; Innovation</a></p> <p><a href="#">Ensuring Equal Access to Financial Services</a></p> <p><a href="#">Promoting Workstyle Reforms</a></p> <p><a href="#">Response to Poverty</a></p> <p><a href="#">Reduction of Educational Disparities</a></p> <p><a href="#">Overcoming Threats to Health</a></p>
<p>Community and social vitality</p>	<p><b>Total Social Investment</b></p> <p>Total Social Investment (TSI) sums up a company's resources used for "S" in ESG efforts defined by CECF Valuation Guidance.</p> <p><b>Total tax paid by country for significant locations</b></p> <p>Total tax paid and, if reported, additional tax remitted, by country for significant locations.</p>	<p><a href="#">ESG Data Book 2023</a> (P.35)</p> <p><a href="#">Basic Stance toward Tax</a></p>