

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/ Link(s) to bank's full response/ relevant information
<p>Principle 1: Alignment We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>		
<p>1.1 <i>Describe</i> (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>Mitsubishi UFJ Financial Group ("MUFG") is a global financial services group that encompasses diversified Group companies, including MUFG Bank, Mitsubishi UFJ Trust and Banking, and Mitsubishi UFJ Morgan Stanley Securities.</p> <p>We help our customers achieve growth by employing our many strengths. MUFG's operations consist of seven business groups: Digital Service Business (to be launched in April 2021), Retail & Commercial Banking Business, Japanese Corporate & Investment Banking Business, Global Corporate & Investment Banking Business, Global Commercial Banking Business, Asset Management & Investor Services Business, and Global Markets Business. Together, these operations constitute a well-balanced portfolio, through which we provide a range of services to customers. Today, we are developing our business in Europe, the Middle East, Africa, the Americas, Asia, and Oceania.</p> <p>Our lending balance totalled approximately 109 trillion yen at the end of March 2020 of which domestic loans accounted for approximately 60% and overseas loans the remainder.</p> <p>We will help resolve issues confronting customers and society and deliver unique value that only MUFG is capable of creating as we move ahead toward our vision of becoming the world's most trusted financial group.</p>	<p>Annual Report 2020, p.4-7 https://www.mufg.jp/english/ir/report/annual_report/index.html</p> <p>Investor Meeting Presentation – FY Ended Mar. 2020 (May 20, 2020) p.12-14 https://www.mufg.jp/english/ir/presentation/2019/index.html</p>
<p>1.2 <i>Describe</i> how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable</p>	<p>With the conviction that environmental and social sustainability are essential to achieving sustainable growth for MUFG, we are engaged in value creation employing an integrated approach in which the execution of management strategies goes in tandem with the pursuit of solutions for social issues.</p> <p>Specifically, in consideration of the SDGs, the Paris</p>	<p>MUFG Sustainability Report 2020, p.3, 11-13, 44, 52-53 https://www.mufg.jp/english/csr/report/index.html</p>

<p>Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>	<p>Climate Agreement, and relevant national and regional frameworks, we have identified seven environmental and social issues that we must prioritize, based on both societal expectations and affinity with MUFG's business areas. Each business group has incorporated these priority issues into its strategies and is currently promoting concrete initiatives towards their resolution. We have also set sustainable finance goals and are proactively working towards meeting them.</p> <p>Moreover, we have and will continue to contribute to international sustainable development goals through the establishment of the MUFG Environmental Policy Statement, the MUFG Human Rights Policy Statement, and the MUFG Environmental and Social Policy Framework and by adhering to the Equator Principles.</p> <p>In our next medium-term business plan, we will strive to enhance our contribution to international goals by further developing strategies focused on resolving social issues.</p>	
<p>Principle 2: Impact and Target Setting We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.</p>		
<p>2.1 Impact Analysis: <i>Show</i> that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements: a) <u>Scope</u>: The bank's core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.</p>	<p>Based on the degree of relevance of MUFG as a financial institution to global megatrends and the financial industry, as well as the opinions of outside experts, we have identified the following seven priority issues to be addressed, in consideration of both societal expectations and affinity with MUFG's business areas.</p> <ol style="list-style-type: none"> 1. Global warming & climate change 2. Cross-sectoral issues 3. Business incubation & job creation 4. Social infrastructure & town planning 5. Aging population & low birth rate 6. Financial innovation 7. Workstyle reforms <p>We recognize global warming & climate change as an issue that requires special attention in light of recent trends, the Japanese government's 2050 carbon neutral declaration, and the scale of our business exposure.</p>	<p>MUFG Sustainability Report 2020, p.11, 44, 56 https://www.mufg.jp/english/csr/report/index.html</p>

<p>b) <u>Scale of Exposure</u>: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.</p> <p>c) <u>Context & Relevance</u>: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.</p> <p>d) <u>Scale and intensity/salience of impact</u>: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services.</p> <p>(your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))</p>	<p>Also, MUFG is working to assess carbon-related assets associated with its lending portfolio based on the TCFD recommendations. The proportion was 2.8% in the energy sector and 3.4% in the utility sector, which totaled 6.2%, as of the end of March 2020.</p> <p>Each business group has incorporated strategies that contribute to resolving priority issues into its strategies and is currently promoting concrete initiatives towards their resolution. MUFG has also set and is actively promoting Sustainable Finance Goals for resolving social issues, including business incubation & job creation and social infrastructure & town planning, and environmental issues, such as global warming & climate change.</p>	
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<p>Show that building on this analysis, the bank has</p> <ul style="list-style-type: none"> • Identified and disclosed its areas of most significant (potential) positive and negative impact • Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts 		
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.</p>		
<p>Based on the degree of relevance of MUFG as a financial institution to global megatrends and the financial industry, as well as the opinions of outside experts, we have identified the seven priority issues to be addressed, considering both societal expectations and affinity with MUFG's business areas. We recognize global warming & climate change as an issue that requires special attention, in light of recent trends, the Japanese government's 2050 carbon neutral declaration, and the scale of our business exposure. We are currently reviewing environmental and social issues as a priority.</p>		
<p>2.2 Target Setting</p> <p>Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services.</p> <p>Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable</p>	<p>We have set the following targets for our sustainability initiatives:</p> <p>Sustainable Finance Goals We aim to achieve a cumulative total of 20 trillion yen in sustainable finance by FY2030 (12 trillion yen in the social sector and 8 trillion yen in the environmental sector) to help resolve social issues, including business incubation & job creation and social infrastructure & town planning, and environmental issues, including global warming & climate change. The term Sustainable Finance herein refers to the provision of finance for the following businesses (including loans, equity investment in funds, arrangement of project finance and syndicated loans, underwriting of equities and bonds, and financial advisory services). (Social Area)</p> <ul style="list-style-type: none"> • Businesses contributing to the development of start-ups, job creation, and poverty alleviation • Businesses contributing to the energizing of local communities and regional revitalization • Fundamental service businesses, including those involved in basic infrastructure such as public transport, waterworks, and airports, and essential services such as hospitals, schools and police. 	<p>MUFG Sustainability Report 2020, p. 44, 45, 54, 68 https://www.mufg.jp/english/csr/report/index.html</p>

<p>Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</p> <p><i>Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</i></p>	<p>(Environmental Area)</p> <ul style="list-style-type: none"> Businesses contributing to the adaptation to and moderation of climate change, including renewable energy, energy efficiency improvement, and green buildings <p>Target balance of project financing to coal fired power generation projects To contribute to the resolution of issues associated with global warming & climate change, MUFG will not provide financing to new coal fired power generation projects in principle, as outlined in the MUFG Environmental and Social Policy Framework. The balance of financing to coal fired power generation projects, which stood at US \$3,580 million as of the end of FY2019, will be reduced by 50% from FY2019 by FY2030 and reduced to zero targeting by FY2040.</p> <p>Each Group company also has set its own medium-to-long-term environmental goals to contribute to CO2 reduction/response to climate change, waste reduction, and prevention of air pollution and is working to achieve them while setting company targets for female representation in managerial positions.</p>	
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.</p>		
<p>We aim to achieve a cumulative total of 20 trillion yen in sustainable finance by FY2030 to help resolve social issues, including business incubation & job creation and social infrastructure & town planning, and environmental issues, including global warming & climate change (increasing positive impacts). Furthermore, we have set a target balance for coal fired power generation projects financing to help address issues associated with global warming & climate change (reducing negative impacts).</p>		
<p>2.3 Plans for Target Implementation and Monitoring</p> <p><i>Show that your bank has defined actions and milestones to meet the set targets.</i></p> <p><i>Show that your bank</i></p>	<p>As part of efforts to strengthen its sustainability promotion system, MUFG has a governance system to monitor its sustainability initiatives, including progress towards targets.</p> <p>We reviewed the deliberations of the former CSR Committee and its members and developed it into the Sustainability Committee, with the aim of intensively discussing initiatives to resolve environmental and social issues. The Committee meets at least once a year, in principle, to discuss and report on the content</p>	<p>MUFG Sustainability Report 2020, p. 23 https://www.mufg.jp/english/csr/report/index.html</p>

<p>has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</p>	<p>of deliberations, such as the confirmation of the status of sustainability initiatives, including the monitoring of the progress toward targets, and the integration and strengthening of the management plan, to the Board of Directors and the Executive Committee.</p> <p>In FY2019, we engaged two external advisors to provide agile and flexible consultation for the members of the Board of Directors. Board members exchange views with the advisors and use advice and recommendations from their expertise in MUFG's sustainability initiatives.</p> <p>We also appointed a Chief Sustainability Officer (CSuO) to clarify the responsibilities for promoting sustainability. For the time being, the director in charge of corporate planning and strategy will also act as the CSuO, which will enhance the driving force, including integration with our core business.</p> <p>The Sustainability Office in the Corporate Planning Division is responsible for the planning and development of sustainability management and accelerating sustainability-oriented management throughout the company.</p>	
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.</p>		
<p>We have a governance system to monitor our sustainability initiatives including progress towards targets, thereby strengthening our sustainability promotion system.</p>		
<p>2.4 Progress on Implementing Targets</p> <p><u>For each target separately:</u></p> <p>Show that your bank has implemented the actions it had previously defined to meet the set target.</p> <p>Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set</p>	<p>Sustainable Finance Goals</p> <p>In FY2019, MUFG made smooth progress towards the Sustainable Finance Goals, and the total amount of financing stood at 3.7 trillion yen (including 2.2 trillion yen in the environmental sector).</p> <p>We will consistently implement actions needed to achieve the target balance of project financing to coal fired power generation projects.</p> <p>We have made progress toward our medium-to-long-term environmental goals to contribute to CO2 reduction/response to climate change, waste reduction, and prevention of air pollution as well as company targets for female representation in managerial positions.</p>	<p>MUFG Sustainability Report 2020, p. 44, 45, 54, 68 https://www.mufg.jp/english/csr/report/index.html</p>

<p>target.</p> <p><i>Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)</i></p>		
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets</p>		
<p>We will work towards meeting our targets and keep disclosing the progress status.</p>		
<p>Principle 3: Clients and Customers We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</p>		
<p>3.1 <i>Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</i></p>	<p>With the conviction that environmental and social sustainability are essential to achieving sustainable growth for MUFG, we are engaged in value creation employing an integrated approach in which the execution of management strategies goes in tandem with the pursuit of solutions for social issues.</p> <p>We support customers transitioning to a sustainable business model in terms of both business opportunities and business risks.</p> <p>Regarding business opportunities, we identified environmental and social issues that we must address and, selected seven priority issues, taking into account societal expectations, affinity with MUFG's business areas, global issues such as the 17 SDGs, and issues for Japan as indicated by Japan's Cabinet Office. We have incorporated the priority issues into our business strategies and are currently promoting concrete initiatives towards their resolution.</p> <p>In 2019, we established the Sustainability Office, an organization dedicated to the promotion of</p>	<p>MUFG Sustainability Report 2020, p.3, 11-13, 23, 52-53 https://www.mufg.jp/english/csr/report/index.html</p>

	<p>sustainable finance. The Office seeks solutions to medium-to-long-term environmental and social issues faced by our customers and provides them with information and functionality, thereby supporting their transition to enhanced energy efficiency and facilitating innovation that employs clean energy technologies.</p> <p>Regarding business risks, in 2018, we launched the MUFG Environmental Policy Statement and the MUFG Human Rights Policy Statement as our basic policies to address environmental and social issues, as well as the MUFG Environmental and Social Policy Framework which outlines more specific measures. We review processes to identify and assess environmental and social risks and impacts based on the MUFG Environmental and Social Policy Framework (standard and enhanced due diligence) and environmental and social considerations based on the Equator Principles.</p>	
<p>3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>	<p>MUFG uses its functions and businesses as a financial institution to provide various initiatives, products, and services to address the environmental and social issues it has determined. Examples are as follows.</p> <p>Sustainability Linked Loan MUFG Bank has developed a loan product called the Sustainability Linked Loan (SLL), in which terms and conditions of the loan will be adjusted based on the sustainability performance target (SPT) aligned with the customer's ESG strategy. Specifically, we set a performance target linked to the customer's sustainability targets, such as the target reduction in CO2 emissions and ESG assessments, and by adjusting loan conditions according to the customer's performance in achieving the set target, we promote and support the customer's environmental and social initiatives and sustainable economic activities. In FY2019, we closed three SLL transactions, one of which was the first of its kind in Japan.</p> <p>ESG Management Support Loan This corporate loan product is designed to evaluate and support customers' ESG initiatives. In addition to the usual screening process, we evaluate customer initiatives and score them in cooperation with Mitsubishi UFJ Research and Consulting and Japan Credit Rating Agency to extend financing accordingly.</p>	<p>MUFG Sustainability Report 2020, p. 12-21, 33-42 https://www.mufg.jp/english/csr/report/index.html</p>

	An increasing number of customers, including large companies and SMEs that plan to launch ESG management, are interested in this loan product.	
Principle 4: Stakeholders We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.		
<p>4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</p>	<p>MUFG categorizes its stakeholders involved with its business activities into the following categories: customers, business partners, employees, shareholders and investors, communities and society, and the environment. Through constructive dialogue with each stakeholder, we will gain new insights and they will deepen their understanding of MUFG, and by taking into account the interests of our stakeholders and the social issues they face, we will strive to build a relationship of trust and collaboration that will lead to the sustainable growth of MUFG and the improvement of our corporate value over the medium to long term. We also participated in the Nikkei SDGs Forum and held an ESG Management Forum to distribute information effectively.</p> <p>In FY2019, we engaged two external advisors to provide agile and flexible consultation for the members of the Board of Directors. Board members exchange views with the advisors and use advice and recommendations from their expertise in MUFG's sustainability initiatives.</p> <p>Moreover, MUFG participates in and endorses a variety of initiatives to meet its social responsibilities as a financial institution, respond to the demands of the international community and contribute to the realization of a sustainable society. In January 2021, we endorsed and committed to the Stakeholder Capitalism Metrics, a set of indicators to measure stakeholders' capitalistic level, which is proposed by the World Economic Forum.</p>	<p>MUFG Sustainability Report 2020, p.23-31 https://www.mufg.jp/english/csr/report/index.html</p>
Principle 5: Governance & Culture We will implement our commitment to these Principles through effective governance and a culture of responsible banking		
<p>5.1 Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage</p>	<p>MUFG is strengthening its sustainability promotion system in order to achieve a sustainable environment and society, as well as the sustainable growth of the group. Specifically, we reviewed the deliberations of the former CSR Committee and its members and developed it into the Sustainability Committee, with</p>	<p>MUFG Sustainability Report 2020, p.23, 100-102 https://www.mufg.jp/english/csr/r</p>

<p>significant positive and negative (potential) impacts and support effective implementation of the Principles.</p>	<p>the aim of intensively discussing initiatives to resolve environmental and social issues. The Committee meets at least once a year, in principle, to discuss and report on the content of deliberations, including the confirmation of the status of sustainability initiatives and the integration and strengthening of the management plan, to the Board of Directors and the Executive Committee.</p> <p>In FY2019, we engaged two external advisors to provide agile and flexible consultation for the members of the Board of Directors. Board members exchange views with the advisors and use advice and recommendations from their expertise in MUFG's sustainability initiatives.</p> <p>We also appointed a Chief Sustainability Officer (CSuO) to clarify the responsibilities for promoting sustainability. For the time being, the director in charge of corporate planning and strategy will also act as the CSuO, which will enhance the driving force, including integration with our core business.</p>	<p>eport/index.html</p>
<p>5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<p>MUFG is strongly focused on encouraging each employee's self-directed career building and, to this end, supports their growth and their ability to respond to challenges. Accordingly, we have in place a number of frameworks designed to help them acquire diverse experience within and outside the Group.</p> <p>We hold in-house education and training sessions to promote a better understanding of sustainability. Also, to advance the integration of the resolution of social issues in our management strategy, the Sustainability Office shares information, makes proposals, and exchanges opinions with related departments regarding the concept of sustainability, the external environment, and awareness of issues in the formulation of sustainability-related policies and business strategies, the promotion of various initiatives, and the preparation of the Annual and Sustainability reports.</p> <p>In discussing the next medium-term business plan, we collected and reflected the opinions of many employees on the further evolution of sustainability management. We see increased momentum and awareness within not only upper management but</p>	<p>MUFG Sustainability Report 2020, p.62-65 https://www.mufg.jp/english/csr/report/index.html</p>

	across the whole group.	
<p>5.3 Governance Structure for Implementation of the Principles</p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <p>a) target-setting and actions to achieve targets set</p> <p>b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.</p>	<p>With the governance structure mentioned in 5.1, MUFG promotes initiatives based on the Principles for Responsible Banking (PRB).</p>	<p>MUFG Sustainability Report 2020, p.23, 100-102 https://www.mufg.jp/english/csr/report/index.html</p>
<p>Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.</p>		
<p>MUFG is strengthening its sustainability promotion system in order to achieve a sustainable environment and society, as well as the sustainable growth of the group. We reviewed the deliberations of the former CSR Committee and its members and developed it into the Sustainability Committee, with the aim of intensively discussing initiatives to resolve environmental and social issues. The Committee meets at least once a year, in principle, to discuss and report on the content of deliberations to the Board of Directors and the Executive Committee.</p>		
<p>Principle 6: Transparency & Accountability We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.</p>		
<p>6.1. Progress on Implementing the Principles for Responsible Banking</p> <p>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and</p>	<p>To enhance transparency and accountability, we are sharing information about our sustainability initiatives through a new Sustainability Report in addition to our existing annual report and websites.</p> <p>Other than principles 1-5 mentioned above, we are also working on the following.</p> <ul style="list-style-type: none"> We are reviewing environmental and social priority issues We are working on further integration of the resolution of social issues and our management strategy in discussing our next medium-term business plan MUFG has built a structure for contributing to the 	<p>MUFG Sustainability Report 2020, p.7, 55,91 https://www.mufg.jp/english/csr/report/index.html</p>

<p>implementation of targets in minimum two areas (see 2.1-2.4).</p> <p><i>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</i></p> <p><i>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.</i></p>	<p>resolution of the priority issues outside its business. We also established a new framework to contribute an amount equivalent to 0.5% of the Group’s net business profits in the previous fiscal year to social contribution activities (in the form of donations, etc.)</p> <ul style="list-style-type: none"> • We plan to strengthen the MUFG Environmental and Social Policy Framework • MUFG is aiming to achieve 100% utilization of renewable energy sources for its in-house electricity needs. As a first step, we became the first Japanese bank to introduce a menu of electricity powered exclusively by hydropower generation. 	
<p>Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking</p>		
<p>To enhance transparency and accountability, we are sharing information about our sustainability initiatives through a new Sustainability Report in addition to our existing annual report and websites. We will implement a variety of initiatives to further strengthen our sustainability efforts.</p>		