

# Equator Principles Progress Report 2026

March 2026

**MUFG Bank**

A member of MUFG, a global financial group



# Agenda

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# Preamble

Since the inaugural issue of the *Equator Principles Progress Report* was published in April 2025, we have received a wide range of comments and valuable feedback from stakeholders. We are sincerely grateful for the many insightful observations shared with us.

In this second issue of the report, we reflect on the journey of the Equator Principles (“EP”)—from their origins to their growth and global reach today—while presenting our initiatives for the future.

While the first issue reflected on the 20-year journey of MUFG Bank and the EP, this second issue turns the clock back even further, focusing on the establishment of the EP in 2003 and the challenges and deliberations faced by financial institutions in addressing environmental and social (E&S) risks leading up to its creation.

It all began with what might have seemed like an ordinary workplace conversation. The dialogue between these two gentlemen ultimately led to the creation of a framework enabling private financial institutions to address E&S risks. In a special interview, Peter Woicke, former CEO of the International Finance Corporation (IFC), and Herman Mulder, former Head of Group Risk Management at ABN AMRO Bank, share their recollections of the events that led to the establishment of the EP, shedding light on how they navigated leadership challenges during this formative period.

Under the initiative of the two pioneers, a meeting that would later become the catalyst for the creation of the EP was held on 21<sup>st</sup> October 2002 at 250 Bishopsgate in London (now the HQ of NatWest Group). Nearly a quarter of a century later, those who played a pivotal role in establishing the EP reconvened at the same venue to share reflections on the formative period behind the scenes. As bankers grappled with emerging E&S challenges across project sites around the world, they engaged in extensive dialogue, gradually shaping a shared vision that would evolve into the EP.

Through the interviews, participants vividly recount the process through which the EP took shape, gained market acceptance, and the difficulties encountered along the way. They also share powerful messages for those who will carry the EP into its next chapter. We would like to extend our heartfelt thanks to NatWest for their generous support in making the venue available for this gathering.

In addition to these interviews, this report includes a sectoral analysis of projects to which MUFG Bank has applied the EP. As part of our explanatory series on key aspects of E&S due diligence, we address “Involuntary Resettlement” in this issue, following the discussion of “Biodiversity” in the inaugural edition. In addition, the report also touches on how the use of digital technologies can open up new possibilities in supporting and enhancing E&S due diligence practices.

Finally, as part of our forward-looking initiatives, this report explores prospects for measuring positive impact. While the EP provides a framework for mitigating the negative impacts associated with development projects, we believe that it is increasingly important to also consider the positive E&S impacts generated by such projects. Going forward, the integrated promotion of both minimising negative impacts and maximising positive impacts will become more essential.

# What is Equator Principles?

# About Equator Principles (EP)



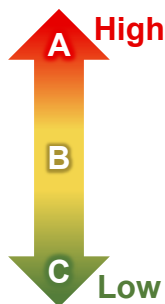
## About EP

Equator Principles (EP) is a financial industry benchmark for determining, assessing and managing environmental and social (E&S) risks and impacts in projects.

EP Financial institutions (EPFI) categorises the project based on the magnitude of their potential E&S risks and impacts and manages the risk based on the assigned category.

As of the end of March 2026, 128 financial institutions worldwide have adopted the EP.

E&S Risk

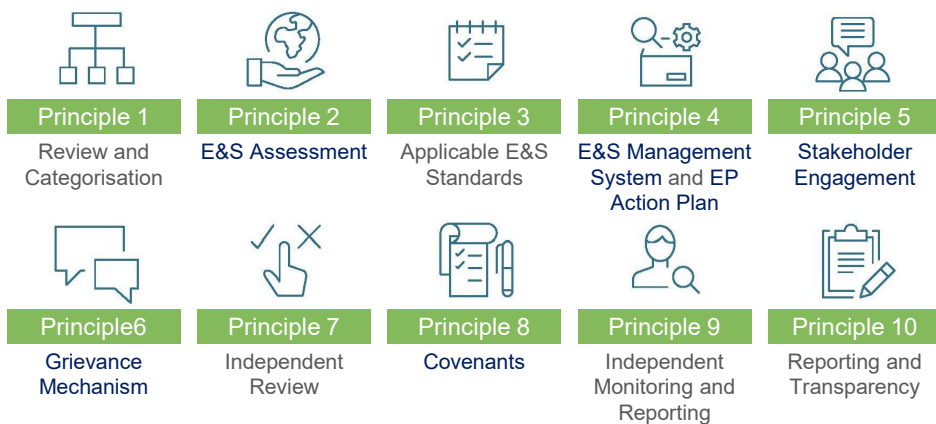


## Scope of EP

EP applies to project finance, project related corporate loan and financial advisory services etc.

## Overview of EP

EP consists of 10 Principles



## The Standards Referenced by EP

EP refers to IFC Performance Standards (IFC PS) and World Bank Group Environmental, Health and Safety (EHS) Guidelines.

### IFC Performance Standards

 Assessment and Management of E&S Risks and Impacts	 Labor and Working Conditions	 Resource Efficiency and Pollution Prevention	 Community Health, Safety and Security
 Land Acquisition and Involuntary Resettlement <a href="#">See details on p. 9</a>	 Biodiversity Conservation and Sustainable Management of Living Natural Resources	 Indigenous Peoples	 Cultural Heritage

### The World Bank Group EHS Guidelines


















<b>Agribusiness Food Production</b>	<b>Chemicals</b>	<b>Forestry</b>	<b>General Manufacturing</b>
<b>Infrastructure</b>	<b>Oil and gas</b>	<b>Mining</b>	<b>Power</b>



# Implementation of EP at MUFG Bank

## Overview From Planning Stage to Monitoring Phase

Since adopting the EP in 2005, MUFG Bank has been conducting **E&S due diligence (ESDD)** according to the following process. Environmental and Social Assessment Department, Sustainability Office, Corporate Planning Division (ESAD), is responsible for EP review.

	Client	Front Office	ESAD	E&S Consultant	
Planning					When considering financing for the projects, the front office prepares an EP checklist and submits to ESAD. ESAD determines the applicability of the EP.
	Planning	Check Sheet	Applicability check	Selection	
Categorisation					Based on the information collected from clients and front office, ESAD assigns a category to the project according to the potential E&S risks and impacts. The category recommendation by E&S Consultant is taken into account as necessary.
	Screening Form	Discussion	Categorisation	Recommendation	
E&S Review					ESAD confirms whether the projects meet the E&S requirements in accordance with the assigned categories. ESAD conducts site visits as appropriate. This process is called E&S due diligence (ESDD).
	ESIA Report	Discussion	ESDD	ESDD report	
Disclosure					After <b>financial close</b> , for projects where client consent has been obtained, the Bank discloses the project name etc. on the EP's website as a project to which EP has been applied.
	Disclosure Consent	Project Name Disclosure			
Monitoring					ESAD and front office monitor the implementation of E&S considerations by clients. Site visits are conducted as appropriate.
	Reporting		Monitoring	Monitoring report	

# Key ESDD Considerations — Involuntary Resettlement —

# Involuntary Resettlement

Under ESDD based on the EP, E&S risks and impacts are assessed from various perspectives. This report focuses specifically on the risk of **involuntary resettlement**, which may arise in development projects as a result of land acquisition.

Requirements related to involuntary resettlement are set out in IFC PS5: Land Acquisition and Involuntary Resettlement. Involuntary resettlement is classified into two categories: **physical displacement** and **economic displacement**. Where such impacts occur, action plans are developed in accordance with the nature and magnitude of the impacts, with **resettlement action plans** for physical displacement and **livelihood restoration plans** for economic displacement.



## Physical Displacement

Situations in which people are forced to physically relocate as a result of losing their homes or residential land



Demolition of housing due to infrastructure development



Forced eviction resulting from public projects



## Economic Displacement

Situations where residents' living standards decline due to the loss of income sources or means of livelihood.



Loss of farmland or fishing grounds



Interruption of small-scale commercial activities

## Resettlement Action Plan

An action plan to physically restore housing and living environments.



Planning of relocation sites



Provision of housing and infrastructure



Support for vulnerable groups<sup>1</sup>

## Livelihood Restoration Plan

An action plan to restore and improve income sources and means of livelihood.



Compensation and restoration



Support for small-scale businesses



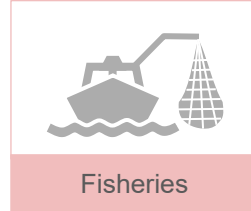
Skills training

# Livelihood Restoration

## Livelihoods

Livelihood refers to the full range of means and resources that individuals or households use to sustain their lives. It is a broad concept that goes beyond monetary income and includes food security, assets, social networks, and resilience to shocks and disasters. Gender-based roles and responsibilities also influence access to and benefits from these livelihood resources.

### Examples



## Livelihood Restoration

**Livelihood restoration** aims to restore, and where possible improve, the livelihoods of people affected by a project to their pre-project levels. Livelihood restoration requires more than financial compensation alone and may include measures such as skills training, employment support, and assistance for agricultural or business activities, depending on the nature of the impacts. Livelihood restoration needs to be considered in the following situations:

**Where economic displacement occurs**

**Where physical displacement results in impacts on livelihoods**

**Where livelihoods are affected due to vulnerabilities or social characteristics**

## Steps for Planning Livelihood Restoration

### Livelihood Baseline Survey

Identification of income sources, assets, and skills of local communities to establish pre-impact living standards

### Impact Assessment

Assessment of project-related impacts on natural resources and social and gender structures

### Strategy Development

Development of strategies with affected communities, considering opportunities, constraints, and risks

### Integration to Action Plan

Identification of organisational arrangements, resources, and risks, and development of an action plan

### Selection of Partners

Clarification of roles and responsibilities and coordination with government and communities

### Implementation

Implementation of specific measures and grievance mechanism

### Monitoring

Monitoring of outcomes against indicators, followed by a completion audit

# Case Study 1 : Economic Displacement from Road Construction

While road construction and expansion generally involve limited physical resettlement, they often result in significant livelihood impacts.

Under ESDD based on the EP, an assessment is made of whether stakeholders who are economically affected by the project have been appropriately identified, and whether a **cut-off date** has been established for identifying eligible affected persons and a compensation plan has been prepared.

Socio-economic surveys are conducted at the planning stage to understand household composition and income sources, disaggregated by gender and age.

Small-scale roadside and informal businesses (e.g., fuel stations and street vendors) are also eligible for compensation.



Particular attention is given to vulnerable groups, such as women and the elderly, in identifying eligible affected persons.

A cut-off date is established, and buildings and households identified by that date are eligible for compensation.

Compensation is determined without considering depreciation or deterioration.

A grievance mechanism is established to receive and address complaints.



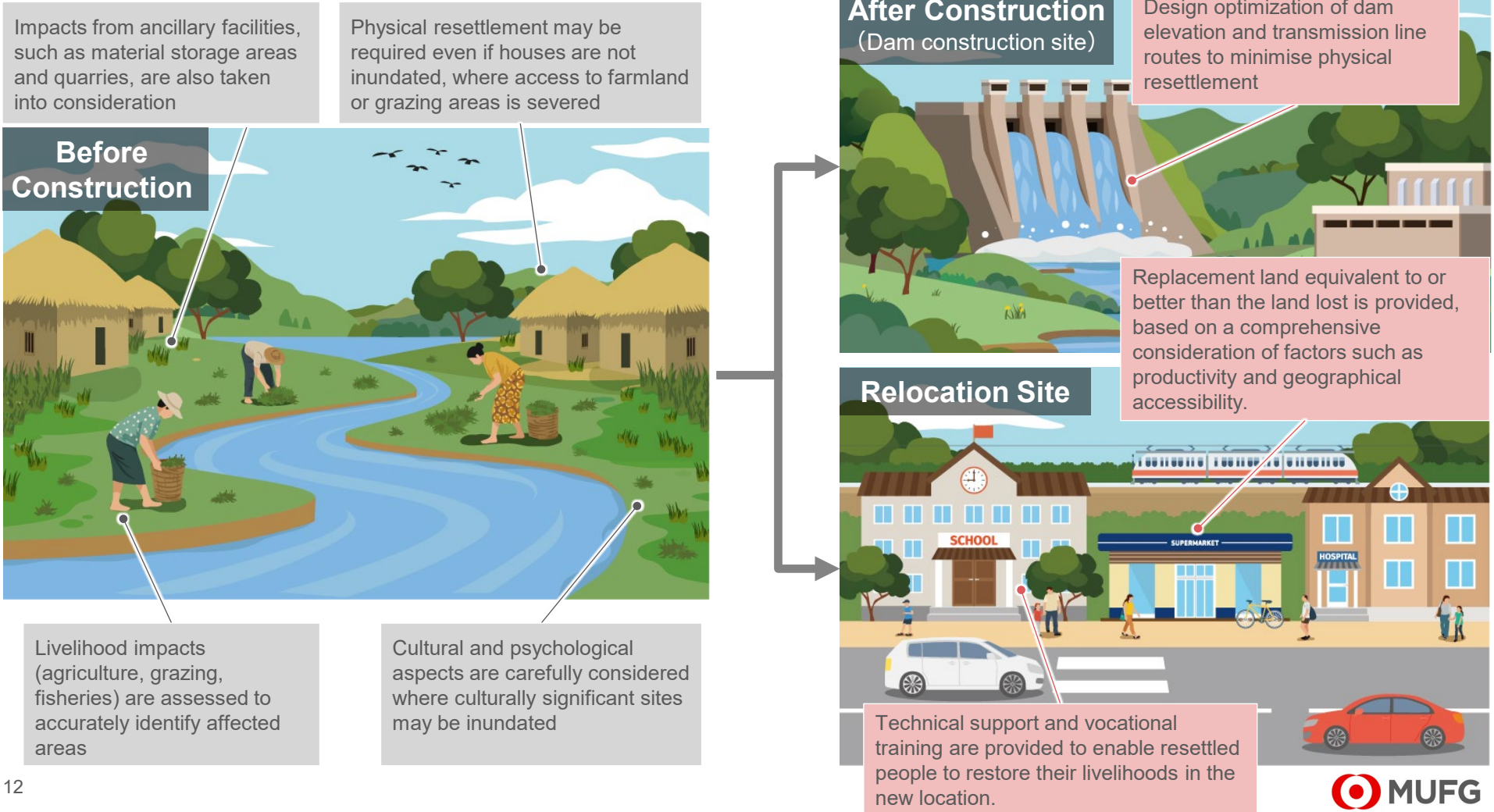
Daily-wage and part-time workers are also eligible for compensation, including wage-equivalent payments and re-employment support.

Losses from increased commuting time due to required detours during construction period are compensated.

# Case Study 2 : Physical Resettlement in a Hydropower project

The construction of hydropower dam reservoirs often inundates extensive areas of land, including farmland, resulting in the physical displacement of entire communities.

Under ESDD based on the EP, it is confirmed that project design minimises physical displacement and that long-term livelihood restoration, vocational training, and support for community reconstruction are provided for affected people.



# Exploring the Origins of the Equator Principles

# Dialogue with the Legends: Unveiling the Birth of the EP (1/3)

MUFG conducted a joint interview with two key figures who played pivotal roles in the EP's creation: Peter Woicke, former CEO of IFC, and Herman Mulder, former Head of Group Risk Management at ABN AMRO. Here we share the highlights of their journey.



**Peter Woicke**  
Former CEO of IFC



**Herman Mulder**  
Former Head of Group Risk Management of ABN AMRO Bank



**Kyoko Kakutani**  
Vice President, MUFG

*Interviewer*

## 1. The Origin of the Equator Principles

**Kyoko** | It is a great honour for us to hear from both of you, who played such a significant role in the establishment of the Equator Principles (EP).  
First, Herman, I understand that the origin of the EP dates back to a lunch you had with Peter in the summer of 2002, where you discussed the challenges of E&S risk in commercial banks. At that time, what kind of awareness or concerns did you have about these issues?

**Herman** | My first wake-up call was in 1998, when ABN AMRO Bank (ABN AMRO), where I was working at the time, was criticised for environmental pollution and human rights violations in a project we supported. That experience triggered the start of the sustainability agenda at ABN AMRO. However, there were still many challenges in actual implementation, so I sought advice from Peter Woicke, who was then Executive Vice President at IFC.

**Kyoko** | Why did you decide to consult with Peter?

**Herman** | At that time, I was Head of Group Risk Management at ABN AMRO, and before that, Head of Global Structured Finance. I had many opportunities to work with Peter at IFC, and we had built a relationship of trust. Since IFC was already implementing the Safeguard Policies, I wanted to learn from their experience.

**Kyoko** | Peter, how did you feel when Herman approached you?

**Peter** | I would like to go a few years back. When I joined IFC in 1999, I was very impressed by the knowledge of the Environmental and Social Department. I felt that this function can give us an edge, because large-scale development projects clearly involve social and environmental risks. However, even at IFC, sustainability was not yet a mainstream agenda. When Herman approached me, I felt I found a fellow friend who shared the same concerns. Through social and environmental risk management, both Herman and I believed that reducing risk for financial institutions would ultimately lead to better outcomes for society.



# Dialogue with the Legends: Unveiling the Birth of the EP (2/3)

## 2. From the First Meeting to the Establishment

**Kyoko** | A few months after your lunch discussion, the first meeting was held at ABN AMRO's London office (250 Bishopsgate) in October 2002. What was the content of that first meeting?

**Herman** | We invited banks that were actively engaged in project finance, and at the meeting, each company shared cases where E&S issues had caused difficulties. We realized that we were all facing similar challenges, and that led us to form a Working Group.

**Kyoko** | So the Working Group was established after just one meeting. What was the key to the success of that meeting?

**Herman** | This meeting would not have taken place if Peter and his colleagues would not have been visibly and actively involved. Peter was one of the two conveners. That raised the bar of ambition.

**Peter** | I participated in the meeting with members of the Environmental and Social Department at IFC, sharing our knowledge and experience. Of course, we supported this initiative, but I have to give credit really to Herman, you had convinced yourself that you should take a step. And then ABN AMRO, Barclays, Citi, and WestLB moved the discussion forward.

**Kyoko** | By bringing together IFC, which was already advanced in E&S risk management, and private financial institutions that were aware of the issues, the discussion was able to progress rapidly. Thanks to your leadership, just nine months after the first meeting, in June 2003, ten banks adopted the statement individually and launched the Equator Principles. MUFG Bank adopted the EP two and a half years later, in 2005 (then The Bank of Tokyo-Mitsubishi). Peter, was the launch of the EP significant for IFC as well?

**Peter** | Absolutely. The launch of the EP led to a much deeper understanding of the importance of social and environmental risk management, not only among those in the Environmental and Social Development Department at IFC, but also among investment officers.

**Kyoko** | Herman, what impact did the EP have on ABN AMRO?

**Herman** | The quality of our due diligence became much broader and better. At the time of the launch in June 2003, we had only 10 banks, but we took a leap of faith. The subsequent rapid increase in the number of adopting institutions is well known.

**Kyoko** | How did your experience in origination of project finance contribute to the formation of the EP?

**Herman** | Having practical experience in the field was extremely important for risk management. Risk is not only the negative side, it also creates opportunities. To seize those opportunities, you need courage. And courage comes from having a sensibility for the business. Risk is not simply about avoiding business.

**Kyoko** | The EP is a framework that focuses on the process of due diligence to mitigate the E&S risks.

**Peter** | Exactly. As long as the project developer is willing to consider these risks, IFC and banks can support de-risking the project. At the time, **civil society organizations** (CSOs) criticized us, saying we should withdraw from certain projects, but I always argued that by being involved and ensuring proper consideration, we are better off than leaving them to proceed without us.

# Dialogue with the Legends: Unveiling the Birth of the EP (3/3)

## 3. The Source of Leadership: Dialogue and Values

**Kyoko** | To launch such a significant initiative, extraordinary leadership was required. What experiences became the source of your passion for sustainability?

**Peter** | When I moved from Wall Street to IFC, I was impressed by the experienced Environmental and Social Development Department and also had regular meetings with CSOs. These were tough meetings. But I learned a lot from them and came to appreciate the existence of CSOs, which look at things from a non-commercial perspective. My genuine appreciation for CSOs came from being confronted by them in these meetings. I still hold great respect for these people.

**Herman** | I agree with Peter. My first wake-up call was in 1998, and I am still grateful to CSOs for waking me up. I am thankful to Peter for helping us in 2002—it was a positive second wake-up call.

### THE EQUATOR PRINCIPLES



This cartoon was kindly provided by Herman. It was originally created for a Dutch banking gathering.

## 4. Toward the Future

**Kyoko** | Finally, what are the challenges and suggestions for the future of E&S risk management in general?

**Peter** | We need to go beyond the financial sector and take a broader view with deeper reach. It's not enough to focus only on mitigating social and environmental risks at the level of our own country or company. We must look across the entire supply chain, understand where the risks lie, and determine what measures are needed to reduce risk throughout the value chain. Even in sectors with high social and environmental risks, there are many projects that truly contribute to society. Don't run away from risk—manage it responsibly and take on the challenge for the greater good but I always argued by being involved and ensuring proper consideration, projects would be developed much more sustainably.

**Herman** | I think it is important to improve methodology—look at the true benefits of projects across “Six Capitals” - financial, manufactured, intellectual, human, social and relationship, and natural- and develop an integrated model to optimize benefits for all stakeholders.

**Kyoko** | With the advancement of globalisation, E&S issues are becoming more complex, and the number of stakeholders is increasing. Integrated approaches are extremely important. We at MUFG also hope to further advance environmental and social risk management. Hearing your stories, which greatly contributed to the creation of the Equator Principles, was truly inspiring. Thank you very much for your valuable insights today.

# Reunion at 250 Bishopsgate (1/6)

On February 3<sup>rd</sup> 2026, MUFG organised a commemorative reunion of the people who played a pivotal role in the foundation of the EP. The event took place at 250 Bishopsgate in London—the venue of the very first meeting—formerly ABN AMRO’s London office and now the headquarters of NatWest Group.

MUFG is deeply grateful to NatWest Group for generously permitting the use of the venue.

## Participants

### André Abadie

Former Senior Vice President, Global Environmental and Social Risk Management at ABN AMRO Bank

### Glen Armstrong

Former Head of Environment and Social Development (1997–2000) and Senior Advisor – Sustainable Development (2000–2003) at IFC

### Christopher Beale

Former Head of Project Finance at Citigroup

### Richard Burrett

Former Global Head of Project Finance at ABN AMRO Bank

### Suellen Lazarus

Former Director of Syndications at IFC

### Herman Mulder

Former Head of Group Risk Management at ABN AMRO Bank



## Contributors (invited; regrettably unable to attend)

### Christopher Bray

Former Head of Environmental Risk Management at Barclays

### Peter Woicke

Former CEO of IFC



## Moderators

### Shoji Kinugasa

Managing Director and Head of Environmental and Social Assessment Department (ESAD), Sustainability Office at MUFG

### Kyoko Kakutani

Vice President of ESAD at MUFG

## Reunion at 250 Bishopsgate (2/6)

### E&S Risks in the Financial Sector: The Road to the Common Framework

In 1995, the IFC came under intense scrutiny following its investment in the Pangué Dam project on the River in Chile, which evolved, amongst other things, into a serious social issue involving the displacement of Indigenous Peoples from their ancestral lands.

In response, then-the World Bank President James Wolfensohn instigated an independent investigation into the project which was highly critical of the IFC due diligence. Following this, in 1998, the IFC formally adopted the **World Bank Safeguard Policies**.

Glen Armstrong (Glen), who joined the IFC in 1997 as head of the environment and social development team, was heavily involved in their implementation. The range of E&S issues arising on major projects meant that it was soon recognised through the development of due diligence approaches that the Safeguard Policies were not going to be enough for projects with complex risks – a process eventually leading to the IFC Performance Standards.

Private financial institutions also felt a growing sense of urgency regarding the lack of adequate responses to E&S risks. Herman Mulder (Herman), then-Head of Group Risk Management at ABN AMRO Bank (ABN AMRO), describes his "wake-up call" in 1998 when ABN AMRO was criticised for environmental pollution and human rights violations in a project ABN AMRO supported.

Richard Burrett (Richard), then-Global Head of Project Finance at ABN AMRO, recalls that because there was no common framework or in-house expertise at the time, banks were effectively "reinventing the wheel" for every transaction.



*Top left: Herman Mulder, Top right: Glen Armstrong  
Bottom left: Suellen Lazarus, Bottom right: Richard Burrett*

# Reunion at 250 Bishopsgate (3/6)

## The First Meeting at 250 Bishopsgate

Against this backdrop, Peter Woicke (Peter), then Executive Vice President of the IFC, believed that the IFC should be more “generous in sharing its capabilities” with private financial institutions. This led to a meeting between Peter and Herman in July 2002, during which they decided to take a joint initiative. They subsequently convened the 21 October 2002 meeting of the ten most prominent project finance banks at 250 Bishopsgate, then ABN AMRO’s London office.

Suellen Lazarus (Suellen), then-Director of Syndications at the IFC, played a pivotal role in inviting and encouraging banks to attend the meeting. Using her “Rolodex,” she identified the heads of project finance of the major players in project finance to come together for the meeting. During the meeting, active discussions took place, including case study presentations by the banks on E&S risk management. It was a rare display of competitors willing to share their weaknesses and challenges in front of one another.

Christopher Beale (Chris), then-Head of Project Finance at Citigroup (Citi), was among those invited by Suellen. Chris recalls a “moment of shock” when he saw a documentary about a mercury spill at the Yanacocha gold mine presented by the IFC. After the meeting, Chris returned to New York and told his team they needed to urgently respond and create a framework to prevent such events.

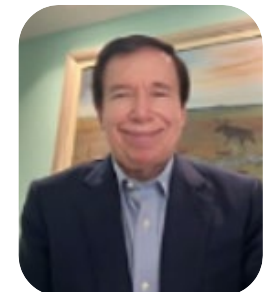
Herman notes that the biggest challenge was seeing how far competing financial institutions could be open about their own “Achilles’ heels” (failures and problems) while continuing the “race to the bottom”. However, through this dialogue, they realised E&S risk was a shared financial sector risk.

## Column 1

## Mercury Spill at the Yanacocha Gold Mine

*The Yanacocha Gold Mine is one of the world’s largest open-pit gold mines, located in Cajamarca, northern Peru.*

*The IFC held a minority stake in the project. In June 2000, the spill occurred when a truck carrying mercury from the mine had an accident; the mercury spilt on the road looked like “beautiful droplets”, and local residents who collected it suffered serious health issues, leading to large-scale protests.*



Left to right: Suellen Lazarus, André Abadie, and Christopher Beale (joining online).

# Reunion at 250 Bishopsgate (4/6)

## The Drafting Process

Following the meeting, a working group was formed by ABN AMRO, Barclays, Citi, and WestLB. As the Heads of Project Finance at Citi and ABN AMRO, respectively, Chris and Richard spearheaded the initiative, working through numerous discussions to draft the common framework. While they initially considered creating their own unique standards, they realised it would have taken too long and decided to refer to existing standards; after comparing several options, they chose the IFC Safeguard Policies.

Despite intense debate over the scope, they ultimately decided the framework should be global and sector agnostic. Richard emphasised that the key was assessing the risk level from the start and adjusting the depth of due diligence accordingly.

Chris faced pushback from some of his colleagues who feared the initiative would hinder business, but he received strong backing from then-CEO of Citi, Chuck Prince, which helped deepen his colleagues' understanding.

Glen served as a technical advisor during the drafting of the framework, providing essential support for the capacity building of private financial institutions. By identifying E&S risks as encompassing operational, regulatory, and reputational dimensions, he helped banks leverage the IFC's vital experience and knowledge to integrate E&S risk assessment into their internal processes.

Additionally, Christopher Bray, then-Head of Environmental Risk Management at Barclays, provided an essential practical foundation for the drafting process. Since 1998, he had led the Environmental Risk Management team, during which time Barclays had already integrated an Environmental Impact Assessment policy into its credit policy. Richard recalled that this established framework served as a vital benchmark for the group during the drafting phase.

## Column 2

## The Evolution of a Name

*Initially, the candidate names were inspired by the physical locations where the principles were being drafted:*

- **"Bishopsgate Principles":**  
*The first candidate, named after 250 Bishopsgate, then-ABN AMRO's office in London, the site of the inaugural meeting.*
- **"Greenwich Principles":**  
*A nod to Citi's office on Greenwich Street in New York. However, this name was discarded—the founders realised the spelling was uncomfortably close to "greenwash".*

### **Why Equator?**

*The "Equator Principles" were chosen to symbolise a framework that is inherently global and neutral, transcending the divide between the Northern and Southern Hemispheres.*



# Reunion at 250 Bishopsgate (5/6)

## The Road to Launch

By February 2003, the draft was ready, but Chris received a clear directive from Chuck Prince: "I want to see 10 banks adopting the principles before the announcement." This triggered a frantic final countdown. With only four to five weeks remaining before the scheduled June launch, the working group intensified its outreach to potential signatories.

Since these newcomers had not been part of the drafting process, the members had to address numerous questions regarding the principles' content and practical implementation. Aiming for a truly global framework, they reached out to institutions across various regions. These efforts proved successful; just days before the deadline, they secured the commitment of the ten founding banks.



## Global Impact

On June 4<sup>th</sup> 2003, the Equator Principles (EP) were officially launched, with the 10 banks individually signing the documents. The news was featured prominently in major global media, including the *Financial Times*, *The Wall Street Journal*, and *NIKKEI*.

The following day, a panel discussion featuring Peter, Herman, Chris, and Glen was held during the IFC's annual Banker's Meeting in Washington D.C. Attended by representatives from 150 to 200 financial institutions, the meeting served as the ideal platform to introduce the EP to the global financial community.

Glen recalled the weight of the responsibility when Peter assigned him to open the session by speaking about E&S risk. He saw his mission as informing participants about the reality of E&S risks while being careful not to terrify them too much.

According to Suellen's notes, Peter stated that the EP would enable banks to undertake more projects by effectively managing E&S risks rather than becoming risk-averse, emphasising that project finance is essential for addressing social issues. Herman described the principles as a framework that treats E&S risk mitigation as a business case, noting that its true breakthrough lay in the structured process of implementation. Chris affirmed that Citi would also move swiftly to establish its own E&S management systems.

The event concluded as a resounding success, sparking immediate interest and a flurry of inquiries from other financial institutions. This momentum led to a rapid global adoption of EP; according to the report by World Bank, within a year, the number of signatories grew to approximately 25 banks.

*Top left (left to right): Peter Woicke, Herman Mulder, Christopher Beale*

*Top right: Suellen Lazarus*

*Bottom left: Glen Armstrong*

*Bottom right (left to right): Christopher Beale, Peter Woicke, Richard Burrett  
Photos from the IFC Banker's Meeting.*

# Reunion at 250 Bishopsgate (6/6)

## Evolution and the "Standard of Quality"

Implementation demonstrated that the EP had established themselves as a recognised 'standard of quality' in the market. Chris shared an anecdote about a client who initially stepped back from the relationship due to the EP's requirements, only to return later. The client reached out specifically because they wanted to move a project forward with Citi, valuing its status as an Equator Principles Financial Institution (EPFI).

Richard noted that the EP clarified the fundamental requirements that financial institutions should inherently uphold. He observed that the framework not only increased transparency for clients but also fostered a more constructive dialogue with civil society.

The launch of the EP was equally significant for the IFC. Suellen noted that the EPFIs emerged as a 'new class of stakeholders,' whose practical experience provided invaluable feedback.

No standard is static; all must evolve to meet the changing demands of the times. The IFC Safeguard Policies, which served as the original benchmark for the EP, underwent a comprehensive revision and were transformed into the IFC Performance Standards in 2006. The EP was also updated that same year, marking the launch of the second edition (EP II).

André Abadie, formerly Senior Vice President, Global Environmental and Social Risk Management of ABN AMRO, spearheaded this revision process. According to André, there were two primary catalysts for the transition to EP II: first, the need to align the principles with the newly established IFC Performance Standards; and second, the creation of a framework to ensure the principles could be applied consistently on a global scale. It was during this update that the principles were formally numbered for the first time.

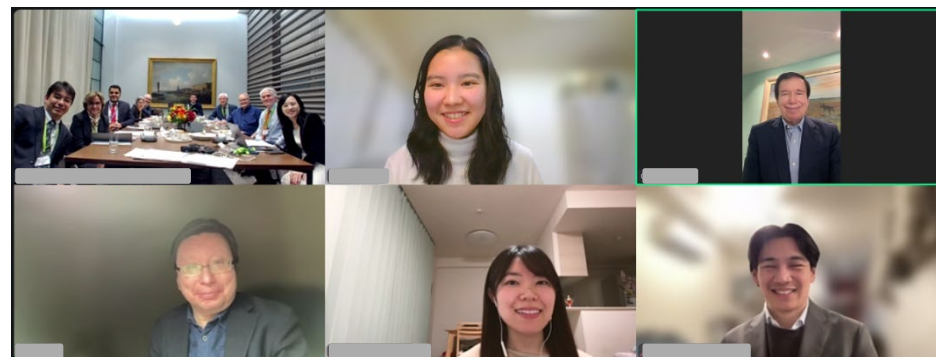
The most significant departure from the first edition was the sheer scale of the initiative. As a number of EPFIs were now involved, building consensus became a much more complex and time-consuming endeavour. Ultimately, however, the continued leadership of ABN AMRO and Citi was instrumental in bringing this critical revision to fruition.

## Moving Towards the Future

Now in its fourth iteration with over 120 EPFIs, the EP founders emphasised that the initiative is not just a rule book, but a foundation for banks to act as "stewards of risk within society" and make professional judgements from a long-term perspective.

The discussion underscored the necessity of shifting the focus from merely mitigating negative impacts toward intentionally fostering "positive impacts." The founders shared a heartfelt message for the next generation, expressing their hope that future leaders will make honest decisions—choices they can look back on with genuine pride when they "look in the mirror in ten years."

Paying our deepest respect to the pioneers who overcame immense challenges more than twenty years ago, we now carry the responsibility to uphold and advance the spirit of the EP. It remains our duty to ensure this framework continues to serve as a vital platform for progress for the generations to come.



# Messages to the Next Generations (1/2)



**Peter Woicke**  
Former CEO of IFC

I hope you will learn from the past, continue to be aggressive, and develop the principles further- there are still challenges with the Equator Principles, and I believe there is room for improvement of the EPs particularly by creating an independent agency like the [Compliance Advisor Ombudsman \(CAO\)](#) at the IFC. This would enhance credibility of the EP Banks substantially.

I hope the social and risk management practitioners will continue to push this further with the right attitude, I believe we might turn the world around again.



**Herman Mulder**  
Former Head of Group  
Risk Management of ABN AMRO Bank

The financial sector is a critical driver for a better world for everyone and itself: long term, resilient, multiple value creation, inclusive of all relevant stakeholders, and along 6 capitals (financial, natural, social, human, existing facilities, innovation), each with their own costs and benefits. Capital mobilisation on the basis of highest quality due diligence on negative and positive risks & impacts and dependencies throughout the value chain, are core attributes of modern risk, opportunity & impact management. Those who master the complexities associated herewith will be the leaders of tomorrow, as they will take the right decisions with courage based on insights, foresights, possible scenarios. It starts with an ambitious mindset: from opportunistic "Beta Followers" to values-based "Alpha Stewards".



**Glen Armstrong**  
Former Head of Environment and Social Development (1997-2000) and Senior Advisor – Sustainable Development (2000-2003) at IFC

Maintain a passion for what you do. Be a change maker in whatever role you find yourself. Be true to your principles and find ways to influence, support and lead your colleagues and organisations. This is not an easy time to be an ESG professional with political ideologies seeking to undermine the very science and economic reality of critical issues such as climate change, biodiversity loss and social inclusion. Sharpen your focus on those key issues which underpin our ability to work together and generate business improvement, strategic change and system sustainability. Be brave and true- the world needs it.



**Christopher Beale**  
Former Head of Project Finance at Citigroup

The Equator Principles are one of the things I am most proud of in my career. I never expected to be a catalyst for something beyond the day to day business I was doing, let alone for something of global impact. My advice to the next generation is to be open to opportunities in your careers to make a real difference. Be open to mentoring people, and be alert for an opportunity to do something with broader impact on people.

## Messages to the Next Generations (2/2)



**Richard Burrett**

Former Global Head of Project Finance at ABN AMRO

For me, the greatest legacy of the Equator Principles was the broader sustainability related work that it encouraged the EP banks to do. For the next generation, the need to embed critical sustainability factors into our decision making within the financial system has never been more clear. Systemic risk issues such as climate change, biodiversity loss and structural inequality pose genuine threats to financial stability now and in the future and need the finance sector to systematically assess these issues and manage them accordingly. Headwinds exist but rational analysis of the emerging risks demand that the finance sector acts in its own self interest too. We have the opportunity to finance the future we want – that continues to excite me.



**André Abadie**

Former Senior Vice President, Global Environmental and Social Risk Management at ABN AMRO

Recognise that the key driver behind Equator – helping your institution make more informed decisions and in so doing more effectively manage risk and impact – remains true 20 years later. Equator has stood the test of time and remains foundational to all E&S risk frameworks in the banking sector.

Remember also that you are the next generation of stewards both of Equator and of ensuring that environmental and social issues are effectively managed and integrated into your institution's decision-making processes.



**Suellen Lazarus**

Former Director of Syndications at the IFC

People have often criticized international banks for being solely profit driven with disregard for environmental and social consequences. From my experience in working with many banks throughout the world, I know that the truth is far more complicated than that. I met many extraordinary people at the banks with a tremendous commitment to doing the right thing. I was lucky to get to work with an exceptional group of professionals who were deeply committed to improving environmental and social outcomes. The Equator Principles represented a level of cooperation among banks that was unprecedented at the time and truly inspiring. My message is to keep up the good work.



**Christopher Bray**

Former Head of Environmental Risk Management at Barclays

With regard to the next generation, and from a personal perspective, be mindful that Equator successfully gained its profile because it was developed by practitioners (in project finance and risk management), and focused on aspects of finance where the banks had real traction and credibility in being able to influence significant sustainable outcomes. Going forward, maintain a focus on the medium-to-long term sustainability objectives, without losing sight of the need for a challenging route map which is both practical and relevant for a financial institution. The next generation will at some time have to explain to the generation which follows them what they contributed to the sustainability agenda.

# Highlights of MUFG Bank's EP Implementation

# Reflecting on 2024 EP Applied Projects

## Renewable energy remains the largest sector, while new technology projects continue to increase

In 2024 (January–December), a total of 126 projects to which MUFG Bank applied the EP reached financial close. This represents the highest number of such projects since the Bank adopted the EP in 2005.

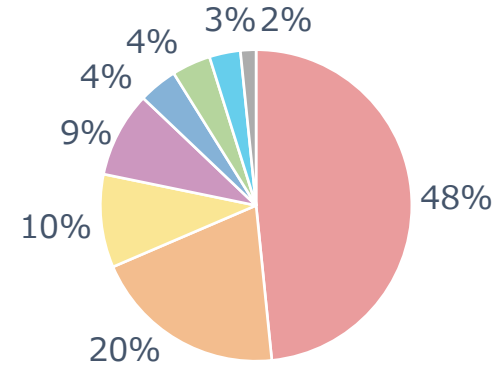
As in the previous year, renewable energy projects accounted for the largest share, representing approximately 48% of the total. The total generation capacity of the renewable projects supported by the Bank amounted to approximately 18.6 GW, a scale roughly equivalent to the whole country of New Zealand’s annual electricity demand<sup>1</sup>.

Among renewable energy developments, solar power accounts for the largest number of projects. Benefiting from its vast land availability, the United States represents a significant share of this portfolio. At the same time, innovations are emerging to adapt solar technology in regions with land constraints. An example of which is a **floating solar power** project that has been developed in Taiwan. While floating solar power faces challenges such as **salt fog damage** and greater exposure to natural disasters, it offers higher generation efficiency compared with ground-mounted systems due to the cooling effect of the water surface, and is therefore expected to increase power output.

**Data centre** projects also increased, rising from 15% in 2023 to 20% in 2024. Project locations expanded to regions such as Europe and India, reflecting strong and growing demand.

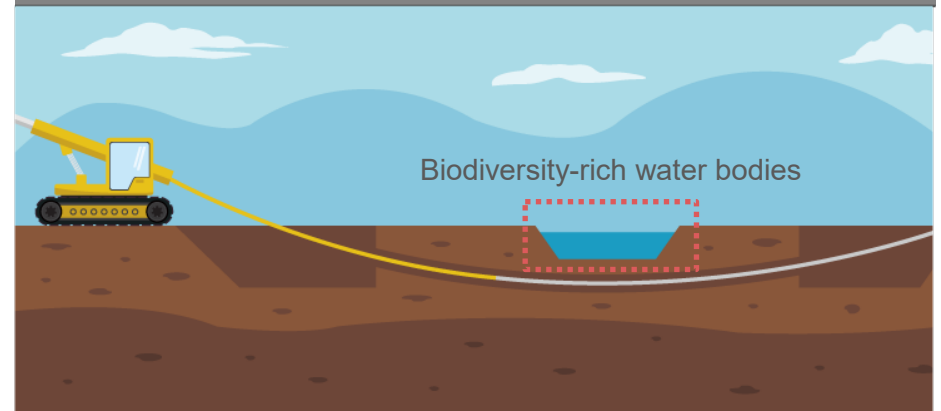
EP was also applied to new and emerging technologies, for example development projects enabling **carbon capture, utilization, and storage (CCUS)**, in which carbon dioxide is transported via pipelines from emission sources to storage sites in underground aquifers. For onshore pipeline installation, **trenchless construction methods** were adopted, and impacts on ecosystems were confirmed to be minimised. One such method, **horizontal directional drilling (HDD)** enables pipelines to be installed beneath waterways without disturbing biodiversity-rich areas, thereby reducing E&S impacts.

## Sector Analysis (number of transactions)



- Renewables
- Data Centre
- Infrastructure
- BESS
- Power (Others)
- Oil and Gas
- New Technologies
- Others

## Image of horizontal directional drilling (HDD)

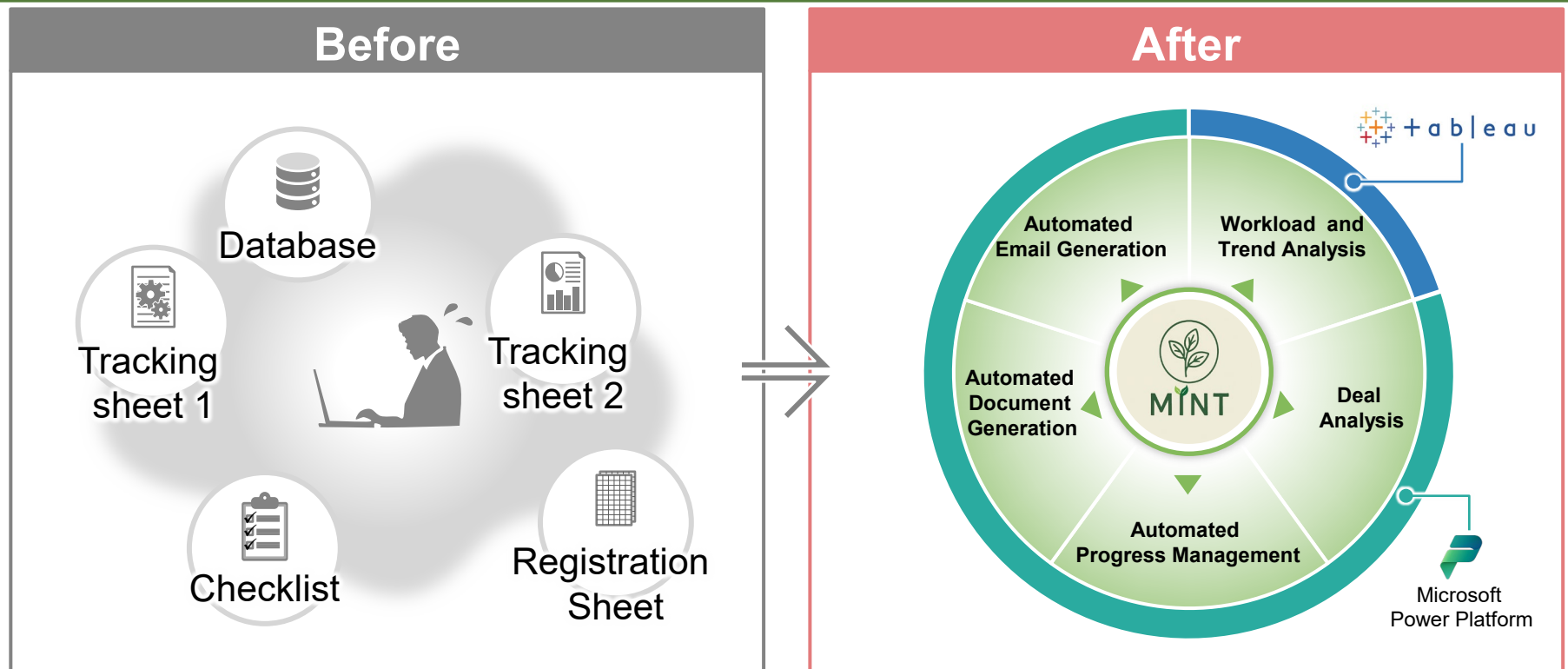


# Digital Transformation (1) Development of MINT

As the range of sectors subject to the EP continues to expand, leveraging digital technologies has become essential to enhancing the quality and robustness of ESDD. In September 2025, ESAD, which is responsible for the implementation of the EP within the Bank, launched an internal deal information management application known as “MINT”. This application serves as a tool for centrally recording and managing project-related information handled by ESAD on a daily basis.

By leveraging automation and data analytics functions, MINT streamlines data entry and routine processes, thereby improving operational efficiency. Furthermore, integration with the data analytics software Tableau enables sector-based analysis and deal-level risk analysis, supporting the visualisation and systematic accumulation of insights generated through the review process.

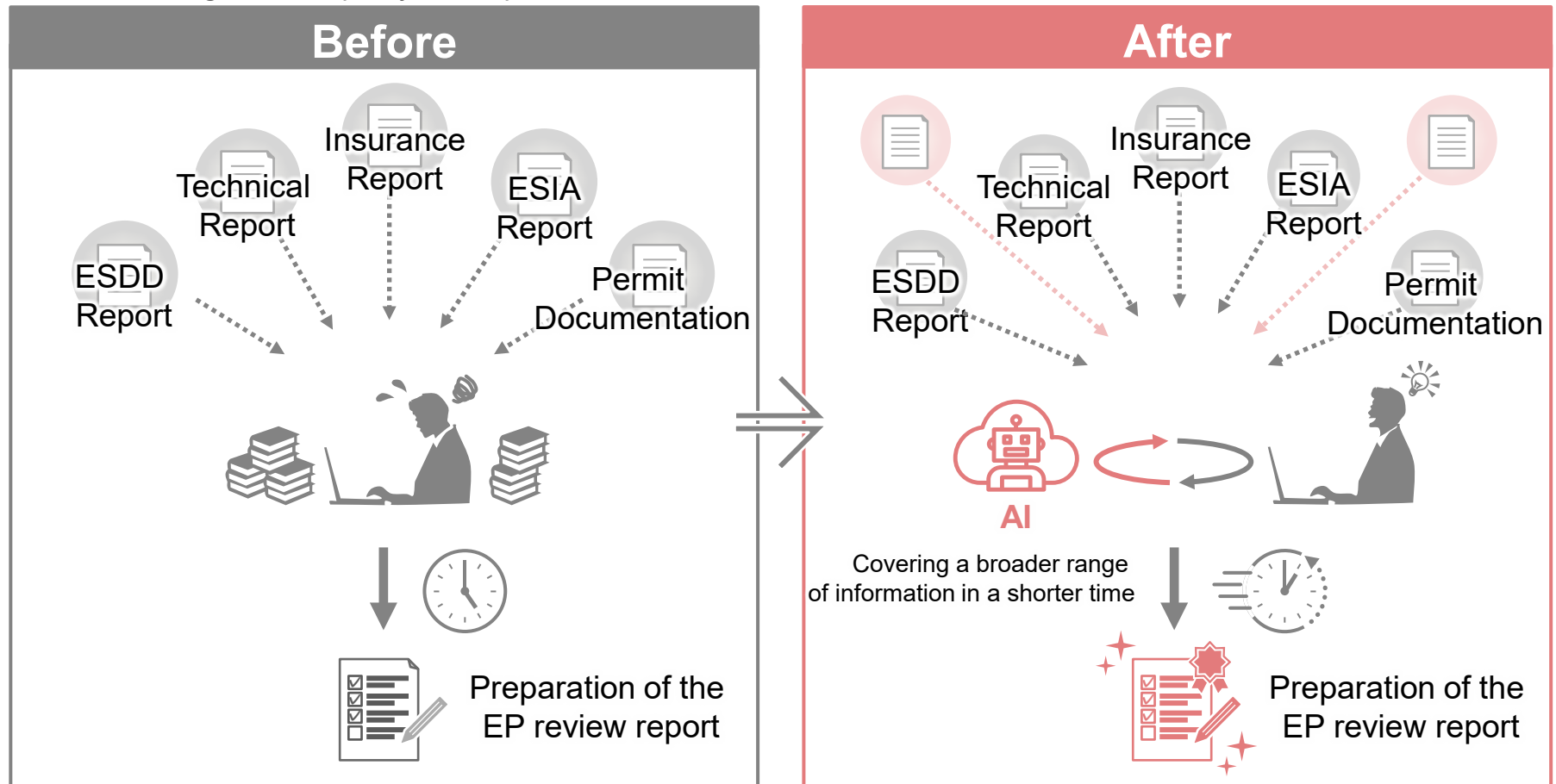
The name “MINT” is derived from the strong vitality and expansive nature of the mint plant, which is used as a metaphor for the growth and reach of an information network. In addition, the English word “mint” carries meanings such as “to create anew” and “to make official”, reflecting the application’s role in visualising and systematically organising a large and complex body of data.



## Digital Transformation (2) Use of AI in ESDD

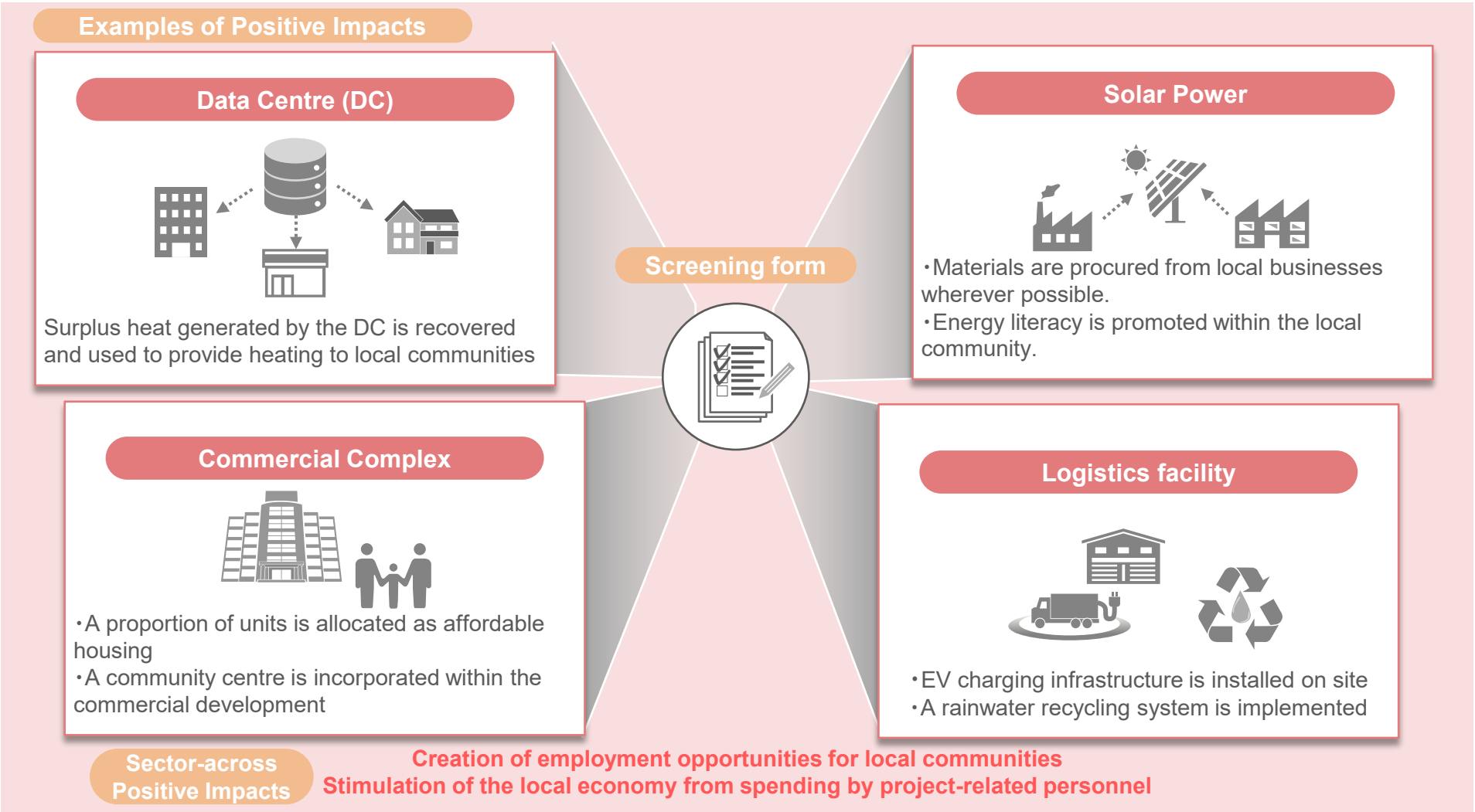
In ESDD, project risk analysis starts with an in-depth review of consultant-prepared ESDD reports and ESIA. These documents often span hundreds of pages, presenting teams with the challenge of navigating and synthesizing an enormous volume of information.

In this context, AI is emerging as a powerful tool. ESAD is leveraging AI to support the systematic organisation of information during the implementation of ESDD through the development of tailored prompts. With appropriate governance measures in place to address risks associated with AI use, this approach enables the analysis of a far broader body of materials than was previously possible—enhancing both the quality and depth of ESDD.



# Challenges in Measuring Positive Impact

As part of the ESDD process conducted in accordance with the Equator Principles, ESAD requests clients to complete a screening form that includes identifying the positive impacts of the project. While quantitative analysis of such impacts has not yet been undertaken, several illustrative examples are provided below.

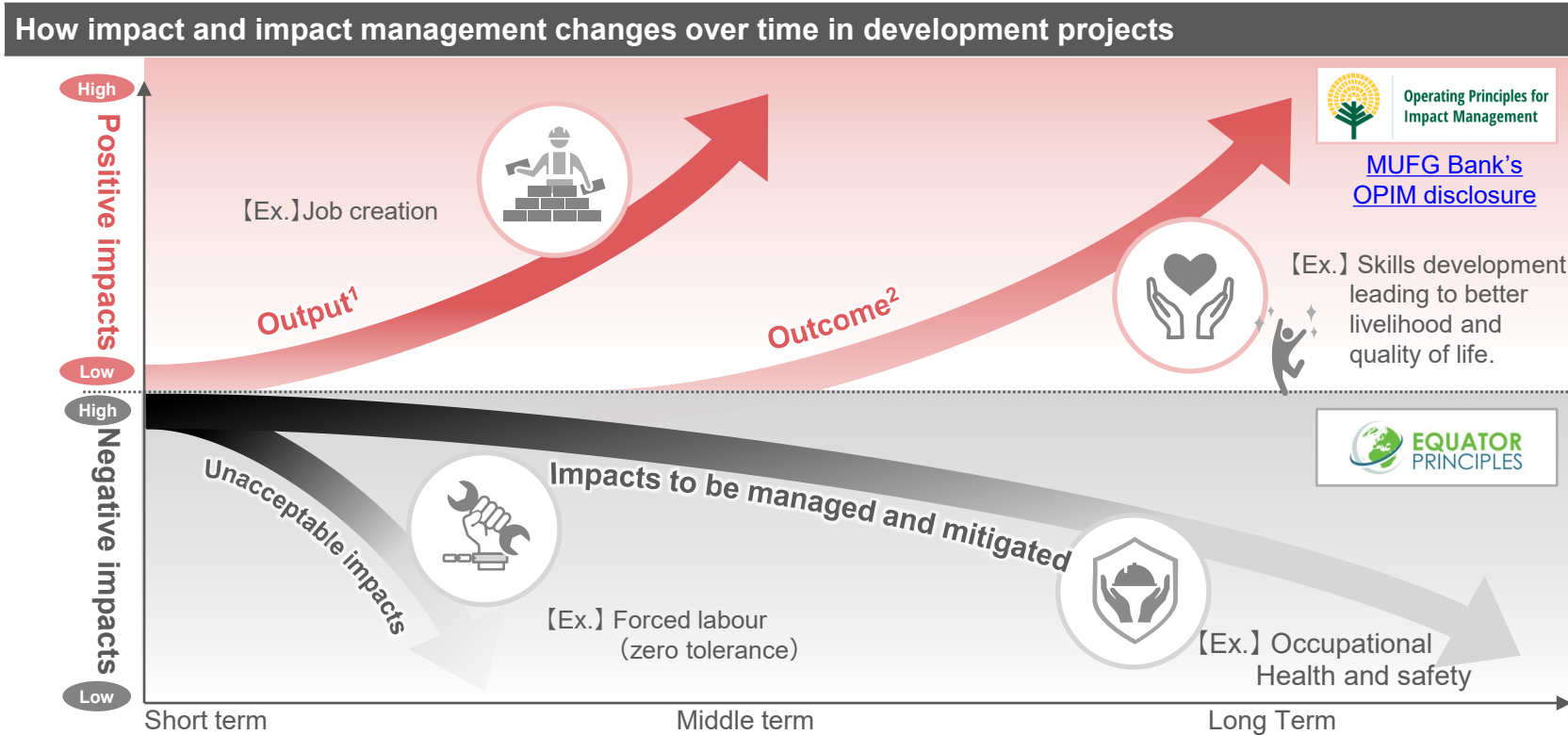


# Minimising negative impacts and maximising positive impacts

The EP provides a framework for identifying, mitigating and managing the adverse impacts associated with development projects. At the same time, such projects are planned and implemented in response to societal needs — including addressing social challenges and developing essential infrastructure — and, in doing so, they also generate positive impacts for society.

Also, since becoming a signatory to Operating Principles for Impact Management (OPIM) – the international framework for impact measurement and management in impact investing – in 2021, the Bank has deepened its understanding of internationally recognized practices for impact measurement and management as articulated in OPIM.

Building on robust E&S risk management in accordance with the EP and leveraging the OPIM framework, MUFG Bank will strive to both minimise adverse impacts and create positive impacts, thereby contributing to the resolution of pressing social challenges.



1. Output: The direct, tangible products, services, infrastructure, or activities delivered as a result of an investment or business activity.

30 2. Outcome: The meaningful changes or effects experienced by people, the environment, or systems as a result of the outputs delivered.

# Afterword

At MUFG Bank, the number of projects which the EP was applied and that reached financial close in 2024 amounted to 126 — the highest annual figure since the Bank's adoption of the EP in 2005. This momentum continues unabated today. Alongside this increase in volume, both the range of sectors and its respective composition have changed considerably.

Through the interviews featured in this report, we were once again deeply impressed by the unwavering conviction of those who contributed to the establishment of the EP — their commitment to realising a better society, their courage in taking bold steps without fear of change, and their determination to continue advancing without pause. Their founding spirits remain a guiding force in our daily practice today.

The cover of this report features the 15 July Martyrs Bridge in Istanbul, the host city of last year's EP Annual General Meeting. Spanning the Bosphorus Strait, the bridge carries a history of reconnecting Asia and Europe for the first time in approximately 2,500 years since the pontoon bridges of antiquity.

One is left to reflect on how the founders who named the Equator Principles—envisioning a bridge across global divides—might view the growing fragmentation of today's world. Against this backdrop, we believe it is our mission to foster a sustainable future through the steadfast practice of environmental and social due diligence.

In closing, we would like to express our sincere appreciation to André Abadie, Glen Armstrong, Christopher Beale, Christopher Bray, Richard Burrett, Suellen Lazarus, Herman Mulder and Peter Woicke for generously sharing their insights in interviews for this report.

We also extend our gratitude to NatWest Group for providing the venue for the panel discussion at 250 Bishopsgate on 3<sup>rd</sup> February 2026—and specially to Caroline Haas, whose dedicated efforts made the gathering possible, and to Kirsty Britz for delivering the inspiring opening remarks.



3<sup>rd</sup> February 2026 at 250 Bishopsgate

# Appendix

## Appendix: E&S Consideration and Categorisation Report CY2024 (1/6)

MUFG Bank discloses the numbers of the project finance transactions and the project-related corporate loans that achieved financial close every year, and the number of the project finance advisory services where the Bank was mandated during the same period in “Environmental and social consideration and categorisation report” in accordance with the Equator Principles and the Bank’s Implementation Guidelines for the Equator Principles.

The Bank categorises the projects proposed for financing based on the magnitude of their potential environmental and social risks and impacts in accordance with the Bank’s Implementation Guidelines for the Equator Principles, referring to the International Finance Corporation (IFC)’s Performance Standards and World Bank Group Environmental, Health, and Safety Guidelines. Especially when assigning Category A to a project, the Bank categorises the project in accordance with the definition of a Category A project in the Equator Principles referring as appropriate to other guidelines including [OECD’s Common Approaches](#) and relevant public institution’s guidelines.

# Appendix: E&S Consideration and Categorisation Report CY2024 (2/6)

## Project Finance

EP-applicable Project Finance transactions reached financial close within the specified period.

		CY2023			
		Category			Total: 123 ✓
		A: 15 ✓	B: 60 ✓	C: 48 ✓	
<b>By Sector</b>					
Mining		0 ✓	0 ✓	0 ✓	0 ✓
Infrastructure		2 ✓	2 ✓	0 ✓	4 ✓
Oil and Gas		3 ✓	1 ✓	0 ✓	4 ✓
Power		5 ✓	41 ✓	17 ✓	63 ✓
Others		5 ✓	16 ✓	31 ✓	52 ✓
	Petrochemical	1 ✓	0 ✓	0 ✓	1 ✓
	Excl. Petrochemical	4 ✓	16 ✓	31 ✓	51 ✓
<b>By Region</b>					
Americas		6 ✓	45 ✓	35 ✓	86 ✓
EMEA		5 ✓	5 ✓	2 ✓	12 ✓
APAC		4 ✓	10 ✓	11 ✓	25 ✓
<b>Designated and Non-Designated Countries</b>					
Designated Countries		9	53	47	109
Non-Designated Countries		6	7	1	14
<b>Independent Review</b>					
Yes		15	60	42	117
No		0	2	6	6

※ Selected information assured by Deloitte Tohmatsu Sustainability Co., Ltd. (limited assurance) in the "[Environmental and social consideration and categorization report 2024](#)" is marked with ✓

# Appendix: E&S Consideration and Categorisation Report CY2024 (3/6)

## Project-Related Corporate Loans

EP-applicable Project-Related Corporate Loans that reached financial close in the specified period























		CY2023			
		Category			Total: 1 ✓
		A: 1 ✓	B: 0 ✓	C: 0 ✓	
<b>By Sector</b>					
Mining		0 ✓	0 ✓	0 ✓	0 ✓
Infrastructure		1 ✓	0 ✓	0 ✓	1 ✓
Oil and Gas		0 ✓	0 ✓	0 ✓	0 ✓
Power		0 ✓	0 ✓	0 ✓	0 ✓
Others		0 ✓	0 ✓	0 ✓	0 ✓
	Petrochemical	0 ✓	0 ✓	0 ✓	0 ✓
	Excl. Petrochemical	0 ✓	0 ✓	0 ✓	0 ✓
<b>By Region</b>					
Americas		0 ✓	0 ✓	0 ✓	0 ✓
EMEA		0 ✓	0 ✓	0 ✓	0 ✓
APAC		1 ✓	0 ✓	0 ✓	1 ✓
<b>Designated and Non-Designated Countries</b>					
Designated Countries		0	0	0	0
Non-Designated Countries		1	0	0	1
<b>Independent Review</b>					
Yes		1	0	0	1
No		0	0	0	0

※ Selected information assured by Deloitte Tohmatsu Sustainability Co., Ltd. (limited assurance) in the "[Environmental and social consideration and categorization report 2024](#)" is marked with ✓

# Appendix: E&S Consideration and Categorisation Report CY2024 (4/6)

## Project-Related Refinance

EP-applicable Project-Related Refinance for Project Finance that reached financial close in the specified period.























		CY2023	
		For Project Finance: 2 	For Project Related Corporate Loans: 0 
<b>By Sector</b>			
Mining		0 	0 
Infrastructure		0 	0 
Oil and Gas		0 	0 
Power		2 	0 
Others		0 	0 
	Petrochemical	0 	0 
	Excl. Petrochemical	0 	0 
<b>By Region</b>			
Americas		0 	0 
EMEA		2 	0 
APAC		0 	0 
<b>Designated and Non-Designated Countries</b>			
Designated Countries		1	0
Non-Designated Countries		1	0


※ Selected information assured by Deloitte Tohmatsu Sustainability Co., Ltd. (limited assurance) in the "[Environmental and social consideration and categorization report 2024](#)" is marked with 

# Appendix: E&S Consideration and Categorisation Report CY2024 (5/6)

## Project-Related Acquisition Finance

EP-applicable Project-Related Acquisition Finance for Project Finance that reached financial close in the specified period.

		CY2023	
		For Project Finance: 0 	For Project Related Corporate Loans: 0 
<b>By Sector</b>			
Mining		0 	0 
Infrastructure		0 	0 
Oil and Gas		0 	0 
Power		0 	0 
Others		0 	0 
	Petrochemical	0 	0 
	Excl. Petrochemical	0 	0 
<b>By Region</b>			
Americas		0 	0 
EMEA		0 	0 
APAC		0 	0 
<b>Designated and Non-Designated Countries</b>			
Designated Countries		0	0
Non-Designated Countries		0	0

※ Selected information assured by Deloitte Tohmatsu Sustainability Co., Ltd. (limited assurance) in the "[Environmental and social consideration and categorization report 2024](#)" is marked with 

# Appendix: E&S Consideration and Categorisation Report CY2024 (6/6)

## Project Finance Advisory Services

Mandated in the specified period

	CY2024
	12
<b>By Sector</b>	
Mining	0
Infrastructure	1
Oil and Gas	5
Power	5
Others	1
Petrochemical	0
Excl. Petrochemical	1
<b>By Region</b>	
Americas	5
EMEA	3
APAC	4

The listed information is disclosed on the EP website. The project name and country in which it is located are disclosed on its website provided that the client has given consent.

<https://equator-principles.com/report/mufg-bank-ltd-2024/>

### MUFG BANK, LTD (2024)

Signing Date	22 Dec 2025	Please read the <a href="#">important notes and disclaimer</a> for further information on 'EPI Reporting', compliance and publication on the EP website.  Further information on this EPI may be obtained through the Institutional Reporting hyperlink.
Region of Headquarters:	Asia-Oceania	
Current EPI Reporting Year/Period:	2024	
Institutional Reporting:	<a href="#">Link to Report</a>	

## Assurance Report by Deloitte Tohmatsu Sustainability Co., Ltd.

MUFG Bank has received third-party assurance (limited assurance) from Deloitte Tohmatsu Sustainability Co., Ltd.

For more details, please refer to the following link.

[https://www.mufg.jp/dam/csr/environment/equator/pdf/2025\\_reporting\\_assurance\\_en.pdf](https://www.mufg.jp/dam/csr/environment/equator/pdf/2025_reporting_assurance_en.pdf)

June 1st, 2025

Environmental and social consideration and categorization report 2024

MUFG Bank (the "Bank") discloses the numbers of the Project Finance transactions, the Project-Related Corporate Loans, the Project-Related Refinance (for Project Finance and Project-Related Corporate Loans), the Project-Related Acquisition Finance (for Project Finance and Project-Related Corporate Loans) that applied the Equator Principles and achieved financial close in 2024 (from January 1, 2024 to December 31, 2024), and the number of the Project Finance Advisory Services where the Bank was mandated during the same period in "Environmental and social consideration and categorization report 2024" in accordance with the Equator Principles and the Bank's Implementation Guidelines for the Equator Principles.

The Bank categorizes the projects proposed for financing based on the magnitude of their potential environmental and social risks and impacts in accordance with the Bank's Implementation Guidelines for the Equator Principles, referring to the International Finance Corporation (IFC)'s Performance Standards and World Bank Group Environmental, Health, and Safety Guidelines. Especially when assigning Category A to a project, the Bank categorizes the project in accordance with the definition of a Category A project in the Equator Principles referring as appropriate to other guidelines including OECD's Common Approaches and relevant public institution's guidelines.

Selected information assured by Deloitte Tohmatsu Sustainability Co., Ltd. is marked with (✓).

To ensure transparency in the application of the EP, MUFG Bank introduced third-party assurance in 2012. Every year, the Bank undergoes an external audit of the previous year's application of the EP and receives an assurance report.

2012–2013	Arata Sustainability Certification Organization Co., Ltd.
2014–2015	PricewaterhouseCoopers Sustainability Co., Ltd.
2016–2020	PwC Sustainability LLC
2021–2024	Deloitte Tohmatsu Sustainability Co., Ltd.

# Appendix: Glossary (1/2)

<b>Advisory Services</b>	Services that provide advice on fundraising
<b>Battery Energy Storage System (BESS)</b>	A comprehensive system for storing and supplying electricity, consisting of multiple batteries combined with control systems and inverters
<b>Biodiversity</b>	A comprehensive concept that includes the diversity of species, genetic diversity, and the variety of ecosystems in different regions, encompassing animals, plants, microorganisms, and the rich variety of life on Earth
<b>Carbon Capture, Utilisation, and Storage (CCUS)</b>	Technology for capturing and storing carbon dioxide, as well as utilising the captured CO2 in useful products or processes
<b>Civil Society Organization (CSO)</b>	An organisation that operates independently from government and business actors and engages in public or social issues
<b>Compliance Advisor Ombudsman (CAO)</b>	An independent accountability mechanism of the World Bank Group that addresses complaints from communities affected by projects supported by the IFC and the Multilateral Investment Guarantee Agency (MIGA), conducts compliance investigations into environmental and social performance, and provides advice on systemic improvements.
<b>Corporate Loan</b>	Loans that corporations borrow from financial institutions based on their creditworthiness
<b>Covenants</b>	Clauses in a loan agreement that specify certain conditions or actions that the borrower must comply with
<b>Cut-off Date</b>	The date established to determine eligibility for compensation and resettlement assistance, after which persons who newly occupy or begin using land are, in principle, excluded from compensation and assistance.
<b>Data Centre</b>	A set of buildings and associated facilities designed to house servers and other IT equipment used for storing and processing information on the internet, and to ensure their stable operation
<b>Designated Countries</b>	Countries deemed to have robust environmental and social governance, legislative systems, and institutions to protect people and the natural environment
<b>Economic Displacement</b>	A situation where loss of land, assets, resources, or access to them affects income sources or means of livelihood, leading to a decline in living standards
<b>Environmental and Social Assessment (ESIA)</b>	The process of identifying environmental and social risks and impacts (including labour, health, and safety issues) within the area affected by a proposed project
<b>Environmental and Social Due Diligence (ESDD)</b>	The process of evaluating and managing the environmental and social impacts and risks of a project
<b>Environmental and Social Impact Assessment Report (ESIA Report)</b>	A comprehensive document detailing the potential environmental and social risks and impacts of a project
<b>Environmental and Social Management System (ESMS)</b>	A comprehensive management system applicable at both corporate and project levels for managing environmental, social, health, and safety issues
<b>Equator Principles Action Plan</b>	A plan developed as a result of EPFI's due diligence, outlining necessary actions to meet the standards set by the Equator Principles, prioritizing measures to address gaps in assessment documents, ESMP, ESMS, and stakeholder engagement processes
<b>Equator Principles Financial Institution (EPFI)</b>	Financial institutions that have adopted the Equator Principles
<b>Financial Close</b>	The date when all conditions required for the initial drawdown of a loan are met or waived

## Appendix: Glossary (2/2)

<b>Floating Solar Power</b>	A solar power generation system in which photovoltaic panels are installed on floating structures deployed on the surface of water bodies such as reservoirs, lakes, ponds, dams, or coastal waters.
<b>Grievance Mechanism</b>	A system designed to promptly address and resolve concerns
<b>Horizontal Directional Drilling (HDD)</b>	A trenchless construction technique in which a steerable drilling system is used to drill along a pre-designed underground path from the surface, allowing pipelines, conduits, or cables to be installed beneath obstacles such as roads, rivers, or existing structures without open-cut excavation
<b>IFC Performance Standards</b>	Guidelines that set standards for managing environmental and social risks
<b>International Finance Corporation (IFC)</b>	An international organization and member of the World Bank Group that aims to reduce poverty through private sector development
<b>Involuntary Resettlement</b>	A situation in which people are required to relocate physically and/or economically as a result of land acquisition or restrictions on land use associated with a project, where affected persons do not have the right to refuse such land acquisition or restrictions.
<b>Livelihood Restoration</b>	A set of measures aimed at restoring the livelihoods of affected people to pre-project living standards and, where possible, improving them, following impacts caused by resettlement or land acquisition
<b>Livelihood Restoration Plan</b>	An action plan prepared to restore and improve income sources and means of livelihood of people affected by economic displacement or similar impacts
<b>OECD Common Approaches</b>	A framework established by the OECD that sets out common approaches for environmental and social due diligence to be applied by Export Credit Agencies (ECAs) when providing officially supported export credits.
<b>Operating Principles for Impact Management</b>	A framework for integrating impact considerations throughout the investment lifecycle
<b>Physical Displacement</b>	A situation in which people are required to move from their current place of residence as a result of the loss of housing or habitual residence
<b>Project Finance</b>	A method of lending where the lender relies on the revenue generated by the project as the source of debt repayment and as collateral for the loan
<b>Project-Related Acquisition Finance</b>	Acquisition finance linked to a specific development project (refer to the Equator Principles for detailed criteria)
<b>Project-Related Corporate Loan</b>	Corporate loans linked to a specific development project (refer to the Equator Principles for detailed criteria)
<b>Project-Related Refinance</b>	Refinance linked to a specific development project (refer to the Equator Principles for detailed criteria)
<b>Resettlement Action Plan</b>	A structured action plan that defines compensation, resettlement assistance, housing reconstruction, improvement of living conditions, implementation arrangements, and monitoring measures for people affected by physical and/or economic displacement
<b>Salt Fog Damage</b>	Adverse impacts on facilities or equipment caused by the deposition of salt-laden fog or fine saline particles
<b>Stakeholder Engagement</b>	The process of actively involving and communicating with a wide range of project stakeholders
<b>Trenchless Construction Method</b>	A group of construction techniques used to install, replace, or rehabilitate underground pipelines, cables, or other utilities with little or no continuous surface trench excavation.
<b>World Bank Group EHS Guidelines</b>	Guidelines that provide best practices for environmental, health, and safety
<b>World Bank Safeguard Policies</b>	A set of environmental and social policies that were previously applied to World Bank-financed investment projects. These policies are no longer applied to newly approved projects and have been superseded by the Environmental and Social Framework (ESF)



While MUFG Bank considers its information sources to be reliable, MUFG Bank cannot guarantee the accuracy or completeness of any information or statistical data contained herein. The information set forth herein only reflects our current view. Before entering into any particular transaction, you are advised to obtain such independent financial, legal, accounting and other advice as may be appropriate under the circumstances. MUFG Bank hereby disclaims any responsibility to you concerning the characterization or identification of terms, conditions, and legal or accounting or other issues or risks that may arise in connection with any particular transaction or business strategy.