Implementation Guidelines for the Equator Principles

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Chapter 1  Preamble
1. Basic Policy Regarding the Equator Principles

Project financiers often encounter environmental and social policy issues, particularly with respect to loans to projects. We, the MUFG Bank, Ltd. (hereinafter "MUFG Bank"), recognize that financial institutions should be leading players in promoting environmental management and development that comply with our social responsibility.

In adopting the Equator Principles (hereinafter “the Principles”), we seek to ensure that the projects we finance are developed in a manner that is socially responsible and reflect sound environmental management practices. We recognize the importance of climate change, biodiversity, and human rights, and believe negative impacts on project-affected ecosystems, communities, and climate should be avoided where possible. If these impacts are unavoidable, they should be minimized while the remaining adverse effects should be mitigated and/or offset appropriately.

We believe that adoption of and adherence to the Principles offers significant benefits to ourselves, our customers and other stakeholders.

In adopting the Principles, we undertake to review carefully all projects we finance. We will not provide loans to projects where the client will not or is unable to comply with our policies and processes on environmental and social considerations.

2. Adoption of the Equator Principles

The Principles serve as a framework to assist financial institutions in dealing with potential environmental and social risks when providing project finance loans or related advisory services. The Principles consist of 10 principles. Principles 1 to 9 refer to the process of decision-making and management of environmental and social risks and/or impacts. Principle 10 requires the reporting and disclosure of the application of the Principles by financial institutions and certain information disclosure by clients. MUFG Bank adopted the Principles in December 2005 and started its application for reporting from January 4, 2006. MUFG Bank and MUFG Union Bank disclose the data.

The Principles were established in June 2003 and went through three revisions in June 2006, June 2013 and July 2020. MUFG Bank has started applying the July 2020 revision from July 1, 2020. The information disclosure regarding the implementation of the Principles includes all projects that completed the Confirmation of Environmental and Social Considerations during the business year. The business year starts on April 1 and ends on March 31. The Confirmation of Environmental and Social Considerations is defined as a procedure for confirming that the environmental and social considerations of project are in accordance with the Principles and these Guidelines.

It is the responsibility of MUFG Bank's management to ensure the adoption of appropriate procedures for the adherence to the Principles. MUFG Bank's commitment regarding the
Principles is to apply them to the extension of project related loans and to the provision of advisory services for potential project finance business.

3. Roles of the Guidelines

These “Implementation Guidelines for the Equator Principles” (hereinafter "the Guidelines") present the way the Principles are implemented by MUFG Bank as well as how their application is reported on the bank's webpage referring to the Principles (hereinafter “the Webpage”). By developing the Guidelines, MUFG Bank aims that the information on the Principles provided in the Webpage and the Guidelines contributes to the Webpage users, is reliable in light of its purpose, is complete and accurate, and is in clearly understandable terms.

4. Revision or Abolishment of the Guidelines

Procedures implemented by MUFG Bank regarding the Principles shall be reviewed at least once a year and be amended as necessary. The amendment will be immediately informed to the divisions concerned to whom a relevant training will be provided if such need arises.
Chapter 2  Application of the Equator Principles
1. Scope of Application

MUFG Bank implements the Confirmation of Environmental and Social Considerations based on the Principles for new projects that meet any of the following 5 requirements:

1. Project finance advisory services where the project's total capital cost is US$10 million or more;

2. Project finance with a total capital cost of US$10 million or more;

3. Project-Related Corporate Loans (including buyer's credit, hereinafter "PRCL")\(^1\) where all of the following three criteria are met:
   i. The majority of the loan\(^2\) is related to a project over which the client has Effective Operational Control (either direct or indirect)\(^3\).
   ii. The total aggregate loan amount and MUFG Bank’s individual commitment (before syndication or sell down) are each at least US$50 million.
   iii. The loan tenor is at least two years.

4. Bridge Loan (hereinafter "BL") with loan tenor less than 2 years that is planned to be refinanced by project finance or PRCL which are expected to fall under (2) or (3) above.

5. Project-Related Refinance and Project-Related Acquisition Finance, where all of the following three criteria are met:
   i. The underlying project was financed in accordance with the Equator Principles framework.\(^4\)
   ii. There has been no material change in the scale or scope of the project.
   iii. Project completion has not yet occurred at the time of the signing of the facility or loan agreement.

\[n.b.\]

**Definition of Project Finance based on Basel II**

Project finance is “a method of funding in which the lender looks primarily to the revenues generated by a single project, both as the source of repayment and as security for the exposure. This type of financing is usually for large, complex and expensive installations that might include, for example, power plants, chemical processing plants, mines, transportation infrastructure, environment, and telecommunications infrastructure. Project finance may take the form of financing of the construction of a new capital installation, or refinancing of an existing installation, with or without improvements. In such transactions, the lender is usually paid solely or almost exclusively out of the money generated by the contracts for the facility’s output, such as the electricity sold by a power plant. The borrower is usually an SPE (Special Purpose Entity) that is not permitted to perform any function other than developing, owning, and operating the installation. The consequence is that repayment depends primarily on the project’s cash flow and on the collateral value of the project’s assets.”

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\(^1\) For all Category A and, as appropriate, Category B Projects, Project-Related Corporate Loans shall include loans to national, regional or local governments, governmental ministries and agencies.

\(^2\) When the amount for financing a project is more than 50%.

\(^3\) Ex. A client's investment ratio exceeds 50%.

\(^4\) MUFG or other EPFIs are existing lenders and already have applied EP to the Project.
While the Principles are not intended to be applied retroactively, MUFG Bank will apply them to all projects covering expansion or upgrade of an existing facility.

MUFG Bank does not apply the Principles to the followings:

(1) Asset finance
(2) Market risk transactions
(3) Lease
(4) Letters of credit
(5) General working capital expenditures loans
(6) General corporate purpose loans

2. Application Policy

2.1 Project Finance and PRCL

As a general rule, MUFG Bank does not provide loans to projects where the client does not satisfy the relevant requirements of principles 1 to 10 of the Principles.

2.2 Project-Related Refinance and Project-Related Acquisition Finance

MUFG Bank will take reasonable measures to ensure that all relevant existing environmental and social obligations continue to be included in new financing documentation.

2.3 Project Finance Advisory Services and BL

When providing project finance advisory services or BL to clients, MUFG Bank commits to making them aware of the necessity of applying the Principles to the anticipated project, and requesting them to confirm their intention to adhere to the requirements of the Principles when seeking financing through project finance or PRCL.

MUFG Bank will guide and support the client through the steps required to apply the Principles.

In addition, when providing BL, MUFG Bank will implement the followings in accordance with the progress of the project:

(1) MUFG Bank will require a client with a BL classified as Category A or B under "3.3.1 Principle 1" below to confirm that it will undertake an Environmental and Social Impact Assessment (ESIA) during the investigation phase to confirm that the project will not have undesirable environmental and social effects during the loan period.

(2) For a BL for a project that is expected to start during the loan period and for which environmental and social assessment documentation is ready, MUFG Bank will, where appropriate, work with the client to identify an independent environmental and social consultant and develop a scope of work to commence an independent review described in "3.3.7 Principle 7" below.
3. Overview of the Equator Principles

3.1 Principle 1: Review and Categorisation

MUFG Bank categorizes each project as Category A, B, or C based on the magnitude of potential environmental and social risks and impacts, including those related to human rights, climate change, and biodiversity, using a predefined form based on information in a screening form provided by the client.

- MUFG Bank determines the Final Category Classification in accordance with the results of the Environmental and Social Impact Review based on the ESIA Report and/or the independent reports prepared by external experts.

- Definition of each category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Projects with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented.</td>
</tr>
<tr>
<td>B</td>
<td>Projects with potential limited adverse environmental and social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.</td>
</tr>
<tr>
<td>C</td>
<td>Projects with minimal or no social or environmental and social risks and/or impacts.</td>
</tr>
</tbody>
</table>

3.2 Principle 2: Environmental and Social Assessment

- MUFG Bank applies this Principle to all Category A, B, and C projects.

- MUFG Bank shall implement the Environmental and Social Impact Review by using predefined checklists, etc., based upon the screening questionnaire, assessment documentation, and an independent report in which external experts evaluate the above mentioned documents from the lender’s point of view to confirm that the project is in accordance with the Principles and other relevant environmental and social covenants.

- The Assessment Documentation will be an adequate, accurate and objective evaluation and presentation of the environmental and social risks and impacts, whether prepared by the client, consultants, or external experts. For Category A, and as appropriate, Category B projects, the Assessment Documentation includes an Environmental and Social Impact Assessment (ESIA). For other Category B and potentially C projects, a limited or focused environmental or social assessment may be appropriate, applying applicable risk management standards relevant to the risks or impacts identified during the categorization process.
The client is expected to include assessments of potential adverse human rights impacts and climate change risks as part of the ESIA or other assessment, with these included in the assessment documentation. The client should refer to the United Nations Guiding Principles on Business and Human Rights (UNGPs) when assessing human rights risks and impacts, and the climate change risk assessment should be aligned with climate physical risk and climate transition risk categories of the Taskforce on Climate-related Financial Disclosures (TCFD).

When MUFG Bank considers additional information is necessary in the process of the Environmental and Social Impact Review, or if environmental and social considerations for the project are not appropriately addressed, MUFG Bank shall request the client to provide additional information or to take additional measures to address the project’s environmental and social issues. In limited high-risk circumstances, it may be appropriate for the client to complement its Assessment Documentation with specific human rights due diligence.

Regarding a climate change risk assessment, MUFG Bank will require the client to consider (1) relevant climate physical risks as defined by the TCFD for all Category A and, as appropriate, Category B projects, and (2) relevant climate transition risks as defined by the TCFD and to complete an alternatives analysis for projects of greenhouse gas ("GHG") emission levels (combined Scope 1 and Scope 2 Emissions) exceeding 100,000 tonnes of CO2 equivalent annually.

3.3 Principle 3: Applicable Environmental and Social Standards

MUFG Bank shall confirm that all projects comply with relevant environmental and social laws, regulations, permits and licenses of the project host country.

Regarding all Category A and B projects, MUFG Bank conducts due diligence including review and confirmation of how the project and transaction meet each of the Principles.

MUFG Bank will, with supporting advice from the Independent Environmental and Social Consultant where applicable, evaluate the Project’s compliance with the applicable standards. MUFG Bank checks whether the project location is in a Designated Country defined by Equator Principles Association, in order to determine which environmental and social standards to apply.

For the Environmental and Social Impact Review for projects located in Designated Countries, MUFG Bank shall evaluate whether the project complies with relevant host country laws, regulations and permits for environmental and social matters.

For the Environmental and Social Impact Review for projects not located in a Designated Country, MUFG Bank shall evaluate whether the project complies with international guidelines (IFC Performance Standards and World Bank Group EHS Guidelines).

In case MUFG Bank’s above evaluation of the Project’s compliance with applicable standard

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5 Refer to Annex A for an overview of a Climate Change Risk Assessment, including alternatives analysis requirements.
finds deviations, MUFG Bank shall judge whether such deviations are justifiable and document the basis. In addition, for projects located in Designated Countries, MUFG Bank will evaluate the specific risks of the project to determine whether one or more of the IFC Performance Standards could be used as guidance to address those risks, in addition to host country laws. If necessary, MUFG Bank may undertake additional due diligence against additional standards relevant to specific risks of the project and apply additional requirements.

- For all Category A projects in Non-Designated Countries, site visits are generally required in the Environmental and Social Impact Review. For other Category A and B projects, site visits shall be conducted as necessary.

- For the Environmental and Social Impact Review, MUFG Bank shall confirm external information (including information received from NGOs, media, and other sources) related to environmental and social aspects about the project or sponsors to the extent possible. For identified negative information as to environmental and social aspects, MUFG Bank shall verify such information to the possible extent.

3.4 Principle 4: Environmental and Social Management System and Equator Principles Action Plan

- MUFG Bank applies this Principle to all Category A and B projects.

- MUFG Bank requires all client with Category A or B projects to establish and maintain an Environmental and Social Management System (ESMS).

- MUFG Bank requires clients to prepare an Environmental and Social Management Plan (ESMP) regarding matters identified in the assessment process, in order to comply with the applicable Environmental and Social Standards determined in Principle 3.

- In case MUFG Bank judges that the project does not meet the applicable Environmental and Social Standards despite the above measures, it shall require the client to prepare an Equator Principles Action Plan (EPAP) that describes the outline of deviations from the Standards and includes a commitment from the client to meet such Standards.

3.5 Principle 5: Stakeholder Engagement

- MUFG Bank applies this Principle to all Category A and B projects.

- MUFG Bank shall confirm that the client has been having consultations with project affected communities, workers and, where relevant, other stakeholders as an ongoing process in a structured and culturally appropriate manner.

- For projects with potentially significant adverse impacts on affected communities, MUFG Bank shall confirm that the ongoing consultations between the affected communities and the client constitute a sufficient Informed Consultation and Participation process.

- MUFG Bank shall confirm that the assessment documentation, or non-technical summaries thereof, should be made available to the affected communities and other stakeholders when they are recognized to be relevant, based on sufficient information disclosure by the client,
for a reasonable period in the relevant local language and in a culturally appropriate manner.

- Disclosure of environmental and social risks and adverse impacts, disclosure should occur early in the ESIA process, and in any event before the project construction commences, on an ongoing basis, and MUFG Bank shall confirm that the client documents the results of consultation with the stakeholders.

- All projects affecting indigenous peoples will be subject to a process of ongoing consultations based on a sufficient Informed Consultation and Participation process, and will comply with the rights and protections for indigenous peoples contained in relevant national law, including those laws implementing host country obligations under international law. In addition, in the case of special circumstances described in IFC Performance Standard 7, projects with adverse impacts on indigenous people will require their Free, Prior and Informed Consent (FPIC).

- IFC Performance Standard 7 paragraphs 13-17 detail the special circumstances that require FPIC, which include any of the following:
  - Projects with impacts on lands and natural resources subject to traditional ownership or under the customary use of Indigenous Peoples,
  - Projects requiring the relocation of Indigenous Peoples from lands and natural resources subject to traditional ownership or under customary use,
  - Projects with significant impacts on critical cultural heritage essential to the identity of Indigenous Peoples, or
  - Projects using their cultural heritage for commercial purposes.

- Globally for Projects that meet these special circumstances, MUFG Bank will require a qualified independent consultant to evaluate the consultation process with Indigenous Peoples, and the outcomes of that process, against the requirements of host country laws and IFC Performance Standard 7.

- Where Stakeholder Engagement, including with indigenous peoples, is the responsibility of the host government, MUFG Bank requires the client to collaborate with the responsible government agency during the planning, implementation and monitoring of engagement activities, to the extent permitted by the agency, to achieve outcomes that are consistent with IFC Performance Standard 7.

- If a process of good faith negotiations that meets the consultation requirements of IFC Performance Standard 7 has been followed and documented, but it is not clear if FPIC has been achieved, MUFG Bank will determine, with supporting advice from the consultant, if this qualifies as a justified deviation from the requirements of IFC Performance Standard 7, and whether the client should pursue additional corrective actions to meet IFC Performance Standard 7’s objectives.

3.6 Principle 6: Grievance Mechanism

- MUFG Bank applies this Principle to all Category A projects and, as appropriate, to Category
B projects based on its analysis of the assessment documentation.

- MUFG Bank shall confirm that an effective grievance mechanism designed for use by affected communities and workers to receive and facilitate resolution of concerns and grievances about the project’s environmental and social performance is established as a part of client's ESMS, and that the said mechanism meets all of the following requirements:
  - The grievance mechanism shall be scaled to the risks and impacts of the project and have affected communities and workers as its primary user;
  - The mechanism shall seek to resolve concerns promptly, using an understandable and transparent consultative process that is culturally appropriate, readily accessible, at no cost, and without retribution to the party that originated the issue or concern;
  - The mechanism should not impede access to judicial or administrative remedies; and
  - The client shall inform the affected communities and workers about the grievance mechanism.

3.7 Principle 7: Independent Review

**Project Finance and Project-Related Corporate Loans:** MUFG Bank applies this Principle to all Category A projects and, as appropriate, to Category B projects based on its analysis of the assessment documentation.

- MUFG Bank shall assess whether assessment documentation including the ESMP, the ESMS, and the stakeholder engagement process documentation meet the requirements of the Principles based on an assessment report prepared by an independent environmental and social consultant. The independent environmental and social consultant will also propose or opine on a suitable EPAP capable of bringing the project back into compliance with the Principles or indicate where there is a justified deviation from the applicable standards. The independent environmental and social consultant must be able to demonstrate expertise in evaluating the types of environmental and social risks and impacts relevant to the project.
- For Category B projects, any due diligence performed by a multilateral or bilateral financial institution or an OECD Export Credit Agency may be taken into account to determine whether an Independent Review is required.

3.8 Principle 8: Covenants

- For all projects, regardless of Category, where a client is not in compliance with its environmental and social covenants, MUFG Bank will work with the client on remedial actions to bring the Project back into compliance. If the client fails to re-establish compliance within an agreed grace period, MUFG Bank reserves the right to exercise remedies, including calling an event of default, as considered appropriate.

**Project Finance and Project-Related Corporate Loans:**
- MUFG Bank includes in financing agreements that the client shall covenant to comply with
all relevant local, state, and host country environmental and social laws, regulations and permits in all material respects.

➢ For all Category A and B projects, MUFG Bank shall reflect the results of the Environmental and Social Impact Review in the decision-making for financing. The following points should be contained in financing agreements:

1. The client shall comply with the ESMPs and Equator Principles AP (where applicable) during the construction and operation of the project in all material respects;

2. The client shall provide periodic reports (with the frequency of these reports proportionate to the severity of impacts, or as required by law, but not less than annually) prepared by in-house staff or third party experts, that i) document compliance with the ESMPs and EPAP (where applicable), and ii) provide representation of compliance with relevant local, state and host country environmental and social laws, regulations and permits; and

3. The client shall decommission the facilities, where applicable and appropriate, in accordance with an agreed decommissioning plan.

Project-Related Refinance and Project-Related Acquisition Finance:

➢ MUFG Bank will take reasonable measures to ensure that all existing environmental and social obligations continue to be included in the new financing documentation.

3.9 Principle 9: Independent Monitoring and Reporting

➢ Project Finance and Project-Related Corporate Loans: MUFG Bank applies this Principle to all Category A projects and, as appropriate, to Category B projects based on its analysis of the assessment documentation.

1. To ensure ongoing monitoring and reporting over the life of the loan, MUFG Bank shall require additional monitoring and reporting through independent environmental and social consultants, or external experts appointed by the client to verify the monitored information, in accordance with the frequency required in Principle 8b.

2. In the specific case of monitoring of Project-Related Corporate Loans to national, regional, or local governments, and governmental ministries and agencies, MUFG Bank may decide between requiring an Independent Environmental and Social Consultant or relying on internal monitoring by MUFG Bank. At that time, MUFG Bank may take into account any monitoring performed by a multilateral or bilateral financial institution or an OECD Export Credit Agency.
3.10 Principle 10: Reporting and Transparency:

- **Client Reporting Requirements**: For all Category A projects and, as appropriate, Category B projects based on its analysis of the assessment documentation, the following client reporting requirements are in addition to the disclosure requirements in Principle 5 (Stakeholder Engagement).

  1. The client will ensure that, at a minimum, a summary of the ESIA is accessible and available online and that it includes a summary of human rights and climate change risks and impacts when relevant.

  2. The client will publicly report greenhouse gas (GHG) emission levels (combined Scope 1 and Scope 2 Emissions) and, if appropriate, the GHG efficiency ratio during the operational phase for projects emitting over 100,000 tonnes of CO2 equivalent annually. Refer to Annex A for detailed requirements on GHG emissions reporting.

  3. MUFG Bank will encourage the client to share commercially non-sensitive project-specific biodiversity data with the Global Biodiversity Information Facility (GBIF) and relevant national and global data repositories, using formats and conditions to enable such data to be accessed and re-used in future decisions and research applications.

- **MUFG BANK Reporting Requirements**: The outline of procedures for confirming environmental and social considerations, and the number of year-to-date transactions per category subject to the confirmation of environmental and social considerations shall be disclosed on the MUFG Bank website and periodically updated. The reporting period of the information shall be clearly specified. The minimum reporting requirements are detailed in Annex B, taking into account appropriate confidentiality considerations.
Annex A: Climate Change: Alternatives Analysis, Quantification and Reporting of Greenhouse Gas Emissions

The implementation requirements detailed in these annexes are an integral part of the Equator Principles.

[Alternatives Analysis]

- MUFG Bank requires the client to implement alternatives analysis to evaluate technically and financially feasible and cost-effective options available to reduce project-related greenhouse gas (GHG) emissions during the design, construction and operation of the project.

- For Scope 1 Emissions, this analysis will endeavor to ascertain the best practicable environmental option and will include consideration of alternative fuel or energy sources if applicable. Where an alternatives analysis is required by a regulatory permitting process, the analysis will follow the methodology and time frame required by the relevant process. For projects in high carbon intensity sectors, the alternatives analysis will include comparisons to other viable technologies, used in the same industry and in the country or region, with the relative energy efficiency, GHG efficiency ratio, as appropriate, of the selected technology.

- High carbon intensity sectors indicatively include but are not limited to the following, as outlined in the World Bank Group EHS Guidelines: thermal power, cement and lime manufacturing, integrated steel mills, base metal smelting and refining, and foundries pulp mills and potentially agriculture.

- Following completion of an alternative analysis, the client will provide, through appropriate documentation, evidence of technically and financially feasible and cost-effective options and justification of why the alternative technologies were not selected. This does not modify or reduce the requirements set out in the applicable standards (e.g. IFC Performance Standard 3).

[Qualification and Reporting]

- Calculation of GHG emissions will be conducted by the client in line with the GHG Protocol to allow for aggregation and comparability across projects, organizations and jurisdictions. Clients may use national reporting methodologies if they are consistent with the GHG Protocol. The client will quantify Scope 1 and Scope 2 Emissions.

- MUFG Bank will require the client to report publicly on an annual basis throughout the loan period on GHG emission levels (combined Scope 1 and Scope 2 Emissions) and GHG efficiency ratio, as appropriate, during the operational phase for projects emitting over 100,000 tonnes of CO2 equivalent annually. MUFG Bank will also encourage clients to report publicly on projects emitting over 25,000 tonnes a year.

- MUFG Bank allows the client to satisfy public reporting requirements via regulatory requirements for reporting or environmental impact assessments, or voluntary reporting mechanisms such as CDP (formerly known as the Carbon Disclosure Project) where such reporting includes emissions at project level.
➢ Where appropriate, MUFG Bank will encourage clients to publish a summary of the alternatives analysis as part of the ESIA. In some circumstances where the public disclosure of project-level emissions is not appropriate, MUFG Bank will not require the client to disclose GHG emissions.

Climate Change Risk Assessment

➢ The Climate Change Risk Assessment should address the following questions at a high level:

  • What are the current and anticipated climate risks (transition and/or physical as defined by the TCFD) of the project’s operations?
  • Does the client have plans, processes, policies and systems in place to manage these risks? i.e. to mitigate, transfer, accept or control.

➢ This assessment should also consider the project’s compatibility with the host country’s national climate commitments, as appropriate.
Annex B — Minimum Reporting Requirements

- MUFG Bank will report annually and as per the requirements detailed in all of the sections below. The reports will not contain any personal information related to individuals.

[Reporting on the Implementation of Confirmation of Environmental and Social Considerations]
- MUFG Bank will publish the number of projects reviewed to confirm the environmental and social considerations, and the status of implementation of the Principles on its website.
- MUFG Bank will specify the reporting period (i.e. start and end dates) for the above reporting on the number of projects reviewed and the implementation status.

[Project Finance Advisory Services Data]
- MUFG Bank will report on the total number of Project Finance Advisory Services mandated during the reporting period. The total will be broken down by sector and region.
- MUFG Bank will report the data for Project Finance Advisory Services under a separate heading from Project Finance and Project-Related Corporate Loans (PRCL). Project Finance Advisory Services data will exclude the category and whether an independent review has been carried out because the project is often at an early stage of development and not all information is available.

[Project Finance and Project-Related Corporate Loans Data]
- MUFG Bank will display the data for Project Finance transactions and PRCL separately.
- MUFG Bank will report on the total number of Project Finance transactions and total number of PRCL that reached financial close during the reporting period, for projects that went through the confirmation of environmental and social considerations.
- The totals for each Project Finance and PRCL will be broken down by Category (A, B or C) and then by:
  1. Sector (i.e. Mining, Infrastructure, Oil and Gas, Power, Others)
  2. Region (i.e. Americas, Europe Middle East and Africa, Asia Pacific)
  3. Country Designation (i.e. Designated Country or Non-Designated Country)
  4. Whether an independent review has been carried out

[ Project-Related Refinance and Project-Related Acquisition Finance]
- MUFG Bank will report on the total numbers of Refinance and Acquisition Finance transactions that reached Financial Close during the reporting period.
- The totals for each product type will be broken down by:
  1. Sector (i.e. Mining, Infrastructure, Oil and Gas, Power, Others)
(2) Region (i.e. Americas, Europe Middle East and Africa, Asia Pacific)
(3) Country Designation (i.e. Designated Country or Non-Designated Country)

[Bridge Loans Data]

➢ MUFG Bank will not report data for Bridge Loans.

[Equator Principles Implementation Reporting]

➢ MUFG Bank will report on its implementation of Confirmation of Environmental and Social Considerations, including:
  (1) The mandate of the department assigned to confirm environmental and social considerations (e.g. responsibilities and staffing);
  (2) The respective roles of the department in charge of confirming environmental and social considerations, business lines, and senior management in the transaction review process; and
  (3) The incorporation of the Equator Principles in MUFG Bank’s credit and risk management policies and procedures.

➢ MUFG Bank will provide details on ongoing training of staff if considered relevant.

[Project Information Reporting for Project Finance (including relevant Refinance and Acquisition Finance)]

➢ MUFG Bank will submit project information to the Equator Principles Association Secretariat for publication on the Equator Principles Association website.

➢ Project name reporting is required for Project Finance transactions and for Project-Related Corporate Loans that have reached Financial Close:
  (1) subject to obtaining client consent;
  (2) subject to applicable local laws and regulations; and
  (3) subject to no additional liability for MUFG Bank as a result of reporting in certain identified jurisdictions.

➢ To promote consistency in project name reporting, MUFG Bank and other EPFIs in a syndicate should coordinate for the mandated lead arranger or environmental agent to seek client consent on behalf of the syndicate. If not feasible, MUFG Bank and each of the other Equator Principles Financial Institutions (EPFIs) should independently contact the client for consent at any time deemed appropriate but no later than financial close.

➢ MUFG Bank will submit the following project information to the Equator Principles Association:
  (1) Project name (as per the loan agreement and/or as publicly recognized),
  (2) Calendar year in which the transaction reached financial close,
  (3) Sector (i.e. Mining, Infrastructure, Oil and Gas, Power, Others),
  (4) Host country name.

(END)