Committed to empowering a brighter future.
MUFG published the MUFG Sustainability Report 2021 to improve understanding on the company's commitment to sustainability, in order to achieve a sustainable environment and society and to help the group achieve sustainable growth. For all of our stakeholders, we explain the sustainability initiatives we implement throughout our operations based on “MUFG Way” and Code of Conduct. In publishing the report, we consider both the importance to society and the importance to MUFG, with reference to the GRI Standards and the UN Global Compact. Please refer to our website, along with the MUFG Report 2021 (JGAAP) for more information on our sustainable value creation mechanism and financial data.

MUFG report 2021 are available on our website. (https://www.mufg.jp/english/report/annual_report/)

Scope of Reporting

In principle, this report covers major 6 companies:

- Mitsubishi UFJ Financial Group
- MUFG Bank
- Mitsubishi UFJ Trust and Banking
- Mitsubishi UFJ Morgan Stanley Securities
- Mitsubishi UFJ NICOS
- ACOM

Period Subject to Reporting

FY2020 (April 1, 2020 to March 31, 2021)
(Includes some information from FY2021)

Contact Concerning This Report

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Reference Guidelines

- GRI Standard
- UN Global Compact
- ISO 26000: Guidance on social responsibility
- SASB (Sustainability Accounting Standards Board)
- Environmental Reporting Guidelines (2018), Ministry of the Environment
- SDGs Compass
- Recommendations of TCFD

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MUFG's Approach to Sustainability

MUFG's Sustainability Management

With the conviction that environmental and social sustainability are essential to achieving sustainable growth for MUFG, we will engage 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.

MUFG Way and Code of Conduct

MUFG Way

MUFG Way serves as the basic policy in conducting our business activities, and provides guidelines for all group activities. MUFG Way also is the foundation for management decisions, including the formulation of management strategies and management plans, and serves as the core value for all employees.

Our Purpose, “Committed to empowering a brighter future” expresses our determination to help all our stakeholders take the next step forward. It is our view that our Purpose, as the starting point for all business activities, gives direction and force to the strategies included in our Medium-term Business Plan, allowing us to contribute further to realizing a sustainable society.

Code of Conduct

The Code of Conduct encapsulates the standards that guide employees’ conduct and decision-making in our day-to-day business activities under the MUFG Way. The Code of Conduct is organized into three chapters:

- Chapter 1 Customer Focus
- Chapter 2 Responsibility as a Corporate Citizen
- Chapter 3 Attitudes and Behaviors in the Workplace

Positioning in the Medium-term Business Plan

MUFG strives to thoroughly address the issues of all stakeholders, including society and clients, and works to solve the issues in order to stay true to the purpose of MUFG to be committed to empowering a brighter future.

In the medium-term business plan that started this fiscal year, we set our target to become “The premier business partner that pioneers the future through the power of finance and digital services and placed sustainability management as one of three themes for change along with digitalization and speed and new challenges, which is the state we aim to achieve in three years. We will promote business strategies, risk management, and social contribution activities starting with our ten environmental and social issues that we will work on as our priorities to contribute to solving the environmental and social issues.

Overall of MUFG's Sustainability Management

With the conviction that environmental and social sustainability are essential to achieving sustainable growth for MUFG, we will engage 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.
Hello, I am Kamezawa, the Group CEO.

First and foremost, I want to express my heartfelt sympathies to everyone affected by the COVID-19 pandemic, and my grateful respect to all the healthcare professionals and frontline workers working to care for individuals and protect society.

In April 2021, MUFG defined our purpose - crystallizing our thinking on why we exist - as being "Committed to empowering a brighter future." We launched a new Medium-term business plan with that purpose as a driving force, and with an invigorated emphasis on resolving environmental and social issues.

This stance recognizes that MUFG can grow only if society is sustainable, and pledges our utmost to help all MUFG stakeholders move forward - including our customers and partners, local communities and society, future generations, and MUFG employees.

Concerns such as climate change, the aging population and low birthrate, and ripple effects of the digital shift in society, are forcing major shifts in the lives of people and activities of companies around the world. As trends including the green shift and digitalization continue to accelerate, stakeholders have high expectations for MUFG's ability to provide safe and reliable next-generation financial services to society. By wisely interpreting societal shifts and viewing environmental and social solutions as an opportunity to grow, MUFG aims to lead the way in sustainability initiatives.

We announced the MUFG Carbon Neutrality Declaration with the intent of helping address climate change, one of humanity's most-important challenges, and we have reinvigorated various existing MUFG efforts and placed them within the purview of this declaration, alongside any new initiatives we launch in the future. We have also expressed our strong commitment to help achieve the goals of the Paris Agreement, through both internal and external efforts. To achieve net-zero greenhouse gas emissions from our investment and loan portfolio by 2050 and net-zero greenhouse gas emissions from our own operations by 2030, we support transition and green-innovation initiatives that drive toward a carbon-free society - initiatives that also lead to our own growth.

Through sustainability management, we will grow recognition among our colleagues that their work is supporting the planet and society at large, and provide genuine initiative to attack their daily work with pride.

We urge each and every one of our colleagues to embody MUFG's purpose. "Committed to empowering a brighter future." and to share thoughts on this with their colleagues and managers, while asking how they can help our customers and support society's health.

By systematically encouraging this dialogue, we wish to imbue a shared sense of devotion to customers and society throughout our organization, and provide a pure motivating force for all our strategies.

While fostering a culture where employees of diverse generations, genders, nationalities, cultures, and values can freely express their opinions, we wish to contribute to building a sustainable environment and a healthy society, on a Group and global basis.

We ask for your continued understanding and support.

Thoughts reflected in “Adventures of a Red Ball”

The red ball pops out from the MUFG logo rolls vigorously forward, activating various resources and prompting actions. A bridge is built where there was none. Windmills start to spin and solar panels spring up, generating natural energy. Greenery flourishes as trees are planted, attracting a variety of organisms, including insects and animals.

These scenes are all part of "Adventures of a Red Ball - MUFG Soul Movie" released in June 2021. In this video, the "red ball" of MUFG continues to roll forward with resolve, choosing "change" over "stay" even when it's the difficult choice - all the while representing the "soul" of our company. We created this video because we believe it is also important to communicate our thoughts and values on sustainability to society in an easy-to-appreciate manner. "Adventures of a Red Ball" will continue to roll on toward a sustainable environment for all of society.

While fostering a culture where employees of diverse generations, genders, nationalities, cultures, and values can freely express their opinions, we wish to contribute to building a sustainable environment and a healthy society, on a Group and global basis.

We ask for your continued understanding and support.
Purpose
The purpose was set with the determination to empower all stakeholders to advance to the next stage.

Committed to Empowering a Brighter Future.

Details: P.1

Review of Priority Issues
Ten issues to be prioritized by MUFG are identified.

10 issues
Details: P.19

Contribution to the Realization of a Decarbonized Society
Net-zero GHG emissions from the investment and loan portfolio by 2050, and net-zero GHG emissions from MUFG itself by 2030

MUFG Carbon Neutrality Declaration

NZBA, PCAF
Details: P.56

Participation in Initiatives
Enhancement of our response to climate change and proactive dissemination of information and opinions as a financial institution mainly based in Japan and Asia

Switching 100% of the Electricity Consumed by MUFG to Renewable Energies
Stimulation of the trading market by purchasing the Non-Fossil Fuel Certificate, and promotion of the use of renewable energy

100%
(For the electricity contracted to be used at bank branches in Japan)
Details: P.4

Target Ratio of Female Management in Japan
Reflecting diverse perspectives and values in areas closer to management

18.0%
Details: P.47

Raising the Target of Sustainable Financing
Reinforcement of support for solving environmental and social issues and for economic development

35 trillion yen
(Cumulative from FY 2019)
Details: P.47

Cumulative Execution Amount of Sustainable Finance
Proactive support for resolving environmental and social issues

7.9 trillion yen
(Cumulative from FY 2019)
Details: P.47

Cumulative Origination Volume of Renewable Energy Project Finance
Active promotion of renewable energy as a prioritized support area

46 billion USD
(Cumulative from FY 2010)
Details: P.48

CO₂ Reduction Target
Establishment of a CO₂ reduction target to be achieved through financing renewable energy projects

70 million tons
Details: P.48

Revision of the MUFG Environmental and Social Policy Framework
Periodic reviews of the policy framework in response to changes in business activities and the business environment to materialize environmental and social considerations.

Target Ratio of Female Management in Japan
Reflecting diverse perspectives and values in areas closer to management

18.0%
Details: P.47

Executive Compensation Evaluation Index
Revision of the executive compensation system to achieve the new medium-term business plan and carry out sustainability management

Reflecting ESG factors
Details: P.140

Promotion of Responsible Investment
Minister of the Environment Award 2020, which recognizes the year’s best practice in sustainable investment, hosted by Principles for Financial Action for the 21st Century.

Received the Minister of the Environment Award
Details: P.48

Social Contribution Activity Expenses
Donations and volunteering in areas where it is difficult to contribute through financial services and where there is a real need for society

9.16 billion yen
Details: P.48

Revision of the MUFG Environmental and Social Policy Framework
Periodic reviews of the policy framework in response to changes in business activities and the business environment to materialize environmental and social considerations.

Stronger reviewing
Details: P.37

Collaborating with the University of Tokyo
Research on decarbonization pathways and the role of finance in their realization

Collaborating with the University of Tokyo
Details: P.37
MUFG Carbon Neutrality Declaration

To achieve net zero emissions in our finance portfolio by 2050 and in our own operations by 2030

Commit to Achieve Decarbonization through Financial Services

- Set and disclose a milestone for 2030 by FY 2022, which progress will be reported on an annual basis.
- Demonstrate appropriate engagement functions
- Actively support innovation technologies and transition measures
  - Actively support financing for transition
  - Support renewable energy, hydrogen, next-generation energy, etc.
  - Set target for sustainable finance
  - Participate in the UN-led Net Zero Banking Alliance

Promote Decarbonization via MUFG’s Own Efforts

- Reduce MUFG’s impact on the environment
- Leverage on a framework which contributes a certain percentage of profit to CSR activities
  - Shift to 100% renewable energy for procured electricity
  - Launch renewable energy fund
  - Generate demand for next generation energy (Wind, solar, etc.)
  - Work on carbon offsets (afforestation, etc.)

Set targets to align with the goals of Paris Agreement, and expand and improve transparency of information disclosure

Scientific approach
- (SBT, etc.)

Credit portfolio reduction target for coal-fired power generation projects (PF)
- Please refer to P.33 for details.

CO₂ reduction targets
- (Renewable energy PF)

Enhance communication tools (Sustainability Reports, booklets)
- Please refer to P.33 for details.

Enhance the Organization to Achieve Carbon Neutrality

- Reflect ESG elements to the executive compensation
- Govern policy statements by the Board of Directors
- Group global project teams
- Enhance external relationships and promote the usage of external knowledge
- Strengthen and developing professional talents
- Adopt sustainability-linked loans (the Trust Bank)

Roadmap for achieving carbon neutrality

2021/4
2022 /3
2023/3
2024/3
2030
2040
2050

- Sustainable Finance: JPY 35 trillion (Actual cumulative from FY19: JPY 14 trillion)
- CO₂ reduction target via renewable energy project finance
- Reduce credit balance for coal-fired power-related project finance
- Progress on net zero in MUFG’s own operation
- Reduce by 50%
- Zero

- Achieve net zero

What we have done so far

- Established MUFG AM Responsible Investment Policy
- Declared support for TCFD (The Trust Bank)
- Participate in the UN-led Net Zero Banking Alliance
- Signed Principles for Responsible Investment (the Trust Bank)
- Established the MUFG AM Responsible Investment Policy
- Declared support for TCFD (The Trust Bank)

MUFG is committed to tackling climate change, one of the most serious issues facing the world, and will therefore develop specific action plans based on its purpose, which is being “Committed to empowering a brighter future.” In order to align with the goals of the Paris Agreement, MUFG will support the smooth transition to a decarbonized society through its financial services and proactively contribute to creating a sustainable society by fostering a virtuous cycle between the environment and economy.
Promotion of Sustainability

### Policies and Guidelines Related to Sustainability

Details on our policies and guidelines are available on our websites: [https://www.mufg.jp/english/csr/policy/](https://www.mufg.jp/english/csr/policy/)

#### Environmental
- MUFG Environmental Policy Statement
- MUFG Environmental and Social Policy Framework

#### Society
- MUFG Human Rights Policy Statement
- MUFG Environmental and Social Policy Framework
- MUFG AM Responsible Investment Policy
- Approach to Purchasing Activity
- Modern Slavery Act 2015
- Activities against Cluster Bombs
- Personal Information Protection Policy
- MUFG’s Thinking on Inclusion & Diversity

#### Governance
- MUFG Code of Conduct
- MUFG Corporate Governance Policies
- Policy for Conflicts of Interest Management
- Basic Policy regarding Anti-Social Elements
- Efforts to Prevent Bribery
- MUFG Basic Policy for Fiduciary Duties
- MUFG Corporate Governance Policies
- Risk Management Basic Policy
- Compliance Basic Policy
- Global Financial Crimes Policy Statement

#### Group Company Policies
- MUFG Bank
- Mitsubishi UFJ Trust and Banking
- Mitsubishi UFJ Securities Holding

### Sustainability Promotion Structure

Under the supervision of the Board of Directors, MUFG has established a system to promote sustainability centered on the Sustainability Committee. This committee is chaired by the Group Chief Sustainability Officer (CSuO), who is a member of the Board of Directors and is responsible for all sustainability initiatives. The CSuO also serves as the Group Chief Strategy Officer (CSO) in charge of corporate planning and strategy.

In principle, MUFG convenes the Sustainability Promotion Structure Committee at least once a year to check and discuss the status of sustainability initiatives and to report the contents to the Executive Committee and the Board of Directors, which supervise the Committee. In addition, two external advisors have been invited to provide expert opinions on sustainability issues and risks at any time. These advisors exchange opinions with the members of the Board of Directors and provide advice and recommendations from their professional standpoints on MUFG’s sustainability initiatives.

#### Roles of Each Position and Department
- **Group Chief Sustainability Officer (CSuO)**: Promotes the realization of sustainability and is responsible for its initiatives. The Group CSO, a member of the Board of Directors, becomes the CSuO.
- **External advisor**: The external advisor regularly exchanges views with the management in order to make use of external knowledge for sustainability management.
- **Sustainability Office, Corporate Planning Division**: The Sustainability Office is responsible for the planning and development of sustainability management and accelerating sustainability management throughout the company.
- **Sustainable Business Division**: The Sustainable Business Division is an organization dedicated to the promotion of sustainable finance. As a portal-hub for MUFG, this team accumulates information related to sustainable business globally and supports customers’ sustainable growth through providing information and solutions.
Stakeholder Engagement
- Empower All Stakeholders to Move to the Next Step Forward -

In these rapidly changing times, all of our stakeholders are overcoming challenges to find a way to the next stage, toward sustainable growth. We at MUFG will make every effort to help realize these goals. This will be our unchanging purpose now, and into the future. MUFG will continue to actively engage in constructive dialogues with stakeholders in order to gain new insights and deepen mutual understanding. We strive to build a relationship of trust and cooperation with our stakeholders by responding appropriately to their concerns and issues, and to help MUFG achieve sustainable growth and enhance its corporate value over the medium to long term.

Through new services that utilize digital technology, we will help everyone realize a prosperous life that is uniquely their own.

**FY 2020 achievements**

- Customer feedback volume: Approximately 180,000 instances*, including 249 inputs utilized to improve services
- FY 2020 achievements
  - Promotion of sustainable financing
  - Response to climate change
  - Support for future generations through donations
  - Participation in various initiatives
- For the sake of future generations, we aim to create a world in which people and the Earth coexist in harmony. We will proactively take action for the empowerment of future generations.

**[FY 2020 achievements]**

- **Stakeholder Engagement**
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Distributing Information and Having Dialogues with Stakeholders

MUFG’s Business Strategy Seminar, “MUFG’s Sustainability Management: Initiatives for Climate Change” was Held!

A climate change seminar for investors was held online on June 3, 2021. At the seminar, CSO Miyashita gave a presentation on “MUFG’s Sustainability Management” and “MUFG Carbon Neutrality Declaration,” and General Manager Kato of the Sustainable Business Division gave a presentation on “Sustainable Business”, followed by a Q&A session. During the Q&A session, participants engaged in a lively discussion on such topics as the MUFG Environmental and Social Policy Framework, setting targets for net-zero greenhouse gas emissions, and the profitability of decarbonization. MUFG is committed to support our customers’ sustainability transitions and innovation through engagements, and to provide financial support for business development.

MUFG Sustainable Business Day was Held!

On February 12, 2021, Sustainable Business Day, an event for our customers, was held online. The event was a great success with the participation of more than 600 customers, mainly from business corporations, investors, local governments, and financial institutions, as the event introduced global trends and advanced examples with ESG finance and transitions as keywords. Through this event, we recognized the importance of supporting our customers’ efforts towards sustainable business. The participants gave positive feedback, “The seminar was highly satisfactory as the speakers provided thorough and sincere answers,” “It was able to understand well about the efforts against climate change,” and “I felt the strong commitment to achieve carbon neutrality.”

ESG Seminar was Held in Singapore

The theme of the seminar was “ESG Trends of Investors and Corporations - Supporting a Sustainable Society Through Finance.” Over 130 customers of the Corporate Sales Division in Singapore participated in the seminar. The seminar introduced the latest trends in ESG management and sustainable finance, MUFG’s support system, ESG trends in Asia and Oceania, and MUFG’s initiatives. We received comments, such as “I was able to understand how financial institutions and investors view ESG management”, and “It was helpful that I was able to learn the specific framework of sustainable finance.”

As a financial institution, we will continue to contribute to the ESG management of our customers in Singapore, which as a nation is aiming to become the hub of green finance.

The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., and ACCOM
Participants said, “Knowing what the executives are thinking at the moment brought us closer together”, and “The online approach made it easy to participate, and the questions and opinions of other employees were stimulating”. Accordingly, we proactively hold town hall meetings aimed at facilitating interaction between top management members and employees of Group companies and dialogue sessions between external business leaders and the Group CEO, with employees participating. We also support voluntary social contribution activities planned and undertaken by employees. Moreover, we implement measures aimed at facilitating workplace communications while providing training to help enhance employees’ sense of ownership about the MUFG Way, which has been newly established, as well as MUFG Group Code of Conduct, which we update annually.

The outcomes of these measures are confirmed via the annual Group Awareness and Engagement Survey and other feedback and reported to the Board of Directors. The fiscal 2020 round of such survey targeted approximately 103,000 employees, with the ratio of respondents totaling 93%. We also implement improvement measures to address issues identified in the course of this survey.

For us to enhance employees’ sense of engagement, it is essential to win their empathy toward management. Accordingly, we proactively hold town hall meetings to directly communicate management visions to employees, a practice that also helps our corporate leaders acquire new insights from the open exchange of ideas with employees. In fiscal 2020, our town hall meetings were attended by a cumulative total of approximately 60,000 employees at home and abroad. We also host special town hall meetings for female employees.

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**Over 30,000 participants!**

**All Employees x All Executives Town Hall Meeting**

From January to February 2021, an online town hall meeting was held for the bank’s approximately 30,000 domestic employees. Seventy-six executives from all over Japan directly communicated “what management is thinking now”, as well as shared their perceptions and thoughts on daily issues faced by employees. By using a real-time questionnaire, participants were able to ask questions and express their opinions on the spot, and executives were able to check participants’ responses to their own answers, resulting in a lively two-way communication. Participants said, “Knowing what the executives are thinking at the moment brought us closer together”, and “The online approach made it easy to participate, and the questions and opinions of other employees were stimulating”.

**Town Hall Meetings with Top Management**

"Finance of Tomorrow" Initiative

Amid the COVID-19 pandemic, our society is undergoing everfaster changes in work styles, lifestyles and educational methods. Given these changes, banks are being called upon to update their modes of financial services with regard to government subsidies and grants in addition to being expected to extend loans to an even broader range of borrowers, including SMEs and freelance workers. With this in mind, we launched the “Finance of Tomorrow” initiative in which the Group CEO and young employees pay visits to and engage in dialogue with external individuals who are successful in various fields to encourage each employee to think about the future of finance from their own standpoints. These interactions are helping them reflect on for whom financial services exist, what is required of MUFG now and what they can do to support it.

"Straight-Talking" Roundtable with Group CEO

We hold “Straight-Talking” roundtable events in which employees engage in discussion with the Group CEO. The events were held over the course of four months and focused on deliberating on the business model the Group must create, the value it must deliver via financial services exist, what is required of MUFG now and what they can do to support it.

We hold dialogue sessions which external business leaders are invited to exchange opinions with the Group CEO in the presence of MUFG employees. These sessions provide employees with opportunities to learn about external corporations’ management philosophies, their recognition of issues lying ahead and their business initiatives. In this way, we help employees acquire new perspectives regarding the possibility of MUFG while motivating them to change their mindsets and their modes of behavior. Each session is attended by approximately 500 employees, and question & answer sessions held following dialogues involve active exchanges between external business leaders and employees.

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Amid the COVID-19 pandemic, our society is undergoing everfaster changes in work styles, lifestyles and educational methods. Given these changes, banks are being called upon to update their modes of financial services with regard to government subsidies and grants in addition to being expected to extend loans to an even broader range of borrowers, including SMEs and freelance workers. With this in mind, we launched the “Finance of Tomorrow” initiative in which the Group CEO and young employees pay visits to and engage in dialogue with external individuals who are successful in various fields to encourage each employee to think about the future of finance from their own standpoints. These interactions are helping them reflect on for whom financial services exist, what is required of MUFG now and what they can do to support it.

"Straight-Talking" Roundtable with Group CEO

We hold “Straight-Talking” roundtable events in which employees engage in discussion with the Group CEO. The events were held over the course of four months and focused on deliberating on the business model the Group must create, the value it must deliver via financial services exist, what is required of MUFG now and what they can do to support it.

We hold dialogue sessions which external business leaders are invited to exchange opinions with the Group CEO in the presence of MUFG employees. These sessions provide employees with opportunities to learn about external corporations’ management philosophies, their recognition of issues lying ahead and their business initiatives. In this way, we help employees acquire new perspectives regarding the possibility of MUFG while motivating them to change their mindsets and their modes of behavior. Each session is attended by approximately 500 employees, and question & answer sessions held following dialogues involve active exchanges between external business leaders and employees.
Priority Environmental and Social Issues
MUFG Must Address

Approach to Priority Issues

P.18 Priority Environmental and Social Issues MUFG Must Address
P.19 Climate Change Measures & Environmental Protection
P.23 Response to Aging Population & Low Birthrate
P.25 Inclusion & Diversity
P.27 Developing Social Infrastructure
P.29 Supporting Industrial Development & Innovation
P.31 Response to Poverty
P.32 Reduction of Educational Disparities
P.33 Ensuring Equal Access to Financial Services
P.34 Promoting Workstyle Reforms
P.35 Overcoming Threats to Health
P.37 Contribution to Sustainability as a Financial Institution

Process for Identifying 10 Priority Issues

We have defined 10 priority issues that must be tackled to help achieve environmental and social sustainability in light of our newly established Purpose, “Committed to empowering a brighter future,” with an eye to better fulfilling society’s expectations in areas where MUFG’s capabilities can be brought to bear.

STEP.1
Identified 218 issues by assessing environmental and social issues at home and abroad with reference to the United Nations Sustainable Development Goals (SDGs), stakeholder feedback regarding ESG issues and the requirements set out in the various guidelines listed below:
- GRI Standards
- United Nations Global Compact
- SASB Standards
- ISO26000
- UN Department of Economic and Social Affairs
- Issues selected by the Cabinet Office
- The previous 7 priority issues specified by MUFG, etc.

STEP.2
Integrated the 218 issues into the 123 issues based on duplications or similarities, with the Sustainability Office undertaking the primary screening.

STEP.3
Identified 12 major issues based on employee feedback gleaned via questionnaires and interviews:
- Items included in questionnaires or asked at interviews
- Issues respondents are currently addressing or willing to address through their business duties
- Issues respondents think that are addressed by companies considered to be good corporate citizens

STEP.4
Determined the 10 priority issues after multiple rounds of management discussion that took into account the opinions of external advisors, input from outside directors and the global trend toward sustainability, with an eye to better fulfilling society’s expectations in areas where MUFG’s capabilities can be brought to bear.

Environmental and Social Issues
- Climate change measures & environmental protection
- Response to aging population & low birthrate
- Inclusion & diversity
- Developing social infrastructure
- Supporting industrial development & innovation
- Response to poverty
- Reduction of educational disparities
- Promoting workstyle reforms
- Overcoming threats to health

Deliberation and determination
- Issues respondents are currently addressing or willing to address through their business duties
- Issues respondents think that are addressed by companies considered to be good corporate citizens
Climate Change Measures & Environmental Protection
-Toward a Carbon Neutrality-

MUF G recognizes that addressing climate change and environmental conservation is one of the most important management issues. We will respond to them by regarding them as business opportunities and risk management. In order to support economic development through a virtuous cycle between the environment and the economy, we are promoting renewable energy, hydrogen and next-generation energy, and carbon recycling as priority fields.

- Support for Renewable Energy Projects

**Doggan Bank Offshore Wind Power Project**
- Supplying approximately 5% of the UK’s electricity demand
  - Total finance amount **Appro. 766.3 billion yen** (5.5 billion GBP)
  - Supplying approximately 5% of the total electricity demand in UK (equivalent of approximately 160,000 households)
  - Awarded in Project Finance International, the world’s leading trade magazine

**Al Dhafra Solar Project, United Arab Emirates**
- Construction of a solar power plant with the world’s largest-capacity
  - Total finance amount Approximately **98.1 billion yen** (appro. 880 million dollars)
  - A construction period bridge finance for a project with a premise of issuing a project bond for the first time in the Middle East
  - The world’s largest-capacity solar power plant
  - Awarded in Project Finance International, the world’s leading trade magazine

- Supported Funds for the Construction of Hydrogen Stations in California, USA
- The world’s largest market for fuel cell vehicles
- Bank’s first loan provided specifically for hydrogen-related businesses
- Financial contribution to the expansion of the hydrogen supply infrastructure

**Funding for Japanese Biotech Venture Aiming to Commercialize Oil-Free / Animal-Free Sustainable Material**
- Provided financing for a biotech venture Spiber
- Developer and manufacturer of Brewed Protein™, a next-generation protein material
- Arrangement of financing through “market value securitization scheme”

**Supporting Clients’ Transition Strategies**

**Underwriting Inaugural Transition Bonds in Japan**
- The Nippon Yusen Kaisya (NYK) issued the first Transition Bonds and will allocate net proceeds to increase low-carbon solutions and to develop & implement decarbonization solutions
- First model example selected by the Ministry of Economy, Trade and Industry for FY 2021 Climate Transition Finance Model Project

**Transition bonds...**
Bonds used to invest in projects that are consistent with a company’s long-term transition strategy to reduce greenhouse gas emissions.
**Investment in a Fund for Climate Change Mitigation Infrastructure in Emerging Countries**

- The Fund has Public and Private Sector Partners and is Managed by BlackRock
  - Energy demand to grow in emerging countries
  - Construction of infrastructure for climate change mitigation to reduce CO2 emissions is critically needed
  - Creation of positive environmental and social impact through public-private collaboration
  - Involved in monitoring and evaluation of environmental and social impact

**Switching 100% of the Electricity Consumed by MUFG to Renewable Energies**

**Initiatives of the Bank, the Trust Bank and the Securities (offices in Japan)**

- Taking the initiative in switching 100% of the electricity consumed by MUFG to renewable energies
- Stimulation of the trading market by using Non-Fossil Certificate* and promotion of the use of renewable energy
- The bank has already switched to 100% renewable energy in practical terms in June 2021
- Reduction of approximately 100,000 tons of CO2 annually

* A system that extracts the non-fossil value of electricity generated from non-fossil power sources and makes it possible to buy and sell if using certificates

**Launch of a Renewable Energy Fund**

- Realization of switching 100% of electricity consumed by MUFG to renewable energy, revitalization of the Japanese renewable energy market and creation of business opportunities
- An integrated approach of not only generating renewable energy, but also using generated energy for procurement of renewable energy by participating companies
- Utilize expertise in project finance, including asset sourcing and financing arrangements, as well as the know-how of partners in electricity retailing and other businesses
- Expand the scale and investment target assets to provide renewable energy for companies other than MUFG

**Participation in Various Initiatives**

**First Company in Japan! Joined the Net-Zero Banking Alliance (NZBA)**
- Selected as a bank to join the steering members of the Asian National Bank
- Initiative of banks committed to achieving net-zero GHG emissions in their investment portfolios by 2050 (established by UNEP-FI in April 2021)
- Contribution to efforts to achieve net-zero GHG emissions on a global basis
- Active dissemination of information and opinions as a financial institution with its main base in Japan and Asia
- The only Japanese bank to participate in the Glasgow Financial Alliance for Net Zero (GFANZ) working group

**Partnership for Carbon Accounting Financials (PCAF)**

- PCAF is a global initiative with the aspiration to standardize the measurement and disclosure of financed emissions
- MUFG will leverage the knowledge and database available in PCAF
- MUFG will also contribute to the worldwide adoption of the measurement and disclosure of GHG emissions in collaboration with financial institutions participating in PCAF

**Industry-Academia Partnership with the University of Tokyo**

- Research on Decarbonization Pathways and the Role of Finance in their Realization

**Support for the First Project in Osaka to Promote the Use of Fuel Cell Buses that Use Hydrogen as Fuel**

- Supporting the Osaka prefectural government’s subsidy project for the hosting of the Osaka-Kansai World Expo scheduled for 2025 by utilizing the corporate version of the Hometown Tax Donation system
- Donated a total of 53.25 million yen
- Contributed to the purchase of two fuel cell buses and the construction of a hydrogen supply chain
Response to Aging Population & Low Birthrate

-Supporting the 100-Year Life Span Era-

MUFG uses its outstanding consulting capabilities to respond to diverse needs, such as asset formation and smooth business succession, in preparation for the 100-year life span era. MUFG also supports the healthy growth of children, who will be the leaders of the next generation, through a variety of social contribution activities, including financial and economic education to improve financial literacy, donations to child support groups, and volunteer activities.

- Assets held by individual customers: 100 trillion yen
- Total assets under management by individuals: 25.6 trillion yen
- Amount of business and asset succession initiatives: 1.2 trillion yen

Financial gerontology initiatives

* A field of study that examines the effects of age-related changes in physical and cognitive abilities on economic activity and financial behavior. In April 2019, the Trust Bank established the Japan Financial Gerontology Institute with Keio University and Nomura Holdings.


Widely disseminated knowledge and information on longevity and the aging society in the financial industry

Support for the 100-year Life Span Era

Providing Services that Meet the Needs of Diverse Lifestyles

- Consultations on how to prepare for many years of life as seniors and security support for nursing care etc. and optimal asset formation and management
- Offering a wide range of services, such as time deposits, foreign currency deposits, bonds, investment trusts, life insurance, and tax incentive programs

Supporting Smooth Business Succession

- Respond to a wide range of needs using the network of our partners
- Providing solutions as a Group as a whole
- Providing M&A proposals, inheritance and real estate proposals using trusts, and asset management proposals using securities
- Support the succession of businesses and assets worth more than 1 trillion yen in total through business succession lending etc.

Launch of a Free Appointment-Based Proxy Services at the Bank, the Trust Bank and the Securities

- Support for smooth financial transactions after the loss of cognitive ability and/or ability to make decisions
- Designation of a proxy is possible prior to transactions
- The designation of a proxy for a partner is also possible*
- Deposit transactions and the sale of investable products are possible.

* A certificate of partnership issued by a local government must be submitted.

Expanding Services to Connect Customers with the Next Generation Online

“Tsukaete Anshin” to Manage Assets with Family Members

- Management of funds by the customer and a family member is possible using a special app
- Reduces anxiety about cognitive decline concerning asset management and withdrawal procedures as the aged population increases
- A pre-designated proxy can make withdrawals and account statement inquiries on behalf of the customer.
- Additional functions have been added for convenience, such as the “Tsukaete Anshin” to monitor the account balance.

* A function that allows a proxy to cancel the funds managed in the MUFG Fund Wrap and deposit them into the “Tsukaete Anshin”

“Family Note-app- by MUFG”, an App for Creating One’s Own Magazine to Be Delivered to Family Members

- Preparation for inheritance using digital content for the future
- Creating an ending notebook to be ready for death just in case
- Photos can be shared, and messages can be sent easily using the album function
- Support daily healthy habits (walking, brain training, diet management)
- Family members watch over the health records and provide support by sending “Nice!”
# Inclusion & Diversity

Diversity is an important value that gives us the resilience we need to cope with times of change. At MUFG, we are working to create a workplace where diverse employees can work with vitality and fulfillment. We are also contributing to the promotion of gender diversity in the world through our financial functions.

## Composition of the Board of Directors

<table>
<thead>
<tr>
<th>Ration of Women in Management in Japan</th>
<th>16.7%</th>
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</thead>
<tbody>
<tr>
<td><strong>We aim to increase it to 18.0% by FY 2023.</strong></td>
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* Ratio of women in line manager or higher positions

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<th>Composition of the Board of Directors</th>
<th>4 females out of 16 members</th>
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<td></td>
<td>2 foreign nationals out of 16 members</td>
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We support the Keidanren’s “Challenge Initiatives for 30% of Executives to be Women by 2030”, which aims to achieve the ratio of female executives to at least 30% by 2030.

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<th>Ratio of overseas employees</th>
<th>52%</th>
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<td>We are conducting business in more than 50 countries around the world.</td>
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<th>Number of employees taking childcare leave</th>
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<td>MUFG supports employees who are engaged in childcare and housework regardless of gender.</td>
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<th>Target rate of male employees taking childcare leave</th>
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<td>Ratio of male employees who take childcare leave among those who are due to take the leave within the applicable fiscal year.</td>
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## MUFG’s recognition

- Promote gender diversity through issuance of gender bonds, etc.
- Contribute to the resolution of issues minorities are now confronting by inviting a U.S.-based securities firm that specializes in financing for veterans, women, African Americans, Hispanics and other minorities to act as an underwriter in the course of issuance of corporate bonds.
- Improve gender diversity among our workforce by, for example, increasing the ratio of women in management in Japan.
- Help diverse human resources thrive by encouraging eligible male employees to take childcare leave, introducing a same-sex partnership recognition program, hiring people with disabilities and otherwise upgrading our human resources related programs.

## Main initiatives

- Developing a resilient organization capability of empowering diverse human resources with differing sense of values is essential to flexibly adapt to a time of rapid changes.

## MUFAG’s recognition

- Empowering diverse human resources to inspire one another will facilitate the creation of new concepts and ideas and the transformation of employee modes of behavior, enabling MUFG to foster an open-minded corporate culture and deliver new value that surpasses the expectations of customers and society as a whole.

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## Opportunities

- Risk
- Opportunities and risks

## Pick Up

### MUFAG Earned Recognition for Promoting Inclusion & Diversity

**Selected as the Nadeshiko Brand**

- The Nadeshiko Brand consists of listed companies selected by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange for excelling in promoting the careers of female employees.
- MUFG, the Bank, the Trust Bank, and the Securities are recognized for increasing the number of female employees and promoting steady career development.

**Receive the PRIDE Index Gold Rating**

- The PRIDE Index is Japan’s first index that evaluates a company’s efforts to support LGBTQ.
- MUFG and six Group companies received the Gold rating, the highest award in recognition of their initiatives, including the introduction of the same-sex partnership certification program.

**Supporting Inclusion & Diversity through Financial Services**

#### The First Asian Bank to Issue a Gender Bond

- Our partner bank, Krungsri (Bank of Ayudhya) in Thailand, issued a social bond (gender bond) to support the financial needs of women entrepreneurs.
- Proceeds from the bond issuance are used to finance women-led small and medium-sized enterprises in Thailand.
- Through the issuance of this bond, the bank provided opportunities to access financial services and contributed to the development of the fast-growing social bond market in Asia.

**Initiatives to Resolve Minority Issues through the Issuance of Bonds**

- MUFG issued U.S. dollar-denominated corporate bonds by inviting financial institutions that have strengths in minorities to act as underwriting securities companies.
- MUFG clearly expressed its attitude to actively contribute to improving the understanding and promotion of the diversity.

## Implementation of a Variety of Universal Support

In order to ensure that all customers can use our services with peace of mind, MUFG is working to introduce universal design in both software and hardware, including customer service (hospitality) that takes all customers into consideration and the creation of safe and secure stores (facilities).

- Penetration of universal manner
  We are learning how to provide guidance and information in the store according to physical characteristics as we strive to improve our ability to respond to the elderly and people with disabilities.
- Creating universal stores
  We have posted barrier-free information on the store guide on our website so that customers can check the store facilities.
- Provision of universal services
  We provide services that take into consideration customers with disabilities, such as the application of ATM transfer fees and accepting substitute writing by family members.
Developing Social Infrastructure
- Building a Foundation for Safe and Secure Lifelines -

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Risks</th>
<th>Opportunities and risks</th>
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**MUFG’s recognition**

**Main initiatives**

- Undertake investment in and financing for infrastructure supporting a sustainable society (e.g., basic infrastructure, including public transportation and water supply systems, and essential public service infrastructure, including schools and hospitals)
- Provide a safe and secure financial infrastructure via the use of a group-wide and cross-regional approach to the prevention of financial crimes and the upgrading of cyber security measures

**Supporting the Fight Against COVID-19 in Africa**
- Contribution to the Sustainable Development of African Countries in Collaboration with NEXI
  - Provided JPY 54 billion (USD 520 million in total) in loans to the African Export - Import Bank as a support to weather the impact of the crisis caused by COVID-19 pandemic
  - Nippon Export and Investment Insurance (NEXI) insured loans, whilst MUFG distributed them to Japanese institutional investors
  - Contributed to the sustainable development of socioeconomics, health, manufacturing, environmental, agri and agri-related sectors in Africa
  - Won the Deal of the Year award in the Debt category of the African Banker Awards 2021

**Solving Social Issues Using Social Loans**

- Social loans’ use of proceeds are limited to projects aimed at solving specific social issues
- Targeted at securing essential services, such as maintaining functions in the event of a disaster, measures to reduce traffic congestion, and measures to repair aging infrastructure
- In FY 2020, such loans supported the new construction and the maintenance of expressways, urban renewal, rental housing, earthquake reconstruction, and stabilization of regional medical care

**[Activities of FY 2020]**

- Closed a Social Loan deal with Hanshin Expressway Company Limited
- Closed a Social Loan deal with Urban Renaissance Agency
- Closed a Social Loan deal with Sekoukai, a social medical care corporation
- Closed a Social Loan deal with Nagoya Expressway Public Corporation
- Closed a Social Loan deal with Dynamic Map Platform Company Limited (FY 2021)

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**Evolving into a Financial and Digital Platform Operator**
- **Taking on the Challenge of Creating Next-Generation Financial Services and Businesses**
  Today, the contact points between businesses and their customers are more important than ever. As part of various online services, the Banking as a Service (BaaS) model, which embeds financial functions into digitized consumer activities, is gaining popularity; resulting in a growing call for financial services that are more convenient and attractive.
  We are collaborating with multiple external businesses with large numbers of customer contact points to create a new model for financial services. By doing so, we aim to establish our standing as a financial and digital platform operator providing a safe, secure and reliable financial service platform accessible to a broad range of customers.

**[Business Alliance with NTT DOCOMO]**

- Business alliance to create innovative financial services and deliver new customer value
- Provide a new digital-based account service through which customers of the both companies are granted “d points” based on transactions
- Bring customer convenience, benefits and robust security

**[Development of GO-NET (next-generation platform)]**

- Develop a secure platform which enables to process large volume of transactions in high-speed
- Solving critical business issues such as system capacity and costs by processing enormous volumes of data transactions

**[Partnership with Grab]**

- Launch new digital loan products through the Grab platform by collaboration between Kranuss and Grab in Thailand
- Utilize expertise for MUFG’s next-generation digital financial services

**Opened MUIC Kansai, a Center for the Creation of Innovation**
- Contribution to Regional Revitalization

- **Promotion of open innovation** through co-creation among member companies, industry, academia, and society
- **Contribution to the development of the economy in the Kansai region** by solving problems in the tourism industry
- **Currently implementing programs that stem from problems, such as:** a remote tourism demonstration experiment

**Prevent, Detect, and Deter Financial Crimes**
- Promote a Consistent and Integrated Approach across the Group Globally

- Implementing a number of initiatives for Anti-Money Laundering (“AML”), Counter-Terrorist Financing ("CFTT"), Sanctions Compliance, and Anti-Bribery and Corruption
- Established GFCD’s headquarters in New York, where the excellence for financial crimes risk management is centralized
- Accumulation and exchange of knowledge and skills through a global staff rotation program
 MUFG Digital Accelerator Program
- Growth of broad-based industries and creation of new industries and innovations
  - The startup accelerator program established for the first time in a bank in Japan in 2015 has so far supported a total of 31 companies.
  - Over a period of about three months, MUFG’s full capabilities were used to brush up business plans, support the construction of prototypes, select partners that match the direction of the business plan, and form alliances to provide full support for the steps toward commercialization.
  - In the fifth term, which started in January 2021, five companies were selected from more than 180 companies, and support was provided to them.

New Industry Growth Support Program
- A program that actively supports new business fields that are difficult to deal with under conventional credit decisions
- For businesses that have high growth potential but have difficulty making credit decisions, credit department and sales department work together to evaluate business capabilities through interviews with clients and plant tours.
- Support for growth is provided, including financing, after identifying in detail the business strengths and management issues.

Invested in “MPower Partners Fund L.P.”, an ESG-Focused Global Venture Capital Fund
- A fund that supports venture companies providing solutions to social challenges through the power of technology.
- ESG assessment is incorporated into the growth strategies of a company to be invested in to support their implementation.
- MUFG invested in the fund using the Sustainable Business Investment Strategy that takes into consideration economic efficiency and environmental and social impacts.
- Details: Sustainable Business Investment Strategy [24]

Online Venture Business Meeting
- Business opportunities for venture companies
- Support for open innovation of large companies
- In FY 2020, the event was held with the themes of “AI” and “digital transformation”

Released the “Everyday Business Link System -Bizry-”
- Online business matching service started from July 2021.
- AI-based candidate proposal system
- The service provides an opportunity for our customers to connect directly with each other online, regardless of time or location.

Supporting Customers’ Sustainability Initiatives
- Provision of sustainability-linked loans and financing
- Provision of ESG management support loans/private placement bonds
- Details: Products and services to support customers’ ESG initiatives [28]
Response to Poverty

MUFG’s recognition

Main initiatives

- Poverty often results in a variety of other problems posing serious threats to social stability (e.g., public health, hygiene and security) and human rights (e.g., sufficient access to food, clothing and housing) as well as to the formation of a basis for sustainable economic growth (e.g., educational equality).
- Extend investment and financing to make our stable funding functions available to people in emerging and developing countries and thereby support their household finance and business activities.
- Support underprivileged children, including those in low-income households, via donations and other social contribution activities.

Related: Social contribution (P.109)

Opportunities

- NPO CliniClowns Japan, NPO Learning for All, and NPO, and Public Interest Incorporated Association Chance for Children
- Supporting the Healthy Growth of Children
- Contributing to the stabilization of the supply of electricity to Brazil’s poorest regions
- Supporting disadvantaged children, based on ideas from employees

Risks

- Other social contribution activities
- Developing countries and thereby support their household finance and business activities
- Engage in social contribution activities such as donations to assist students confronting economic and social hardships in their pursuit of higher education and the maintenance of their livelihoods

Reduction of Educational Disparities

MUFG’s recognition

Main initiatives

- Those who are now students will shape the next generation and, therefore, constitute the foundation of future society. Among them may also be our potential colleagues. Therefore, supporting them is of great importance.
- Proper education is at the base of social stability and sustainable economic growth. Thus, educational shortfalls can result in a negative heritage of inequality that will be passed down to future generations. The lack of educational opportunity due to economic disadvantage therefore deserves major public attention and needs to be tackled.

Opportunities

- Engage in social contribution activities such as donations to assist students confronting economic and social hardships in their pursuit of higher education and the maintenance of their livelihoods
- In collaboration with our four partner banks in ASEAN, support international students in Japan so they may continuously receive education and spend their everyday lives without change.

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Opportunities

- Engage in social contribution activities such as donations to assist students confronting economic and social hardships in their pursuit of higher education and the maintenance of their livelihoods
- In collaboration with our four partner banks in ASEAN, support international students in Japan so they may continuously receive education and spend their everyday lives without change.

Risks

- Other social contribution activities
- Developing countries and thereby support their household finance and business activities
- Improper education is at the base of social stability and sustainable economic growth. Thus, educational shortfalls can result in a negative heritage of inequality that will be passed down to future generations. The lack of educational opportunity due to economic disadvantage therefore deserves major public attention and needs to be tackled.
Ensuring Equal Access to Financial Services

Provision of Microfinance
- Krungsri (Bank of Ayudhya), our partner bank in Thailand, provides opportunities for customers in emerging and developing countries to access financial services through its microfinance institution in Cambodia, HATTHA Bank Plc (HTB), and others.
- In addition to providing microfinance, HTB also provides financial education to those with low-income, which contributes to improving their living standards.

<table>
<thead>
<tr>
<th>Results of HTB Microfinance in 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of transactions</td>
</tr>
<tr>
<td>Outstanding loan balance</td>
</tr>
<tr>
<td>Number of branches</td>
</tr>
</tbody>
</table>

Please refer to page 128 for details on the initiatives of Krungsri (Bank of Ayudhya).

Providing Mortgages to Low-and Middle-Income Households
- Our partner bank, MUFG Union Bank in the United States, provides support to low- and middle-income households so that they can gain the opportunity to own a home through the provision of housing loans, including subsidy support.
- They also contributed to reducing the information gap through the provision of financial education.

Please refer to page 131 for details on the initiatives of MUFG Union Bank.

Pick Up

Promoting Workstyle Reforms

Select Your Own Working Environment - Promotion of Smart Work
- MUFG promotes the active use of remote work and flexible work hours and other systems.
- Through the realization of a flexible work style that is not bound by location or time, improvements in employee motivation and work efficiency are promoted.

- Expansion of satellite offices
- Online meeting of employees

The number of satellite offices has been increased using vacant spaces of offices in Japan to accommodate the increased use of remote work systems.

Contribution to the Improvement of Productivity of the Society by Expanding Online Procedures
- Contribution to the improvement of productivity of the society as a whole by improving the efficiency of financial procedures, which are part of the social infrastructure.
- To enable customers to undertake procedures from anywhere, we enhanced the functions offered by the "MUFG Biz" portal site for corporate clients, making it possible to confirm various notifications online and request the shipping of forms necessary for paper-based procedures.
Overcoming Threats to Health

Bank Danamon’s Response to the COVID-19 Pandemic

Bank Danamon, our partner bank in Indonesia, have been providing support for medical professionals and volunteers who are working on the frontlines to prevent the spread of COVID-19, as well as for ride-hailing drivers who have been affected by the spread of this infectious disease.

- Provided 1.5 trillion rupiah through Islamic finance for construction of facilities to produce coronavirus vaccines (approx. 10.9 billion yen)
- Donated 4,000 pieces of personal protective equipment (PPE) to medical professionals.
- Provided insurance to 10,000 medical and nonmedical volunteers.
- Donated 1 billion rupiah (approximately 7.3 million yen) to ride-hailing drivers who are a critical part of the transportation infrastructure.

* Please refer to page 130 for details on the initiatives of Bank Danamon.

The MUFG Park will open in 2023

Refresh the Mind and Body in a Lush Green Area

As part of the efforts to realize a sustainable environment and society, MUFG is going to open the Musashino Sports Ground, a sport facility that MUFG owns in Nishitokyo City, Tokyo, to the public as MUFG Park (tentative name) (scheduled to open in June 2023).

MUFG Park, which will cover a total area of approximately six hectares, will consist of three concept areas.

- **Nature**: A precious green environment in the heart of the large city
- **Sports**: Sports and health promotion environment consists of tennis courts and grounds etc.
- **Communication**: Community library, lawn, and other social and recreational environments

To Empower Our Communities and Society

- Preservation and inheritance of precious natural values in the heart of a large city
- Creation of resilient communities and societies
- Support for the construction of communities that are compatible with an era of living with COVID-19 and after

MUFG is committed to resolving the diverse issues of communities and society that need to be addressed for the future. When we transmit the experience and value we have cultivated to society, it will be power for the community and society to take the next step forward.
Contribution to Sustainability as a Financial Institution

Sustainable Finance

Sustainable Finance Target and Progress

We have set our accumulated sustainable finance amount as of fiscal year 2030 as a sustainable finance target for solving environmental and social issues. Our accumulated sustainable finance amount as of fiscal year 2020 was ¥7.9 trillion (of which, ¥3.6 trillion is environmental area), and was proceeding steadily towards this target. In April 2021, we raised our target from ¥20 trillion to ¥35 trillion.

<table>
<thead>
<tr>
<th>Category</th>
<th>FY2019 results</th>
<th>FY2020 results</th>
<th>FY2030 goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental</td>
<td>Arrangement of loans and project finance for renewable energy projects, etc.</td>
<td>0.9</td>
<td>0.5</td>
</tr>
<tr>
<td>Social</td>
<td>Underwriting and sales of Green Bonds.</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Social</td>
<td>Others</td>
<td>0.8</td>
<td>0.4</td>
</tr>
<tr>
<td>Social</td>
<td>Finance for social infrastructure development and regional revitalization, etc.</td>
<td>0.9</td>
<td>1.4</td>
</tr>
<tr>
<td>Others</td>
<td>Finance for solutions of various environmental and social issues</td>
<td>0.6</td>
<td>1.4</td>
</tr>
<tr>
<td>Total</td>
<td>3.7</td>
<td>4.2</td>
<td>35 (previous 20)</td>
</tr>
</tbody>
</table>

* Totals may not add up due to rounding.

Definition of Sustainable Finance

The term “Sustainable Finance” 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) with reference to the relevant external standards (e.g. the Green Loan Principles, Green Bond Principles, and Social Bond Principles).

Environmental Area

- Businesses contributing to the adaptation to and moderation of climate change, including renewable energy, energy efficiency improvement, and green buildings (e.g. arrangement of loans and project finance for renewable energy projects, underwriting and distribution of green bonds).

Social Area

- Businesses contributing to the development of startups, 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 (e.g. Emerging Industrial Technology Support Program, loans for regional revitalization projects such as MUFG Regional Revitalization Fund, arrangement of loans and project finance for public infrastructure, underwriting and distribution of social bonds).

Products and Services to Support Customers’ ESG Efforts

Sustainability Linked Loan

The Sustainability Linked Loan (SLL) is a loan product that sets sustainability performance targets (SPT) based on a customer’s ESG strategy, and the terms of the loan change according to the achievement of the targets. The Bank is using this product to support its customers’ ESG efforts.

MUFU is the second in the Global League Tables for sustainable finance, including SLL. We are promoting Group-wide initiatives, including a large-scale offshore wind farm and solar power generation, and the establishment of the Sustainability Link Loan in cooperation with Krungsri (Aiyutthaya Bank).

Global Sustainable Finance (Loans*) League Table 2020

<table>
<thead>
<tr>
<th>Rank</th>
<th>Financial Institution Name (Country)</th>
<th># of deals</th>
<th>Amount (USD mm)</th>
<th>Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>BNP Paribas (France)</td>
<td>97</td>
<td>11,667</td>
<td>5.9</td>
</tr>
<tr>
<td>2</td>
<td>MUFG (Japan)</td>
<td>84</td>
<td>9,642</td>
<td>4.8</td>
</tr>
<tr>
<td>3</td>
<td>SMBC (Japan)</td>
<td>80</td>
<td>9,016</td>
<td>4.5</td>
</tr>
<tr>
<td>4</td>
<td>Mizuho Bank (Japan)</td>
<td>60</td>
<td>8,277</td>
<td>4.2</td>
</tr>
<tr>
<td>5</td>
<td>Société Générale (France)</td>
<td>73</td>
<td>7,392</td>
<td>3.7</td>
</tr>
<tr>
<td>6</td>
<td>Credit Agricole (France)</td>
<td>68</td>
<td>7,222</td>
<td>3.6</td>
</tr>
<tr>
<td>7</td>
<td>HSBC (UK)</td>
<td>56</td>
<td>6,774</td>
<td>3.4</td>
</tr>
<tr>
<td>8</td>
<td>Santander (Spain)</td>
<td>61</td>
<td>6,496</td>
<td>3.3</td>
</tr>
<tr>
<td>9</td>
<td>ING (Netherlands)</td>
<td>53</td>
<td>5,865</td>
<td>2.9</td>
</tr>
<tr>
<td>10</td>
<td>Citi (USA)</td>
<td>33</td>
<td>5,522</td>
<td>2.8</td>
</tr>
</tbody>
</table>

* Source: Refinitiv Sustainable Finance Review

Main Activities in FY 2020 (Sustainability Finance)

- Closed a Sustainability Linked Loan with Ricoh Company Limited
- Closed a Sustainability Linked Finance based on the Islamic Finance scheme with Ajinomoto (Malaysia) Berhad
- Closed a Sustainability Loan for the development of Tokyo Port City Takeshiba.
The Bank offers the ESG management support loan/private placement bonds, which is an ESG assessment-based financing product that supports and assists customers’ ESG efforts. The ESG assessment of this product is performed by Mitsubishi UFJ Research and Consulting of the MUFG Group as the service provider and the Japan Credit Rating Agency, which has a track record of certifying green finance, as a support company. The ESG efforts of a customer are assessed and scored based on an independent checklist, and feedback is provided on various issues in order to support the sustainable growth of the customer.

**Main Activities of FY 2020**
- Closed an ESG management support loan deal with Meitetsu Transportation Co., Ltd.
- Closed an ESG management support loan deal with Nippon Dry-Chemical Co., Ltd.
- Closed an ESG management support loan deal with Marujun Co., Ltd.
- Closed an ESG management support loan deal with Hitachi, Ltd.
- Closed an ESG management support private placement bonds deal with Sanwa Screen Co., Ltd.
- Closed an ESG management support private placement bonds deal with Nippon Dry-Chemical Co., Ltd.
- Closed an ESG management support private placement bonds deal with Daicel Corporation.
- Closed ESG management support private placement bonds deal with Kumon Institute of Education Co., Ltd.
- Closed an ESG management support loan deal with Casio Computer Co., Ltd.
- Closed an ESG management support private placement bonds deal with Sakata Inx Corporation.

**Promoting Sustainable Investments**

**Impact Investments based on the Sustainable Business Investment Strategy**

There is an accelerating trend of “impact investing”, which secures an appropriate financial return while generating environmental and social impact. In order to maximize the positive impact on environmental and social issues and to discover business opportunities for MUFG in the field of sustainability, the Bank and the Trust Bank are promoting a new investment strategy that uses environmental and social impact in addition to economic factors in investment decisions, and is expanding impact investing.

In March 2021, the Bank became the first Japanese private financial institution to sign the “Operating Principles for Impact Management” which was developed mainly by the International Finance Corporation (IFC).

In July, the Bank decided to invest in the Climate Finance Partnership, and is actively pursuing impact investment opportunities.

**Collaboration between the Trust Bank and First Sentier Investors (FSI)**

The Trust Bank established the First Sentier MUFG Sustainable Investment Institute in collaboration with its subsidiary First Sentier Investors, an asset management company, to provide high quality and practical research on sustainable investment. (May 2021)

The knowledge accumulated through these efforts will be utilized in future sustainable businesses.

<table>
<thead>
<tr>
<th>Initiatives of Mitsubishi UFJ Trust and Banking Corporation and First Sentier Investors</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 2020</td>
</tr>
<tr>
<td>Established a global collaborative engagement between investors to prevent plastic microfibers from entering marine ecosystems</td>
</tr>
<tr>
<td>February 2021</td>
</tr>
<tr>
<td>The Trust Bank joined the Investors Against Slavery and Trafficking APAC, a collaborative engagement against modern slavery and human trafficking in the Asia-Pacific region led by FSI</td>
</tr>
<tr>
<td>May 2021</td>
</tr>
<tr>
<td>Collaboratively established the First Sentier MUFG Sustainable Investment Institute to provide neutral and practical research on sustainable investment.</td>
</tr>
</tbody>
</table>

**ESG Investment**

Investments that take into account ESG factors are expected to support companies and various organizations working to achieve a sustainable society and improve their long-term returns, thus, there is a growing interest in it, especially among institutional investors, such as public pension funds.

MUFG’s treasury business diversifies the investment target to government bonds, foreign bonds, stocks, and corporate bonds, as well as green bonds and other types of investments. In order to strengthen MUFG’s financial earnings and contribute to sustainable economic growth through ESG investments, MUFG is going to promote ESG investments by finding the right balance between risks and returns.
MUFG is the only issuer in Japan with a track record of issuing green, social, and sustainability bonds as the largest private issuer in Japan.

**Green, Social and Sustainability Bond Framework**

MUFG has established a Green, Social, and Sustainability Bond Framework in line with the Green Bond Principles, the Social Bond Principles, and the Sustainability Bond Guidelines issued by the International Capital Market Association (ICMA), and has obtained a second-party opinion from Sustainalytics, an internationally recognized external verifier.

* This is a voluntary guideline formulated by the International Capital Market Association (ICMA) to promote transparency, disclosure, and reporting of green, social, and sustainability bonds and to promote market order.

The net proceeds from the sale of Green, Social, and Sustainability Bonds issued by MUFG are lent to the Bank, the Social Bond Principles, and the Sustainability Bond Guidelines issued by the International Capital Market Association (ICMA), and has obtained a second-party opinion from Sustainalytics, an internationally recognized external verifier.

| Green bond | Seven bond |
| Social bond | One bond |
| Sustainability bond | Three bond |
| Total amount issued | 4,900 million USD |

* Cumulative amount issued since FY 2018 (including overseas issuance) (as of March 2021)

**Eligible Green Projects**

- **Green bond**
  The net proceeds are allocated to projects which address environmental issues, such as renewable energy or energy efficiency projects.
- **Social bond**
  The net proceeds are allocated to projects that tackle important social issues such as affordable housing, health, and education.
- **Sustainability bond**
  The net proceeds are allocated to a combination of both environmental and social projects.

**Use of Proceeds**

The net proceeds from the sale of Green, Social, and Sustainability Bonds issued by MUFG are lent to the Bank, and the Bank allocates amounts equivalent to the net proceeds to Eligible Projects as defined by the criteria presented below.

**Eligible Social Projects**

- **Healthcare**
  Financing of public hospitals (domestic and overseas) and domestic hospitals run by a social medical care corporation or a social welfare corporation that will ensure accessibility to people living below the poverty line.
- **Education**
  Financing of public schools that will ensure accessibility to people living below the poverty line.
- **Employment Generation / Preservation**
  Financing contributing to reconstruction and recovery from economic damage and impact caused by natural disasters, typhoons, and other disasters.
  Financing for small-sized and medium-sized enterprises and sole proprietors adversely affected by the spread of infectious diseases (including COVID-19).

**Process for Project Evaluation and Selection**

MUFG has evaluated and selected Eligible Projects in accordance with the pre-determined criteria described above. In the selection process of Eligible Green Projects, financing to J-REIT which have achieved the top three ratings of MURC’s ESG evaluation has been preferentially selected when applying loans as “ESG evaluation loans for J-REIT”.

- **Affordable housing**
  Financing of public housing suppliers who are registered with the Regulator of Social Housing in England.

**Management of Proceeds**

MUFG has allocated amounts equivalent to the net proceeds to funding Eligible Projects through the Bank and continuously monitors the allocated funds thereafter. Pending allocation, any unallocated funds are held in cash equivalents and/or marketable securities.

* Mitsubishi UFJ Research and Consulting has developed an ESG evaluation methodology, “MUFG ESG evaluation for J-REIT supported by JCR”.
* For more information, please refer to the official MURC website (in Japanese).

* Mitsubishi UFJ Research and Consulting has developed an ESG evaluation methodology, “MUFG ESG evaluation for J-REIT supported by JCR”. For more information, please refer to the official MURC website (in Japanese).
**Reporting**

MUFG plans to disclose the allocation of funds on its website generally on an annual basis*. Management assertions on the allocation of funds and reports published by an external review provider will be disclosed annually until all the net proceeds from the issuance of Green, Social, and Sustainability Bonds have been fully allocated to Eligible Projects through the Bank.

* MUFG may defer this disclosure as long as the funds are fully allocated to Eligible Projects and the allocation of the funds to individual projects that constitute Eligible Projects remain unchanged.

<table>
<thead>
<tr>
<th>Eligible Green Projects</th>
<th>Renewable Energy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green Building</td>
<td></td>
</tr>
<tr>
<td>• CO₂ emission reduction</td>
<td>• kWh of power generated from renewable energy projects</td>
</tr>
<tr>
<td>• CO₂ emission reduction</td>
<td>• CO₂ emission reduction</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Eligible Social Projects</th>
<th>Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td></td>
</tr>
<tr>
<td>• Number of patients receiving the medical services or number of hospital beds</td>
<td>• Number of students receiving the educational services</td>
</tr>
<tr>
<td>• Number of R&amp;D, Number of manufacturing facilities / medical machines, Number of medical instruments / sanitary, Number of vaccines / pharmaceuticals supplied</td>
<td></td>
</tr>
<tr>
<td>Employment Generation / Preservation</td>
<td>Affordable housing</td>
</tr>
<tr>
<td>• Number of loans provided to businesses that contributes to reconstruction of disaster affected areas and that of employments created</td>
<td>• Number of residences provided</td>
</tr>
<tr>
<td>• Number of loans provided to businesses affected by infectious disease and that of employments of the business</td>
<td></td>
</tr>
</tbody>
</table>

**Detail Information on the Bond**

Details on our information on the bond is available on our websites.
(https://www.mufg.jp/english/ir/fixed_income/greenbond/)

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**Climate Change Measures & Environmental Protection – TCFD Report –**

- P.45 Highlights
- P.50 MUFG Carbon Neutrality Declaration
- P.53 Governance
- P.56 Strategy
- P.67 Risk Management
- P.72 Metrics and Targets
- P.77 Future Action Plan
- P.78 Responses to TCFD as an Asset Manager
In order to contribute to the achievement of a sustainable society, MUFG has identified climate change measures & environmental protection as one of its priority environmental and social issues. Acutely aware of the importance of climate-related financial disclosure, MUFG has declared its support of relevant recommendations formulated by the Task Force on Climate-related Financial Disclosures (TCFD), a special taskforce established by the Financial Stability Board (FSB). In line with these recommendations for disclosure of climate change-related risks and opportunities in its Governance, Strategy, Risk Management, and Metrics and Targets, TCFD is pursuing the following.

### Status of Recent Initiatives

<table>
<thead>
<tr>
<th>Recommended disclosure items</th>
<th>Status of progress</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governance</strong></td>
<td></td>
</tr>
<tr>
<td>- Revised the MUFG Environmental Policy (May 2021)</td>
<td>[P.54]</td>
</tr>
<tr>
<td>- Decided at the meeting of the Board of Directors to clearly state the proactive disclosure of environment-related information in the policy</td>
<td></td>
</tr>
<tr>
<td>- Reflected ESG factors in the executive compensation system (effective from fiscal 2021)</td>
<td>[P.55]</td>
</tr>
<tr>
<td>- Reviewed the performance-linked indicators for executive compensation and reflected the degree of improvement recognized in external evaluations by ESG rating organizations in executive compensation</td>
<td></td>
</tr>
<tr>
<td><strong>Strategy</strong></td>
<td></td>
</tr>
<tr>
<td>- Released the MUFG Carbon Neutrality Declaration</td>
<td>[P.50-52]</td>
</tr>
<tr>
<td>- Committed to achieve net-zero greenhouse gas (GHG) emissions from the investment and loan portfolio by 2050 and net-zero GHG emissions from MUFG itself by 2030</td>
<td></td>
</tr>
<tr>
<td>- Raised the target of sustainable financing</td>
<td>[P.72]</td>
</tr>
<tr>
<td>- Upwardly revised the target from 20 trillion yen (including 8 trillion yen for the environment) to 35 trillion yen (including 18 trillion yen for the environment) as the cumulative amount during the period from FY 2019 to FY 2030</td>
<td></td>
</tr>
<tr>
<td>- Expanded the identification and disclosure of examples of risks related to climate change</td>
<td>[P.42-43]</td>
</tr>
<tr>
<td>- Expanded the target sectors for scenario analysis and scenario assumptions</td>
<td>[P.44-46]</td>
</tr>
<tr>
<td>- Added the automotive sector to the analysis of transition risk, expanded to three sectors that included the energy and utilities sector, and added the NGFS*2 scenario to scenario assumptions</td>
<td></td>
</tr>
<tr>
<td><strong>Risk management</strong></td>
<td></td>
</tr>
<tr>
<td>- Added risks related to climate change to the Risk Appetite Statement</td>
<td>[P.67]</td>
</tr>
<tr>
<td>- Established a management framework to address risks related to climate change on a Group and global basis</td>
<td>[P.68]</td>
</tr>
<tr>
<td>- MUFG revised the environmental and social policy framework</td>
<td>[P.69-70]</td>
</tr>
<tr>
<td>- Tightened the policy on climate change-related sectors (coal-fired power generation, forests, and palm oil)</td>
<td></td>
</tr>
<tr>
<td><strong>Metrics and targets</strong></td>
<td></td>
</tr>
<tr>
<td>- [New establishment] Target to reduce CO2 emissions through the renewable energy project finance</td>
<td>[P.73]</td>
</tr>
<tr>
<td>- [Newly disclosed] Status of carbon related assets (credit balance)</td>
<td>[P.74]</td>
</tr>
<tr>
<td>- [Committed to disclose by the end of FY 2023] Balance reduction target for credits related to coal-fired power generation (corporate finance)</td>
<td>[P.75]</td>
</tr>
</tbody>
</table>

*1 Greenhouse Gas  
*2 Network for Greening the Financial System

### Highlights

- **Governance**
  - Disclose the organization’s governance around climate-related risks and opportunities.  
  a. Describe the board’s oversight of climate-related risks and opportunities.  
  b. Describe management’s role in assessing and managing climate-related risks and opportunities.

- **Strategy**
  - Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material.  
  a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.  
  b. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.  
  c. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

- **Risk management**
  - Decided at the meeting of the Board of Directors to clearly state the proactive disclosure of environment-related information in the policy.

- **Governance**
  - To be determined by the Board of Directors from May 2021. Clearly stated the commitment to proactively disclose information concerning the environment, including climate change.

- **Strategy**
  - Started to review the performance-linked indicators for executive compensation from FY 2021 and reflected the degree of improvement found through the external ratings granted by five major ESG rating agencies to further advance sustainability management.

### Status of Response to TCFD Recommendations

#### Governance

- Disclose the organization’s governance around climate-related risks and opportunities.
  a. Describe the board’s oversight of climate-related risks and opportunities.
  b. Describe management’s role in assessing and managing climate-related risks and opportunities.

#### Strategy

- Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material.
  a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
  b. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.
  c. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

- Decided at the meeting of the Board of Directors to clearly state the proactive disclosure of environment-related information in the policy.

#### Risk management

- Declared the achievement of net-zero GHG emissions from the investment and loan portfolio by 2050 and net-zero GHG emissions from MUFG itself by 2030.

### Main initiatives to achieve carbon neutrality

1. A commitment to realize decarbonization through finance  
   - Setting sustainable finance targets and continuously revising the MUFG environmental and social policy framework, etc.
2. Decarbonization promoted as MUFG’s own initiatives  
   - Switching 100% of the electricity consumed in FY 2021 at offices of the Bank, the Trust Bank, and the securities to renewable energy sources.
3. Setting targets consistent with the Paris Agreement, expanding information disclosure, and improving transparency  
   - Setting targets consistent with the Paris Agreement using scientific methods, such as SBT  
   - Reinforcement of systems to support the realization of carbon neutrality  
   - Making the decision on the TCFD Environmental Policy at a meeting of the Board of Directors and reflecting ESG factors in the executive compensation system, etc.

*1 Science Based Targets
Reinforcement of sustainable businesses (P.57)
– Established the Sustainable Business Department to further promote the provision of solutions for customers’ decarbonization efforts (transitions) and innovations (July 2021).

Promotion of support for transitions and innovations (P.58)
– Promoting renewable energies, hydrogen and next-generation energy sources, and carbon recycling as a priority in order to support economic development through a virtuous cycle between the environment and the economy.

Promotion of support for transitions and innovations (P.59)
– Promoting renewable energies, hydrogen and next-generation energy sources, and carbon recycling as a priority in order to support economic development through a virtuous cycle between the environment and the economy.

Initiatives to identify risks related to climate change and to expand the range of disclosure (P.62-63)
– Expanding the classification of risks related to climate change (transition risks and physical risks), identifying examples of risks, and working to expand the range of disclosure.

Reinforcement of scenario analysis (P.64-66)
– The automotive sector was added to the two sectors, energy and utilities, and the NGFS scenario was included in the analysis, in addition to the International Energy Agency (IEA) scenario, which has been the premise of the previous analyses.

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Various scenarios, including the sustainable development scenario (less than 2°C scenario) of the IEA and the 1.5°C scenario that the NGFS has released</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analytical method</td>
<td>An integrated approach is adopted to assess the impact by combining the bottom-up approach at the individual company level and the top-down approach at the sector level. Using this approach, the impact on credit ratings in each scenario is analyzed, along with the effect on the overall financial impact of the sector’s credit portfolio.</td>
</tr>
<tr>
<td>Target sector</td>
<td>Energy, utilities, and automotive sectors</td>
</tr>
<tr>
<td>Target period</td>
<td>Until 2050 using the end of March 2021 as the standard</td>
</tr>
<tr>
<td>Result of analysis</td>
<td>Single-year basis: 1.5 billion yen to 23 billion yen</td>
</tr>
</tbody>
</table>

Risk Management

Disclose how the organization identifies, assesses, and manages climate-related risks.

a. Describe the organization’s processes for identifying and assessing climate-related risks.
b. Describe the organization’s processes for managing climate-related risks.
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.

Reflection in the Risk Appetite Statement (P.47)
– From FY 2021, risks related to climate change have been newly added to the Risk Appetite Statement.

Environment and Social Policy (P.48)
– Reflection in the top risk management (P.47)
– Risks from climate change are positioned as one of the top risks.

A management framework concerning risks related to climate change is constructed on a group and global basis.

– A project team has been established on a Group and global basis to strengthen the response to the risks related to climate change. A framework for identifying and sharing information, such as regulatory trends and for management risks is constructed on a Group and global basis.

Environmental and social considerations concerning finance have been practiced based on the MUFG Environmental and Social Policy (P.69-70)
– The policy became stricter for coal-fired power generation, forest, and palm oil sectors, which are the sectors related to climate change (June 2021).

Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.
c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

Sustainable finance (P.72)
– The target amount of sustainable finance that was set to be 20 trillion yen in total (including 8 trillion yen in the environmental sector) from FY 2019 to FY 2030 is revised upward to a cumulative total of 35 trillion yen (including 18 trillion yen in the environmental sector).

The CO2 reduction target to be achieved through the renewable energy project finance is set (P.73)
– A target to reduce CO2 emissions to 70 million tons in total from FY 2019 to FY 2030 is newly set and disclosed (May 2021).

Carbon-related assets (credit balance) (P.74)
– The total amount of credits in the energy and utilities sector, excluding credits for renewable power generation etc., and the breakdown by sector are newly disclosed.

Credits related to coal-fired thermal power generation (project finance) (P.75)
– The loan balance reduction target to achieve a 50% reduction from FY 2019 in FY 2030 and zero by around FY 2040 is set and disclosed (October 2020).
MUFG Carbon Neutrality Declaration

In May 2021, we announced the MUFG Carbon Neutrality Declaration and became the first bank in Japan to publicize its commitment to achieving a net zero status in terms of GHG emissions from its investment and financing portfolio. Guided by our Purpose, “Committed to empowering a brighter future,” we have also formulated detailed action plans and, in line with the MUFG Environmental Policy Statement, are determined to support a smooth transition to a decarbonized society through our business operations and help realize the goals of the Paris Agreement. In these ways, we will remain an active contributor to a virtuous cycle of environmental and economic improvement, which should ultimately result in a sustainable society.

The Board of Directors was made responsible for any changes in the MUFG Environmental Policy Statement

CO₂ emission intensity of project financing for the power generation businesses (P.73)

Commitment to becoming the first bank in Japan to achieve a net zero status in terms of GHG emissions from its investment and financing portfolio with the determination of management to actively contribute to the realization of a sustainable society through a virtuous cycle of environment and economic improvement

Main Approaches to Achieve Carbon Neutrality

1. Commit to achieve decarbonization through financial services
   ● Set target for sustainable finance: ¥35 trillion (of this, ¥18 trillion for environment)
   ● Regularly review the MUFG Environmental and Social Policy Framework
   ● Disclose future credit portfolio reduction targets for corporate finance related to coal-fired power generation
   ● Support renewable energy and hydrogen and next-generation energy projects

2. Promote decarbonization via MUFG’s own efforts
   ● Raise the ratio of renewable energy to purchased energy used to 100% at the domestic offices and branches of the Bank, the Trust Bank and the Securities
   ● Support climate change countermeasure-related technological innovation while promoting the use of carbon offsets via such activities as afforestation

3. Set targets to align with the goals of the Paris Agreement and expand and improve transparency of information disclosure
   ● Set targets consistent with the Paris Agreement based on scientific approaches such as SBT
   ● Enhance the content of information disclosure based on recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) (e.g., expand the scope of the sector subject to scenario analysis)

4. Enhance our organization to achieve carbon neutrality
   ● The Board of Directors was made responsible for any changes in the MUFG Environmental Policy Statement
   ● Reflect ESG elements in MUFG’s executive compensation

*1 Scope 3 of the GHG Protocol
*2 Scope 1 and Scope 2 in the GHG Protocol
*3 An initiative of banks committed to carbon neutrality, established by the United Nations Environment Programme Finance Initiative (UNEP FI) in April 2021
*4 Science Based Targets
*5 Task Force on Climate-related Financial Disclosures

Translated with www.DeepL.com/Translator (free version)
MUFG is committed to tackling climate change, one of the most serious issues facing the world, and will therefore develop specific action plans based on its purpose, which is being “Committed to empowering a brighter future.” In order to align with the goals of the Paris Agreement, MUFG will support the smooth transition to a decarbonized society through its financial services and proactively contribute to creating a sustainable society by fostering a virtuous cycle between the environment and economy. MUFG commits to achieve net zero emissions in its finance portfolio by 2050 and its own operations by 2030. The following is our approach to this goal, we will accelerate the implementation and promotion of specific measures, and progress will be duly disclosed throughout.

1. Commit to achieve decarbonization through financial services
   - MUFG aims to achieve net zero greenhouse gas emissions (GHG) across its financial services by 2050 and will work to set and disclose an interim milestone for 2030 in FY2022, a progress of which will be reported annually. As part of this commitment, following our participation in the Principles for Responsible Banking (PRB) in 2019, we will become the first Japanese bank to participate in the Net-Zero Banking Alliance (NZBA).
   - MUFG integrates solutions for climate change issues with its management strategies and will demonstrate appropriate engagement functions such as setting ambitious targets for sustainable finance, enhancing financing policies, disclosing future credit portfolio reduction targets related to coal-fired power generation, and incorporating climate change risk into the credit process.

2. Promote decarbonization via MUFG’s own efforts
   - MUFG aims to achieve net-zero GHG emissions in its own operations by 2030. By the end of FY2021, the domestic offices and branches of core subsidiaries, the Bank, the Trust Bank and the Securities will procure 100% of their electricity from renewable sources. MUFG will also establish a fund to stimulate the renewable energy market and develop the first scheme in Japan to deal with an “end to end solution from generation to purchase” for green power, thereby leading the way for the decarbonization of society.

3. Set targets to align with the goals of the Paris Agreement and improve transparency of information disclosure
   - MUFG will set targets to align with the goals of the Paris Agreement based on scientific approaches such as Science Based Targets and incorporate climate change risk into the credit process.

4. Enhance our organization to achieve carbon neutrality
   - Previously the MUFG Environmental Policy Statement was approved and set by the Executive Committee, but we have enhanced governance to be approved by the Board of Directors. In accordance with the MUFG Environmental Policy Statement we will proactively disclose information related to climate change and other environmental issues.

5. MUFG will reflect ESG elements in its executive compensation from FY2021 and enhance strategic business management and promotion functions via initiatives such as setting ambitious targets for sustainable finance, enhancing financing policies, disclosing future credit portfolio reduction targets related to coal-fired power generation, and incorporating climate change risk into the credit process.

6. MUFG will also share issues related to decarbonization with customers while maximizing our expertise in sustainable business, and will actively support customers’ efforts to decarbonize.

7. MUFG will further utilize the knowledge of advisors and other experts, collaborate with research institutions, and enhance and train professional staff.

8. Before setting the reduction targets (previously only results were disclosed) for CO2 emissions through its renewable energy project’s financial portfolio.

9. Measures and initiatives to solve environmental and social issues are discussed regularly by the Sustainability Committee, and further deliberated on at/reported to the Executive Committee and the Board of Directors.

10. The position of Chief Sustainability Officer (CSuO) was created in FY2020 to clarify responsibility for promoting sustainability.

11. MUFG Carbon Neutrality Declaration

Toward realization of the MUFG Carbon Neutrality Declaration, we have set up a project team on a Group and global basis and have begun to consider.

**MUFG Carbon Neutrality Declaration Roadmap**

**2021/4**

- Current MTBP period
- Achieve interim target

**2022/3**

- Progress on net zero in MUFG’s finance portfolio
- Achieve interim target

**2023/3**

- Progress on net zero in MUFG’s own operation
- Achieve interim target

**2024/3**

- Achieve net zero

**2030**

- Review MUFG Environmental and Social Policy Framework

**2040**

- Participate in international initiatives

**2050**

- Enhance organizational structure to pursue net-zero

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1. Categorized as Scope 2 under the GHG Protocol which is the standard to measure and report GHG emissions, developed by an international organization of the same name.
2. April 2021: Increased target from JPY 100 billion to JPY 250 billion (cumulative total from FY2019 to FY2030).
3. April 2021: Revised policies for coal-fired power generation, forestry, and palm oil sectors.
4. Progressing toward the project finance portfolio reduction target for coal-fired power generation (halve the FY2019 balance by FY2030 and reduce to zero by FY2040).
5. We aim to disclose the portfolio reduction target for corporate customers whose business largely involves coal-fired power generation.
6. Categorized as Scope 1 and 2 in the GHG Protocol.
7. Since January 2021, MUFG has been running a program to plant up to approx. 100,000 trees in accordance with the number of applications for new or replacement Eco Passbooks (paper bank books commonly used in Japan to keep track of transactions and account balance) and donate a total of ¥550 million over 10 years to foster these trees.

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*8* The Bank, The Trust Bank and the Securities HD
*9* Net Zero Banking Alliance
Goverance

MUFG’s Governance for Countering Climate Change - Board Oversight of Climate Change Initiatives

At MUFG, the Sustainability Committee, which operates under the Executive Committee, is charged with periodically deliberating policies on and determining the status of the Group’s response to opportunities and risks arising from climate change and other environmental and social concerns.

MUFG has positioned climate change-related risk as one of the Top Risks that it must pay close attention to. Accordingly, these risks are discussed by the Credit & Investment Management Committee, the Credit Committee and the Risk Management Committee, all of which are under the direct supervision of the Executive Committee.

Conclusions reached by the above committees are reported to the Executive Committee—which is tasked with deliberating and making decisions on important matters regarding business execution—and, ultimately, reported to and discussed by the Board of Directors.

In addition, matters discussed by the Credit & Investment Management Committee and the Risk Management Committee are also examined by the Risk Committee, which mainly consists of outside directors, and then reported to the Board of Directors. In these ways, the Board of Directors exercises supervision over MUFG’s climate change-related initiatives.

Specifically, the Board of Directors handles issues requiring a groupwide perspective and, to this end, identifies important themes deserving intensive discussion, thereby managing these issues based on a PDCA cycle in accordance with an annual schedule. Also, sustainability management is considered an important theme. The Board of Directors actively addresses matters related to this theme through dedicated sessions in addition to deliberations at regular Board meetings.

- MUFG’s Governance Structure for Countering Climate Change

Mitsubishi UFJ Financial Group, Inc.

- Risk Committee
- External Advisors
- Credit & Investment Management Committee
- Risk Management Committee
- Board of Directors
- Executive Committee
- Sustainability Committees
- Supervisory Board

- Sustainability Office
- Sustainable Business Division

- Group Companies

- Main Items Discussed by and Reported to the Board of Directors (FY 2020)
  - MUFG’s approach to sustainability management
  - Promotion of sustainable businesses via financing for renewable energy projects, the underwriting of green, social and sustainability bonds and the pursuit of responsible investment
  - Carbon neutrality initiatives
  - MUFG’s approach to transition finance and its in-house promotion structure
  - Revision of the Environmental and Social Policy Framework
  - Prioritization of various risks arising from climate change and future initiatives

- Installation of Chief Sustainability Officer

MUFG has installed the Chief Sustainability Officer (CSuO) to strengthen our sustainability initiatives and to clarify responsibilities.

The Group’s Chief Strategy Officer (CSO), who is in charge of corporate planning and strategy and is also a member of the Board of Directors, concurrently serves as the Group CSuO and chairs the Sustainability Committee in order to integrate sustainability initiatives with the Group’s core business and management strategy.

- Revision of the MUFG Environmental Policy Statement

Under the MUFG Way, which guides all of our activities, MUFG has established the MUFG Environmental Policy Statement as a specific action guideline for practicing environmental considerations.

The MUFG Environmental Policy has been the matter to be determined in the Board of Directors since May 2021. The Policy clearly states the company’s commitment to proactively disclose information on the environment, including climate change.

MUFG Environmental Policy Statement
  - In order to put environmental considerations into practice under the MUFG Way, environmental awareness and specific action guidelines are presented as the basis of our actions.
  - The FY 2021 revision clearly states that MUFG will actively disclose information related to the environment, including climate change.

- Engagement and Utilize of External Advisors in the Environment and Social Fields

Since 2019, we have engaged external experts in the environmental and social fields as permanent external advisors.

Opinions were exchanged between the experts and the members of the Board of Directors, allowing us to use their broad knowledge of ESG in our sustainability initiatives.

Rintaro Tamaki
President, Japan Center for International Finance

Junko Edahiro
Professor, Graduate School of Leadership and Innovation, Shizenkan University / President, Institute for Studies in Happiness, Economy and Society / Founder and President, e’s Inc.

- Implementation of advisor opinion exchange meeting (November 2020)

At a meeting held in November 2020 to exchange opinions with external advisors, the participants actively exchanged opinions on the following points. Based on the opinions of external advisors gained through the opinion-exchange meeting and other events, MUFG will promote the integration of its sustainability initiatives with its core business and further promote the resolution of social issues.

- Change in social awareness concerning capitalism and the role of companies
- Global trends, such as the rapid rise in awareness toward sustainability brought about by the COVID-19 pandemic, and a mission as a financial institution under these circumstances
A Heightened Metric for ESG-Related External Ratings is Newly Installed as an Evaluation Index of the Executive Compensation System

MUFG has revised its executive compensation system to achieve the medium-term business plan and implement sustainability management, and has newly installed a heightened metric for ESG-related external ratings as a medium- to long-term performance-linked indicator for stock-based compensation. The system is designed to reflect the degree of improvement found through the external ratings granted by five major ESG rating agencies* for executive compensation. The intention is to align MUFG's corporate activities with the interests of its diverse stakeholders.

* MSCI, FTSE Russell, Sustainalytics, S&P Dow Jones, CDP

### Compensation Ratio

<table>
<thead>
<tr>
<th>Non-performance-based</th>
<th>Performance-based</th>
<th>Short-term performance-based</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual base salary</td>
<td>Stock compensation</td>
<td>Cash bonuses</td>
</tr>
<tr>
<td>Single fiscal year</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Medium-to-long-term achievement evaluation

- Consolidated ROE - Consolidated expenses reduction amount - Improvement of external ESG rating

#### Competitor comparison evaluation

- Consolidated net operating profits - Profits attributable to owners of parent

### Evaluation Index

- **Medium-term to long-term achievement evaluation (Weight: 50%)**
  - Consolidated ROE (Weight: 30%)
  - Consolidated expenses reduction amount (excluding those linked to revenues) (Weight: 10%)
  - Ratings granted by ESG rating agencies (Weight: 5%)

### Competition part

- **Competitor comparison evaluation part (Weight: 50%)**
  - Comparison of year-on-year growth rate of indices below with competitors
  - Consolidated net operating profits (Weight: 25%)
  - Profits attributable to owners of parent (Weight: 25%)

### Newly established

- Stock compensation
- Applicable to compensation systems for directors, executive officers, and corporate officers of MUFG and its major subsidiaries.
- Malus clawback provision is applicable.
- In principle, the acquired shares are held until the time of retirement.
- Malus clawback provision is applicable.

### Strategy

The TCFD recommendations propose that climate change-related risks and opportunities be disclosed upon grasping impacts on business strategy and finances.

### Climate Change-Related Opportunities

As a financial institution, MUFG recognizes that supporting climate change measures and the transition to a decarbonized society will lead to increased business opportunities. MUFG announced a target of providing a cumulative 35 trillion yen in sustainable finance by 2030.

We intend to commit 18 trillion yen of finance in the environmental field, including initiatives to counter climate change that will lead to the reduction of greenhouse gas emissions and the conservation of the global environment. We promote renewable energy through project finance, etc., issue MUFG Green Bonds, which ensure that the net proceeds are allocated to the Eligible Green Projects, provide commodities and services aimed at mitigating environmental loads, encourage the climate change countermeasure consulting business and so on. By doing so, we support the transition to a decarbonized society.

### Expansion of Capital Investment Related to Climate Change

**Demand for Capital Investment is Expected to Increase Because of the Promotion of Initiatives in Various Industries to Achieve Virtually Zero GHG Emissions**

#### Green Finance Opportunities

- Major companies in the oil and gas sector have already announced plans to increase their capital expenditures related to renewable energies in order to achieve a decarbonized society.
- According to a CDP*1 survey, more than half of the 500 large Japanese companies have already set targets for decarbonization equivalent to the SBT*2 certification, or plan to do so within the next two years.
- Green bonds and green loans to support investment plans are a great business opportunity for financial institutions.

*1 CDP (formerly the Carbon Disclosure Project) is a project in which institutional investors around the world collaborate to require companies to disclose their climate change strategies and the specific amount of greenhouse gas emissions. MUFG has participated in the project since 2004.

*2 Science Based Targets

Please refer to page 22 for details on the sustainable finance target.
Strengthening Sustainable Businesses Capabilities

Toward the realization of carbon neutrality, MUFG aims to support customer efforts to transform business models as well as the climate transition of whole industries. To this end, we provide solutions designed to assist customers in their pursuit of transition and innovation aimed at promoting decarbonization. In July 2021, we established Sustainable Business Division by reorganizing and upgrading the Sustainable Business Office into an independent division, with the aim of further promoting solutions for sustainable businesses. This body is expected to play a central role in MUFG’s efforts to promote sustainable businesses and, to this end, will be tasked with engaging in dialogue with government agencies and industrial associations while handling missions ranging from research, strategic planning and solution development to business execution. In addition to addressing sustainability issues in Japan, the division will act in close collaboration with individuals in charge of ESG overseas, share information and insights with them and employ a cross-regional approach to promote sustainable businesses.

● Enhance business promotion domestically and globally, centered on the Sustainable Business Division

Pushing Ahead with Climate Transition and Innovation Support

With the aim of facilitating the realization of a sustainable society via a virtuous cycle of environmental and economic improvement, we intend to extend strong support to the pursuit of technological innovation in such fields as renewable energy, hydrogen and next-generation energy and carbon recycling. In terms of supporting climate transition, we have been proactively engaged in dialogue mainly with customers in the energy and utility sectors. Looking ahead, we will also reach out to those in the transportation, steelmaking, non-ferrous metals, chemicals and other sectors, with staff at the Sustainable Business Division and others in charge of sales at home and abroad playing a key role in upgrading MUFG’s relevant initiatives. With regard to innovation support, we will consider and implement a new financial service scheme in tandem with customers, with the aim of supporting new business endeavors, including R&D and verification testing, to contribute to the realization of carbon neutrality.

Active Implementation of Activities to Support Energy Transformation

In December 2021, the Japanese Corporate & Investment Banking Business Group launched the Energy Transformation Strategy Project Team (EX Strategy PT). In order to support the customers’ energy transformation, the team is exploring how the financial sector as a whole can contribute to customers, while engaging in dialog with customers, industry associations, and government agencies.

- Hold dialog with customers, industry associations, and government agencies while supporting carbon neutrality for Japan as a whole
- Provide added value across the entire value chain, from research functions to solution provision
- Investigate what and how transition support should be for realistic solutions in Japan and Asia
- Leverage group companies’ and global expertise, and cooperate with related departments such as the client coverage dept., the Solutions Unit (including the Sustainable Business Office), the Sustainability Office, etc. to support customers’ business transitions

The goals of the EX Strategy PT

- Provide functions/added value that address customers’ management issues
- Use expertise related to the issues and wide-ranging research functions to support customer’s management
- Propose ways for the financial sector to contribute to business transformation from energy perspective
Supporting Transitions through Engagement (Dialogue)

With the aim of facilitating the realization of a sustainable society via a virtuous cycle of environmental and economic improvement and a smooth transition to a decarbonized society, we conduct ongoing engagement (dialogue) with our customers on their transition initiatives.

- Example of engagement

<table>
<thead>
<tr>
<th>Customer</th>
<th>Status of implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company A (Domestic, Manufacturing equipment)</td>
<td>MUFG held several dialogues and discussions with the company’s management in order to understand the company’s approach to sustainable management, which aims to solve ESG issues through its business activities. The company is focusing on sustainable management based on its long-term management plan for 2030 and its medium-term management plan to achieve the goal. In order to further promote the sustainable management, the Bank provided information on the approach to sustainable finance and specific examples. The company has set ambitious targets for 2030 based on the Science Based Targets (SBT) initiative for CO₂ emission reduction, as a one of its environmental goals. To support its commitment to achieve these targets, the company provided a sustainability-linked loan with SPT as an intermediate milestone target.</td>
</tr>
<tr>
<td>Company B (Domestic, Maritime)</td>
<td>By integrating ESG into its business strategy, the company aims to maximize profits and achieve social and environmental sustainability from a long-term perspective, and has formulated a long-term transition strategy to reduce GHG emissions. Through continuous dialogue with the company, MUFG supported the issuance of bonds based on the Green Bond Principles 2021 (ICMA) and other frameworks to raise funds to realize the transition strategy. As the first transition bond issued in Japan, the company aims to expand its funding sources and accelerate its efforts to reduce greenhouse gas emissions by expanding its low-carbon solutions and developing and introducing decarbonization solutions. The issuance of the bond will also contribute to the broad promotion of the company’s growth strategy based on ESG management.</td>
</tr>
<tr>
<td>Customers in the electric power and oil and gas sectors, etc. (Domestic)</td>
<td>MUFG will continue to work toward achieving carbon neutrality by 2050 for both MUFG and the company by deepening mutual understanding through regular updates on ESG and finance trends in Japan and overseas in cooperation with the MUFG Group, bridging the gap between stakeholders with different positions by providing opportunities for dialogue with the Ministry of Economy, Trade and Industry, the Agency for Natural Resources and Energy, and overseas investors, and sharing awareness of issues through top management.</td>
</tr>
<tr>
<td>Company C (Canada, O&amp;G)</td>
<td>Top executives from MUFG Americas and the company met to discuss the company’s business position and operations including integration within the North American energy supply chain, as well as company’s ESG policies including net-zero emission by 2050, Indigenous Engagement, Land Reclamation &amp; Wildlife Habitat Restoration, and Freshwater Stewardship. MUFG participated in an ESG materiality assessment with the company and its third-party advisor, providing them with MUFG’s perspective and inputs on environmental, social and governance items. The feedback from this assessment has helped the company further set meaningful ESG targets and establish/define key sustainability priorities.</td>
</tr>
<tr>
<td>Company D (Australia, Transportation)</td>
<td>Rail freight operator, who transports varied mix of freight cargo including thermal coal, was seeking investor engagement in relation to ESG. MUFG recommended the company to leverage the release of its inaugural ESG report as a way to get on the “front foot” from an ESG perspective and conduct an ESG-specific investor update, providing investors with greater visibility into the company’s sustainability strategy. MUFG facilitated the investor marketing exercise, conducting a global investor update covering investors from Australia, Asia, UK and US. Through this exercise, MUFG supported the company in reconfirming the market expectations towards ESG integration into the company’s strategy and establishment of appropriate targets, encouraging the company to accelerate setting its ESG strategy.</td>
</tr>
</tbody>
</table>

Promotion and Expansion of Renewable Energies

MUFG is one of the world’s top performers in the private global finance sector in the Finance Lead Arranger league table related to renewable energy projects. In May 2021, MUFG set a target of reducing CO₂ emissions through project finance for renewable energy projects by a cumulative total of 70 million tons from FY 2019 to FY 2030. This is equivalent to the annual CO₂ emissions of about half of the households in Japan.

- Please refer to page 23 for details on our CO₂ reduction targets through project finance for renewable energy.

Establishment of a Solar Fund (Ecology Trust)

The Trust Bank has been offering solar funds every year since FY 2018 as an investment product. The project has been well received by investors, who say that now they have a new investment option for solar power generation that produces a stable profit.

- Please refer to page 73 for details on our CO₂ reduction targets through project finance for renewable energy.

Execution of Green Loans and Green Private Placement Bonds

The Bank provides green loans and green private placement bonds as a means for customers to raise funds to be used for green projects.

- Please refer to page 73 for details on our CO₂ reduction targets through project finance for renewable energy.

Main activities of FY 2020

- Closed a green private placement bond deal with Loop Inc.
- Closed a green loan deal with West Energy Solution Inc.
- Closed a green loan deal with Ino Kaun Kashta Ltd.
Support Environmentally Friendly Management

- Energy Conservation Support Loan (With 1% Interest Subsidy)
  This product makes use of the Ministry of Economy, Trade and Industry’s subsidy program for the promotion of upgrading facilities to improve energy efficiency. Under this program, the borrower can receive a maximum 1% subsidy for up to 10 years for the interest on loans made for the installation of energy-efficient equipment.

- Environmental Accounting – CO2 Reductions and Economic Effect through Financing

Please refer to page 144 details on our environmental accounting.

Products and Services for Reducing Environmental Impacts

MUFG is working behind the scenes to reduce environmental impacts by providing products and services for customers who aim to be environmentally conscious.

- Evaluation Methodology and Loan-Related Product that Aligned with ESG Activities

The Bank offers the loan product, “ESG Evaluation loans for J-REIT” using “MUFG ESG Evaluation for J-REIT supported by JCR” which is provided by Mitsubishi UFJ Research and Consulting. The entire loan or portions directed towards J-REITs which have received the top three ratings of MURC’s ESG evaluation may be preferentially allocated for the usage of the proceeds of the MUFG Green Bonds only if loans to Eligible Green Projects. Through the loan products related to ESG, we are not only able to support the customers’ funding methods, but also support customers’ business challenges and offer solutions as well.

- Green Bonds Underwriting

The Securities is a leading Green Bonds underwriter since the inception of the market and top-ranked house in terms of volume and number of transactions where they acted as Structuring Agent.

They have joined the Climate Bonds Partners Programme of Climate Bonds Initiative*2 since 2019. Together with CBI, they aim to make a contribution to growing the Green Bonds market.

Climate Change Risks - Transition Risks and Physical Risks-

There are two kinds of climate change-related risk. First, there are risks arising in the course of the transition to a decarbonized society, such as stricter regulation and the introduction of decarbonizing technologies (transition risk), and second, there are risks arising from physical damage due to the growing occurrences of climate change-induced natural disasters and abnormal weather (physical risks).

Financial institutions are required to address both risks, which may directly impact their own business activities and indirectly affected due to impacts on clients.

<table>
<thead>
<tr>
<th>Examples of transition risks</th>
<th>Examples of physical risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policies, laws and regulations</td>
<td>Acute</td>
</tr>
<tr>
<td>- Increase in the cost due to GHG emissions by the introduction of a carbon tax</td>
<td>- Increased severity of extreme weather events, such as typhoons and floods</td>
</tr>
<tr>
<td>- Strengthened obligation to report emissions</td>
<td>- Changes in precipitation patterns and extreme fluctuations in weather patterns</td>
</tr>
<tr>
<td>- Regulations on existing products and services</td>
<td>- Increase of average temperature</td>
</tr>
<tr>
<td>- Subject of lawsuits</td>
<td>- Sea level rise</td>
</tr>
<tr>
<td>Technology</td>
<td>Chronic</td>
</tr>
<tr>
<td>- Switch to existing products and services with lower GHG emissions</td>
<td>- Changes in customer behavior</td>
</tr>
<tr>
<td>- Setback in the investment in new technologies</td>
<td>- Uncertainty in market signals</td>
</tr>
<tr>
<td>- Cost of transition to low emission technologies</td>
<td>- Raw material price hike</td>
</tr>
<tr>
<td>Market</td>
<td>- Changes in consumer preferences</td>
</tr>
<tr>
<td>- Changes in customer behavior</td>
<td>- Narrowing of sectors</td>
</tr>
<tr>
<td>- Uncertainty in market signals</td>
<td>- Increased stakeholder interest and negative feedback to stakeholders</td>
</tr>
<tr>
<td>Reputation</td>
<td>- Increased stakeholder interest and negative feedback to stakeholders</td>
</tr>
</tbody>
</table>

*1 A company that supports the issuance of green bonds through the development of a green bond framework and other means.

*2 The Climate Bonds Initiative is an international organization based in London that works to promote investment in the projects and assets needed for a rapid transition to a low-carbon, climate durable economy. The Climate Bonds Partners Programme supports investor and stakeholder activities and educational projects to grow sustainable green bond markets that contribute to climate change response and low carbon investment.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Underwriter</th>
<th>Number of projects</th>
<th>Volume (hundred million yen)</th>
<th>Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mitsubishi UFJ Morgan Stanley Securities</td>
<td>94</td>
<td>4,146.9</td>
<td>24.5</td>
</tr>
<tr>
<td>2</td>
<td>Mizuho Securities</td>
<td>96</td>
<td>3,720.7</td>
<td>22.0</td>
</tr>
<tr>
<td>3</td>
<td>SMBC Nikko Securities</td>
<td>98</td>
<td>3,204.3</td>
<td>18.9</td>
</tr>
<tr>
<td>4</td>
<td>Nomura Securities</td>
<td>73</td>
<td>3,003.1</td>
<td>17.7</td>
</tr>
<tr>
<td>5</td>
<td>Daiwa Securities</td>
<td>60</td>
<td>2,298.9</td>
<td>13.6</td>
</tr>
</tbody>
</table>

Source: Data from DealWatch by Thomson Reuters and compiled by Mitsubishi UFJ Morgan Stanley.
Examples of Impacts of Transition Risks and Physical Risks

MUFG has organized examples of impacts (examples of potential risks) of climate change on each of the major risk categories of the physical and transition risks. Risks are classified mainly around the following six categories. In the future, the classification of the risks and examples will be reviewed in response to changes in the environment.

- **Risks are classified mainly around the following six risk categories:**
  - **Credit risk**
  - **Market risk**
  - **Liquidity risk**
  - **Operational risk**
  - **Reputation risk**
  - **Strategic risk**

### Examples of Transition and Physical Risks

<table>
<thead>
<tr>
<th>Risk categories</th>
<th>Examples of transition risk</th>
<th>Examples of physical risk</th>
<th>Time frame</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit risk</td>
<td>- Our corporate clients’ business activities and financial positions may be negatively affected if they fail to keep up with market conditions, regulatory requirements, customer requests, or evolving trends in technological development.</td>
<td>- Extreme weather may cause direct damage to assets held by our corporate clients and/or have a negative spillover effect on their business activities and financial positions by indirectly impacting their supply chains.</td>
<td>Short- to long-term</td>
</tr>
<tr>
<td>Market risk</td>
<td>- The transition to a decarbonized society may negatively impact certain business sectors, making the value of relevant securities held by MUFG and/or financial instruments deriving from them highly volatile.</td>
<td>- The impact of extreme weather may create market turbulence and make the value of securities held by MUFG highly volatile.</td>
<td>Short- to long-term</td>
</tr>
<tr>
<td>Liquidity risk</td>
<td>- If its credit ratings deteriorate due to such factors as delays in its response to transition risks, MUFG may face limitations on methods for funding from the market and thus growth in risks associated with funding.</td>
<td>- Corporate clients suffering damage from extreme weather may choose to withdraw their deposits or heavily utilize their credit lines to secure funds for reconstruction, leading to a growing volume of cash outflows from MUFG.</td>
<td>Short- to long-term</td>
</tr>
<tr>
<td>Operational risk</td>
<td>- Spending on capital investment may grow due to the need for measures aimed at reducing CO2 emissions and enhancing business continuity capabilities.</td>
<td>- Extreme weather may cause damage to MUFG’s headquarters, branches and/or data centers and lead to the disruption of their operations.</td>
<td>Short- to long-term</td>
</tr>
<tr>
<td>Reputation risk</td>
<td>- If MUFG’s plans and efforts to realize carbon neutrality are deemed inappropriate or insufficient by external stakeholders, it may suffer from reputational damage.</td>
<td>- If MUFG’s efforts to support customers and communities affected by extreme weather are deemed insufficient, it may suffer from reputational damage or a resulting disruption of operations.</td>
<td>Short- to long-term</td>
</tr>
<tr>
<td>Strategic risk</td>
<td>- If MUFG fails to live up to its public commitment to supporting the transition to a decarbonized society, its capabilities for strategic execution may be negatively affected by a deterioration in its reputation.</td>
<td>- MUFG may fail to meet the goals of its strategies and plans if it fails to properly factor in the direct impact of extreme weather in the course of long-term management planning.</td>
<td>Medium- to long-term</td>
</tr>
</tbody>
</table>

---

### Scenario Analysis

The TCFD recommendations recommend conducting scenario analysis using multiple scenarios to demonstrate the flexibility and resilience of companies’ plans and strategies to risks related to climate change. Since the summer of 2019, MUFG has been a participant in the pilot project led by the United Nations Environment Programme Finance Initiative (UNEP FI) with the objective of discussing and developing methods for climate change-related financial information disclosure for the banking industry. Based on the results of examination conducted in the pilot project, MUFG has implemented scenario analysis of transition risks and physical risks for the period from 2020 to 2050.

In addition to the results of the above-mentioned pilot project, the scenario analysis reflects the results of verification by external experts.

#### Transition Risk

The automotive sector is added to the existing two sectors of energy and utilities. Also, the scenario analysis is conducted, including the NGFS scenario released by the Network for Greening the Financial System (NGFS) in June, in addition to the scenario of the International Energy Agency (IEA), which has been the premise of our analysis.

#### Physical Risk

The analysis is based on the scenario released by the Intergovernmental Panel on Climate Change (IPCC) for floods, which have been particularly prominent in recent years in terms of frequency of occurrence and damage level.
Results of Scenario Analysis

Under the scenarios and assumptions analyzed and applied this time, the transition risk (for the energy, utilities, and automotive sectors combined) ranges from 1.5 to 23.0 billion yen on a single-year basis. In addition, it is confirmed that the cumulative amount of physical risk (flood damage) is approximately 38 billion yen.

Both the transition risk and physical risk have a limited impact on the credit portfolio in this scenario analysis. MUFG will continue to work towards expanding the number of target sectors and improving the way in which risks are reflected in the financial impact.

Transition Risk

Based on the results of the UNEP FI pilot project, a comprehensive approach was adopted for the measurement method, combining the bottom-up method at the individual company level and the top-down method at the sector level to assess the impact. In addition to the sustainable development scenario (the [well below] 2°C scenario) released by the IEA, the NGFS scenario was used as an assumption. Then, in addition to the (well below) 2°C scenario, the 1.5°C scenario was analyzed on the impact on the credit ratings under each scenario, as well as analyzing the financial impact on an applicable sector’s overall credit portfolio.

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Various scenarios, including the sustainable development scenario (the [less than] 2°C scenario) of the IEA and the 1.5°C scenario that the NGFS has released</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analytical method</td>
<td>An integrated approach is adopted to assess the impact by combining the bottom-up approach at the individual company level and the top-down approach at the sector level. Using this approach, the impact on credit ratings in each scenario is analyzed along with the effect on the overall financial impact of the sector’s credit portfolio.</td>
</tr>
<tr>
<td>Target sector</td>
<td>Energy, utilities, and automotive sectors</td>
</tr>
<tr>
<td>Target period</td>
<td>Until 2050 using the end of March 2021 as the standard</td>
</tr>
<tr>
<td>Result of analysis</td>
<td>Single-year basis: 1.5 billion yen to 23 billion yen</td>
</tr>
</tbody>
</table>

Physical Risk

Among the risks associated with physical damage caused by climate change, we adopted an approach to measure the impact on the overall credit portfolio using the default probability of a borrower that has changed because of the occurrence of floods, which have been particularly prominent in Japan and other countries in recent years in terms of both frequency of occurrence and damage level. The climate scenarios are based on the RCP2.6 (2°C scenario) and RCP8.5 (4°C scenario) scenarios from the Coupled Model Intercomparison Project 5 (CMIP5) released by the Intergovernmental Panel on Climate Change (IPCC). The RCP8.5 scenario, which expects floods to be more frequent and larger in magnitude, was analyzed to estimate the damage caused by floods using data provided by various organizations. In calculating financial impacts, in consideration of discussions conducted within the UNEP FI pilot project, we have reflected business suspension periods, loss arising in held assets and so on.

<table>
<thead>
<tr>
<th>Scenario</th>
<th>RCP 2.6 (the 2°C scenario) and RCP 8.5 (4°C scenario) published by the Intergovernmental Panel on Climate Change (IPCC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analytical method</td>
<td>Estimated damage in the event of a flood is analyzed, and an approach to measure its impact on the overall credit portfolio using the change in default probability that the occurrence of floods would have on the credit portfolio is adopted</td>
</tr>
<tr>
<td>Target of analysis</td>
<td>Flood</td>
</tr>
<tr>
<td>Target period</td>
<td>Until 2050 using the end of March 2021 as the standard</td>
</tr>
<tr>
<td>Result of analysis</td>
<td>Cumulative total: Approximately 34 billion yen</td>
</tr>
</tbody>
</table>

Risk Management

Reflection in the Risk Appetite Framework

From FY 2021, the risks related to climate change have been newly added to the Risk Appetite Statement. We aim to establish, maintain, and further develop a framework for appropriately managing risks related to climate change.

Outline of the Risk Appetite Framework

The Risk Appetite Framework is a framework for clarifying the risk appetite (the type and amount of risk to be undertaken) to achieve MUFG’s business strategy and financial plan and for conducting business management and risk management.

Financial plan
- Net operating profit
- Current net profit
- ROE
- RORA
- Cost ratio
- Ratio of tier 1 in Common stock etc.

Management Plan

<table>
<thead>
<tr>
<th>Management Plan</th>
<th>Risk appetite</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net operating profit, Current net profit, ROE, RORA, Cost ratio, Ratio of tier 1 in Common stock etc.</td>
<td>Allocated capital plan, RWA plan, planning and allocation of capital according to risk, Risk appetite for risks difficult to quantify such as Capital liquidity risk etc.</td>
</tr>
</tbody>
</table>

Organic Correlation

Business strategy

- Group business strategy

Climate Change-Related Risk in Enterprise Risk Management -Top Risk Management-

In the "Top Risk Management" approach that MUFG primarily adopts for enterprise risk management, we consider the risks arising from climate change as one of the Top Risks.

We also recognize that climate change-related risks are likely to become apparent and worsen in the medium to long term. In MUFG and its core subsidiaries, management is regularly engaged in discussions regarding the Top Risks to gain a further understanding of the risk recognition, and to develop appropriate risk control countermeasures.

Top Risk Management

MUFG defines a risk event as a loss that could be brought on to the Group as a result of the materialization of various risk scenarios and determines the importance level based on the impact and probability of the event. Risk events that should be paid most attention to over the next year are identified as Top risks.
Environmental and Social Risk Management in Finance

We implemented MUFG Environmental and Social Policy Framework to manage environmental and social risks associated with our financing. Concerning coal-fired power generation, mining (coal), oil and gas, and other specific sectors in which concerns are raised over environmental and social impacts, including climate change, we have established our finance policy and a due diligence process to identify and assess the environmental and social risks or impacts associated with transactions has been introduced.

- **MUFG Environmental and Social Policy Framework**:
  - **MUFG Way and Code of Conduct**
  - **MUFG Environmental Policy Statement**
  - **MUFG Human Rights Policy Statement**
  - **Mitsubishi UFJ Financial Group, Inc.**

**Prohibited Transactions**
- Illegal transactions and transactions for illegal purposes
- Transactions which violate public order and good morals
- Transactions that negatively impact wetlands designated under the Ramsar Convention

**Restricted Transactions**

<table>
<thead>
<tr>
<th>Cross-sectoral items</th>
<th>Sector specific items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact on Indigenous Peoples Communities</td>
<td>Coal Fired Power Generation Sector</td>
</tr>
<tr>
<td>Land expropriation leading to involuntary resettlement</td>
<td>Oil and Gas sector</td>
</tr>
<tr>
<td>Impact on High Conservation Value areas</td>
<td>- Oil sand sector</td>
</tr>
<tr>
<td></td>
<td>- Development of the Arctic Sector</td>
</tr>
<tr>
<td></td>
<td>- Large Hydropower Sector</td>
</tr>
</tbody>
</table>

**Due Diligence Process for Financing**

- **Standard Due Diligence**
  - The department in the relevant business division of each Core Subsidiary responsible makes the decision regarding categorization of the transaction as a “Prohibited Transaction” or “Restricted Transaction” is made based on available public information and information provided by the client.

- **Enhanced Due Diligence**
  - If the transactions categorized as “Restricted Transactions”, it is implemented by the department responsible for management of environmental and social risks in each Core Subsidiary.

- **Executive Management Discussion Addressing Reputational Risk**
  - Transactions assessed as having the potential to have significant negative impacts on the corporate value of MUFG are evaluated with the involvement of executive management.

Policies on the Sectors Related to the Environment, Including Climate Change

Since its establishment in May 2018, the MUFG Environmental and Social Policy Framework has been periodically reviewed in response to changes in business activities and the business environment.

- **Environment-related policies in the MUFG Environmental and Social Policy Framework**

<table>
<thead>
<tr>
<th>Revised in Apr. 2021</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal-Fired Power Generation</td>
<td>adopted</td>
<td>revised</td>
<td>revised</td>
<td>revised</td>
</tr>
<tr>
<td>Forestry</td>
<td>adopted</td>
<td>revised</td>
<td>revised</td>
<td>revised</td>
</tr>
<tr>
<td>Palm Oil</td>
<td>adopted</td>
<td>revised</td>
<td>revised</td>
<td>revised</td>
</tr>
<tr>
<td>Mining (coal)</td>
<td>adopted</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oil and Gas (Oil sand, Development of the Arctic)</td>
<td>adopted</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large Hydropower</td>
<td>adopted</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Further restricted the policy to prohibit financing to expansion of existing facilities, stipulation made that any consideration will be made on individual basis from a more restrictive perspective**
  - MUFG will not provide financing to new coal-fired power generation projects or expansion of existing facilities. However, coal-fired power generation equipped with CCUS*, mixed combustion, and other technologies necessary to achieve the Paris Agreement target may be considered on an individual basis.

- **Environmental policies in the MUFG Environmental and Social Policy Framework**

  - **Carbon Dioxide Capture, Utilization and Storage (CCUS)**
    - Stipulation made to prohibit financing to expansion of existing facilities; stipulation made that any consideration will be made on individual basis for a more restrictive perspective.
    - MUFG will not provide financing to new coal-fired power generation projects or expansion of existing facilities. However, coal-fired power generation equipped with CCUS*, mixed combustion, and other technologies necessary to achieve the Paris Agreement target may be considered on an individual basis.

- **Environmental policies in the MUFG Environmental and Social Policy Framework**

  - **Mining**
    - Stipulation made to prohibit financing to expansion of existing facilities; stipulation made that any consideration will be made on individual basis for a more restrictive perspective.
    - MUFG will not provide financing to new coal-fired power generation projects or expansion of existing facilities. However, coal-fired power generation equipped with CCUS*, mixed combustion, and other technologies necessary to achieve the Paris Agreement target may be considered on an individual basis.

- **Environmental policies in the MUFG Environmental and Social Policy Framework**

  - **Forestry**
    - Stipulation made to prohibit financing to expansion of existing facilities; stipulation made that any consideration will be made on individual basis for a more restrictive perspective.
    - MUFG will not provide financing to new coal-fired power generation projects or expansion of existing facilities. However, coal-fired power generation equipped with CCUS*, mixed combustion, and other technologies necessary to achieve the Paris Agreement target may be considered on an individual basis.

- **Environmental policies in the MUFG Environmental and Social Policy Framework**

  - **Palm Oil**
    - Stipulation made to prohibit financing to expansion of existing facilities; stipulation made that any consideration will be made on individual basis for a more restrictive perspective.
    - MUFG will not provide financing to new coal-fired power generation projects or expansion of existing facilities. However, coal-fired power generation equipped with CCUS*, mixed combustion, and other technologies necessary to achieve the Paris Agreement target may be considered on an individual basis.

- **Environmental policies in the MUFG Environmental and Social Policy Framework**

  - **Oil and Gas**
    - Stipulation made to prohibit financing to expansion of existing facilities; stipulation made that any consideration will be made on individual basis for a more restrictive perspective.
    - MUFG will not provide financing to new coal-fired power generation projects or expansion of existing facilities. However, coal-fired power generation equipped with CCUS*, mixed combustion, and other technologies necessary to achieve the Paris Agreement target may be considered on an individual basis.

- **Environmental policies in the MUFG Environmental and Social Policy Framework**

  - **Large Hydropower**
    - Stipulation made to prohibit financing to expansion of existing facilities; stipulation made that any consideration will be made on individual basis for a more restrictive perspective.
    - MUFG will not provide financing to new coal-fired power generation projects or expansion of existing facilities. However, coal-fired power generation equipped with CCUS*, mixed combustion, and other technologies necessary to achieve the Paris Agreement target may be considered on an individual basis.

Awarded Silver in the Indirect Financial Service Category in the Second ESG Finance Awards Japan (Minister of the Environment Award)

At the award ceremony organized by the Ministry of the Environment of Japan, the Bank received the Silver Award in the Indirect Finance Sector Category, which recognizes the initiatives of institutions and organizations that actively conduct evaluations and reviews that take ESG factors into account, as well as financing and support based on these evaluations and reviews. One of the initiatives that was recognized was the relatively broad coverage of the MUFG Environmental and Social Policy Framework and the fact that reevaluations are conducted as necessary.

- Related FAQ
**Response to Climate Change-Related Risks Based on the Equator Principles**

The Equator Principles is an international framework developed to identify, assess, and manage potential environmental and social risks and impacts of large-scale projects, including infrastructure and natural resource development. The Bank conducts environmental and social risk assessment based on the Principles prior to extending loans.

Regarding climate change risks, in addition to examining technically and economically feasible options that contribute to reducing GHG emissions, the Bank evaluates status of project developers’ measures to identify and manage physical and transition risks in line with the TCFD recommendations based on the Fourth iteration of the Equator Principles, which was implemented in July 2020.

> Details on how the Bank implements the Equator Principles are available on our website. ([https://www.mufg.com/en/finance/environment/equator/](https://www.mufg.com/en/finance/environment/equator/))

**● Climate change-related responses required under the Equator Principles**

<table>
<thead>
<tr>
<th>Applicable projects</th>
<th>Responses required under the Equator Principles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Among the risk categories used in the Equator Principles: all Category A projects, and as appropriate, Category B projects</td>
<td>● Identification of physical risks and measures to manage those risks</td>
</tr>
<tr>
<td>Projects with GHG emissions (Scope 1 and Scope 2), during its operational phase, of more than 100,000 tonnes of carbon dioxide equivalent per year</td>
<td>● Alternatives Analysis</td>
</tr>
</tbody>
</table>

*Category A refers to projects with potential significant and adverse environmental and social risks and/or impacts that are diverse, irreversible, or specific, largely reversible and readily addressed through mitigation measures.

*Category B refers to projects with potential limited environmental and social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.

**Example of Climate Change Risk Assessment**

The following is an example of climate change risk assessment for a solar power generation project to be constructed in a coastal area in Asia. Since the annual GHG emissions from this project do not exceed 100,000 tonnes of carbon dioxide equivalent, the assessment focused on physical risks.

Generally, when a project is subject to physical risk assessment, financial institutions evaluate potential risks (e.g., extreme weather events or changes in climate patterns) that could affect the project during operation and measures to manage those risks.

In this project, physical risks identified included extreme heat associated with rising temperatures, long-term sea level rise, natural disasters caused by typhoons and strong winds, and a decline in the amount of available water resources. It was also confirmed that appropriate plans have been developed to address the risks identified (see table below).

In its environmental and social risk assessment, the Bank evaluates climate change management measures provided by the project proponent and ensure that the requirements for climate change risk assessment, as stated in the Equator Principles, are met.

**Assessment of transition risks**

The term “Sustainable Finance” 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) with reference to the relevant external standards (e.g. the Green Loan Principles, Green Bond Principles, and Social Bond Principles).

**Environmental Area**

- Businesses contributing to the adaptation to and moderation of climate change, including renewable energy, energy efficiency improvement, and green buildings (e.g., arrangement of loans and project finance for renewable energy projects, underwriting and distribution of green bonds).

**Social Area**

- Businesses contributing to the development of startups, 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 (e.g., Emerging Industrial Technology Support Program, loans for regional revitalization projects such as MUFG Regional Revitalization Fund, arrangement of loans and project finance for public infrastructure, underwriting and distribution of social bonds).

**Metrics and Targets**

**Sustainable Finance Target and Progress**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Cumulative execution amount of sustainable finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target</td>
<td>Cumulative total of 35 trillion yen (including 18 trillion yen in the environmental sector) by FY2030</td>
</tr>
</tbody>
</table>

We have set our accumulated sustainable finance amount as of fiscal year 2030 as a sustainable finance target for solving environmental and social issues. Our accumulated sustainable finance amount as of fiscal year 2020 was ¥7.9 trillion (of which, ¥3.6 trillion is environmental area), and was proceeding steadily towards this target. In April 2021, we raised our target from ¥20 trillion to ¥35 trillion.

**Progress in Sustainable Finance Goals**  

<table>
<thead>
<tr>
<th>Category</th>
<th>FY2019 results</th>
<th>FY2020 results</th>
<th>FY2030 goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental</td>
<td>Arrangement of loans and project finance for renewable energy projects, etc.</td>
<td>0.9</td>
<td>0.5</td>
</tr>
<tr>
<td></td>
<td>Underwriting and sales of Green Bonds</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>0.8</td>
<td>0.4</td>
</tr>
<tr>
<td>Social</td>
<td>Finance for social infrastructure development and regional revitalization, etc.</td>
<td>0.9</td>
<td>1.4</td>
</tr>
<tr>
<td>Others</td>
<td>Finance for solutions of various environmental and social issues</td>
<td>0.6</td>
<td>1.4</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>3.7</td>
<td>4.2</td>
</tr>
</tbody>
</table>

* Totals may not add up due to rounding.

**Definition of Sustainable Finance**

The term “Sustainable Finance” 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) with reference to the relevant external standards (e.g. the Green Loan Principles, Green Bond Principles, and Social Bond Principles).
Setting Targets for Reducing CO₂ Emissions Through Renewable Energy Project Financing

<table>
<thead>
<tr>
<th>Metric</th>
<th>The amount of CO₂ to be reduced through renewable energy project finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target</td>
<td>Reduction by 70 million tons (cumulative total from FY 2019 to FY 2030)</td>
</tr>
<tr>
<td>Results</td>
<td>Reduction by 14.55 million tons (cumulative total from FY 2019 to FY 2020)</td>
</tr>
</tbody>
</table>

As part of the effort to quantitatively identify and disclose the environmental impact of our financing, we have set a target to reduce CO₂ emissions by a cumulative total of 70 million tons between FY 2019 and FY 2030 through project financing for renewable energy projects. This is equivalent to the annual CO₂ emissions from about half the households in Japan.

\*1 Cumulative total of CO₂ reduction effect for one year, calculated from the amount of electricity generated by renewable energy projects underwritten in each fiscal year, facility utilization rates, and emission factors. The values take into account MUFG’s contribution in the underwriting phase.

\*2 Prepared by MUFG based on a survey by the Ministry of the Environment entitled Statistical Survey of CO₂ Emissions from the Households Sector (Household CO₂ Statistics).

Status of Carbon Related Assets (Credit Amounts)

Metric | Carbon-related assets (credit amounts)

<table>
<thead>
<tr>
<th>Carbon-related assets (^\star1) (credit amounts (^\star2))</th>
<th>[Unit: trillion yen]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit amounts at the end of FY 2020</td>
<td>Ratio</td>
</tr>
<tr>
<td>Energy</td>
<td>8.0</td>
</tr>
<tr>
<td>Oil &amp; gas</td>
<td>7.7</td>
</tr>
<tr>
<td>Coal</td>
<td>9.3</td>
</tr>
<tr>
<td>Utilities</td>
<td>7.7</td>
</tr>
<tr>
<td>Electricity</td>
<td>8.8</td>
</tr>
<tr>
<td>Coal-fired power</td>
<td>1.2</td>
</tr>
<tr>
<td>Gas-fired power, power transmission, and distribution, etc.</td>
<td>5.6</td>
</tr>
<tr>
<td>Gas supply, etc.</td>
<td>0.9</td>
</tr>
<tr>
<td>Total of all sectors (^\star3)</td>
<td>152.6</td>
</tr>
</tbody>
</table>

\*1 Total of loans, trade finance, letter of credit & guarantees and undrawn commitment facility, etc.
\*2 In accordance with the TCFD recommendations, excluding the credit amounts related to renewable energy power generation projects from total credit amounts related to the energy and utility sector portfolio. The total includes partner banks (MUFG Union Bank, Krungsri (Bank of Ayudhya), and Bank Danamon).
\*3 Sector classification based on the primary business (largest sales) of the borrower. Excluding interbank transactions, credit to government agencies and central banks, etc.

Reference: Carbon-related assets (Loan balance) [Unit: trillion yen]

<table>
<thead>
<tr>
<th>Metric</th>
<th>Carbon-related assets (Loan balance)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit amounts at the end of FY 2020</td>
<td>Ratio</td>
</tr>
<tr>
<td>Energy</td>
<td>2.8</td>
</tr>
<tr>
<td>Utility</td>
<td>3.4</td>
</tr>
<tr>
<td>Credit amounts at the end of FY 2020</td>
<td>Ratio</td>
</tr>
<tr>
<td>Energy</td>
<td>2.9</td>
</tr>
<tr>
<td>Utility</td>
<td>3.1</td>
</tr>
</tbody>
</table>
Credit Amounts Related to Coal-Fired Power Generation - Project Finance -

<table>
<thead>
<tr>
<th>Metric</th>
<th>Credit amount related to coal-fired power generation — Project finance (balance of lending)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target</td>
<td>Reduce the balance by 50% by the end of FY 2030 from the FY 2019 level and reduce it to zero by FY 2040.</td>
</tr>
<tr>
<td>Results</td>
<td>US$3,774 million (as of the end of FY 2020).</td>
</tr>
</tbody>
</table>

It is outlined in the MUFG Environmental and Social Policy Framework not to provide financing to new coal-fired power generation projects in principle. MUFG have set a target of reducing the balance of financing to coal-fired power generation projects by 50% from FY2019 by FY2030, and reducing it to zero by FY2040.

*1 Projects that contribute to the transition toward a decarbonized society are exceptional following the MUFG Environmental and Social Policy Framework.


Credit Amounts Related to Coal-Fired Power Generation - Corporate Finance -

With regard to credit related to coal-fired power generation, in addition to project finance, MUFG verifies and discloses its corporate credit amount targets for customers with a high percentage of coal-fired power generation in their businesses as part of the process of setting interim targets for FY 2030 in the MUFG Carbon Neutrality Declaration.

The corporate credit to companies whose coal-fired power generation business accounts for more than 30% of their sales or EBITDA will be approximately 880 billion yen (as of March 31, 2021). We will monitor the progress of the customer’s transition, and we will conduct a thorough engagement if there is a high transition risk.

Environmental Impacts of Project Financing for Power Generation Projects

<table>
<thead>
<tr>
<th>Metric</th>
<th>CO₂ emission intensity of project finance for power generation business</th>
</tr>
</thead>
<tbody>
<tr>
<td>The purpose of this calculation is to measure the environmental impact of project finance for power generation projects. The scope includes fossil fuel (coal, oil, and gas) thermal power generation and renewable energy projects.</td>
<td></td>
</tr>
</tbody>
</table>

* The intensity at the end of each fiscal year is calculated only from the project finance implemented in the relevant fiscal year.

<table>
<thead>
<tr>
<th>Metric</th>
<th>Basic unit of electricity use (electricity/ total floor space)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target</td>
<td>Reductions by 10.5% and 19.0% of the 2009 level by FY2020 and FY2030, respectively</td>
</tr>
<tr>
<td>Results</td>
<td>FY2020: Reductions by 18.0% of the 2009 level</td>
</tr>
</tbody>
</table>

As part of its efforts to reduce environmental impacts, the Bank has set targets for FY2020 and FY2030 to reduce the energy intensity index. In FY 2020, the Bank achieved our target for FY 2020 with a reduction by 18.0% of the 2009 level. For the FY2030 target, we will continue to promote further reduction of environmental impact by setting higher targets and expanding the scope of the target within the Group.

Climate Alignment of Ship Finance Portfolio on an Annual Basis - Becoming a Signatory to the Poseidon Principles -

In March 2021, the Bank joined the Poseidon Principles, a global framework established by financial institutions for promoting shipping industry’s decarbonization. The Principles enable signatory financial institutions to contribute to maritime sector’s transition to a low-carbon industry in line with the International Maritime Organization’s (IMO) medium-term long-term greenhouse gas emission reduction targets. As a signatory, the Bank will calculate vessels’ carbon intensity and will disclose the results of annual assessments of the climate alignment of its shipping finance portfolio from FY 2022.
Future Action Plan

MUFG will continue its efforts to achieve net-zero GHG emissions from its investment and financing portfolio by 2050, as committed in the MUFG Carbon Neutrality Declaration, and will lead the way in addressing climate change, one of the most serious issues that the world faces.

- Action plan for initiatives to address climate change

<table>
<thead>
<tr>
<th>Recommended disclosure items</th>
<th>Action Plan (during FY 2021)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance</td>
<td></td>
</tr>
<tr>
<td>- The Sustainability Committee deliberates the status of initiatives to address climate change, issues, information disclosure, etc. based on the TCFD recommendations, and then reports to the Executive Committee, which in turn reports to the Board of Directors where the matters are reviewed.</td>
<td></td>
</tr>
<tr>
<td>- Implementation of study sessions for senior management, including members of the Board of Directors, on initiatives to address climate change</td>
<td></td>
</tr>
<tr>
<td>Strategy</td>
<td></td>
</tr>
<tr>
<td>- Materialization and promotion of the MUFG Carbon Neutrality Declaration</td>
<td></td>
</tr>
<tr>
<td>- Consideration of disclosing the medium-term target for 2030 to achieve net-zero GHG emissions from the investment and loan portfolio by 2050.</td>
<td></td>
</tr>
<tr>
<td>- Consideration of achieving net-zero in-house GHG emissions by 2030</td>
<td></td>
</tr>
<tr>
<td>- Expansion of sectors for scenario analysis</td>
<td></td>
</tr>
<tr>
<td>Risk management</td>
<td></td>
</tr>
<tr>
<td>- Continuous revision of the finance policy (MUFG Environmental and Social Policy Framework)</td>
<td></td>
</tr>
<tr>
<td>- Consideration for reflecting risks related to climate change in the credit process</td>
<td></td>
</tr>
<tr>
<td>Metrics and Targets</td>
<td></td>
</tr>
<tr>
<td>- Consideration for disclosure of corporate credit amount targets for coal-fired power generation</td>
<td></td>
</tr>
</tbody>
</table>

Furthermore, based on the TCFD recommendations, MUFG will continue to address risks and opportunities related to climate change under the supervision of the Board of Directors and disclose the status of such efforts in a timely, appropriate, and proactive manner.

Responses to TCFD as an Asset Manager

Asset management companies under the MUFG umbrella are endorsing TCFD as asset managers and working to analyze the status of the investees’ response to climate change and assess their impact through the management of the portfolios they manage under contract. The Trust Bank disclosed information about the management of the portfolios it manages in line with the TCFD’s recommendations for disclosure under Governance, Strategy, Risk Management, and Metrics and Targets regarding climate-related risks and opportunities. By proactively disclosing climate change-related information, we will help our clients understand the status of their portfolios and encourage the companies in which we invest to take action on climate change.

Greenhouse Gas Emissions-Related Indicators for the Portfolio

MUFG calculates and evaluates greenhouse gas emission-related indicators (total greenhouse gas emissions, carbon footprint, carbon intensity, and weighted average carbon emission factors) for measuring and managing climate change-related risks and opportunities in our portfolios of equities and bonds. Indicators related to greenhouse gas emission are calculated using a data collection and analysis method via Institutional Shareholder Services (ISS). The analysis of total annual GHG emissions (Scope 1 and Scope 2) for all investees, including MUFG AM* and First Sentier Investors, confirms that the total annual GHG emissions will be 28.4 million t-CO₂e (as of March 31, 2022). The Trust and its subsidiaries, Mitsubishi UFJ International Investment Trust, M.U. Investment Management, Inc. Mitsubishi UFJ Asset Management (UK) Ltd., are endorsing TCFD as asset managers and working to analyze the status of the investees’ response to climate change and assess their impact through the management of the portfolios they manage under contract.

Indicators Related to the Amount of Greenhouse Gas Emissions

- Total carbon emissions: Total amount of greenhouse emissions related to the portfolio
- Carbon footprint: Total greenhouse gas emissions divided by the market value of the portfolio
- Carbon intensity: Total greenhouse gas emissions divided by the sales of investee companies
- Weighted average carbon intensity (WACI): Weighted average of emissions per unit of sales of the investee company according to the composition of the portfolio

Indicators for GHG emissions by industry composition ratio

- Consumer Information Technology: 4%
- Consumer Discretionary: 5%
- Energy: 8%
- Health Care: 3%
- Other: 1%
- Materials: 37%
- Utilities: 25%
- Capital goods: 14%
- Other: 3%

Data sources for calculating GHG emission-related indicators

- ISS estimate: 59%
- Annual report, etc.: 21%
- CDP: 17%
- CDP: 17%
Scenario Analysis

MUFG used ISS’s analysis method by Sustainable Development Scenario (SDS)*1 based on the Paris Agreement (to keep the temperature rise well below 2°C and continue efforts to limit it to 1.5°C) announced by the IEA*2 in 2019 to forecast future trends in total greenhouse gas emissions reductions up to 2050 in the investee companies in the portfolio targeting equities and bonds.*3

As a result of the analysis, MUFG has projected the transition of total greenhouse gas emissions for a single portfolio of assets, and the companies in our portfolio currently account for approximately 60% of allowable greenhouse gas emissions and are expected to exceed the SDS by 2033. MUFG believes that, based on the results of its analysis, it is important to encourage portfolio companies to limit the risk of transition in the medium to long term.

*1 IEA: International Energy Agency
*2 SDS (Sustainable Development Scenario): A scenario in which global warming policies and investments are implemented to achieve the Paris Agreement, and progress is made toward achieving the SDGs and other sustainable development goals.
*3 The analysis covers all industries except fossil fuel producers. Scope 1 - 2, fossil fuel producers: Scope 3, electricity: Scope 1

● Portfolio greenhouse gas Emission Pathway

Future Actions Based on the Analysis

Based on the results of the analysis of the total greenhouse gas emissions transition pathway, MUFG recognizes the risk that the impact of climate change will damage the value of its portfolio. We also believe that it is important to encourage the introduction of objective disclosure standards, as approximately 60% of our analytical issues rely on estimates.

In order to mitigate the effects of climate change, we believe it is important for portfolio companies to incorporate the risks and opportunities related to climate change into their long-term business strategies and to take action.

As climate change is a significant ESG issue for Investees, we are actively engaging with issuers that have a significant impact. It believes that climate change is not only a risk, but also an opportunity to develop new technologies and increase the potential for business expansion in companies that it invests in. It will continue to improve its operational capabilities so as not to miss out on this new revenue opportunity.
Our Approach to Human Resource Development

**Encouraging the Pursuit of Personal Growth and Challenging Endeavors**

The MUFG Human Resources Principles provide the basis on which the Group has built a human resources management platform that aligns with the MUFG Way.

- **Shared Values**
- **HR Mission**
- **HR Vision**
- **Teamwork**
- **HR Philosophy**

For the full text of the MUFG Human Resources Principles, please also visit our website. (https://www.mufg.jp/english/csr/policy/)

Our basic philosophy on human resource development is to provide each employee with educational opportunities that enhance their discernment and sense of ethics as well as their knowledge and expertise, and to develop human resources who can make the MUFG Way a reality.

In line with the MUFG Way, we aim to provide our employees with opportunities for personal growth and offer an environment in which they can direct their energies into working with a sense of fulfillment. To this end, we promote inclusion & diversity. To embody the MUFG Way, we have also positioned “Integrity and Responsibility”, “Professionalism and Teamwork” and “Challenge Ourselves to Grow” as values to be shared by all employees as defined by the MUFG Human Resources Principles, which serve as the basis for human resources management. Based on these principles, all Group companies engage in the planning and implementation of their respective human resources management policies.

**Improve Productivity and Nurture Professionals**

During the period leading up to the end of fiscal 2023, we expect a reduction in the individual workload due to such factors as increased use of digital technologies to be accompanied by natural attrition in our employee headcount. Accordingly, we deem it important to redirect our human resources toward high-value-added operations and empower them to achieve higher performance as professionals. To this end, we aim to enhance operational efficiency and improve productivity via the incorporation of “smart” work styles and the digital shift.

Today, our employees are being called on to enhance their knowledge and skills in their respective business fields. With this in mind, we will promote human resource development and exchange on a groupwide basis while stepping up the specialty-focused recruitment of new graduates and individuals with external experience. In particular, we anticipate a growing need for specialists in compliance, internal auditing, legal affairs and other governance-related fields that require a high level of expertise as well as specialists in digital and cybersecurity field. We also need to secure human resources well-versed in wealth management, large corporate business requiring sector specialists and other fields in which MUFG aims to expand its operations. With this in mind, we will enhance human resources systems supporting our strategies in these fields while taking a groupwide, integrated approach to realize flexible staffing.

In the face of a constantly shrinking total headcount due largely to natural attrition, we will also develop a performance-based employee evaluation system that empowers diverse human resources to achieve greater career success than before regardless of their gender or age and thus accelerate the appointment of employees based on the performance.

**Human Resource Development Program**

**Changing a Corporate Culture that Encourages Employees Challenge**

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 positioned the Career Challenge System as a framework for gaining a variety of experience. We have a variety of programs within and outside the Group.

- **Main Programs of the Career Challenge System**

<table>
<thead>
<tr>
<th>Program</th>
<th>Details</th>
<th>FY 2020 results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Challenge</td>
<td>An in-house posting system targeting Group employees. Covering the extensive scope of business fields the MUFG Group encompasses, this system offers opportunities for applicants to take on tasks that align with their desires regardless of which Group entity they belong to.</td>
<td>773*1 applicants</td>
</tr>
<tr>
<td>New Business Proposal</td>
<td>This program solicits proposals from employees with regard to new services, products and operational improvements, thereby providing employees whose proposals are selected with opportunities to launch and spearhead proposed initiatives.</td>
<td>386*2 applicants</td>
</tr>
<tr>
<td>Open EX</td>
<td>This in-house posting program was developed to provide employees with opportunities to be seconded to startups or other external corporations as MUFG’s human resources evaluation criteria attach greater importance to possessing a broad range of business experience and knowledge about diverse corporate cultures.</td>
<td>17*3 employees</td>
</tr>
<tr>
<td>Challenge Leave</td>
<td>This system supports employees’ pursuit of their dreams or personal growth, which may include becoming an entrepreneur, studying abroad, acquiring certification or getting elected to a public office, by granting leave for a certain period of time.</td>
<td>15*3 employees</td>
</tr>
</tbody>
</table>

For example, the Job Challenge program helps applicants take on new missions within the Group, while the New Business Proposal program allows employees to launch the new services and products they propose. Also, we proactively assist employees in their pursuit of external business experience they cannot gain within the Group. Specifically, the Open EX program provides applicants with opportunities to work at startups and other external corporations. Moreover, the Challenge Leave program grants leave for a certain period of time to those wishing to study abroad, acquire certification or pursue other dreams. In addition, in February 2020, the Securities clarifies the standards for secondary employment and is working to create an environment where employees can easily take on the challenges of self-realization both inside and outside the company.

**Innovative Change of Corporate Culture and Employees Survey**

Through a variety of initiatives, MUFG develops professional human resources who can add value to the services provided by the Group, while aiming to create an organization that will enable us to provide greater value to its customers and society.

In addition, in order for the entire group to take on the challenge of retransforming the culture, it is important to create a workplace in which each and every employee finds their job reward. Through the annual MUFG Group Awareness and Engagement Survey, the Group identifies the issues its employees face and uses them to study and take a variety of measures.

The Bank requests employees to complete a simple survey that asks about their day-to-day motivation, health and workplace environment via company’s portal site. The Trust also conducts organizational diagnosis through weekly pulse surveys. The results are shared with employees to help identify and resolve problems at the early stage, promoting the creation of a healthy and open-minded workplace environment.
For MUFG’s sustainable growth, securing highly professional human resources in a variety of fields of specialization is important. For this purpose, MUFG is endeavoring to secure and nurture true professionals with advanced skills and expertise, through comprehensive efforts in recruitment and training.

One of the key management issues of MUFG is the development of the future top management who will lead innovation and responsibility for taking on challenges and creating value. As a solution to this issue, the Group launched the MUFG University programs aimed at managers and above in fiscal 2018, with a total of more than 600 attendees to date (196 in fiscal 2018, 220 in fiscal 2019 and 192 in fiscal 2020).

For MUFG’s sustainable growth, securing highly professional human resources in a variety of fields of specialization is important. For this purpose, MUFG is endeavoring to secure and nurture true professionals with advanced skills and expertise, through comprehensive efforts in recruitment and training.

Each Group company is actively engaged in developing human resources through various programs and on-the-job training. However, when entering into and developing new business, human resources with expertise in new fields that cannot be handled by existing employees are required. In order to acquire the necessary human resources, we are promoting mid-career recruitment. Furthermore, as integrated management of the MUFG companies progresses, it is becoming increasingly important to have business areas where the MUFG Companies work together along with human resources who can demonstrate their abilities across the MUFG companies regardless of the company they belong to. Under this situation, the MUFG Direct Employment System, a framework in which the holding company, MUFG, directly hires employees, was started in April 2019. The purpose of this system is to encourage employees with high skills and a wealth of experience to further demonstrate their abilities.

One of the key management issues of MUFG is the development of the future top management who will lead innovation and responsibility for taking on challenges and creating value. As a solution to this issue, the Group launched the MUFG University program for line managers and above in fiscal 2018, with a total of more than 600 attendees to date (196 in fiscal 2018, 220 in fiscal 2019 and 192 in fiscal 2020).

MUFG University offers two different courses, namely, the “Next-Generation Leader Course”, which aims to secure the future leaders of MUFG, and the “Management Course”, which aims to help managers enhance their skills. In the Next-Generation Leader Course, we offer general managers and branch managers multi-layered training programs through interactive classes conducted by external corporate managers and academic experts. The Management Course is designed for Managing Directors, deputy general managers and deputy branch managers and offers a liberal arts session to cultivate the human skills and wide perspective required for management, thus steadily securing a robust pool of top management candidates. In fiscal 2019, we launched a project to develop coaching skills at the domestic general managers and branch managers. A total of 50 people participated in the program by fiscal 2020. In management, we draw out the individuality and strengths of each employees and strengthen their engagement, thereby enhance skills that encourage them to take on new challenges in new areas.

Nearly all business areas in MUFG Group have expanded overseas. Under these circumstances, integrated management at the Group level is crucial, as it is essential to carry out business efficiently and effectively. Encouraging employees with diverse backgrounds join the group helps MUFG expand opportunities for employees to play an even more active role by operating a market-standard and globally unified human resources platform for title management, employee evaluation, wage determination and other human resources practices.

Moreover, we have implemented practical training programs for selected employees to nurture core human resources. With a cumulative total of approximately 100 individuals completing these programs, we have gone on to launch new programs designed to discover and nurture DX leaders. In addition, we mandate that all employees undergo e-learning focused on programming, AI and other relevant topics to help raise their digital literacy.

With the aim of nurturing human resources being capable of spearheading digital transformation (DX), we offer digital specialist training programs. For example, the Bank introduced a digital skill certification system based mainly on external qualifications acquired by employees. Also, we provide those in managerial positions with training programs incorporating topics on corporate culture transformation and leadership enhancement in line with MUFG’s digital strategies.

Programs Offered by MUFG University

<table>
<thead>
<tr>
<th>[Next-Generation Leader Course]</th>
<th>Eligible attendees: General managers and branch managers Feature: Interactive classes conducted by external corporate managers and academic experts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Program name</strong></td>
<td><strong>Objective</strong></td>
</tr>
<tr>
<td>New Corporate Executive Training</td>
<td>Acquire practical viewpoints for corporate management</td>
</tr>
<tr>
<td>Executive Candidate Training</td>
<td>Acquire the concept and building capabilities to develop financial businesses for the future</td>
</tr>
<tr>
<td>Assessment &amp; Coaching</td>
<td>Embrace a new mode of action in daily operations</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>[Management Course]</th>
<th>Eligible attendees: Managing Directors, deputy general managers and deputy branch managers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Program name</strong></td>
<td><strong>Objective</strong></td>
</tr>
<tr>
<td>Global Leaders Forum</td>
<td>Develop leadership for global operations</td>
</tr>
<tr>
<td>Liberal Arts Session</td>
<td>Enhance prediction capabilities necessary for making policy judgments through increased exposure to liberal arts concepts</td>
</tr>
<tr>
<td>Design &amp; Digital Thinking</td>
<td>Enhance concept building capabilities via exposure to digital thinking methods</td>
</tr>
<tr>
<td>Coaching Capability Improvement</td>
<td>Acquire coaching skills to maximize subordinate members’ talent and potential</td>
</tr>
</tbody>
</table>

Programs Aimed at Nurturing Digital Specialists (the Bank)

<table>
<thead>
<tr>
<th>Scope of employees</th>
<th>Main programs and their themes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Officers &amp; General managers</td>
<td>Workshop for top management future of financial institutions and digital-driven management strategies</td>
</tr>
<tr>
<td>Mid-level employees</td>
<td>New manager training incorporation of digital strategies into businesses and the transformation of corporate culture</td>
</tr>
<tr>
<td>Mid-level employees</td>
<td>Mid-level management training nurture next generation core human resources who will lead MUFG</td>
</tr>
<tr>
<td>New-recruits and junior-level employees</td>
<td>Programs for nurturing DX leaders discover and nurture future DX leaders</td>
</tr>
<tr>
<td>All employees</td>
<td>E-learning help enhance digital literacy</td>
</tr>
</tbody>
</table>

With the aim of nurturing human resources being capable of spearheading digital transformation (DX), we offer digital specialist training programs. For example, the Bank introduced a digital skill certification system based mainly on external qualifications acquired by employees. Also, we provide those in managerial positions with training programs incorporating topics on corporate culture transformation and leadership enhancement in line with MUFG’s digital strategies.

Moreover, we have implemented practical training programs for selected employees to nurture core human resources. With a cumulative total of approximately 100 individuals completing these programs, we have gone on to launch new programs designed to discover and nurture DX leaders. In addition, we mandate that all employees undergo e-learning focused on programming, AI and other relevant topics to help raise their digital literacy.

Nurturing Global Human Resources

Today, the MUFG Group has expanded into more than 50 countries around the globe, and approximately 52% of its entire workforce is accounted for by overseas employees (as of May 31, 2021). Based on the concept of “inclusion & diversity”, which is one of MUFG’s priority issues, in order to recruit and develop a diverse range of professionals, it is necessary to foster our corporate brand both in Japan and overseas so that people will want to work for MUFG. Moreover, to foster the development of the participating employees, but also fosters the mindset of the employees at the host sites to work globally. These efforts are helping to increase the motivation of employees hired overseas, while at the same time expanding the talent pool, thereby promoting competition within the company and creating a virtuous cycle that will lead to the realization of a stronger organization. Today, a growing number of individuals hired overseas have been promoted to managerial posts. For example, 13 of these individuals, including three women, have assumed executive officer positions at the Bank (as of March 31, 2021).
Evaluation of Human Resources

In order to achieve MUFG’s vision of the future, each employee is required to make changes and there is a need to create an environment that encourages employees to grow and take on challenges. Based on this, MUFG is reviewing the ideal employee profile and qualification requirements with a greater emphasis on “professionalism” and “innovation and challenge” and are also developing an environment that encourages employees to voluntarily make innovation and strive to achieve the careers they seek.

As for the performance evaluation, targets are set by all employees at the beginning of each fiscal year, the degree of achievement is reviewed and performance, including actions and processes, is evaluated at the end of the year. As for the competency evaluation, various competency indicators are set to make a multi-dimensional evaluation.

After each evaluation, a feedback interview is held to communicate the strength and weakness, which will contribute to future performance and competency development. Thus, we encourage them to improve their performance and build their careers by ensuring deep understanding and objectivity.

We also give 360-degree feedback to the executive level and the line and other managers at the management level. This is an opportunity to raise awareness of their managerial qualities, strength and weakness and to encourage them to make improvements by understanding observation from various perspectives such as subordinates, coworkers, related departments, and other concerned parties.

Inclusion & Diversity

Inclusion & Diversity, one of the ten priority issues of MUFG, is also positioned as one of the important business strategies of MUFG to remain committed to empowering a brighter future. In 2006, MUFG established a dedicated department to promote diversity as a corporate management strategy under the commitment of the top management. In particular, we consider the promotion of diversity from the viewpoint of gender to be an important issue, and we are working to develop the ability of women and promote their appointment in higher positions. Our three main subsidiaries, the Bank, the Trust Bank and the Securities, set joint targets and report progress regularly at the executive committee.

In 2018, the Group started the integrated operation of the corporate center function. The three companies gather and work together to promote inclusion & diversity within the Group. At the annual HR exchange meetings, people from HR departments of about 40 Group companies gather to share best practices and issues. By doing so, the Group companies are in full coordination and promote inclusion & diversity effectively.

Our Themes and Actions

To improve the job reward of not only women but also a diverse range of employees, the scope of the initiatives has been greatly expanded to include promotion of the employment of people with disabilities and understanding of sexual minorities (LGBTQ), as well as support for balancing work with personal commitments such as childcare, nursing care and infertility treatment.

Our initiatives since 2006 are as shown below. We have upgraded the main theme from the improvement of job reward of women, based on gender diversity, to one of a wider range of employees. Then, we made a group-wide effort to deepen the understanding of diversity and improve a variety of systems. Hereafter, we will further focus on creating workplaces where the power of diversity is most utilized so that all Group employees can demonstrate their characteristics and work together to provide services that exceed the expectations of customers.

● Representative Initiatives by Group Companies

<table>
<thead>
<tr>
<th>All employees</th>
<th>Improving job reward of women</th>
<th>Improving job reward of diverse employees</th>
<th>Recognizing, utilizing and respecting intrinsic differences with each other</th>
<th>Turning diversity into power</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identity treatment</td>
<td>Unconscious bias training</td>
<td>Special paid leave</td>
<td>Training and events</td>
<td>Same-sex partnership certification program</td>
</tr>
<tr>
<td>LGBTQ</td>
<td>Diversity management training</td>
<td>External concierge service and seminar</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Caregiving</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manager</td>
<td>IkuBoss* initiative and workshop</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Childcare</td>
<td>1st phase: Continuous working after giving birth</td>
<td>2nd phase: Demonstrate ability to support employees</td>
<td>Extending the length of leave</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Setting up to work for women and men</td>
<td>In-house training and workshop</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Allowance for babysitting, enhanced training, nursery</td>
<td>Extending the length of leave</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>and nursery school concierge system</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women</td>
<td>Discussion meetings by female executives, mentoring</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>and training for selected employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>People with disabilities</td>
<td>Aggressive recruiting of employees and provision of reasonable accommodations at the headquarters and special-purpose subsidiaries, and expansion of the scale of special-purpose subsidiaries</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Each of our diverse employees grows and demonstrates their abilities, and work together as a Group to exceed the customer expectations.

* An IkuBoss is defined as a manager of any level who produces results for the company while helping their team to achieve a good work-life balance, supporting their team’s careers and life choices, and setting a good example by enjoying their own work and personal life. Each MUFG Group company also has its own independent definition of an “IkuBoss”.

2006 2007 2008 2019 2021
Initiatives for Encouraging Diverse Talent to Play an Active Role

We are creating a workplace where each one of our diverse employees can demonstrate their abilities, regardless of their attributes.

Supporting Career Development of Female Employees

Promoting gender diversity, or increasing the percentage of women in managerial positions, is a priority issue. MUFG set medium- to long-term targets and is developing the ability of women and promoting their appointment in higher positions under the commitment of the top management. We provide training for selected employees and mentoring programs for female employees in senior positions to encourage their aspirations to become executives and provide opportunities for them to acquire advanced skills.

Setting Numerical Targets

At the Bank, the Trust Bank and the Securities, our joint numerical goal is to raise the ratio of women holding positions of line manager or higher to 18% in Japan by the end of March 2024. In order to reflect diverse viewpoints and values in areas closer to management, we have set a goal of higher-level positions than the previously targeted.

Please refer to page 125 for details on the progress and numerical targets in the Group companies.

Implementing a Variety of Programs for Women

The Bank, the Trust Bank and the Securities hold regular roundtable discussions participated in by female executives and management from the Group companies. They also carry out the Mentoring Program to assign mentors to female senior managers who are candidates for important posts and provide them with career advice and moral support. For mid-level managers, we conduct joint training for selected employees, providing complementary opportunities to acquire skills such as strategy building and logical thinking, while sophisticating their corporate management perspective and big-picture perspective for their future success in higher-level positions.

In addition, we host Diversity Roundtable Discussions for those who wish to discuss their concerns about balancing career and life events with senior employees. Each Group company also carries out a variety of programs to respond to the issues they face.

<table>
<thead>
<tr>
<th>Level</th>
<th>Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>MUFG Leaders Form (executive roundtable meeting)</td>
</tr>
<tr>
<td></td>
<td>Executive mentoring</td>
</tr>
<tr>
<td>Mid-level</td>
<td>Training for executive candidates (assessment, mentoring, etc.)</td>
</tr>
<tr>
<td></td>
<td>External training</td>
</tr>
<tr>
<td>All levels and young employees</td>
<td>Job-level based training</td>
</tr>
<tr>
<td></td>
<td>Networking (career roundtable etc.)</td>
</tr>
<tr>
<td></td>
<td>In-house Posting System</td>
</tr>
</tbody>
</table>

Programs to Support Continuation of Career

To support the continuation of career, we established programs for re-employing ex-employees who left the company when their spouses were transferred abroad, giving a special leave of absence and changing work locations.

Held a town hall meeting for female employees and the president Kamezawa

In December 2020, a town hall meeting was held between female employees and the president. Approximately 500 people attended the meeting from the Bank, the Trust Bank, and the Securities. Employees submitted about 150 questions and opinions prior to the meeting. In addition to questions about the president’s experience and thinking, they also expressed concerns specific to women, such as women's careers and the balance between work and childcare. The first half of the meeting was a dialog between the president and the head of the Inclusion & Diversity Office. The second half was a Q&A session in which the president directly answered questions from employees.

Programs to Support Continuation of Career

To support the continuation of career, we established programs for re-employing ex-employees who left the company when their spouses were transferred abroad, giving a special leave of absence and changing work locations.
We are expanding roles for employees with disabilities by establishing special subsidiaries that offer suitable work options. Currently, about 1,400 employees with disabilities are playing an active role within MUFG and the Group’s employment rate is 2.48% in Japan (as of June 1, 2021).

Establishing Special Subsidiaries
The Bank and the Trust Bank established special subsidiaries and aim to help each employee play a role commensurate with their ability and aptitude, as well as attain job reward and contribute to society as a result.

Improvement of Workplace Environment at Group Companies
Each Group company endeavors to create a comfortable workplace environment for employees with disabilities. The Bank provided its hearing-impaired employees with iPads with a voice recognition application that converts speech into text data and installed warning lights (PATLITE) in the rooms. For visually impaired employees, the Bank introduced text-reader software that converts text on PC into voice. Some employees come to work with their guide dogs.

Mitsubishi UFJ Business Partner (Special subsidiary of the Bank)
- The company was originally established in 1996. MU Business Aid and MU Business Partner merged in April 2020 and restarted under a new name and organization structure.
- A total of about 360 employees with disabilities at four locations in Kanagawa, Tokyo, Osaka and Aichi prefectures work in an environment where the characteristics of their disabilities are taken into consideration.

Ryoshin Data (Special subsidiary of the Trust Bank)
- Established in 1979.
- A total of about 60 employees with disabilities at three locations in Tokyo work on their tasks.
- Since most of the employees are hearing-impaired, the company takes specific measures: they are alerted to visitors and emergencies by tricolor PATLITEs and share a volume of work of the day and work progress on a large display monitor. Voice recognition application is used for meetings and trainings.

LGBTQ
We are aiming to create workplaces where all employees can stay true to themselves, regardless of sexual orientation, gender identity, etc.

MUFG Clearly Prohibits Any Harassment or Discrimination on the Basis of Sexual Orientation and/or Gender Identity.
MUFG clearly prohibits any harassment or discrimination on the basis of sexual orientation and/or gender identity.

Providing Training Opportunities and Publishing a Handbook
Each Group company conducts e-learning and other trainings that include case studies to help them acquire correct understanding and raise awareness for the prevention of discrimination and prejudice.

Recognition of Same-Sex Partnership
The Bank, the Trust Bank, the Securities, NICOS, MUS Business Service and MUS Information Systems have introduced a same-sex partnership recognition program that regards employees’ same-sex partners as being equivalent to opposite-sex spouses and that allows them to be beneficially of company benefits such as special paid leave and rent subsidies.

Sponsoring the Largest LGBTQ Pride Event in Japan
MUFG sponsors Tokyo Rainbow Pride*, which is held in Yoyogi Park, Tokyo every year. In 2021, the event was held online as in previous years. MUFG participated in the event in collaboration with the Mizuho Financial Group and the Sumitomo Mitsui Financial Group. The three companies worked together to set up an online booth, participate in the online parade through SNS postings, and produce a message video to be used in the event.

Pride Month
In memory of the Stonewall riots in June 1969, various events that show support for the LGBTQ community are held all over the world every year in June, which has been designated as Pride Month.

MUFG based in the Americas displays the Pride Month message at all ATMs and other relevant locations in its U.S. branches on the West Coast during June. In FY 2020, MUFG held a campaign called “Show Your Colors”, which invited employees to submit photos of themselves wearing rainbow-colored clothing. In offices in Europe, lectures are held, and support is expressed by showing rainbow flags and MUFG’s pride logo.

Effort to Visualize Allies
As part of the efforts to develop a safer workplace for LGBTQ people, we produce and distribute original rainbow-colored straps to employees who wish to wear them, making Ally, a person who supports LGBTQ, more visible in the company and providing an opportunity for other employees to become aware of the existence of LGBTQ people.
Initiatives to Balance Work and Personal Commitments

We are striving to create a workplace environment in which each and every one of our diverse employees can demonstrate their ability while keeping a balance with their personal commitments.

Support for Balancing Work and Childcare

Conventionally, women have been responsible for childcare and housework in many countries. As a result, wives of working couples with children are obliged to change the way they work. To change the situation, MUFG has introduced systems and programs to support employees who do childcare and housework, regardless of gender. In addition, we are striving to create a corporate culture that encourages all employees to work efficiently and productively in a flexible manner, by encouraging male employees to participate in childcare.

Balancing Support Programs

<table>
<thead>
<tr>
<th>Pregnancy</th>
<th>Birth</th>
<th>Childcare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-leave training</td>
<td>During leave</td>
<td>After returning to work</td>
</tr>
<tr>
<td>Pre-leave interview</td>
<td>Pre-leave interview</td>
<td>Post-return interview</td>
</tr>
<tr>
<td>Childcare leave</td>
<td>Shorter working hours</td>
<td>Nursing leave</td>
</tr>
<tr>
<td>Shorter working hours</td>
<td>Childcare time</td>
<td>Baby sitter service</td>
</tr>
<tr>
<td>Staggered Working hours</td>
<td>Staggered Working hours</td>
<td>Day care / Baby sitter discounts</td>
</tr>
<tr>
<td>Working from home</td>
<td>Working from home</td>
<td>Nursery Schools</td>
</tr>
</tbody>
</table>

*1 An online service that helps employees catch up with the pace at an early stage after returning to work by delivering online courses, supporting communication with the workplace and providing information from the company.

*2 A service to introduce childcare facilities.

Nursery Schools

In order to solve the social issue of a lack of nursery schools in Japan and to support the swift return of approximately 4,300 employees taking childcare leave, two nursery schools were opened in Tokyo, thereby supporting a balance of work and childcare.

Supporting a Smooth Return to Work

Pre- and post-leave training, economic support and programs that allow for flexible work styles have been established to extend full support for continuous career development.

Initiatives of Group Companies

- NICOS
  Employees who have returned to work or are raising children are given time to face themselves with themes, such as balancing work and childcare, their future career image, and self-improvement, and are given opportunities to exchange information. Roundtable discussions were held online in FY20.

- Master Trust Bank of Japan
  We arrange maternity/childcare leave lunch meetings. Employees on leave can participate together with their children and exchange information with senior employees who have returned to work following childbirth. Occasionally showing one’s face in the workspace also helps to improve overall understanding with coworkers.

Seminar for Balancing Work and Childcare

Since 2019, as part of our initiative to create workplace environments that allow employees to balance work and childcare regardless of gender, a seminar for couples raising children has been jointly held by the Bank, the Trust Bank and the Securities.

At a seminar held for working fathers in FY2021, following a lecture by an external lecturer, information and opinions were exchanged among participants in groups on the effects of fathers’ participation in childcare, trends, and examples of childcare through the establishment of telecommuting under the COVID-19 pandemic, and other topics. Participants commented that it was good to be able to share the unique concerns of dads and that they wanted to build a good team both at home and at work.
Encouraging Male Employees to Participate in Childcare

In order to create workplace environments that allow employees to balance work and childcare regardless of gender, MUFG Group companies are carrying out initiatives to encourage male employees to take childcare leave, thereby raising awareness on more balanced work styles and promoting better understanding of colleagues who are working while raising children. Since FY2018, we have begun encouraging male employees to take childcare leave of about one month, among other initiatives.

- Initiatives of Group companies (Figures in the heading indicate the percentage of male employees taking childcare leave in FY 2020)
  - The Bank 90.3%1
    Starting in FY2019, the Bank is encouraging employees to take days off for 10 working days for the purpose of childcare, by combining 10-working-day paid childcare leave with 10-working-day annual paid leave, and it was named Ten Plus Ten. It also internally announces the names of the departments of employees who have taken 20 working days off. More than 200 employees have taken childcare leaves so far, after contacting the employees and their supervisors to promote the acquisition of the leave and introducing examples of experienced employees balancing work and family life. Starting in FY2021, online networking is established through Microsoft Teams for working fathers and dads to be.
  - The Trust Bank 85%2
    The Trust Bank started encouraging employees to take childcare leaves in FY 2019. In addition, starting in FY 2021, MUFG has been recommending that employees take a minimum of five business days of leave. Emails are sent to male employees who have had babies and their supervisors to encourage them to take the leave. In addition, it also promoted the leave by providing examples of use and clarifying the necessary procedures to take the leave. After setting the target, the ratio of male employees taking childcare leaves increased significantly (previously it was around 20%), indicating that MUFG is fostering a culture in which male employees can naturally participate in childcare.
  - The Securities 100%3
    Since FY2016, the company has been encouraging male employees to take childcare leave by setting a goal of 100%. Eligible employees and their supervisors are notified of the procedures to take this leave. Opportunities for all employees to be aware of the necessity are increased by introducing in the company newsletter how the male employees participate in housework and childcare. Through these initiatives, the corporate culture is gradually changing so that male employees participate in childcare as a matter of course. Recommendation of the Ten Plus Ten program was also started concurrently with the Bank.
  - Master Trust Bank of Japan 100%1
    Since FY2019, Master Trust Bank of Japan have set our goal to let all eligible male employees take childcare leave. They notify employees of childcare leave eligibility and send emails encouraging them to take it.
  - Mitsubishi UFJ Information Technology 94%3
    The president sends email messages congratulating male employees who have recently become fathers. In order to promote timely taking of childcare leave, departmental managers encourage male employees to take unused leave.

Information Provision to Those Balancing Work and Childcare

We provide information for those who want to balance work and childcare by issuing such publications as HUG-Kumu, a booklet for male employees, and Casebook for Overcoming the First Grade Barrier1 for employees who are concerned about the work style after their children enter elementary school. We collected the voices of those who had experienced childcare and made such publications that would communicate the importance of men’s involvement in childcare and housework, well-thought ways to efficiently handle childcare and housework while working and hints and actual cases that can be used to realize a more flexible work style. These are not only helpful to employees with children, but also help their supervisors and coworkers understand the realities of balancing work and childcare.

Support for Balancing Work and Childcare

By 2025, all baby boomers in Japan (born between 1947 and 1949) will be 75 years of age or older. The increase in the number of elderly people needing nursing care and the resulting increase in the number of people leaving jobs to take care of their family members are expected to become major social problems.

Balancing Support Programs

- Representative Training and Programs

<table>
<thead>
<tr>
<th>Before care starts</th>
<th>Family member in need of care</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information collection</td>
<td>Establishment of work-care balance</td>
</tr>
<tr>
<td>Work-care balance Handbook</td>
<td>Work-care balance Case examples</td>
</tr>
<tr>
<td>(External Consultation) Care Concierge Desk</td>
<td></td>
</tr>
<tr>
<td>Caregiving Seminar</td>
<td></td>
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<tr>
<td>Care Resource Website</td>
<td></td>
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<tr>
<td>Nursing Care Leave</td>
<td>Exemption from overtime</td>
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<tr>
<td>Working from home</td>
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<tr>
<td>Staggered work hours</td>
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<tr>
<td>Shorter working hours</td>
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<tr>
<td>Saved/Accrued paid leave carry-over</td>
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</tbody>
</table>

Caregiving Seminars

We provide information for employees of Group companies to help them balance work and caregiving. Each seminar was attended by approximately 800 employees from about 40 Group companies. Because of the COVID-19 pandemic, however, on-demand videos have been distributed since FY 2020. Lectures by experts are used to help participants balance nursing care and work.

Work-care Support Services (Care Concierge Desk/Care Resource Website)

For our employees and their families, we introduced a concierge service by specialists and a nursing care information website that allows employees to search for nursing care facilities and services. We are preparing an environment where employees who are caring for someone, as well as those who want to prevent such a situation or those who may need to give care in the future, can consult with care professionals and gather information as needed via telephone or email.

Handbook and Casebooks

We issued a Work-Care Balance Handbook with basic information on work-care balance so that employees can respond smoothly in the event that they suddenly need to care for a relative. For those actually engaged in care, we also issue a Balance Casebook and Experience Stories featuring examples of difficulties faced during caregiving and advice on what to prepare beforehand.

1 The coined term to describe such situations of being forced to change one’s work style after a child enters elementary school as the difficulty of receiving extended day care in the evening, summer vacations, emergency school closures, and PTA activities.
Support Balancing Work and Infertility Treatment

With the growing tendency of late marriage in Japan, the number of couples undergoing infertility treatment is increasing. MUFG supports employees who work and undergo such treatment.

Support Programs for Balancing

Each of our major companies offers support systems, such as special paid leave, a flexible work hour system, and other support programs that can be used regardless of gender.

Guidebook

MUFG published a Guidebook to Support the Balancing of Work and Infertility Treatment for employees undergoing treatment, their superiors and coworkers, and those who are considering treatment in the future. It is used to create a workplace environment that makes it easier to balance work and treatment.

Initiatives to Raise Awareness of Employees

Initiatives to Raise Awareness of Managers

The awareness of managers is one of the important factors in determining the success or failure of inclusion & diversity. We implement a variety of initiatives to penetrate an awareness of the diverse values and private lives of junior employees, enhancing job reward, and producing results.

Holding a Joint Workshop

We hold IkuBoss* Workshops where employees in managerial and pre-managerial positions discuss the way to have sincere communication with diverse junior employees. Following a presentation by an external lecturer, participants discussed how to deal with junior employees facing specific situations such as childcare and eldercare, thereby deepening their understanding of the importance of respecting junior employees’ private lives and values while also letting them know that they are cared for.

Managers Commitments

The major Group companies are participating in the IkuBoss Corporate Alliance*, striving to develop “IkuBoss” managers who are committed to the development of all junior employees and improve job reward in a manner that also achieves business results.

Providing Various Training

A wide range of training programs is offered, depending on the circumstances and priorities of each Group company. The Bank, the Trust Bank, and the Securities hold training sessions for newly appointed general managers, chief managers and senior managers to teach them the importance of being aware of unconscious biases and building a team with psychological safety in order to develop organizations and teams where each of the diverse employees can play an active role.

For existing managers, we prepared opportunities to deepen their understanding of inclusion & diversity and to reflect on themselves through e-learning, on-demand video and personnel evaluation and other programs.

• Initiatives of Group Companies

• NICOS

Seminars for managers are provided to give tips on new management styles that are based on changes in the social environment and to promote diversity management. Training opportunities are also being provided with the aim of fostering a subordinate development mindset and improving management skills, such as coaching.

• ACOM

Leadership enhancement training is provided to improve organizational capabilities. Participants learn how to enhance their mindset as a leader, acquire one-on-one skills, and improve their ability to build relationships in order to facilitate the growth of subordinates.

Culture Creation

We are implementing a variety of initiatives to develop a corporate culture in which the diversity of employees is mutually recognized and respected.

Diversity Month

The Bank, the Trust Bank and the Securities designated November as Diversity Month. In the periods around these months, training and workshops are held at all offices in Japan. The companies focus on a hot topic, such as Unconscious Bias, and create opportunities for employees to consider inclusion & diversity as an issue that could exert influence on themselves.
Employee-Driven Inclusion & Diversity Promotion

Employees independently implement a wide range of programs to create inclusive workplaces.

Japan Base

- Mitsubishi UFJ Information Technology

The Diversity & Inclusion Promotion Committee was established in 2014. The committee is constantly active as members change each fiscal year. From 2017, the committee has taken on the important role of revitalizing communication within the company to ensure that the opinions of frontline employees are heard and that policies from head office are properly disseminated.

EMEA Base

- Mitsubishi UFJ Information Technology

The six employee networks play a critical role in building a culture of inclusion at MUFG and a working environment that embraces the diversity of our people.

- disABILITY WORKS
  - Disability Network
  - Forum that acts as a resource and support network for all employees impacted by any form of disability

- BALANCE
  - Gender Diversity Network
  - Network with a vision for MUFG to be a gender-balanced organization

- Pride Alliance
  - LGBTQ+ & Allies Network
  - Open forum network to celebrate and drive LGBTQ+ inclusion with the support of Allies

- MOSSAIC
  - Multicultural Network
  - Network that helps MUFG and its employees get the maximum benefit from our cultural diversity

- Family Matters
  - Family Network
  - Network that helps MUFG to be a “best in class” family-friendly organization of choice

- Social Mobility
  - Social Mobility Network
  - Network committed to creating a culture where employees feel like they belong at MUFG regardless of their socio-economic background

Americas Base

- Here, the employees are carrying out independent activities aiming to create a workplace where a diverse range of people can thrive, regardless of race, ethnicity, etc.

- Adelante
  - Hispanic / Latino Enterprise Resource Group

- NextGen Leaders
  - Generational Enterprise Resource Group

- PULSE
  - African American / Black Enterprise Resource Group

- WIN
  - Women’s Enterprise Resource Group

- ASPIRE
  - Asian American and Paciﬁc Islander Enterprise Resource Group

- Pride Alliance
  - LGBTQ+ Enterprise Resource Group

- SERVE
  - Veterans Enterprise Resource Group

Human Rights Management

The MUFG Way, which guides all of our activities, deﬁnes the meaning of our existence to be committed to empowering a brighter future. Under this motto, we are committed to protecting the diverse human rights of all stakeholders, including society and our customers.

Initiatives to Respect Human Rights

The Group companies recognize the respect for human rights as an important issue to be addressed in the management of our business and issued the MUFG Human Rights Policy Statement. To fulﬁll our responsibility to respect human rights in all our operations, we are committed to increasing the awareness of human rights by helping all employees fully understand the contents of the Code of Conduct and Compliance Manual.

A consultation service for sexual harassment, abuse of authority and others was also established at each of the Group companies to establish a pleasant work environment with a positive atmosphere. It responds to the reports coming in via a variety of means including interviews, telephone calls and emails, and promotes respect for human rights. It also accepts and responds to reports from customers outside the Group about human rights violations caused by MUFG’s business activities.

Please refer to page 123 for details on our Whistleblowing Compliance Management System.

Human Rights Management Structure

The Sustainability Committee, chaired by the CSuO of the Group, who is also a member of MUFG’s Board of Directors, is discussing measures and action policies concerning the respect for human rights based on the MUFG Human Rights Policy. The MUFG Human Rights Policy is determined by the Board of Directors.
Human Rights Awareness-Raising Structure and Its Activities Conducted at Group companies

The Bank, the Trust Bank, and the Securities have established the following human rights awareness promotion system. Also, in addition to conducting training and other enlightenment activities, promoters, and persons in charge of enlightenment activities installed in each division, office, and branch are promoting and implementing initiatives for respect for human rights throughout the MUFG Group.

<table>
<thead>
<tr>
<th>The Bank</th>
<th>The Trust Bank</th>
<th>The Securities</th>
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<tbody>
<tr>
<td>Human rights awareness-raising structure</td>
<td>Human Rights Promotion Committee</td>
<td>HR Committee</td>
</tr>
<tr>
<td>Chairperson</td>
<td>Member of the Board of Directors, Senior Managing Executive Officer (Chief Human Resource Officer: CHRO)</td>
<td>Director and Managing Executive Officer (CHRO)</td>
</tr>
<tr>
<td>Committee Members</td>
<td>Managing Executive Officer responsible for Personnel Division and General Manager of Personnel Division</td>
<td>President &amp; CEO, General Manager of Human Resources, Compliance Control, Financial Planning, Corporate Planning, Risk Management and Internal Audit and General Manager of Human Resources</td>
</tr>
<tr>
<td>Awareness-Raising activities</td>
<td>Human rights promotion training program</td>
<td>Human rights training programs</td>
</tr>
<tr>
<td></td>
<td>For employees</td>
<td>For new recruits</td>
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<tr>
<td></td>
<td>Training programs for employees</td>
<td>Training program on abuse of authority</td>
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<tr>
<td></td>
<td>Training programs for each hierarchy</td>
<td>For general managers, branch managers, and newly appointed managers</td>
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<td></td>
<td>For Executive officers, newly appointed branch managers, and managers at the management level, new recruits, and career employees.</td>
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<td></td>
<td>For all employees</td>
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<tr>
<td></td>
<td>Calling for making human rights slogans</td>
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<tr>
<td></td>
<td>Posting posters for human rights week</td>
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<tr>
<td></td>
<td>Distribution of Human Rights Newsletter</td>
<td></td>
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<tr>
<td>Number of attendees to training (FY 2020)</td>
<td>About 36,200</td>
<td>About 7,200</td>
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<td></td>
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<td>About 400</td>
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</table>

Sharing Human Rights Slogans

As part of its human rights awareness-raising activities, the Bank and the Trust Bank collect human rights slogans every year from their employees and their families. Excellent slogans are selected from among the ones collected from across the country and posted in the company newsletter and portal site to be shared across the companies.

Human Rights Due Diligence

As part of its efforts to address human rights issues, MUFG carries out human rights due diligence on its customers, employees, and other stakeholders according to the following policies:

- MUFG Group Personal Information Protection Policy (Details: https://www.mufg.jp/english/privacy/)
- MUFG Human Rights Policy Statement (Details: https://www.mufg.jp/english/csr/policy/)

The MUFG Human Rights Policy Statement stipulates that the Group is guided by the international principles for human rights, such as the Guiding Principles on Business and Human Rights, its officers and employees strive to respect the human rights of all people, and the Group urges clients and suppliers to respect human rights.

On Employees

In accordance with the MUFG Human Rights Policy, MUFG is committed to eliminating and removing all forms of discrimination in employment and all workplaces, while ensuring compliance with the Policy through awareness-raising activities. We have established the MUFG Compliance Helpline, which serves as a reception desk for reports on human rights violations from all Group employees, and we are enhancing the system to prevent and not to tolerate these acts. We also carry out human rights due diligence on the workplace environment through interviews for employees who seem to be overworking and stress level checks.

On Customers

We established the MUFG Environmental and Social Policy Framework as the basis for the management of environmental and social issues, including human rights issues, in financing for corporate customers. We assure respect for human rights by conducting due diligence prescribed in the Policy Framework as necessary when making credit decisions at the Group Bank and Trust Bank, and when underwriting bonds at the Group securities companies. We also make efforts to protect the privacy of customers involved in our business activities, including those who use banks by ensuring appropriate handling and protection of personal information leakage.

On Suppliers

In response to the enforcement of the Modern Slavery Act in the UK in 2015 and in Australia in 2019, MUFG companies subject to this law published a statement on their initiative to prevent exploitation of labor and human trafficking in their and suppliers’ business in fiscal 2019, and they are making efforts to prevent human rights abuses in their supply chains. (Visit the links on the right.)

- MUFG Bank (https://www.bk.mufg.jp/global/csr/statement/shl/)
Health and Productivity Management

MUFG is promoting mental and physical health as part of its efforts to respect employees’ human rights and create a pleasant workplace environment with a positive atmosphere. To be concrete, industrial physicians and counselors are stationed at each MUFG Group company to manage employee health through follow-up medical examinations based on the results of regular health checkups and interviews with overworked employees. It also works in liaison with external doctors and counselors to address employees’ mental health issues. Another effort is the maintenance of employees’ mental and physical health using stress level checks and other measures.

- Initiatives of Group Companies
- The Bank
  - Regular health checkups
  - Health Committee meetings and workplace patrol
  - Distribution of Health Clinic Newsletter
  - Mental health checkup
  - Regular environment checks in each division, office and branch
  - Support for the cost of influenza vaccination
- The Securities
  - Regular health checkups and rubella antibody testing
  - Establishment of Safety and Health Management Rules, Health Committee meetings and workplace patrols
  - Information submission to employees such as distribution of Healthcare Center Human Resources Division Newsletter
  - Health counseling and mental health care
  - Stress level checks
  - Interviews with overworked employees by industrial physicians

The Trust Bank

- Regular health checkups
- Health committee meetings and workplace patrols
- Posting information about occupational health and consultation services on the Employees Counselors Division page on the company portal site
- Stress level checks
- Providing personal consultation and guidance for employees on the Employees Counselors Division page
- Declaration of Health and Productivity management

Universal Support

MUFG is committed to introducing universal design both in software and hardware aspects MUFG collects, analyzes, and shares the opinions and requests from customers of all Group companies, and uses this feedback to improve its products and services.

- Responding to Customers in a Universal Manner
  - To ensure that all customers can use our branches with peace of mind, we make an effort to greet people as they enter our locations and provide guidance, thoughtfully offer easy-to-understand explanations and respond in an appropriate and agreeable manner.

- Universal Designed Branches
  - MUFG is engaged in the installation of tactile paving for the visually impaired, the elimination of steps through the introduction of ramps, the installation of automatic doors, and other initiatives to improve the convenience and safety of branch entrances, so that all customers can access our facilities with comfort and peace of mind.

- Providing Universal Services
  - By reducing bank transfer fees, allowing family members to sign forms by proxy and so on, we also provide services that consider the needs of persons with disabilities
  - Application of ATM transfer fees
    - The same transfer fees as ATM transfer fees are applied to customers with visual impairments and wheelchair users when they make a transfer at the counter.
  - Simplification of Administration by Proxy
    - In cases where a customer finds it difficult to fill out or stamp a document due to visual or other physical disabilities, it may be possible for an accompanying family member to serve as a proxy, depending on the type of transaction.
  - Simplification of procedures to allow payment by proxy when the intent of the depositor cannot be verified
    - When the intent of the depositor cannot be verified, it may be possible to arrange for a family member or other proxy to make necessary payments on their behalf for hospital / treatment fees, care facility fees, or tax / social insurance fees on request (See Note).
    - (Note) Depending on the payment method, the relationship of the proxy to the depositor, and the documents required, there might be cases where the Bank and the Trust Bank unable to comply with such requests
  - Communication Board
    - To accommodate customers with hearing and speech impairments, in addition to tools like writing pad and communication boards, the Bank branches are equipped with tablet devices with applications which support communication by using videophones to connect customers to sign language operators, and handwriting and speech recognition systems.
### Initiatives of Group Companies

#### The Bank
- Displaying pictograms
- Training for improving service skills for the elderly and people with disabilities
- Preparing a manual for improved service skills for the elderly
- Posting assistance dog stickers
- Posting Ear Symbol stickers
- Providing sign language and communication-in-writing (only in case of lost or stolen passbooks and cashcards)
- Handling Braille Cards and Notification Forms
- Consultation Service for People with Disabilities
- Preparing a LGBT handbook
- Cooperation with Community General Support Center

#### The Trust Bank
- Displaying pictograms
- Training for improving service skills for the elderly and people with disabilities
- Preparing a manual for improved service skills for the elderly
- Posting assistance dog stickers
- Posting Ear Symbol stickers
- All branches are equipped with reading glasses, hearing aids, loupes, writing devices, clipboards for writing, communication boards and wheelchairs.
- ATMs are equipped with handsets for communication
- Seminars on service assistance

#### The Securities
- Taking a training course for supporting dementia patients
- Equipped with reading glasses and writing devices
- Eliminating steps and differences in level on the floors in branches
- Installing automatic doors
- Distributing Ally declaration straps (upon request)

### Customer Focus and Initiatives

#### Fundamental Concept

Customer-oriented approaches and fair and honest attitudes constitute the foundation of our business. The Code of Conduct stipulates the standards that guide officers and employees’ decision-making and behavior in our day-to-day business activities under the MUFG Way. We set Customer Focus in the first chapter of the Code of Conduct and the Group is endeavoring to make all employees behave according to this philosophy.

#### Fiduciary Duties

MUFG has set and published MUFG Basic Policy for Fiduciary Duties as a common guideline of the Group so as to ensure that its undertakings are always customer-oriented. Under this Policy, the Group companies share their customer-first undertakings, aspire to further improve their products and services and announce status updates. In addition, MUFG, while monitoring these initiatives, periodically reviews the Policy in order to better realize customer-oriented business operations.

#### Details on our customer focus and initiatives are available on our website. (https://www.mufg.jp/english/profile/governance/fd/)

### Improvements Based on Customer Feedback

Opinions and requests we receive from customers are valuable assets of MUFG. The Group companies - the Bank, the Trust Bank, the Securities, NICOS and ACOM - analyze customer feedback received via employees at sales offices, by telephone and by email to make improvements. The five companies received about 180,000 opinions and requests from customers in total in fiscal 2020, of which 249 were utilized for service improvement.

Some examples of improvements include the addition of a name change function to the app that does not require customers to visit a bank (Kantan Tetsuduki App) to meet the needs of customers who wish to complete procedures without talking to a clerk. In addition, we regularly conduct customer satisfaction surveys and analyze the factors of low evaluation, if any, and make efforts to improve.

MUFG collects, analyzes, and shares the opinions and requests from customers of all Group companies, and we use this feedback to improve our products and services. We continue to attract customers and establish lasting relationships with them.

MUFG is committed to improving its business operations and quality based on customer feedback. To ensure that all customers feel reassured when using our services, each employee is improving their skills so that he/she not only protects the existing trust of customers and builds a higher level of trust for the future.
Social Contribution Activities

Fundamental Concept of Social Contribution

Financial institutions have a responsibility to stabilize and maintain the financial system and contribute to the sound growth of society. To this end, we fulfill our social mission as a foundation of society and are striving to contribute to the realization of a sustainable society by solving social issues through financial services. We will carry out social contribution activities in the following priority areas: “Initiatives to Combat the spread of COVID-19”, “Supporting future generations (Education · Sports · Environment)”, “Disaster relief” and “Support through the activities of MUFG employees”, such as donations and volunteer work, in fields where it is difficult to contribute through financial services or where there is a critical need for society.

Framework for Social Contribution Activities

MUFG has established and operates a framework for providing funds to social contribution activities (such as donations) for an amount equivalent to 0.5% of the Group’s net business profit*1 of the previous fiscal year. The total of the Group companies’ contributions related to social contribution activities and this framework amounts to approximately 1% of the Group’s net business profit. In FY 2020, the Group as a whole contributed 9.16 billion yen. Amid the COVID-19 pandemic, MUFG again strongly recognized the importance of social stability and provided various kinds of support for medical care and students. MUFG will continue to provide more agile and flexible support for areas where it is difficult to contribute through financial services and areas that are truly necessary for society.

*1 Net business profits after deduction of credit-related costs, etc.
*2 Donations and support for the control of COVID-19 made this year are included in this framework.

Management Structure

Under MUFG’s Corporate Planning Division, the department that is responsible for the promotion of social contribution activities at each Group company is placed. These departments jointly hold monthly liaison meetings to share information on their initiatives and activities, which accelerate the activities of the entire Group to solve social issues and contribute to the realization of a sustainable society.

Expenses for Social Contribution Activities

MUFG has established and operates a framework for contributing an amount equivalent to 0.5% of the Group’s net business profit, which led to a significant increase. In FY 2020, the Group as a whole contributed 9.16 billion yen. Amid the COVID-19 pandemic, MUFG again strongly recognized the importance of social stability and provided various kinds of support for medical care and students. MUFG will continue to provide more agile and flexible support for areas where it is difficult to contribute through financial services and areas that are truly necessary for society.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Expenses (100 million yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>9.16</td>
</tr>
<tr>
<td>2019</td>
<td>8.3</td>
</tr>
<tr>
<td>2018</td>
<td>7.5</td>
</tr>
<tr>
<td>2017</td>
<td>6.9</td>
</tr>
</tbody>
</table>

*1 MUFG began a framework for contributing an amount equivalent to 0.5% of the Group’s net business profits in the previous fiscal year, to social contribution activities (donations, etc.), which led to a significant increase.

Expenses for Social Contribution Activities (both Japan and overseas)

Total expenses for domestic activities*1

6.9 billion yen

FY 2020

- Education 28.1%
- Culture 25.0%
- Disaster relief 15.0%
- Others 6.7%
- Environment 2.4%
- Sports 2.1%
- Industry development 1.0%
- Research 10.6%
- Region 9.1%

*1 The Trust Bank initiatives include overseas activities.
*2 Including medical support for efforts against COVID-19 infection
Initiatives to Combat the Spread of COVID-19

FY 2020 was severely impacted by the COVID-19 pandemic. We are going to do whatever we can to overcome this major challenge and will make donations and provide support to prevent the spread of the infection in accordance with the needs and demands of society.

Support for Medical Professionals: 1.5 Billion Yen in Total

Donation to the Japanese Red Cross Society
To help ease the serious shortage of masks, protective clothing and other equipment at medical institutions, MUFG donated to the Japanese Red Cross Society to support medical professionals who continue to provide care at hospitals designated as medical institutions for specified infectious diseases across the country (500 million yen in total).

Donations to the Institute of Medical Science at the University of Tokyo and Osaka University
MUFG donated to the Institute of Medical Science at the University of Tokyo and Osaka University, which are leading the way in vaccine development in Japan, in order to further support the effort to prevent the spread of the infection and support the development of medical care in Japan over the medium to long term (500 million yen in total).

#MUFG at Home / Donation to the Japanese Red Cross Society and the All Japan Hospital Association
MUFG donated 39 yen (as “39 (San-kyu in Japanese) sounds like “Thank you”) to the Japanese Red Cross Society and the All Japan Hospital Association for each transaction made by an individual customer using the internet (Mitsubishi UFJ Direct, etc.) as a donation and support initiative we tackle with customers (500 million yen in total).

Support for Students: 1.6 Billion Yen in Total

Donation to the Japan Student Services Organization (JASSO) and the nonprofit student support organization Ashinaga
MUFG donated 500 million yen each to the Japan Student Services Organization (JASSO) and the nonprofit student support organization Ashinaga to support children who were almost forced to give up their higher education, despite their motivation and ability, due to financial or other reasons because of the spread of COVID-19, and children who had lost their parents to illness or disaster, etc (one billion in total).

Recruitment of Survey Respondents for Students
Students whose income from part-time jobs decreased due to the spread of COVID-19 were recruited as respondents of a survey for the development and improvement of MUFG products and services. More than ten online surveys “MUFG Beta” were conducted and students were paid for their participation (200 million yen in total).

Donations to Support the Higher Education and Daily Life of International Students
Because of the spread of COVID-19, there are many highly motivated international students who are in financial difficulties due to the lack of part-time work opportunities to cover tuition and living expenses, and might be forced to give up their studies in Japan. In order to support their education and living expenses, MUFG donated 100 million yen each (400 million yen in total) to the Thai Student Association in Japan, the Embassy of the Republic of Indonesia in Tokyo Japan, the Association of Filipino Students in Japan and the Association of Vietnamese Intellectuals in Japan in cooperation with four of MUFG’s partner banks in Southeast Asia*.

Establishment of MUFG Medical Fund
The Bank, in collaboration with Mitsubishi UFJ Capital, which has extensive experience in the life science field, established an investment fund of 10 billion yen to support venture companies in the fields of drug discovery and regenerative medicine, including measures to treat and prevent COVID-19. Since its establishment, we have received more than 100 inquiries and executed multiple investments in many fields, including drug discovery for drugs to treat COVID-19, regenerative medicine, medical devices, and telemedicine. We will continue to invest aggressively in promising fields (10 billion yen in total).

Support for Arts: 300 Million Yen in Total

Donation to the Association of Japanese Symphony Orchestras
Affected by the spread of COVID-19, classical music concerts were cancelled or postponed one after another. In response to the situation, MUFG donated to the Association of Japanese Symphony Orchestras to support the continuation of musical and artistic activities that enrich people’s minds and lives. The fund will be used for the activities of the 37 member organizations (300 million yen in total).

Other support: 10 Billion Yen in Total

Establishment of MUFG Medical Fund
The Bank, in collaboration with Mitsubishi UFJ Capital, which has extensive experience in the life science field, established an investment fund of 10 billion yen to support venture companies in the fields of drug discovery and regenerative medicine, including measures to treat and prevent COVID-19. Since its establishment, we have received more than 100 inquiries and executed multiple investments in many fields, including drug discovery for drugs to treat COVID-19, regenerative medicine, medical devices, and telemedicine. We will continue to invest aggressively in promising fields (10 billion yen in total).

WEBからのお手続きで“Thank you”を届けよう。
MUFG decided to donate to the following three organizations working to support children: CliniClowns Japan, a certified nonprofit organization supporting sick children, Learning for All, a nonprofit organization supporting children from poor families, and Chance for Children, an association for the same purpose as the previous one. It will provide continuous support from fiscal 2020. (180 million yen in total).

Supporting Future Generation [Education]

MUFG sponsors Shiki Theatre Company’s countrywide project “kokorono gekijo”. This project embodies the philosophy of “Through the stage, we hope to instill in the hearts of children the preciousness of life, consideration for others, the joy of mutual trust, and all the other important things in life”.

In FY 2020, all scheduled performances of “kokorono gekijo” were canceled due to the COVID-19 pandemic. In FY 2021, MUFG is going to support the online distribution of the performances.

Donation to Child Support Groups
MUFG decided to donate to the following three organizations working to support children: CliniClowns Japan, a certified nonprofit organization supporting sick children, Learning for All, a nonprofit organization supporting children from poor families, and Chance for Children, an association for the same purpose as the previous one. It will provide continuous support from fiscal 2020. (180 million yen in total).

Supporting Future Generation [Sports]

MUFG Junior Tennis Tournament
As part of its support for the next generation, the Bank donated to the Japan Tennis Association and sponsored the MUFG Junior Tennis Tournament, a tournament that is a gateway to success for children who aspire to become professionals (5 million yen in total). The tournament was held under strict measures against the infection and had the participation of 136 children.

The MUFG Cup, a Graduation Commemoration Football Tournament
The MUFG Cup is a football tournament held every year in Tokyo, Aichi, and Osaka for sixth graders who are soon to graduate from elementary schools, with the hope that through sports they will learn to bond with their peers and appreciate the people involved.

In FY 2020, the Tokyo and Aichi tournaments were canceled because of the COVID-19 pandemic, but 124 children enjoyed the football tournament in Osaka, which was held under thorough measures against the infection.

Sponsoring UNESCO School
For the development of the next generation, which is essential for the realization and maintenance of a sustainable society, the Bank works with the National Federation of UNESCO Associations in Japan and actively supports SDGs education in schools. In fiscal 2020, financial support was provided for 79 schools as the UNESCO School SDGs Assist Project. It also contributed to the promotion of the activities of UNESCO Schools by sponsoring their National Conference and introducing SDGs initiatives of companies.

Details on our finance and career education are available on our website. (https://www.mufg.jp/english/csr/society/education/)

Financial and Economic Education for Children
As part of its social contribution activities utilizing the core business expertise of a financial institution, MUFG focuses on financial and economic education for elementary, middle, and high school students. In addition to providing them with opportunities to learn about the mechanisms of finance and economics, we carefully devise the programs so that they can develop the ability to become socially independent and live their own life in the future. We have conducted visiting lectures and work experience programs for students and the cumulative total of the number of classes since 2012 has become over 3,000.

Investment Education Programs
MUFG provides working adults with seminars on life planning and asset management as one of the educational programs, designed to help each generation find investment for building their future assets more accessible. The Group also provides a variety of educational contents, including cartoons and columns that trigger interest in asset building.

Details on our finance and career education are available on our website. (https://www.mufg.jp/english/csr/education/)

Kesennuma City: Experience Activities in River
(Environment, marine education, local heritage study)

Details on our donation and support activities are available on our websites. (https://www.mufg.jp/english/csr/contribution/charity/)
Supporting Future Generation [Environment]

MUFG Forest for Working Together with Customers

MUFG launched a program to plant approximately 100,000 trees and to donate a total of 500 million yen for their growth over a ten-year period. Trees were planted through the Present Tree* project in accordance with the number of new applications for and the number of switches to the online passbook of the Bank and the Trust Bank. The planted trees absorb CO₂ that is equivalent to the annual CO₂ emissions from the electricity consumption of 10,000 households for cooling.

* The Present Tree project was started by Environmental Relations, a certified NPO, in January 2020. Through this project, participants plant trees in places where forests should be created, such as forests damaged in natural disasters, former development sites, and abandoned clear-cutting sites in various parts of Japan, where the birthrate is declining and the population is aging. People in urban areas will become foster parents of the trees and nurture them together while interacting with local people, thereby revitalizing not only the forests but also the local communities.

Industry-Academia Partnership with the University of Tokyo

In order to protect the future of the next generation, MUFG is collaborating with the University of Tokyo to conduct joint research on Japan’s decarbonization pathway and the role of finance in realizing it. The Center for Global Commons (CGC), established by the University of Tokyo (Institute for Future Initiatives), is conducting practical research on the maintenance and management of a stable global system (global commons).

MUFG sympathizes and agrees with the activities of the CGC, which contribute to the realization of the MUFG Carbon Neutrality Declaration, and will support its activities over the next three years (300 million yen in total).

Support for Fuel Cell Bus

MUFG supported the introduction of fuel cell buses, a project subsidized by the Osaka prefectural government in preparation for Expo 2025 Osaka Kansai, by using the corporate version of the Hometown Tax Donation system (53.25 million yen in total).

A fuel cell bus is a bus that runs on electricity generated by a chemical reaction between hydrogen and oxygen in the air, which drives the motor and emits no CO₂ or environmentally harmful substances during operation. MUFG has positioned hydrogen and next-generation energies as a priority area and will continue to contribute to the establishment of a hydrogen supply chain and the realization of a sustainable society beyond that.

Disaster Relief

Providing Support through the MUFG NFU AJ East Japan Earthquake Recovery and Scholarship Fund

MUFG and the Bank, in cooperation with, the National Federation of UNESCO Associations in Japan (NFU AJ), established the MUFG NFU AJ East Japan Earthquake Recovery and Scholarship Fund in April 2011. For up to 15 years, the fund will be working with local schools in operating a scholarship program and holding various support projects for orphaned students (children who lost one or both of their parents as a result of the earthquake or tsunami) from elementary through high school. The fund is expected to grow to around 3 billion yen.

Support for Disaster Caused by Heavy Rain in Kumamoto and Kagoshima Prefectures

In response to the heavy rains that hit Kumamoto and Kagoshima Prefectures in July 2020, MUFG made a donation to help the affected areas recover and rebuild as quickly as possible (5 million yen in total).

Support through the Activities of MUFG Employees

MUFG SOUL - Turning Passion into Power for Society-

MUFG provides funding for ideas for solving social issues that are planned by employees. In fiscal 2020, more than 300 plans and ideas were gathered from employees, including support for children’s cafeterias, which provide free or inexpensive meals to children, and nursing homes, and contributions to community revitalization, and a total of more than 2,500 people participated in social contribution activities (100 million yen in total). We will continue to contribute to the resolution of a wider range of social issues by addressing issues from the perspective of our employees.

Global Volunteer Month “MUFG Gives Back”

Since the establishment of Global Volunteer Month in 2013, MUFG employees all over the world have been working together on initiatives to host local contribution activities. In the wake of the Great East Japan Earthquake, Japan was blessed with support from across the world for its reconstruction efforts. In response, and as an opportunity to express gratitude for the support Japan received, we have christened these initiatives “MUFG Gives Back”, and we continue to expand our activities each year.

As a global initiative, in which employees are engaged in CSR activities together at the same time, MUFG Gives Back is one of the largest CSR initiatives among Japanese corporations, representing an opportunity for employees in their respective areas and at their respective branches to experience the impact of local philanthropy. In this section, we introduce a sample of the activities.

Supporting Future Generation [Environment]

MUFG Forest for Working Together with Customers

MUFG launched a program to plant approximately 100,000 trees and to donate a total of 500 million yen for their growth over a ten-year period. Trees were planted through the Present Tree* project in accordance with the number of new applications for and the number of switches to the online passbook of the Bank and the Trust Bank. The planted trees absorb CO₂ that is equivalent to the annual CO₂ emissions from the electricity consumption of 10,000 households for cooling.

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Corporate Governance

For more information on MUFG’s corporate governance, please refer to the below.

- Corporate Governance System
  - Our corporate governance report are available on our website. (https://www.mufg.jp/english/profile/governance/)

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<tbody>
<tr>
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<td>Corporate Governance Report</td>
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<tr>
<td>Independence of the Chair</td>
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<th>Nominating and Governance Committee</th>
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<td>Compensation Committee</td>
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<td>Audit Committee</td>
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<td>Risk Committee</td>
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<td>U.S. Risk Committee</td>
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<tr>
<th>Board of Directors' effectiveness and performance evaluation</th>
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<tbody>
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<td>Corporate Governance Report</td>
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<tr>
<th>Executive Compensation</th>
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<tbody>
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<td>Assessing executive compensation based on the performance</td>
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<td>Shareholding restriction</td>
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<tr>
<td>Disclosure of Executive Compensation</td>
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<td>Clawback / Malus</td>
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<th>Stock</th>
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<tr>
<td>Shareholding Ratio (Shareholding Status)</td>
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<tr>
<td>Shareholder Rights</td>
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<tr>
<td>Separation of shareholding and voting rights</td>
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<td>Independence of the Chair</td>
</tr>
</tbody>
</table>
Responsibility and Authority

Fundamental Concept

MUFG aims at its sustainable growth and increase in medium-to-long term corporate value, based on the requests from stakeholders including shareholders, customers, employees and local communities. MUFG is committed to fair, just and transparent corporate management and to the realization of effective corporate governance guided by the MUFG Corporate Governance Policies.

MUFG’s Management Structure

Executive Compensations

Introduction of a Heightened Metric for ESG-Related External Ratings as a New Key Performance Indicator for the Executive Compensation System

MUFG revised its executive compensation system to achieve the medium-term business plan and implement sustainability management, and has newly installed a heightened metric for ESG-related external ratings as a medium- to long-term performance-linked indicator for stock-based compensation. The system is designed to reflect the degree of improvement in external ratings granted by major five ESG rating agencies’ in executive compensation with the intention of aligning MUFG’s corporate behavior with the interests of diverse stakeholders.

* MSCI, FTSE Russell, Sustainalytics, S&P Dow Jones, CDP

**1** Medium- to long-term achievement evaluation part (Weight: 50%)

- Target attainment rate of indices below in MTBP
  - Consolidated ROE (Weight: 30%)
  - Consolidated expenses reduction amount (excluding those linked to revenues) (Weight: 15%)
  - Ratings granted by ESG rating agencies’ (Weight: 5%)

**2** Competitor comparison evaluation part (Weight: 50%)

- Comparison of year-on-year growth rate of indices below with competitors
  - Consolidated net operating profits (Weight: 25%)
  - Profits attributable to owners of parent (Weight: 25%)

- Compensation Ratio
  - Annual base salary
  - Stock compensation
    - Non-performance-based
    - Medium-term performance-based
  - Cash bonuses
    - Short-term performance-based

- Single fiscal year
  - Medium-term performance-linked indicator for stock-based compensation.

- New stock options
  - Performance-related indicators
  - Medium-term performance-linked indicator for stock-based compensation.

- Executive Compensation System
  - Objective: To incentivize recipients to advance sustainability management, and to promote sustainable management practices through the establishment of key performance indicators (KPIs) to address ESG issues in a variety of fields.

- Evaluation part (Weight: 50%)

1. Consolidated net operating profits: Profits attributable to owners of parent
2. Consolidated ROE
3. Medium-term performance-linked indicator for stock-based compensation
4. Status of individual execution of duties (example)
5. Improvement in customer segmentation profitability
6. Risk handling
7. Advances in ESG-related initiatives to promote sustainability management
8. TSR, etc.

- * Established based on the U.S. Prudential Regulations

- Variations range: 0 to 150%

- For the president of the holding company

- For executive officers, the Compensation Committee decides only by independent outside directors

- Percentage of increases/decreases in indices compared to the previous year and percentage of achievement compared to target

- Includes contribution to the resolution of environmental and social concerns, improvement in employee engagement and the strengthening and upgrading of MUFG’s governance structure.
Approach to ESG Committee Issues

Sustainability Committee Meetings

MUFG holds regular committee meetings to identify ESG issues affecting corporate management, and report and discuss how the Group is responding to them. In fiscal 2020, the Committee meeting in December and deliberated on the framework for MUFG’s sustainability management and a review of priority issues. Details of the deliberations are as follows.

<table>
<thead>
<tr>
<th>Topics</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating environment</td>
<td>The Covid-19 pandemic let us reaffirm the importance of the social area. Climate change will remain to be a prominent theme. Climate change responses have already gone beyond the scope of “environmental initiatives” and have become a prerequisite for conducting business and the source of risks and opportunities. We must respond to it thoughtfully.</td>
</tr>
<tr>
<td>MUFG’s Sustainability Management</td>
<td>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. This approach is defined as MUFG’s Sustainability Management, and we want to make it evolve further.</td>
</tr>
<tr>
<td>Priority Environmental and Social Issues</td>
<td>Organize social issues in Japan and overseas, and deliberate on new 10 priority issues based on employee’s opinions, etc.</td>
</tr>
<tr>
<td>Initiatives for realization of a carbon-neutral society</td>
<td>Deliberations on the achievement of the Paris Agreement such as Japan’s 2050 realization of a carbon-neutral society, support for a smooth transition and areas to be actively promoted (‘renewable energy’, ‘hydrogen and next-generation energy’, and ‘carbon recycling’).</td>
</tr>
<tr>
<td>Promotion of sustainable business</td>
<td>On sustainable business, we will implement further promotion in Japan and overseas, work on new fields, and visualize impacts, considering mid-to-long-term business changes.</td>
</tr>
<tr>
<td>Sustainable Finance</td>
<td>Discussion on adding transition finance to the definition of sustainable finance and adjusting the target upward.</td>
</tr>
<tr>
<td>MUFG Environmental and Social Policy Framework</td>
<td>Considering strengthen the policies on the coal fired power generation and the palm oil and forestry sectors.</td>
</tr>
<tr>
<td>Efforts to achieve 100% renewable energy for in-house electricity</td>
<td>Renewing the roadmap for 100% renewable energy for in-house electricity.</td>
</tr>
<tr>
<td>External evaluation of our ESG initiatives and disclosure</td>
<td>Based on the external evaluation, reaffirmed the need for further enhancement of our information disclosure and to accelerate our initiatives to tackle climate change.</td>
</tr>
<tr>
<td>Response to Principles for Responsible Banking (PRB)</td>
<td>Review of MUFG’s efforts and future initiatives related to the Principles for Responsible Banking (PRB).</td>
</tr>
<tr>
<td>Trends and initiatives in non-financial information disclosure (TCFD and IFRS)</td>
<td>Consideration of expanding the scope of sectors for scenario analysis in the FY2021 disclosure based on TCFD recommendations.</td>
</tr>
<tr>
<td>Operation of MUFG’s Social Contribution Budget</td>
<td>Establishing corporate rules of MUFG’s Social Contribution Budget.</td>
</tr>
</tbody>
</table>

External Advisors in the Environment and Social Fields

Since 2019, we have engaged external experts in the environmental and social fields as permanent external advisors. Opinions were exchanged between the experts and the members of the Board of Directors, allowing us to use their broad knowledge of ESG in our sustainability initiatives.

| Rintaro Tamaki | President, Japan Center for International Finance |
| Junko Edahiro | Professor, Graduate School of Leadership and Innovation, Shizenkan University / President, Institute for Studies in Happiness, Economy and Society / Founder and President, e’s Inc. |

Opinion Exchange Meeting with Advisors

At the opinion exchange meeting held in November 2020, there was a lively exchange of opinions on global trends, such as the changing social awareness of “capitalism”, the changing role required of corporations, the remarkable rise in awareness of sustainability brought about by the COVID-19 pandemic, and the mission of financial institutions in this context.

Following the exchange of opinions, MUFG recognized that the issues it needs to address include further acceleration of its climate change response and expansion of its response to ESG in general, including the creation of the social impact.

<table>
<thead>
<tr>
<th>Opinion from Advisors (extracted)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Junko Edahiro</strong></td>
</tr>
<tr>
<td>While the shift to online work under the COVID-19 pandemic will lead to increased efficiency, it may also inhibit the creation of innovation born through real-life experiences.</td>
</tr>
<tr>
<td>The digitalization and greening of society are expected to progress in a complementary and synergistic manner.</td>
</tr>
<tr>
<td>The position of hydrogen utilization in combination with carbon capture and utilization (CCU) as one of the keys to emission reduction is becoming more important in home and abroad.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rintaro Tamaki</th>
</tr>
</thead>
<tbody>
<tr>
<td>The perception and meaning of capitalism in society are changing, and companies are required to be aware of more stakeholders than ever before.</td>
</tr>
<tr>
<td>Responding to climate change is an essential item for companies to address. In addition, further efforts will be needed to address social aspects, and to strengthen governance.</td>
</tr>
<tr>
<td>The role of financial institutions is also becoming more important and changing, for example, using a company’s overall efforts to reduce emissions as the basis for investment and financing decisions, rather than investing in individual business or project.</td>
</tr>
</tbody>
</table>

Online opinion exchange meeting was held given the COVID-19 pandemic.
Risk Management


Managing Environmental and Social Risks in Financing

Principles of Risk Management

MUFG has identified the risks associated with various environmental and social issues, such as response to climate change & environmental protection, as a priority issue, and recognizes that they exert significant influence on the Group’s corporate management for sustainable growth. As a financial institution that aims to be a trusted global financial group chosen by the world, the Group also grasps the risks caused by its business activities and endeavors to control and reduce them. MUFG manages these sustainability-related risks within the MUFG Environmental and Social Policy Framework, which is based on the MUFG Environmental Policy Statement and the MUFG Human Rights Policy Statement. The Framework is managed by the Sustainability Committee under the Executive Committee, and it is formed to be consistent with the framework for controlling reputational risks that could damage the Group’s corporate value. In addition, the status of policies and initiatives to the environmental and social risks are discussed and reported by the Credit & Investment Management Committee, the Credit Committee and the Risk Management Committee depending on the theme. Conclusions reached by the above committees are reported to the Executive Committee, and reported to and discussed by the Board of Directors, and the Board of Directors oversees risks related to environmental and social issues.

Risk Assessment Process

Standard due diligence is conducted by departments that have direct contact with customers to identify and assess the environmental and social risks of business that is to be financed by MUFG. If it is determined that the business needs to be examined more carefully, MUFG conducts enhanced due diligence and decides whether or not to finance the business. As for business that would have significant environmental and social risks and could potentially damage MUFG’s corporate value or develop into a reputational risk, MUFG holds discussions on how to handle it within a framework participated by senior management. In addition, the Bank adopted the Equator Principles, a framework for identifying, assessing and controlling the environmental and social risks of large-scale projects, and conducts risk assessments in accordance with its Guidelines.

Major Risks and Responses

MUFG designated business with significant environmental and social risks as “Prohibited Transaction” if they are illegal businesses or businesses with illegal purposes and the like, and as “Restricted Transaction” if they have a negative impact on indigenous communities and the like. It has been tightening its policy on business that has a significant impact on climate change including coal-fired power generation. By periodically reviewing and sophisticating the MUFG Environmental and Social Policy Framework, the Sustainability Committee will continue to address risks that may emerge as a result of changes in business activities and the business environment.

<table>
<thead>
<tr>
<th>Prohibited Transactions</th>
<th>Restricted Transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illegal transactions and transactions for illegal purposes</td>
<td>[Cross-sectoral items] Impact on Indigenous Peoples Communities</td>
</tr>
<tr>
<td>Transactions which violate public order and good morals</td>
<td>[Cross-sectoral items] Land expropriation leading to involuntary resettlement</td>
</tr>
<tr>
<td>Transactions that negatively impact wetlands designated under the Ramsar Convention</td>
<td>[Cross-sectoral items] Impact on High Conservation Value areas</td>
</tr>
<tr>
<td>Transactions that negatively impact UNESCO designated World Heritage Sites</td>
<td>[Sector specific items] 8 sectors including coal, red power generation, mining (coal), oil and gas, forest, palm oil and inhumane weapons sector</td>
</tr>
<tr>
<td>Transactions involving the use of child labor or forced labor</td>
<td></td>
</tr>
</tbody>
</table>

* Prohibited Transaction: Includes illegal business or business with illegal purposes, and business violating public order and morals
* Restricted Transaction: Business classified as cross-sectoral, including ones that exert a negative impact on indigenous communities, and in specific sectors, including coal-fired power generation
Compliance

Basic Policy

We have established MUFG Group Code of Conduct as a set of guidelines for how the Group’s directors and employees should act to realize the MUFG Way. The code expresses our commitment to complying with laws and regulations globally, to acting with honesty and integrity, and to behaving in a manner that supports and strengthens the trust and confidence of society. In addition, as we expand the geographic scope of our business globally, we are committed to keeping abreast of developments in laws and regulations of the jurisdictions in which we operate, including anti-money laundering and anti-bribery rules as well as competition laws, while paying attention to trends in financial crimes.

Compliance Framework

Management and coordination of compliance-related matters are the responsibility of separate compliance management divisions established at the holding company and the major subsidiaries, namely, the Bank, the Trust Bank and Mitsubishi UFJ Securities Holdings (hereinafter, the “three subsidiaries”). Each compliance management division formulates compliance programs and organizes training courses to promote compliance, and regularly reports to each company’s board of directors and Executive Committee on the status of compliance activities.

The holding company has established a Group Compliance Committee while the three subsidiaries have Compliance Committees under their executive committees to deliberate key issues related to compliance. Additionally, the holding company has a Group Chief Compliance Officer, or CCO, Committee, which consists of the CCO of the holding company and the CCOs of the three subsidiaries. The Group CCO Committee deliberates important matters related to compliance and compliance-related issues for which the Group should share a common understanding.

Ensuring Thorough Compliance

We engage in ongoing efforts to ensure that each employee embraces proper action principles in accordance with the Code of Conduct by, for example, providing various compliance training and distributing messages from top management. Every year, we also update the content of the Code of Conduct with reference to the results of the annual Group Awareness and Engagement Survey as well as changes in the business environment at home and abroad. The updated Code of Conduct released in fiscal 2021 is simplified overall and designed to communicate easy-to-understand messages to employees while incorporating additional commentaries regarding the prohibition of improper entertainment and gifts as well as the prevention of bribery and corruption with the aim of living up to the global standards required of us by regulatory authorities. As such, MUFG is constantly striving to ensure thorough compliance.

Initiatives to Enhance Global Financial Crimes Compliance Framework

MUFG established the Global Financial Crimes Division (“GFCD”), which is in charge of Anti-Money Laundering (AML), Counter-Terrorist Financing (CFT), Sanctions Compliance, and Anti-Bribery and Corruption (collectively, “Global Financial Crimes Compliance”), against the backdrop of heightened regulatory expectations in that area. MUFG established GFCD’s headquarters in New York, where the excellence for financial crimes risk management is centralized, and is implementing a number of initiatives to prevent, detect, and deter financial crimes.

MUFG established policies that define the governance and oversight structure for financial crimes risk management across MUFG and provide the foundation for the implementation of the financial crimes compliance program in a manner that is commensurate with the strategies, business activities, and risk profiles of each Group company. Through these policies, MUFG promotes a consistent and integrated approach across the Group globally.

The Bank, one of the Group companies, incorporated the Group’s mandate in the “Global Financial Crimes Policy Statement”, which is available on the Bank’s public website and provides confirmation that the Bank is committed to financial crimes risk management and has in place appropriate controls. As a member of the Wolfsberg Group,*1 the Bank is proud to work with other global financial institutions to develop frameworks and guidance for the financial crimes risk management.

*1 The Wolfsberg Group is an association of thirteen global banks which embraces proper action principles in accordance with the requirements and expectations of international organizations, including regulators in each country, to support and strengthen the trust and confidence of society.


*3 Financial Crimes Office

*2 Anti-Money Laundering

*3 Anti-Bribery and Corruption
Whistle-Blowing Systems

Having positioned its whistle-blowing systems as an important governance tool, MUFG has helped each Group company develop such a system to ensure their ability to promptly address and resolve any issues associated with compliance. Moreover, the MUFG Compliance Helpline operates year-round and is capable of handling a report from any Group member no matter what their location on an around-the-clock basis. Each system ensures the anonymity of whistleblowers and the confidentiality of the information received, and the code of conduct and internal regulations stipulate that no disadvantage will result from reporting. While ensuring the protection of whistleblowers, we investigate, take corrective action, and then follow up. In addition, we aim to ensure that each employee is able to quickly access this helpline whenever he/she has the slightest suspicion regarding compliance. To this end, we let all employees know about this helpline as well as records on internal reporting accepted thus far. At the same time, we are striving to enhance the reliability of our whistleblowing systems via, for example, the sharing of actual compliance-related cases in a form that makes it impossible to determine the identities of whistleblowers. In fiscal 2020, a total of 576 reports were received at the helplines of MUFG and major Group companies.

All whistle-blowing systems of MUFG and its subsidiaries – the Bank, the Trust Bank, the Securities, NICO and ACOM – are registered in the Japan’s Consumer Affairs Agency’s Whistleblowing Compliance Management System (WCMS) certification standards based on self-declaration.

Cyber Security

Basic Policy

MUFG is well aware of its social responsibilities for securing the assets entrusted by customers and its obligation to provide secure and stable financial services. With this in mind, MUFG has positioned threats posed by cyberattacks and other relevant events as Top Risks. Accordingly, we are promoting cyber security measures under management’s leadership.

Cyber Security Management Structure

Governance Structure

MUFG has cyber security standards that reference international guidelines and is engaged in the development of relevant strategies and organizational structures as well as the planning and implementation of initiatives aimed at enhancing its cyber security measures. MUFG enacted the Cyber Security Management Declaration with the intention of securing robust responsiveness to cyber-attacks and crimes that have become increasingly sophisticated and complex and strengthening our security management structure under the direct supervision of top management. Under the leadership of the Group Chief Information Security Officer (CISO), the Cyber Security Office plays a central role to enhance IT security governance and to promote effective cyber security strategies efficiently. MUFG also has a structure for reporting to the Board of Directors and the Executive Committee that facilitates top management decision making, ensuring that MUFG is responsive to changes in cyber security threats as well as in the status of MUFG’s cyber security management.

Management Structure

MUFG launched the MUFG Cyber Security Fusion Center (MUFG-CSFC) as part of the Cyber Security Office. The fusion center is tasked with intelligence analyses and other cyber security-related operations and plays a role in around-the-clock security monitoring on a groupwide and global basis. MUFG has been upgrading the ability of its incident response teams to ensure that cyber security incidents are dealt with swiftly. MUFG-CERT is leading the implementation of cyber security measures at each Group company and is securing close collaboration with government agencies and other financial institutions for the periodic execution of cyber security training and drills aimed at securing preparedness for incidents.

For more information about the MUFG Group and its subsidiaries, please visit the MUFG website at: www.mufg.com
As remote work increases rapidly due to the COVID-19, cyber-attacks and frauds exploiting the vulnerabilities are on the rise. In response to the changes in the environment, MUFG conducted thorough validation of remote work environment on a groupwide and global basis, enhancement of cyber security measures against newly disclosed vulnerabilities and of employee education on the use of remote work devices. With the rapid progress of the use of electronic payments on the internet such as Internet banking, cybercrimes that target online services have also become social issues. MUFG is implementing a variety of initiatives to deliver safe and secure services to customers, such as ensuring robust online verification, thoroughgoing vulnerability countermeasures, threat intelligence, anomaly detection, and suspicious-transaction monitoring with swift response.

MUFG proactively promotes value creation driven by new technologies such as Cloud services, Big Data, AI, Robotics, Blockchain and Open APIs. From the viewpoint of ensuring cyber security, we carefully examine the characteristics of new technologies and appoint security specialists of the Cyber Security Office to participate in relevant projects from upstream processes, such as planning and design. Moreover, the Cyber Security Office incorporates multi-layered cyber security measures, including management procedures and monitoring of system settings, to support safe and secure transformation to new modes of operations supported by cutting-edge technologies.

For MUFG to maintain the stable operation of its financial infrastructure and to constantly deliver valuable services to customers, it is essential to foster a corporate culture where each employee understands the importance of cyber security and considers what should be done as a company while acting in collaboration with other financial institutions or government authorities. In addition to developing human resources with advanced cyber security expertise, the Cyber Security Office provides executives and employees of MUFG affiliates as well as employees of partner companies with education on security threat trends and necessary countermeasures through a variety of tools or programs, such as e-learning, phishing mail exercises and security seminars. The Cyber Security Office is also engaged in various activities with external organizations such as collaboration with the Financial ISAC Japan, IT security association of financial institutions, and participation in various training and drills hosted by the NISC (National center of Incident readiness and Strategy for Cybersecurity), the Financial Services Agency or the Tokyo Metropolitan Police Department.

Main Initiatives to Counter Cyber Security Threats

Security Measures in Response to the New Lifestyle Norms

Our Response to Digital Transformation (DX)

Providing Cyber Security Education to Foster a Proper Culture

Partner Bank / Initiatives / External Evaluation
Pursuit of Sustainability in Partner Banks

MUFG’s Partner Bank

Through our partner banks in the Americas and ASEAN countries, MUFG provides a diverse range of commercial banking services to address the challenges faced by retail, small and medium-sized businesses, large corporations, and local communities. MUFG considers Asia as one of its mother markets, and in addition to the strategic investment in Krungsri (Bank of Ayudhya) in Thailand in 2013, MUFG has invested in commercial banks in three other countries, including Vietnam, the Philippines, and Indonesia, to build its network in ASEAN. MUFG is promoting collaboration with each of our partner banks, including MUFG Union Bank in the United States, and is working together as a group to promote sustainability initiatives.

*Partner Bank Network

<table>
<thead>
<tr>
<th>Country</th>
<th>Partner Bank</th>
<th>MUFG’s Equity Stake (%)</th>
<th>Number of Bases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thailand</td>
<td>Krungsri (Bank of Ayudhya)</td>
<td>76.88%</td>
<td>667</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Bank Danamon</td>
<td>92.47%</td>
<td>810*</td>
</tr>
<tr>
<td>Vietnam</td>
<td>VietinBank</td>
<td>19.73%</td>
<td>1,113</td>
</tr>
<tr>
<td>Philippines</td>
<td>Security Bank Corporation</td>
<td>20.00%</td>
<td>313</td>
</tr>
</tbody>
</table>

Source: SNL, Central Bank of the Philippines, Bloomberg, and other companies’ disclosures

* Figure for Krungsri and Bank Danamon are as of March 2021 and figures for VietinBank and Security Bank are as of December 2020

Initiatives of Each Companies

Krungsri (Bank of Ayudhya): Thailand

Ranked Second in Thailand’s ESG Bond Underwriting

Krungsri is actively promoting ESG financing. The bank is positioned as one of the leading banks in Thailand’s ESG finance market, and it became the second largest ESG bond underwriter in Thailand in fiscal 2020. In addition, Krungsri has been contributing to the development of the green bond market through the issuance of multiple green bonds.

Large-Scale Business Meeting Held Online for The First Time in Collaboration with MUFG

Leveraging Krungsri’s local network and MUFG’s global network, MUFG has continued to provide support to Thai companies for their overseas business development.

More than 200 customer companies from Thailand, Japan, ASEAN countries, and other countries participated in the large-scale business meeting, which was held for the eighth consecutive year, and more than 300 business negotiations were held. In addition to the business negotiations, MUFG also provided online advisory services to support our customers overseas expansion and business development by utilizing the localized functions that only a local bank like Krungsri can provide with MUFG’s global network.

Support for Start-up Companies in Thailand that Face Challenges with the COVID-19 Pandemic

With the COVID-19 pandemic, an increasing number of companies around the world are facing challenges, such as fundraising. Given such circumstances Krungsri Finnovate, a subsidiary of Krungsri, held “Meet the Angels by Krungsri Finnovate,” an online business matching event to connect Thai startups with angel investors.*

The purpose of the event was for startups to showcase their business ideas to investors, receive real-time feedback, and find partners to further expand their businesses.

MUFG will continue to promote business matching with angel investors, who place importance on investing in businesses with high potential, and support start-up companies by providing opportunities that meet the needs of both parties under the COVID-19 pandemic.

* Investors who invest in start-up companies
Won Five Awards from The Asset

The Asset is an international financial magazine based in Hong Kong, which target issuers in Asia as well as global institutional investors who invest in Asia. Krungsri received five awards in this year’s newly established Sustainability Awards category.

- Thailand’s Best Sustainability Bond (ASEAN’s first sustainability bond with a sovereign issue)
- Thailand’s Best Green Bond (Thailand’s first green bond using a digital platform)
- Thailand’s Best Retail Bond (Thailand’s first bond certified as a climate bond for private investors)
- Regional’s Best Sustainability Bond (ASEAN’s first sustainability bond with a sovereign issue)
- Regional’s Best Local Currency Green Bond (Thailand’s first green bond based on an external evaluation)

Awarded by The International Financing Review Asia

Krungsri acted as structuring advisor and lead organizer for the sustainability bond issued by Thai Ministry of Finance, the first sovereign issuer in ASEAN, and was awarded Bond of the Year by International Financing Review Asia (IFR Asia), an international financial magazine published by Refinitiv, a financial information company.

Received Four Awards from the Thai Bond Market Association

Received the following four awards at the Thai BMA Best Bond Awards 2020:

- Deal of the Year (Thailand’s first green bond based on an external evaluation)
- ESG Bond - Government category (ASEAN’s first sustainability bond with a sovereign issue)
- ESG Bond - Corporate category (Thailand’s first green bond based on an external evaluation)
- Distinguished Issuer (Thailand’s first bond certified as a climate bond for private investors)

Please refer to Krungsri’s Sustainability Report 2020 for details on “Deal of the Year” and “Distinguished Issuer” (For details of each bond, see p.73) [https://www.krungsri.com/en/investor-relations/annual-report/sustainability-reports]

Bank Danamon: Indonesia

Business Meeting Held Online with MUFG

In collaboration with MUFG, Bank Danamon held an online business meeting in February 2021 to connect Indonesian companies with MUFG customers in Japan and Southeast Asia. 120 SMEs and large corporations from Japan, Indonesia, and other ASEAN countries participated in the event, and more than 260 business negotiations were held. By leveraging Bank Danamon’s strong local network and MUFG’s expertise in business matching, we will contribute to the growth of Indonesia’s economy by supporting our customers’ expansion into Indonesia and the growth of their businesses.

Support for Medical Institutions through Islamic Finance

In collaboration with MUFG, Bank Danamon provided financial support to a local medical institution. With financial needs increasing under the COVID-19 pandemic, Bank Danamon provided finance in form of sharia-compliant lease to the medical institution whose financing needs could not be met with conventional loans. By leveraging MUFG’s ability to identify projects through its Japanese customer network and Bank Danamon’s ability to offer credit solutions as a local bank, Bank Danamon provided sharia-compliant lease for procuring medical equipment.

Response to the COVID-19 Pandemic

Financing for COVID-19 Vaccine Manufacturing Facilities through Islamic Finance

Bank Danamon provided a loan of 1.5 trillion rupiah (about 10.9 billion yen) through Islamic finance to a major pharmaceutical company in Indonesia to finance its capital investment in COVID-19 vaccine manufacturing facilities.

Donation of Personal Protective Equipment (PPE) to Hospitals and Medical Facilities throughout Indonesia

Bank Danamon donated 4,000 pieces of personal protective equipment to healthcare workers who are working on the frontlines to treat COVID-19 patients.

Provided Insurance for 10,000 Volunteers

Bank Danamon provided insurance for 10,000 volunteers of the National Agency for Disaster Countermeasures of Indonesia, who are engaging in high risk activities for the society and people under the COVID-19 pandemic.

Response to Prevent the COVID-19 Pandemic

Support for Drivers of Ride Hailing Industry

Bank Danamon and its subsidiary Adira Finance have donated over one billion rupiah (approx. 7.3 million yen) to Grab* and Gojek to support drivers who deliver food, medicines, and other essential items.

* Donations to Grab were made in collaboration with MUFG.
MUFG Union Bank: United States

MUFG Union Bank Pioneers Green Deposits

MUFG Union Bank launches Green Deposits in February 2021. MUFG is using the deposited funds to finance the renewable energy technologies including wind, solar, geothermal, and battery storage. In August 2021, MUFG expanded the offering to its corporate clients. We will contribute to solving environmental issues together with our customers by providing them with indirect investment opportunities in the environmental field.

Provide Mortgage Loans, Including Subsidy Support

MUFG Union Bank supports homeownership opportunities for people at all income levels by providing mortgage loans, including subsidized support, and reduces information gaps by providing financial education.

Response to COVID-19 Pandemic

- Implemented US$3 billion PPP Loan

MUFG Union Bank participated in the U.S. federal government’s PPP loan assistance program, part of the Coronavirus Aid Relief and Economic Security Act (CARES Act) of 2020. Union Bank processed 14,918 applications for our small business and nonprofit clients affected by the COVID-19 pandemic in California, Washington, and Oregon.

* PPP Loan: Loans by Paycheck Protection Program (PPP)
Small and medium-sized enterprises (SMEs) with less than 500 employees can borrow up to 2.5 times the total monthly salary of all employees (up to $10 million). If a certain amount of the loan is used to pay salaries, rents, utility bills, etc., and the company meets conditions such as maintaining employment or rehiring employees, the debt is forgiven.

Promotion of Virtual Volunteer as MUFG Gives Back Program

The MUFG Gives Back Program enables employees to engage in social contribution activities throughout the year on a coordinated global basis. The program also serves to express our gratitude to the people of the world for support during the recovery from the Great East Japan Earthquake, particularly upon marking the tenth anniversary in 2021. During the COVID-19 pandemic, our employees continued to volunteer (33,235 hours in fiscal 2020), thanks to a range of virtual volunteering opportunities that have allowed us to implement activities despite the limitations of distance and region.

Donation of 50,000 USD to Foster Clean Technologies

The MUFG Union Bank Foundation has donated 50,000 USD to New York University’s Urban Futures Lab with the goal of inspiring and nurturing clean technology entrepreneurs. The funds will be used for the operation of a competition focusing on innovative clean technologies and business models that can help solve the challenges of climate change, which is scheduled to be held in September 2021.

Establishment of the Sustainable Business Office for the Americas

MUFG Union Bank launched the Sustainable Business Office for the Americas in FY 2020 to strengthen sustainability efforts across business and operational lines. MUFG Union Bank will continue to make further contributions to the realization of a sustainable environment and society by leveraging many years of experience in leading the market in renewable energy project finance, green social loans/bonds, and financing for sustainable agriculture.

Rebuilding of the La Mesa Branch with an Electric Car Charging Station!

MUFG Union Bank’s La Mesa branch was destroyed by fire during the civil unrest that took place throughout the community. The branch is scheduled to reopen in 2022 and is being rebuilt with strong support and input from the local community. It will feature a meeting room where residents can gather, a community garden with plants donated by local residents, and two electric vehicle charging stations.

Participation in the Coalition for an Environmentally Responsible Economy (CERES)

MUFG Union Bank joined the Coalition for Environmentally Responsible Economies, a non-governmental organization that operates an investor network with 200 institutional investors with USD 47 trillion AUM that seek to accelerate the carbon transition through sustainable investment practices, engagement with corporate leaders, and advocacy for key policies.

Participation to Initiatives

MUFG participates in and endorses a variety of initiatives to meet the social responsibilities as a financial institution, meet the demands of the international community, and contribute to the realization of a sustainable society. (Listed in descending order of endorsement)

**Net-Zero Banking Alliance (NZBA)**

The NZBA is an initiative convened by the United Nations Environment Programme Finance Initiative (UNEP-FI), which was launched in April 2021 by 43 banks around the world with the aim of achieving net-zero GHG emissions from financed portfolios by 2050.

In June of the same year, MUFG became the first Japanese financial institution to join the NZBA. In addition, MUFG has been selected as one of the Asian regional representatives of the Steering Group* consisting of 12 banks elected from each region. MUFG is also the only Japanese bank to participate in the Glasgow Financial Alliance for Net Zero (GFANZ) working group, which brings together sector-specific initiatives in finance, including the NZBA, that are leading the way to reach net zero (as of September, 2021).

* Steering group member (https://www.unep-fi.org/net-zero-banking/members/governance/)

**Partnership for Carbon Accounting Financials (PCAF)**

In August 2021, MUFG joined the PCAF, an international initiative launched in 2015 with the aspiration to standardize the measurement and disclosure of financed emissions.

**The Sustainable Markets Initiative (SMI)**

SMI is an initiative that Prince Charles of the United Kingdom called on companies to work together to promote and accelerate the realization of a sustainable future in 2020. MUFG participate in the Financial Services Task Force and will contribute to the realization of a sustainable and environmentally friendly society and the promotion of decarbonization from the standpoint of a finance institute.

**Japan Partnership for Circular Economy**

MUFG has joined the Japan Partnership for Circular Economy (J4CE) that the Ministry of the Environment, the Ministry of Economy, Trade and Industry, and Keidanren (Japan Business Federation) launched in March 2021 with the aim of fostering a better understanding of the circular economy among a wide range of stakeholders, including domestic companies, and promoting its initiatives.

**The Poseidon Principles**

The Bank has joined the Poseidon Principles, a global framework established by financial institutions for promoting shipping industry’s decarbonization.

**Operating Principles for Impact Management**

The Bank is a signatory to the Operating Principles for Impact Management, a global market standard for impact investment developed mainly by the International Finance Corporation (IFC). The Bank is the first private financial institution in Japan to join the initiative.

*An institution of the World Bank Group. Established in 1956, one of the world’s largest international financial institutions specializing in private sector development in developing countries. Through cooperation with the private companies in about 100 countries around the world, the organization helps to eradicate extreme poverty and promote shared prosperity.

**Principles for Responsible Banking (PRB)**

The Principles for Responsible Banking have been developed by the United Nations Environment Programme Finance Initiative (UNEP FI) to align the banking sector with society’s goals as expressed in the SDGs, the Paris Climate Agreement, and other relevant frameworks. MUFG is a signatory in 2019.

**Keidanren Challenge Zero**

Challenge Zero (Challenge Net Zero Carbon Innovation) is an initiative of Nippon Keidanren (Japan Business Federation) in collaboration with the Japanese government to strongly communicate and encourage innovative actions by companies and organizations to tackle the challenge of realizing a decarbonized society, which is the long-term goal of the Paris Agreement. MUFG participates in this initiative and contributes to the realization of a net zero society through sustainable finance.

**Climate Action 100+**

Climate Action 100+ was established by global investors in December 2017 as an initiative to encourage companies around the world that emit large amounts of greenhouse gases to take steps to curb climate change. The Trust bank has been participating in the initiative since 2018 and making relevant engagement with its investments.

**Climate Change Initiative**

MUFG has been participating in the Climate Change Initiative since 2018, a network to strengthen the dissemination of information and the exchange of ideas among companies, municipalities, NGOs and other organizations that are actively working to combat climate change, with the aim of achieving a decarbonized society.

**Declaration of Biodiversity by Keidanren**

MUFG endorses the Declaration of Biodiversity by Keidanren and Action Policy, as revised in October 2018.
CDP

CDP (formerly the Carbon Disclosure Project) is a project that institutional investors from around the world work together and urges corporations to disclose their strategies on climate change as well as detailed data on their greenhouse gas emissions. MUFG has participated in the project since 2004.

Equator Principles

The Bank adopted the Equator Principles (EP), a framework to ensure environmental and social considerations when financing large-scale development projects.

Details on our response to the Equator Principles are available on our website. (https://www.mufg.jp/english/csr/environment/equator/)

United Nations Environment Program Finance Initiative

MUFG is a signatory to the United Nations Environment Program Finance Initiative (UNEP FI). It is a public-private partnership “seeking to encourage the better implementation of environmental and sustainability principles at all levels of operations in financial institutions”.

CDP

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Details on our response to the Equator Principles are available on our website. (https://www.mufg.jp/english/csr/environment/equator/)

United Nations Environment Program Finance Initiative

MUFG is a signatory to the United Nations Environment Program Finance Initiative (UNEP FI). It is a public-private partnership “seeking to encourage the better implementation of environmental and sustainability principles at all levels of operations in financial institutions”.

Principles for Responsible Investment (PRI)

The Trust Bank has been actively promoting the Principles for Responsible Investment (PRI), which were announced in 2006. The PRI are intended to improve long-term investment performance by incorporating environmental, social and corporate governance (ESG) issues into investment decision making within the fiduciary responsibility. The Trust Bank was one of the first Japanese institutional investors to sign up to the PRI Principles in May 2006, and is working to expand the PRI-based investment activities in Japan.
External Evaluation

Details on the latest information are available on our website. (https://www.mufg.jp/english/profile/overview/awards/)

### Inclusion in ESG indices

**FTSE4Good Index Series**

MUFG has been selected for inclusion in FTSE Russell (a group company of the London Stock Exchange)'s FTSE4Good Index Series.

**FTSE Blossom Japan Index**

MUFG has been selected for inclusion in FTSE Russell (a group company of the London Stock Exchange)'s FTSE Blossom Japan Index.

**Bloomberg Gender-Equality Index**

MUFG has been selected for inclusion in Bloomberg's 2021 Gender-Equality Index.

**S&P/JPX Carbon Efficient Index**

MUFG has been selected for inclusion in S&P/JPX Carbon Efficient Index, designated by the S&P Dow Jones Indices and the Tokyo Stock Price Index (TOPX).

### Evaluation of sustainability initiatives

**4.5-stars in the Nikkei Smart Work Management Survey**

MUFG received 4.5-stars in the Forth Annual Nikkei Smart Work Management Survey, which selects companies leading advances in productivity innovation through work style reforms.

**Nadeshiko Brand**

MUFG has been selected for inclusion in Nadeshiko Brand, a recognition jointly conferred by Japan's Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE).

**Gold Rating on PRIDE Index**

In November 2021, a number of initiatives in Japan were evaluated and received the top gold rating*1 on the “PRIDE Index”*2.

*1 Rating based on the evaluation of initiatives by each company of the Bank, the Trust Bank, the Securities, NICOS, MUS Business Service, and MUSIS.

*2 Japan’s first index that evaluates companies’ LGBT-related initiatives operated by a private organization “work with Pride”

**Corporate Equality Index**

MUFG Union Bank has received full marks for eight consecutive years in the Corporate Equality Index, which measures LGBTQ equality in organizations according to the Human Rights Campaign, the largest LGBTQ advocacy group in the United States.

**Noteworthy Company by DiversityInc**

MUFG Union Bank was awarded as a Noteworthy Company by DiversityInc.
Each Group company is Kurumin certified under the Act on Advancement of Measures to Support Raising Next-Generation Children. This certification, established by the Ministry of Health, Labour and Welfare (MHLW), recognizes a business as a childcare support company based on set requirements in support of balancing work and childcare. Companies that meet even higher standards receive a Platinum Kurumin certification.

### Kurumin and Platinum Kurumin Certification

<table>
<thead>
<tr>
<th>Kurumin certified companies</th>
<th>Platinum Kurumin certified companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>MUFG Bank</td>
<td>MUFG Bank</td>
</tr>
<tr>
<td>Mitsubishi UFJ Trust and Banking</td>
<td>Mitsubishi UFJ Morgan Stanley Securities</td>
</tr>
<tr>
<td>Mitsubishi UFJ NICOS</td>
<td>Master Trust Bank of Japan</td>
</tr>
<tr>
<td>ACOM</td>
<td>Mitsubishi Research Institute DCS</td>
</tr>
<tr>
<td>Mitsubishi UFJ Factors</td>
<td>Mitsubishi UFJ Information Technology</td>
</tr>
<tr>
<td>Mitsubishi UFJ Research and Consulting</td>
<td>Mitsubishi UFJ Trust Systems</td>
</tr>
<tr>
<td>Master Trust Bank of Japan</td>
<td>MU Communications</td>
</tr>
<tr>
<td>Mitsubishi Research Institute DCS</td>
<td>JACCS</td>
</tr>
<tr>
<td>Mitsubishi UFJ Information Technology</td>
<td>Chukyo Bank</td>
</tr>
</tbody>
</table>

### Eruboshi Certification

Each Group company is Eruboshi certified under the Act on the Promotion of Women’s Participation and Advancement in the Workplace. Eruboshi certification is awarded by MHLW in Japan to companies that demonstrate excellence in promoting women’s advancement. It is a three-level certification based on certain criteria.

<table>
<thead>
<tr>
<th>Eruboshi Certification</th>
</tr>
</thead>
<tbody>
<tr>
<td>MITSUBISHI UFJ NICOS (2nd-level)</td>
</tr>
<tr>
<td>Mitsubishi UFJ Information Technology (2nd-level)</td>
</tr>
<tr>
<td>Mitsubishi UFJ Trust Systems (2nd-level)</td>
</tr>
<tr>
<td>Mitsubishi UFJ Research &amp; Consulting (3rd-level)</td>
</tr>
<tr>
<td>Master Trust Bank of Japan (3rd-level)</td>
</tr>
<tr>
<td>MUS Business Service (3rd-level)</td>
</tr>
</tbody>
</table>

### Awards for Our Sustainability Initiatives

<table>
<thead>
<tr>
<th>Awards received in FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Award name</strong></td>
</tr>
<tr>
<td>The 74th Golden Business Award</td>
</tr>
<tr>
<td>Golden Business Award for the Most Outstanding Contribution to the Development of Our Society</td>
</tr>
<tr>
<td>The Second ESG Finance Award (Minister of the Environment Prize)</td>
</tr>
<tr>
<td>Minister of the Environment Award (General Department)</td>
</tr>
<tr>
<td>Private Banking &amp; Wealth Management Survey</td>
</tr>
</tbody>
</table>

### Additional Information

- **Kurumin and Platinum Kurumin Certification**
  - **Kurumin certified companies**:
    - MUFG Bank
    - Mitsubishi UFJ Trust and Banking
    - Mitsubishi UFJ Morgan Stanley Securities
    - Mitsubishi UFJ NICOS
    - ACOM
    - Mitsubishi UFJ Factors
    - Mitsubishi UFJ Research and Consulting
    - Master Trust Bank of Japan
    - Mitsubishi Research Institute DCS
    - Mitsubishi UFJ Information Technology
    - Mitsubishi UFJ Trust Systems
    - Mitsubishi UFJ Kokusai Asset Management
    - MUS Business Service
    - MU Communications
    - JACCS
    - Chukyo Bank

- **Platinum Kurumin certified companies**:
  - MUFG Bank
  - Mitsubishi UFJ Morgan Stanley Securities
  - Master Trust Bank of Japan
  - Mitsubishi Research Institute DCS
  - Mitsubishi UFJ Information Technology
  - Mitsubishi UFJ Trust Systems
  - MU Communications

- **Eruboshi Certification**
  - **MITSUBISHI UFJ NICOS (2nd-level)**
  - Mitsubishi UFJ Information Technology (2nd-level)
  - Mitsubishi UFJ Trust Systems (2nd-level)
  - Mitsubishi UFJ Research & Consulting (3rd-level)
  - Master Trust Bank of Japan (3rd-level)
  - MUS Business Service (3rd-level)

- **Awards received in FY 2020**
  - **The 74th Golden Business Award**
    - For excellent foreign-owned businesses
  - **Golden Business Award for the Most Outstanding Contribution to the Development of Our Society**
  - **The Second ESG Finance Award (Minister of the Environment Prize)**
    - Awarded Silver in the Indirect Financial Service Category
  - **Minister of the Environment Award (General Department)**
  - **Private Banking & Wealth Management Survey**
    - No. 1 overall among private banks in Japan
Link and Motivation selects and awards ten companies with the highest engagement score (a deviation value that indicates the degree of mutual understanding and affinity between the company and the individual) from a total of 1,568 companies to which Link and Motivation conducted employee engagement surveys. While the attention toward employee engagement in business management has been increasing, we received this award as the result of deepening the mutual understanding between employees and the company based on building strong relationships of trust among employees.

Six companies, including MUFG (also the Bank, the Trust Bank, the Securities, NICOS and ACOM) each received the Golden Order of Merit Medal and President’s Certificate of Appreciation for donations totaling 600 million yen to support medical institutions in response to the COVID-19 pandemic.

### FY2019

<table>
<thead>
<tr>
<th>Name of Award</th>
<th>Awarded Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020 JWin Diversity Award</td>
<td>MUFG Bank</td>
</tr>
<tr>
<td>Second prize in “Advanced Division” of Corporate Award</td>
<td>MUFG Bank</td>
</tr>
<tr>
<td>CEO Award</td>
<td>MuFG Bank</td>
</tr>
<tr>
<td>Environmental Finance Bond Award 2020</td>
<td>Mitsubishi UFJ Morgan Stanley Securities</td>
</tr>
<tr>
<td>Lead manager of the Year, Social Bonds – Corporate</td>
<td>Mitsubishi UFJ Morgan Stanley Securities</td>
</tr>
<tr>
<td>Tokyo Financial Award 2019</td>
<td>Mitsubishi UFJ Morgan Stanley Securities</td>
</tr>
<tr>
<td>ESG Investment Category</td>
<td>Mitsubishi UFJ Morgan Stanley Securities</td>
</tr>
<tr>
<td>The First ESG Finance Award Japan (Minister of the Environment Prize)</td>
<td>Mitsubishi UFJ Morgan Stanley Securities</td>
</tr>
<tr>
<td>Silver Award in Financial Service Category</td>
<td>Mitsubishi UFJ Morgan Stanley Securities</td>
</tr>
<tr>
<td>DEALWATCH AWARDS 2019</td>
<td>Mitsubishi UFJ Morgan Stanley Securities</td>
</tr>
<tr>
<td>Bond House of the Year (Corporate Bond Category)</td>
<td>Mitsubishi UFJ Morgan Stanley Securities</td>
</tr>
</tbody>
</table>

### FY2018

<table>
<thead>
<tr>
<th>Name of Award</th>
<th>Awarded Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>The 2018 (Fourth) Sustainable Finance Award</td>
<td>MUFG</td>
</tr>
<tr>
<td>Green Bond Award</td>
<td>MUFG</td>
</tr>
<tr>
<td>The Japan Green Bond Award - Minister of the Environment Prize</td>
<td>Mitsubishi UFJ Morgan Stanley Securities</td>
</tr>
<tr>
<td>Japan Green Impact Category</td>
<td>Mitsubishi UFJ Morgan Stanley Securities</td>
</tr>
<tr>
<td>The Japan Green Bond Award - Minister of the Environment Prize</td>
<td>Mitsubishi UFJ Morgan Stanley Securities</td>
</tr>
<tr>
<td>Japan Green Contributor Category</td>
<td>Mitsubishi UFJ Morgan Stanley Securities</td>
</tr>
<tr>
<td>The Ninth Career Education Award</td>
<td>Mitsubishi UFJ Morgan Stanley Securities</td>
</tr>
<tr>
<td>Large Enterprise Category - Encouragement Award</td>
<td>Mitsubishi UFJ Morgan Stanley Securities</td>
</tr>
<tr>
<td>The Japan Mécénat Awards 2018</td>
<td>ACOM</td>
</tr>
<tr>
<td>Award for excellence</td>
<td>ACOM</td>
</tr>
</tbody>
</table>
ESG Data (Environment)

Reducing Our Environmental Impacts through Core Business

CO₂ Emissions from Business Activities and Employee Travel

[Method of calculation for FY2020]
Scope of Reporting: Mitsubishi UFJ Financial Group, MUFG Bank, Mitsubishi UFJ Trust and Banking, Mitsubishi UFJ Morgan Stanley Securities, and Mitsubishi UFJ NICOS.

[CO₂ Emissions Calculation Method]
1. City gas, LPG, kerosene, light oil, heavy oil, steam/hot water, cold water, and gasoline are calculated according to factors based on the Act on Promotion of Global Warming Countermeasures.
2. Electricity is calculated according to the most recent basic emissions factors by electricity producers for FY2019 based on the Act on the Promotion of Global Warming Countermeasures.
3. The amount of renewable electricity is counted as zero CO₂ Emissions.
4. Overseas travel (international routes) is calculated according to a factor specified in the General Guidelines on Supply Chain GHG Emission Accounting (Ministry of the Environment / Ministry of Economy, Trade and Industry).

[CO₂ emissions from use of electric power]
This report contains the results of calculations based on the "basic emission factor (pre-adjustment emission factor)", in which power companies do not reflect Kyoto Mechanism credits or cuts in domestic certified emissions, etc. However, the amount of renewable electricity used at the MUFG Bank Marunouchi Building is counted as zero CO₂ Emissions.

Period covered: April 1, 2020 through March 31, 2021.

MUFG Environmental Impact Data and CO₂ Emission

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total floor space</td>
<td>m²</td>
<td>1,000</td>
<td>2,174</td>
<td>2,114</td>
<td>2,175</td>
<td>2,187</td>
</tr>
<tr>
<td>Direct energy consumption</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City gas</td>
<td>m³</td>
<td>3,915</td>
<td>3,966</td>
<td>3,697</td>
<td>3,285</td>
<td>3,059</td>
</tr>
<tr>
<td>Heavy oil</td>
<td>t</td>
<td>1,050</td>
<td>1,062</td>
<td>1,005</td>
<td>965</td>
<td>956</td>
</tr>
<tr>
<td>Kerosene</td>
<td>t</td>
<td>85</td>
<td>75</td>
<td>76</td>
<td>78</td>
<td>99</td>
</tr>
<tr>
<td>Indirect energy consumption</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity</td>
<td>kWh</td>
<td>409,963</td>
<td>397,386</td>
<td>391,231</td>
<td>385,463</td>
<td>370,594</td>
</tr>
<tr>
<td>Steam, hot water</td>
<td>t</td>
<td>63,463</td>
<td>68,267</td>
<td>62,466</td>
<td>61,657</td>
<td>58,646</td>
</tr>
<tr>
<td>Cold water</td>
<td>t</td>
<td>55,836</td>
<td>56,213</td>
<td>56,928</td>
<td>57,148</td>
<td>49,544</td>
</tr>
<tr>
<td>Energy use from employee travel and transportation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overseas travel (international routes)</td>
<td>t</td>
<td>56,568</td>
<td>52,672</td>
<td>52,359</td>
<td>36,280</td>
<td>64</td>
</tr>
<tr>
<td>Company automobiles (gasoline)</td>
<td>t</td>
<td>2,927</td>
<td>2,684</td>
<td>2,570</td>
<td>2,333</td>
<td>1,517</td>
</tr>
<tr>
<td>Tap water</td>
<td>t</td>
<td>1,998</td>
<td>1,503</td>
<td>1,446</td>
<td>1,383</td>
<td>676</td>
</tr>
<tr>
<td>Waste water</td>
<td>t</td>
<td>1,190</td>
<td>1,176</td>
<td>1,204</td>
<td>1,174</td>
<td>484</td>
</tr>
<tr>
<td>Total energy consumption</td>
<td>MWh</td>
<td>431,961</td>
<td>415,737</td>
<td>428,464</td>
<td>400,647</td>
<td></td>
</tr>
</tbody>
</table>

Changes in CO₂ Emission

<table>
<thead>
<tr>
<th>CO₂ emission</th>
<th>Unit</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct CO₂ emissions</td>
<td>t</td>
<td>15,427</td>
<td>11,836</td>
<td>10,795</td>
<td>9,963</td>
<td>9,560</td>
</tr>
<tr>
<td>Indirect CO₂ emissions</td>
<td>t</td>
<td>212,282</td>
<td>202,004</td>
<td>186,870</td>
<td>184,247</td>
<td>162,599</td>
</tr>
<tr>
<td>Other indirect CO₂ emissions</td>
<td>t</td>
<td>11,487</td>
<td>10,588</td>
<td>10,309</td>
<td>7,959</td>
<td>3,526</td>
</tr>
<tr>
<td>Offsets using CDM credits</td>
<td>t</td>
<td>-25,500</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>t</td>
<td>-23,089</td>
<td>224,539</td>
<td>207,973</td>
<td>202,209</td>
<td>176,249</td>
</tr>
<tr>
<td>Basic unit of CO₂ emission (CO₂ emissions per unit of floor space)</td>
<td>t/m²</td>
<td>96</td>
<td>103</td>
<td>96</td>
<td>90</td>
<td>84</td>
</tr>
<tr>
<td>Basic unit of electricity use</td>
<td>kWh/m²</td>
<td>188</td>
<td>193</td>
<td>175</td>
<td>152</td>
<td>177</td>
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</table>
Details of Scope

<table>
<thead>
<tr>
<th>Item</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>City gas</td>
<td>8,890</td>
<td>9,016</td>
<td>8,440</td>
<td>7,472</td>
<td>6,841</td>
</tr>
<tr>
<td>Heavy oil</td>
<td>2,316</td>
<td>2,602</td>
<td>2,180</td>
<td>2,321</td>
<td>2,490</td>
</tr>
<tr>
<td>Kerosene</td>
<td>206</td>
<td>192</td>
<td>194</td>
<td>70</td>
<td>123</td>
</tr>
<tr>
<td>Total</td>
<td>11,412</td>
<td>11,810</td>
<td>10,715</td>
<td>9,963</td>
<td>8,890</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>205,482</td>
<td>194,910</td>
<td>179,785</td>
<td>177,248</td>
<td>155,990</td>
</tr>
<tr>
<td>Steam, hot water</td>
<td>3,617</td>
<td>3,691</td>
<td>3,561</td>
<td>3,514</td>
<td>3,343</td>
</tr>
<tr>
<td>Cold water</td>
<td>3,163</td>
<td>3,204</td>
<td>3,524</td>
<td>3,504</td>
<td>2,824</td>
</tr>
<tr>
<td>Total</td>
<td>225,362</td>
<td>220,324</td>
<td>186,870</td>
<td>184,287</td>
<td>163,159</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company automobiles (gasoline)</td>
<td>6,792</td>
<td>6,220</td>
<td>5,963</td>
<td>4,948</td>
<td>3,520</td>
</tr>
<tr>
<td>Total</td>
<td>11,481</td>
<td>10,596</td>
<td>10,309</td>
<td>7,950</td>
<td>5,526</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offsets using CDM credits</td>
<td>-25,500</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>CO₂ Emission Total</td>
<td>208,688</td>
<td>224,439</td>
<td>207,872</td>
<td>202,209</td>
<td>175,244</td>
</tr>
</tbody>
</table>

* Details of CO₂ Emission
- Scope 1
- Scope 2
- Scope 3

<table>
<thead>
<tr>
<th>Item</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>City gas</td>
<td>8,890</td>
<td>9,016</td>
<td>8,440</td>
<td>7,472</td>
<td>6,841</td>
</tr>
<tr>
<td>Heavy oil</td>
<td>2,316</td>
<td>2,602</td>
<td>2,180</td>
<td>2,321</td>
<td>2,490</td>
</tr>
<tr>
<td>Kerosene</td>
<td>206</td>
<td>192</td>
<td>194</td>
<td>70</td>
<td>123</td>
</tr>
<tr>
<td>Total</td>
<td>11,412</td>
<td>11,810</td>
<td>10,715</td>
<td>9,963</td>
<td>8,890</td>
</tr>
</tbody>
</table>

Environmental Benefits

<table>
<thead>
<tr>
<th>Category</th>
<th>Environmental performance indicators</th>
<th>Unit</th>
<th>FY2019</th>
<th>FY2020</th>
<th>Environmental benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>City gas</td>
<td>1,000 t CO₂</td>
<td>3,285</td>
<td>3,056</td>
<td>4,110</td>
<td></td>
</tr>
<tr>
<td>Heavy oil</td>
<td></td>
<td>856</td>
<td>956</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Kerosene</td>
<td></td>
<td>68</td>
<td>68</td>
<td>68</td>
<td></td>
</tr>
<tr>
<td>Electricity</td>
<td>1,000 kWh</td>
<td>395,463</td>
<td>370,504</td>
<td>252,200</td>
<td></td>
</tr>
<tr>
<td>Steam, hot water</td>
<td></td>
<td>61,657</td>
<td>58,646</td>
<td>209</td>
<td></td>
</tr>
<tr>
<td>Cold water</td>
<td></td>
<td>57,448</td>
<td>49,544</td>
<td>6,680</td>
<td></td>
</tr>
<tr>
<td>Tap water</td>
<td></td>
<td>1,383</td>
<td>678</td>
<td>678</td>
<td></td>
</tr>
<tr>
<td>Energy consumption associated with road travel for executives and employees: company automobiles (gasoline)</td>
<td></td>
<td>2,133</td>
<td>1,571</td>
<td>437</td>
<td></td>
</tr>
<tr>
<td>QHSE emission</td>
<td>1 t CO₂</td>
<td>202,744</td>
<td>175,632</td>
<td>6,061</td>
<td></td>
</tr>
<tr>
<td>Waste water</td>
<td>1,000 km³</td>
<td>1,154</td>
<td>484</td>
<td>54</td>
<td></td>
</tr>
</tbody>
</table>

Other environmental benefits
- Energy consumption associated with travel for executives and employees: air travel (international routes) | 1,000 km | 36,280 | 64 | 16,079 |
Efforts to Reduce Plastic Waste

We recognize that regulations on single-use plastics are being strengthened worldwide in light of growing international awareness of resource recycling, the worsening waste problem, and the conservation of marine and oceanic resources. With this recognition, MUFG is tackling the following issues:

1. Sorting and collection of used PET bottles
2. Implementation of cleanup and other activities as part of the community contribution activities at sales offices and other locations
3. Based on the target of a waste recycling rate of 90% or higher, implementation of efficient use of resources and reduce waste (fiscal 2020 performance for the main building: 91.2%)
4. Provide information and support for initiatives led by plastic-related customers using references describing trends and impacts of plastic regulations and business strategies based on the plastic regulations.

MUFG Bank

Waste Reduction

Medium-to-long-term plan
Establish a recycling rate of at least 90%

FY2020 targets
- Achieve a waste recycling rate of at least 90% at the headquarters buildings in Tokyo, Nagoya and Osaka

FY2020 results
- Head Office Tokyo Marunouchi Building: 91.2%
- Head Office Nagoya Building: 83.0%
- Head Office Osaka Building: 56.0%

Details on other group company’s initiatives are available on our website. (https://www.mufg.jp/english/csr/environment/effort/)

Other Efforts to Reduce Environmental Impact

Each group company has also set medium- to long-term environmental targets and is working to achieve them.

MUFG Bank

Prevention of Air Pollution

Medium-to-long-term plan
Work at reducing air pollution from vehicle emissions.

FY2020 targets
- Promote eco-driving, while reducing number of sales vehicles, shifting to compact vehicles, and introducing low-emission vehicles

FY2020 results
- Reduced by about 430 vehicles

FY2020 plan
- Promote eco-driving, while reducing number of sales vehicles, shifting to compact vehicles, and introducing low-emission vehicles.

Reducing Our Environmental Impacts through Core Business

Reducing CO2 and Achieving Economic Effect through Loans

Changes in CO2 Reductions and Economic Effect through Financing

<table>
<thead>
<tr>
<th>Reduction unit cost</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of environmental loans, by fiscal year</td>
<td>9</td>
<td>26</td>
<td>23</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>Annual CO2 reductions due to financing, by fiscal year</td>
<td>191</td>
<td>187.8</td>
<td>135.3</td>
<td>1</td>
<td>0.4</td>
</tr>
<tr>
<td>Total CO2 reductions</td>
<td>1,005.1 t</td>
<td>1,185.8</td>
<td>1,321.4</td>
<td>1,322.8</td>
<td>1,322.2</td>
</tr>
<tr>
<td>Total economic effect of the reduction</td>
<td>5,505</td>
<td>5,614</td>
<td>5,702</td>
<td>5,703</td>
<td>5,704</td>
</tr>
<tr>
<td>Reduction unit cost*</td>
<td>5,500</td>
<td>650</td>
<td>850</td>
<td>600</td>
<td>540</td>
</tr>
</tbody>
</table>

* The average cost of Excess Reductions is detailed in the “Results of the assessment of trading prices” in Tokyo Metropolitan Government survey on total reduction obligations and the emissions trading structure in the metropolitan area (March, 2020). This was used as a measure that could be equated with a reduction cost within Japan.

Details of CO2 Reductions and Economic Effect through Financing

| Details of Number of Environmental Loans, by FY |
| --- | --- | --- | --- | --- | --- |
| Alternative energy (Wind power, etc.) | 37 | 11 | 2 | 0 | 0 | 50 | 18.1% |
| Recycling (Construction waste, etc.) | 14 | 0 | 0 | 0 | 0 | 14 | 5.1% |
| Proper disposal (Final disposal site, etc.) | 7 | 0 | 0 | 0 | 0 | 7 | 2.5% |
| Installation of energy-efficient equipment/materials (mechanical equipment materials, etc.) | 112 | 8 | 16 | 8 | 4 | 148 | 53.6% |
| Energy-efficient building construction (Shopping malls, office building, etc.) | 42 | 7 | 5 | 1 | 2 | 57 | 20.7% |
| Total | 212 | 26 | 23 | 9 | 6 | 276 | 100.0% |

| Details of Annual CO2 Reduction Effects from Loans, by FY (1,000 t-CO2) |
| --- | --- | --- | --- | --- | --- |
| Alternative energy (Wind power, etc.) | 399 | 159.2 | 125.7 | 0.0 | 0.0 | 689.3 | 51.7% |
| Recycling (Construction waste, etc.) | 101 | 0.0 | 0.0 | 0.0 | 0.0 | 101.0 | 7.6% |
| Proper disposal (Final disposal site, etc.) | 29 | 0.0 | 0.0 | 0.0 | 0.0 | 28.7 | 2.2% |
| Installation of energy-efficient equipment/materials (mechanical equipment materials, etc.) | 448 | 3.7 | 8.5 | 1.7 | 0.3 | 462.8 | 35.0% |
| Energy-efficient building construction (Shopping malls, office building, etc.) | 41 | 4.7 | 11 | 0.0 | 0.7 | 46.9 | 3.5% |
| Total | 1,018 | 167.6 | 135.3 | 1.7 | 0.4 | 1,322.3 | 100.0% |

* Totals may not add up due to rounding.

| Economic Effects of Annual CO2 Reduction (Details of Cumulative Economic Effects by Reduction) (Million yen) |
| --- | --- | --- | --- | --- | --- |
| Alternative energy (Wind power, etc.) | 2,393 | 103.5 | 81.7 | - | - | 2,577.6 | 45.2% |
| Recycling (Construction waste, etc.) | 707 | 0.0 | 0.0 | - | - | 707.0 | 12.4% |
| Proper disposal (Final disposal site, etc.) | 201 | 0.0 | 0.0 | - | - | 200.9 | 3.6% |
| Installation of energy-efficient equipment/materials (mechanical equipment materials, etc.) | 2,087 | 2.4 | 5.5 | 1.0 | 0.1 | 2,096.6 | 36.8% |
| Energy-efficient building construction (Shopping malls, office building, etc.) | 118 | 3.0 | 0.7 | 0.0 | 0.1 | 121.6 | 2.1% |
| Total | 5,506 | 108.9 | 87.9 | 1.0 | 0.2 | 5,703.7 | 100.0% |

* Totals may not add up due to rounding.
**ESG Data (Social)**

### Status of Employees (new criteria)

<table>
<thead>
<tr>
<th>Unit</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mitsubishi UFJ Trust and Banking</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of employees</td>
<td>Persons 34,276</td>
<td>34,101</td>
<td>33,524</td>
<td>32,986</td>
<td>30,554</td>
</tr>
<tr>
<td>Of these, domestic employees</td>
<td>Persons 28,496</td>
<td>28,302</td>
<td>27,855</td>
<td>26,347</td>
<td>24,647</td>
</tr>
<tr>
<td>Age range: -20s</td>
<td>Persons 8,600</td>
<td>8,231</td>
<td>8,231</td>
<td>7,983</td>
<td>8,234</td>
</tr>
<tr>
<td>Age range: -30s</td>
<td>Persons 8,377</td>
<td>8,025</td>
<td>8,172</td>
<td>7,976</td>
<td>8,043</td>
</tr>
<tr>
<td>Age range: -40s</td>
<td>Persons 8,544</td>
<td>8,370</td>
<td>8,339</td>
<td>7,608</td>
<td>6,637</td>
</tr>
<tr>
<td>Age range: -50 and over</td>
<td>Person 2,924</td>
<td>3,125</td>
<td>3,267</td>
<td>3,080</td>
<td>3,879</td>
</tr>
<tr>
<td>Ratio of female employees</td>
<td>% 52</td>
<td>52</td>
<td>54</td>
<td>57</td>
<td>59</td>
</tr>
<tr>
<td>Of these, overseas local hires</td>
<td>Persons 5,781</td>
<td>5,800</td>
<td>5,669</td>
<td>5,840</td>
<td>5,908</td>
</tr>
<tr>
<td>Contract employees</td>
<td>Person 1,841</td>
<td>1,609</td>
<td>1,562</td>
<td>1,501</td>
<td>1,429</td>
</tr>
<tr>
<td>Temporary employees</td>
<td>Persons 11,373</td>
<td>11,347</td>
<td>11,110</td>
<td>10,300</td>
<td>9,645</td>
</tr>
<tr>
<td>Average age</td>
<td>Years 37</td>
<td>37</td>
<td>38</td>
<td>38</td>
<td>38</td>
</tr>
<tr>
<td>Average years of continuous service</td>
<td>Year 14.5</td>
<td>14.1</td>
<td>14.6</td>
<td>15.2</td>
<td>14.7</td>
</tr>
<tr>
<td>Attrition Rate</td>
<td>% 2.1</td>
<td>2.1</td>
<td>2.6</td>
<td>2.8</td>
<td>2.1</td>
</tr>
<tr>
<td>Mitsubishi UFJ Morgan Stanley Securities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of employees</td>
<td>Persons 6,959</td>
<td>7,011</td>
<td>6,451</td>
<td>6,397</td>
<td>6,373</td>
</tr>
<tr>
<td>Of these, domestic employees (excluding contract salespersons)</td>
<td>Persons 5,949</td>
<td>6,068</td>
<td>5,601</td>
<td>5,566</td>
<td>5,502</td>
</tr>
<tr>
<td>Age range: -20s</td>
<td>Persons 1,240</td>
<td>1,272</td>
<td>1,225</td>
<td>1,223</td>
<td>1,229</td>
</tr>
<tr>
<td>Age range: -30s</td>
<td>Persons 1,541</td>
<td>1,555</td>
<td>1,488</td>
<td>1,478</td>
<td>1,473</td>
</tr>
<tr>
<td>Age range: -40s</td>
<td>Persons 1,789</td>
<td>1,749</td>
<td>1,742</td>
<td>1,737</td>
<td>1,734</td>
</tr>
<tr>
<td>Age range: -50 and over</td>
<td>Person 1,409</td>
<td>1,617</td>
<td>1,615</td>
<td>1,628</td>
<td>1,683</td>
</tr>
<tr>
<td>Ratio of female employees</td>
<td>% 39</td>
<td>40</td>
<td>40</td>
<td>41</td>
<td>40</td>
</tr>
<tr>
<td>Of these, domestic contract salespersons</td>
<td>Persons 603</td>
<td>538</td>
<td>468</td>
<td>443</td>
<td>454</td>
</tr>
<tr>
<td>Of these, overseas local hires</td>
<td>Persons 407</td>
<td>392</td>
<td>388</td>
<td>388</td>
<td>417</td>
</tr>
<tr>
<td>Temporary employees</td>
<td>Person 1,804</td>
<td>1,785</td>
<td>1,582</td>
<td>1,338</td>
<td>1,383</td>
</tr>
<tr>
<td>Average age</td>
<td>Years 42.7</td>
<td>42.4</td>
<td>42.5</td>
<td>42.9</td>
<td>42.1</td>
</tr>
<tr>
<td>Average years of continuous service</td>
<td>Year 15.8</td>
<td>16.2</td>
<td>16.6</td>
<td>16.8</td>
<td>17.0</td>
</tr>
<tr>
<td>Attrition Rate</td>
<td>% 2.8</td>
<td>2.8</td>
<td>2.8</td>
<td>2.6</td>
<td>2.7</td>
</tr>
<tr>
<td>Mitsubishi UFJ NICHOS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of employees</td>
<td>Persons 5,226</td>
<td>5,204</td>
<td>5,273</td>
<td>5,401</td>
<td>5,889</td>
</tr>
<tr>
<td>Of these, domestic employees</td>
<td>Persons 5,284</td>
<td>5,16</td>
<td>5,229</td>
<td>5,365</td>
<td>5,876</td>
</tr>
<tr>
<td>Age range: -20s</td>
<td>Persons 951</td>
<td>1,028</td>
<td>1,000</td>
<td>1,077</td>
<td>1,002</td>
</tr>
<tr>
<td>Age range: -30s</td>
<td>Persons 1,272</td>
<td>1,193</td>
<td>1,135</td>
<td>1,057</td>
<td>1,203</td>
</tr>
<tr>
<td>Age range: -40s</td>
<td>Persons 1,684</td>
<td>1,624</td>
<td>1,672</td>
<td>1,498</td>
<td>1,607</td>
</tr>
<tr>
<td>Age range: -50 and over</td>
<td>Person 1,597</td>
<td>1,692</td>
<td>1,810</td>
<td>1,983</td>
<td>2,381</td>
</tr>
<tr>
<td>Ratio of female employees</td>
<td>% 34</td>
<td>34</td>
<td>33</td>
<td>34</td>
<td>34</td>
</tr>
<tr>
<td>Of these, overseas local hires</td>
<td>Persons 0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Temporary employees (average)</td>
<td>Persons 400</td>
<td>282</td>
<td>222</td>
<td>193</td>
<td>188</td>
</tr>
<tr>
<td>Average age</td>
<td>Years 40.8</td>
<td>41.5</td>
<td>41.6</td>
<td>41.5</td>
<td>43.9</td>
</tr>
<tr>
<td>Average years of continuous service</td>
<td>Year 13.4</td>
<td>13.9</td>
<td>14.2</td>
<td>14.7</td>
<td>17.3</td>
</tr>
<tr>
<td>Attrition Rate</td>
<td>% 3.2</td>
<td>4.5</td>
<td>5.3</td>
<td>5.0</td>
<td>5.0</td>
</tr>
</tbody>
</table>

1. *Does not include executive officers, excludes Mitsubishi UFJ Bank (the Bank) employees seconded to other companies, includes employees of other companies seconded to the Bank.
2. *Includes temporary staff.
3. *Excludes employees hired by overseas subsidiaries and employees of other companies seconded to the Bank.
4. *Does not include executive officers.
5. *Excludes executive officers, employees seconded from other companies and employees hired by overseas subsidiaries.
6. *Employees hired by the Banking office.
7. *Does not include executive officers, and seconded employees.
8. *Regular employees (including advisors and executive officers) and regular employees fixed to workplaces.
9. *Excluded employees seconded from the Company but includes those seconded to the Company.
10. *Average number of people employed during the year on fixed-term contracts (associate employees and temporary employees).
11. *Average number of people employed during the year on fixed-term contracts (associate employees and temporary employees) and executive officers.
12. *Includes executive officers, employees seconded from other companies and employees hired by overseas subsidiaries.
13. *Excludes employees hired by the Banking office.
14. *Does not include executive officers, and seconded employees.
15. *Excludes employees seconded from other companies and employees seconded to the Bank.
16. *Excludes employees seconded from the Company but includes those seconded to the Company.
17. *The employment rate in Japan for Mitsubishi UFJ Bank, Mitsubishi UFJ Trust and Banking (excluding special subsidiaries and group affiliates for these two companies), Mitsubishi UFJ Morgan Stanley Securities, Mitsubishi UFJ NICHOS and RCOM was calculated using the formula stipulated in the Employment Rate System for Persons with Disabilities. Figures for each year are as of June 1 of the following year.
Total training costs for mandatory and nominative-selective training organized by the Human Resources Department (including MUFG University).

With regard to MUFG University programs, total training hours = average training hours per employee, as currently no single participant takes more than one program.

These join the company on April 1 each next fiscal year (only new graduates).

Cost of ACOM

<table>
<thead>
<tr>
<th>Area</th>
<th>Core Officer</th>
<th>Area-Specific Core Officer</th>
<th>Regional Track</th>
<th>Mid-career Recruitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>323</td>
<td>271</td>
<td>288</td>
<td>98</td>
</tr>
<tr>
<td>New Graduate Recruitment</td>
<td>274</td>
<td>243</td>
<td>260</td>
<td>84</td>
</tr>
<tr>
<td>Core Officer</td>
<td>179</td>
<td>140</td>
<td>210</td>
<td>84</td>
</tr>
<tr>
<td>Non-Core Officer</td>
<td>83</td>
<td>42</td>
<td>50</td>
<td>0</td>
</tr>
<tr>
<td>Mid-career Recruitment</td>
<td>12</td>
<td>10</td>
<td>12</td>
<td>0</td>
</tr>
</tbody>
</table>

Mitsubishi UFJ Morgan Stanley Securities

<table>
<thead>
<tr>
<th>Area</th>
<th>Core Officer</th>
<th>Area-Specific Core Officer</th>
<th>Mid-career Recruitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>166</td>
<td>80</td>
<td>140</td>
</tr>
<tr>
<td>New Graduate Recruitment</td>
<td>106</td>
<td>70</td>
<td>102</td>
</tr>
<tr>
<td>Core Officer</td>
<td>64</td>
<td>55</td>
<td>77</td>
</tr>
<tr>
<td>Non-Core Officer</td>
<td>42</td>
<td>14</td>
<td>25</td>
</tr>
<tr>
<td>Mid-career Recruitment</td>
<td>58</td>
<td>44</td>
<td>60</td>
</tr>
</tbody>
</table>

ACOM

<table>
<thead>
<tr>
<th>Area</th>
<th>Core Officer</th>
<th>Area-Specific Core Officer</th>
<th>Mid-career Recruitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>99</td>
<td>196</td>
<td>172</td>
</tr>
<tr>
<td>New Graduate Recruitment</td>
<td>80</td>
<td>91</td>
<td>114</td>
</tr>
<tr>
<td>Core Officer</td>
<td>49</td>
<td>58</td>
<td>82</td>
</tr>
<tr>
<td>Non-Core Officer</td>
<td>31</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>Mid-career Recruitment</td>
<td>19</td>
<td>105</td>
<td>56</td>
</tr>
</tbody>
</table>

Number of Employees Using Support Programs and Leave

Mitsubishi UFJ Trust and Banking

<table>
<thead>
<tr>
<th>Area</th>
<th>Core Officer</th>
<th>Area-Specific Core Officer</th>
<th>Mid-career Recruitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>280</td>
<td>322</td>
<td>363</td>
</tr>
<tr>
<td>New Graduate Recruitment</td>
<td>29</td>
<td>26</td>
<td>17</td>
</tr>
<tr>
<td>Core Officer</td>
<td>218</td>
<td>213</td>
<td>143</td>
</tr>
<tr>
<td>Non-Core Officer</td>
<td>57</td>
<td>119</td>
<td>134</td>
</tr>
<tr>
<td>Mid-career Recruitment</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

Mitsubishi UFJ Morgan Stanley Securities

<table>
<thead>
<tr>
<th>Area</th>
<th>Core Officer</th>
<th>Area-Specific Core Officer</th>
<th>Mid-career Recruitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>282</td>
<td>300</td>
<td>282</td>
</tr>
<tr>
<td>New Graduate Recruitment</td>
<td>555</td>
<td>582</td>
<td>535</td>
</tr>
<tr>
<td>Core Officer</td>
<td>1,387</td>
<td>1,236</td>
<td>1,000</td>
</tr>
<tr>
<td>Non-Core Officer</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Mid-career Recruitment</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

Company Targets and Results for Female Representation in Managerial Positions in Japan

Mitsubishi UFJ NICOS

<table>
<thead>
<tr>
<th>Area</th>
<th>Core Officer</th>
<th>Area-Specific Core Officer</th>
<th>Mid-career Recruitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>156</td>
<td>145</td>
<td>134</td>
</tr>
<tr>
<td>New Graduate Recruitment</td>
<td>147</td>
<td>147</td>
<td>138</td>
</tr>
<tr>
<td>Core Officer</td>
<td>28</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>Non-Core Officer</td>
<td>57</td>
<td>83</td>
<td>93</td>
</tr>
<tr>
<td>Mid-career Recruitment</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

Female Executive Officer

MUFJ Executive Officer

<table>
<thead>
<tr>
<th>Area</th>
<th>Core Officer</th>
<th>Area-Specific Core Officer</th>
<th>Mid-career Recruitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>201</td>
<td>200</td>
<td>204</td>
</tr>
<tr>
<td>New Graduate Recruitment</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Core Officer</td>
<td>15</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Non-Core Officer</td>
<td>120</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td>Mid-career Recruitment</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

* Total of MUFJ, the Bank, the Trust Bank, the Securities, and NICOS (including outside directors and overseas local employees).
**Work-Related Accidents**

<table>
<thead>
<tr>
<th></th>
<th>Unit FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>MUFG Bank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work-related accidents (resulting in leave)</td>
<td>Accidents</td>
<td>144 (40)</td>
<td>130 (34)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commuting related accidents (resulting in leave)</td>
<td>Accidents</td>
<td>143 (57)</td>
<td>118 (56)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mitsubishi UFJ Trust and Banking</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work-related accidents (resulting in leave)</td>
<td>Accidents</td>
<td>19 (7)</td>
<td>5 (2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commuting related accidents (resulting in leave)</td>
<td>Accidents</td>
<td>16 (9)</td>
<td>11 (5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mitsubishi UFJ Morgan Stanley Securities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work-related accidents (resulting in leave)</td>
<td>Accidents</td>
<td>7 (1)</td>
<td>5 (0)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commuting related accidents (resulting in leave)</td>
<td>Accidents</td>
<td>9 (1)</td>
<td>11 (2)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Working Hours (per Employee)**

<table>
<thead>
<tr>
<th></th>
<th>Unit FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>MUFG Bank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average number of overtime hours worked per month (Legal overtime)</td>
<td>Hours</td>
<td>19.5</td>
<td>19.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rate of overtime hours worked per month exceeding 60 hours</td>
<td>%</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mitsubishi UFJ Trust and Banking</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average number of overtime hours worked per month (Legal overtime)</td>
<td>Hours</td>
<td>25.8</td>
<td>26.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rate of overtime hours worked per month exceeding 60 hours</td>
<td>%</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mitsubishi UFJ Morgan Stanley Securities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average number of overtime hours worked per month (Legal overtime)</td>
<td>Hours</td>
<td>20.1</td>
<td>20.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rate of overtime hours worked per month exceeding 60 hours</td>
<td>%</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Labor Union Membership Rate**

<table>
<thead>
<tr>
<th></th>
<th>Unit FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>MUFG Bank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>%</td>
<td>75.0</td>
<td>76.8</td>
<td>76.8</td>
<td>75.6</td>
<td>83.9</td>
</tr>
<tr>
<td>Mitsubishi UFJ Trust and Banking</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>%</td>
<td>75.5</td>
<td>76.5</td>
<td>74.9</td>
<td>75.1</td>
<td>75.2</td>
</tr>
<tr>
<td>Mitsubishi UFJ Morgan Stanley Securities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>%</td>
<td>46.2</td>
<td>48.3</td>
<td>46.9</td>
<td>43.2</td>
<td>60.2</td>
</tr>
</tbody>
</table>

The Bank, the Trust Bank, and the Securities have entered into collective bargaining agreements with their respective employee unions, and are engaged in collective bargaining to improve the working conditions of their members and the development of the company, and to maintain and improve labor-management relations.

**ESG Data (Governance)**

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Numbers of Directors</td>
<td>16</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Of these, outside director</td>
<td>9</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Of these, female director</td>
<td>3</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Of these, foreign nationality director</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Board of Directors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of meetings held</td>
<td>9</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Average attendance rate</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Nominating and Governance Committee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of members</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Of these, outside director</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Chairman</td>
<td>Outside director</td>
<td>Outside director</td>
<td>Outside director</td>
</tr>
<tr>
<td>Number of meetings held</td>
<td>13</td>
<td>14</td>
<td>15</td>
</tr>
<tr>
<td>Average attendance rate</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Compensation Committee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of members</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Of these, outside director</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Chairman</td>
<td>Outside director</td>
<td>Outside director</td>
<td>Outside director</td>
</tr>
<tr>
<td>Number of meetings held</td>
<td>7</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Average attendance rate</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Audit Committee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of meetings held</td>
<td>17</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Average attendance rate</td>
<td>95%</td>
<td>97%</td>
<td>100%</td>
</tr>
<tr>
<td>Compliance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of reports to the Compliance Helpline</td>
<td>-</td>
<td>-</td>
<td>570</td>
</tr>
<tr>
<td>Total Donations to Political Parties, etc</td>
<td>20 million yen</td>
<td>20 million yen</td>
<td>20 million yen</td>
</tr>
</tbody>
</table>
This index discloses information based on the SASB Standard, a global information disclosure standard issued by the U.S. Sustainability Accounting Standards Board (SASB) in October 2018. SASB has developed and continues to refine metrics for each industry and accounting metrics specific to 77 industries, which are further categorized within each industry. This index discloses information related to the standards for three industries: Commercial Banks (FN-CB), Investment Banking & Brokerage (FN-IB), and Asset Management & Custody Activities (FN-AC). Since the standards for each industry are based on U.S. laws and regulations and systems, some metrics are not applicable to the business activities of MUFG, which is based in Japan, but we strive to disclose information that is consistent with the purpose and content of each metric to the extent possible. As the content of the standards is constantly being updated, MUFG will continue to update and expand the information disclosed as part of its engagement with stakeholders, including customers, business partners, shareholders, and investors.

**FIN Number and (2) amount of loans outstanding, qualified to programs designed to promote small business and community development**

<table>
<thead>
<tr>
<th>Accounting Metric</th>
<th>Category</th>
<th>Code</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>FN-CB: 240A.3</td>
<td>SASB’s indicator: “Programs designed to promote small business and community development” is based on U.S. laws and regulations, so the following information is disclosed as quantitative data based on the actual situation in Japan.</td>
<td>Balance of loans to small business: 39,678 billion yen</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Initiatives of the U.S. Partner Bank MUFG Union Bank</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>CRA Qualified Small Business Loans: 20,224 transactions, US$2.149 million in total</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>CRA Qualified Community Development Loans: 317 transactions, US$181.19 million in total</td>
<td></td>
</tr>
</tbody>
</table>

**Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers**

<table>
<thead>
<tr>
<th>Accounting Metric</th>
<th>Category</th>
<th>Code</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>FN-CB: 240A.4</td>
<td>SASB’s definition of “unbanked, underbanked, or underserved customers” is based on U.S. laws and regulations, so the following information is disclosed as quantitative data based on the actual situation in Japan.</td>
<td>Number of times financial and economic education has been provided: 3,285 times (cumulative total since fiscal 2012)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Initiatives of the U.S. Partner Bank MUFG Union Bank</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>For calendar year 2020, we had 251 employees that performed 2,577 hours of volunteering in the areas of Financial Literacy, Homebuyer Education, UB Products and Services, and Technical Assistance</td>
<td></td>
</tr>
</tbody>
</table>

**Description of approach to identifying and addressing data security risks**

<table>
<thead>
<tr>
<th>Accounting Metric</th>
<th>Category</th>
<th>Code</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>FN-CB: 230A.2</td>
<td>MUFG has positioned threats posed by cyberattacks and other relevant events as Top Risks. Accordingly, we are promoting cybersecurity measures under management’s leadership</td>
<td>For details, please refer to the following</td>
<td>Cyber Security (P. 154)</td>
</tr>
</tbody>
</table>

**Financial Inclusion & Capacity Building**

<table>
<thead>
<tr>
<th>Accounting Metric</th>
<th>Category</th>
<th>Code</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>FN-CB: 410A.2</td>
<td>SASB’s indicator: “Programs designed to promote small business and community development” is based on U.S. laws and regulations, so the following information is disclosed as quantitative data based on the actual situation in Japan.</td>
<td>Amount of assets under management, by industry</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Revenue from (1) underwriting, (2) advisory, and (3) securitization transactions (incorporating integration of environmental, social, and governance (ESG) factors in credit analysis / investment banking and brokerage activities / investment and/or wealth management processes and strategies)</td>
<td></td>
</tr>
</tbody>
</table>

**Commercial and industral credit exposure, by industry**

<table>
<thead>
<tr>
<th>Accounting Metric</th>
<th>Category</th>
<th>Code</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>FN-IB: 410A.1</td>
<td>Although the measurement method is not consistent with the metrics recommended by SASB standards, the following information is disclosed as alternative data</td>
<td>Ratio of responsible investment to total assets under management: 100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Amount of assets under management, by industry, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis / investment banking and brokerage activities / investment and/or wealth management processes and strategies</td>
<td></td>
</tr>
</tbody>
</table>

**Incorporation of Environmental, Social, and Governance Factors in Credit Analysis/ Investment Banking & Brokerage Activities / Investment Management & Advisory**

<table>
<thead>
<tr>
<th>Accounting Metric</th>
<th>Category</th>
<th>Code</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>FN-IB: 410A.2</td>
<td>We promote investment management that take into account ESG factors and contribute to the realization of a sustainable and inclusive society by proposing to our customers a perspective that emphasizes non-financial information about companies.</td>
<td>Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis / investment banking and brokerage activities / investment and/or wealth management processes and strategies</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis / investment banking and brokerage activities / investment and/or wealth management processes and strategies</td>
<td></td>
</tr>
</tbody>
</table>

**Employee Diversity & Inclusion**

<table>
<thead>
<tr>
<th>Accounting Metric</th>
<th>Category</th>
<th>Code</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>FN-AC: 410A.1</td>
<td>Although the measurement method is not consistent with the metrics recommended by SASB standards, the following information is disclosed as alternative data</td>
<td>Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis / investment banking and brokerage activities / investment and/or wealth management processes and strategies</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis / investment banking and brokerage activities / investment and/or wealth management processes and strategies</td>
<td></td>
</tr>
</tbody>
</table>

**Mitsubishi UFJ Trust and Banking (MUFJ)**

For details, please refer to the following:


**Environmental and Social Data**

For details, please refer to the following:

### Accounting Metric | Category | Code | Response
---|---|---|---
**Business Ethics**
Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations | Quantitative | FN-CB-510a.1 FN-IB-510a.1 | For details, please refer to the following Form 20-F (F-133). Legal Proceedings [https://www.mufg-global.com/ir/report/form20-f/pdf/mufg20f2021_en.pdf](https://www.mufg-global.com/ir/report/form20-f/pdf/mufg20f2021_en.pdf)

Description of whistleblower policies and procedures | Discussion and Analysis | FN-CB-510a.2 FN-IB-510a.2 FN-AC-510a.2 | Having positioned its whistle-blowing systems as an important governance tool, MUFG has helped each Group company develop such a system to ensure their ability to promptly address and resolve any issues associated with compliance. Moreover, the MUFG Compliance Helpline operates year-round and is capable of handling a report from any Group member no matter what their location on an around-the-clock basis. For details, please refer to the following Whistle-Blowing Systems (F-122).

**Systemic Risk Management**
Global Systemically Important Bank (G-SIB) score, by category | Quantitative | FN-CB-550a.1 FN-IB-550a.1 | G-SIB buffer ratio: 1.5% (Based on the “2021 list of global systemically important banks (G-SIBs)” published by the Financial Stability Board (FSB) in November 2020)
G-SIB Indicators


**Professional Integrity**
Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care | Quantitative | FN-IB-510b.3 | For details, please refer to the following Form 20-F (F-133). Legal Proceedings [https://www.mufg-global.com/ir/report/form20-f/pdf/mufg20f2021_en.pdf](https://www.mufg-global.com/ir/report/form20-f/pdf/mufg20f2021_en.pdf)


**Employee Incentives & Risk Taking**

### Accounting Metric | Category | Code | Response
---|---|---|---
**Activity Metric**
(1) Number and (2) value of checking and savings accounts by segment; (a) personal and (b) small business | Quantitative | FN-CB-000 A | Although the measurement method is not consistent with the metrics recommended by SASB standards, the following information is disclosed as alternative data:
Individual deposits: 84,868.5 billion yen
Corporate deposits and others: 80,968 billion yen

(1) Number and (2) value of loans by segment; (a) personal, (b) small business, and (c) corporate | Quantitative | FN-CB-000 B | Although the measurement method is not consistent with the metrics recommended by SASB standards, the following information is disclosed as alternative data:
Loans to SMEs: 39,678 billion yen
Residential mortgage loan balance: 14,983.5 billion yen

(1) Number and (2) value of (a) underwriting, (b) advisory, and (c) securitization transactions | Quantitative | FN-IB-000 A | Although the measurement method is not consistent with the metrics recommended by SASB standards, the following information is disclosed as alternative data:

(1) Total registered and (2) total unregistered assets under management (AUM) | Quantitative | FN-AC-000 A | Please refer to the following Database for FY2020 (P.94) [https://www.mufg-global.com/ir/report/form20-f/pdf/mufg20f2021_en.pdf](https://www.mufg-global.com/ir/report/form20-f/pdf/mufg20f2021_en.pdf)


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Form 20-F (P.133)
MUFG Basic Policy for Fiduciary Duties
Compliance Basic Policy
MUFG Group Code of Conduct

For details, please refer to the following Business Ethics (P.123)
Whistle-Blowing Systems (P.123)
SCM Index

Stakeholder Capitalism Metrics (SCM) is a framework of non-financial information proposed in “Measuring Stakeholder Capitalism Towards Common Metrics and Consistent Reporting of Sustainable Value Creation”, a report compiled by the big four global accounting firms based on the recommendations of the World Economic Forum’s International Business Council. There are two types of metrics in SCM: Core Metrics and Expanded Metrics. This index is prepared in accordance with the Core Metrics, and some of the information are referred to the Expanded Metrics. Although the SCM metrics are designed to be used in a wide range of industries and regions, there are some metrics that do not apply to the characteristics of the banking industry or the business activities of MUFG, which is based in Japan. For these items, MUFG is striving to disclose as much information as possible in consideration of the purpose of SCM. We will continue to expand the content of our disclosure as part of our engagement with all of our stakeholders, including customers, business partners, shareholders and investors.

● Principle of Governance

<table>
<thead>
<tr>
<th>Theme</th>
<th>Core Metrics and Disclosures</th>
<th>Details and related information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governing purpose</td>
<td>Setting purpose</td>
<td>MUFG’s Approach to Sustainability (P.3)</td>
</tr>
<tr>
<td></td>
<td>Corporate purpose should create value for all stakeholders, including shareholders.</td>
<td></td>
</tr>
<tr>
<td>Quality of governing body</td>
<td>Governance body composition</td>
<td>Promotion of Sustainability (P.44)</td>
</tr>
<tr>
<td></td>
<td>Composition of the highest governance body and its committees by: dependents relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual’s other significant positions and commitments, and the nature of the commitments; gender, membership of under-represented social groups; stakeholder representation.</td>
<td>MUFG Report 2021 (Integrated report) (P.83) (<a href="https://www.mufg.jp/en/report/integrated-report/2021%E6%94%AF%E6%8F%B4.pdf">https://www.mufg.jp/en/report/integrated-report/2021支援.pdf</a>)</td>
</tr>
<tr>
<td></td>
<td>Material issues impacting stakeholders</td>
<td>Priority Environmental and Social Issues MUFG Must Address (P.3)</td>
</tr>
<tr>
<td></td>
<td>A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.</td>
<td></td>
</tr>
<tr>
<td>Ethical behaviour</td>
<td>Anti-corruption</td>
<td>1. Not applicable</td>
</tr>
<tr>
<td></td>
<td>1. Total corruption of governance body members, employees and business partners who have received training on the organization’s anti-corruption policies and procedures, broken down by region.</td>
<td>2. Compliance (P.125)</td>
</tr>
<tr>
<td></td>
<td>(a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years, and (b) Total number and nature of incidents of corruption confirmed during the current year, related to this year.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.</td>
<td></td>
</tr>
<tr>
<td>Protected ethics advice and reporting mechanisms</td>
<td>1. Compliance (P.125)</td>
<td>2. Whistle-Blowing Systems (P.127)</td>
</tr>
<tr>
<td></td>
<td>A description of internal and external mechanisms for: seeking advice about ethical and unlawful behaviour and organizational integrity; and.</td>
<td></td>
</tr>
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<td></td>
<td>2. Reporting concerns about unethical and unlawful behaviour and lack of organizational integrity.</td>
<td></td>
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<tr>
<td>Risk and opportunity oversight</td>
<td>Integrating risk and opportunity into business process</td>
<td>Risk Management (P.120)</td>
</tr>
<tr>
<td></td>
<td>1. Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically, (as opposed to generic sector risks), the company appetites in respect of these risks, how these risks and opportunities have moved over time and the response to these changes.</td>
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<td></td>
<td>These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.</td>
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● Planet

<table>
<thead>
<tr>
<th>Theme</th>
<th>Core Metrics and Disclosures</th>
<th>Details and related information</th>
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</thead>
<tbody>
<tr>
<td>Climate change</td>
<td>Greenhouse gas (GHG) emissions</td>
<td>ESG Data (Environment) (P.14)</td>
</tr>
<tr>
<td></td>
<td>For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gas, etc.), report in metric tonnes of carbon dioxide equivalent (t CO₂).</td>
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<tr>
<td></td>
<td>GHG Protocol Scope 1 and Scope 2 emissions.</td>
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<tr>
<td></td>
<td>Estimate and report material upstream and downstream GHG Protocol Scope 1 and Scope 2 emissions where applicable.</td>
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<tr>
<td></td>
<td>TCFD implementation</td>
<td>Climate Change Measure &amp; Environmental Protection -TCFD Report- (P.6)</td>
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<tr>
<td></td>
<td>Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).</td>
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<td></td>
<td>If necessary, disclose a timeline of at most three years for full implementation.</td>
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<tr>
<td></td>
<td>Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement - to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C - and to achieve net zero emissions before 2050.</td>
<td></td>
</tr>
<tr>
<td>Nature loss</td>
<td>Land use and ecological sensitivity</td>
<td>ESG Data (Environment) (P.12)</td>
</tr>
<tr>
<td></td>
<td>Report the number and area (in hectares) of sites owned, leased or managed for nature loss.</td>
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</tr>
<tr>
<td></td>
<td>There are no sites held within protected areas or biodiversity areas.</td>
<td></td>
</tr>
<tr>
<td>Freshwater availability</td>
<td>Water consumption and withdrawal in water-stressed areas</td>
<td>ESG Data (Environment) (P.12)</td>
</tr>
<tr>
<td></td>
<td>Report for operations where material: water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.</td>
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</table>
### Climate Change

#### Paris-aligned GHG emissions targets
- Define and report progress against time-bound science-based GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C.
- This should include defining a date before 2050 by which you will achieve net-zero greenhouse gas emissions, and interim reduction targets based on the methodologies provided by the Science Based Targets initiative, if applicable.
- If an alternative approach is taken, disclose the methodology used to calculate the targets and the basis on which they derive on the goals of the Paris Agreement.

#### Impact of GHG emissions
- Report wherever material along the value chain (GHG Protocol scope 1, 2 & 3) the real value impact of greenhouse gas emissions.
- Disclose the estimate of the societal cost of carbon used and the source or basis for this estimate.

<table>
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<tr>
<th>Theme</th>
<th>Expanded metrics and disclosures</th>
<th>Details and related information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate change</td>
<td>Climate Change Measures &amp; Environmental Protection (TCFD Report)</td>
<td>ESG Data &amp; Index 11/15</td>
</tr>
</tbody>
</table>

### People

#### Diversity and inclusion (%)
- Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).

#### Pay equality (%)
- Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.

#### Wage level (%)
- 1. Ratio of standard entry level wage by gender compared to local minimum wage.
- 2. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.

#### Risk for incidents of child, forced or compulsory labour
- An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to:
  - (a) type of operation (such as manufacturing plant) and type of supplier, and
  - (b) countries or geographic areas with operations and suppliers considered risk.

#### Health and safety (%)
- 1. The number and rate of fatalities as a result of work-related injury, high-consequence work-related injuries (excluding fatalities), recordable work-related injuries, main types of work-related injury, and the number of hours worked.
- 2. An explanation of how the organization facilitates workers’ access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.

#### Training provided
- Average hours of training per person that the organization’s employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees).
- Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).

### Prosperity

#### Absolute number and rate of employment
- Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region.
- Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.

#### Economic contribution
- Direct economic value generated and distributed (EVG&D), on an accruals basis, covering the basic components for the organization’s global operations, ideally split out by:
  - Revenues
  - Operating costs
  - Payments to providers of capital
  - Payments to government
  - Employee wages and benefits
  - Community investment
- Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.

#### Financial investment contribution
- Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company’s investment strategy.
- Share buybacks plus dividend payments, supported by narrative to describe the company’s strategy for returns of capital to shareholders.

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<td>Dignity and equality</td>
<td>Discrimination and harassment incidents (%) and the total amount of monetary losses ($)</td>
<td>ESG Data &amp; Index 11/15</td>
</tr>
</tbody>
</table>
| | Number of discrimination and harassment incidents, status of the incidents and actions taken, and the total amount of monetary losses as a result of legal proceedings associated with:
  - (a) law violations, and
  - (b) employment discrimination. | Whistle-Blowing Systems 11/15 |
| | Freedom of association and collective bargaining at risk (%) | ESG Data & Index 11/15 |
| | 1. Percentage of active workforce covered under collective bargaining agreements.
  - An explanation of the assessment performed on suppliers for which the right to freedom of association and collective bargaining is at risk, including measures taken by the organization to address these risks. | ESG Data & Index 11/15 |
| | Employee well-being | ESG Data & Index 11/15 |
| | The number of fatalities as a result of work-related ill-health, recordable work-related ill-health injuries, and the main types of work-related ill-health injuries for all employees and workers. | ESG Data & Index 11/15 |

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<td></td>
<td>Health and safety (%)</td>
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<td></td>
<td>Training provided</td>
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<td>Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region</td>
<td>ESG Data &amp; Index 11/15</td>
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<tr>
<td></td>
<td>Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region</td>
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**Status of Implementation of the Principles for Responsible Banking (PRB)**

MUFG is a signatory to the Principles for Responsible Banking (PRB) proposed by the United Nations Environment Programme and Finance Initiative (UNEP FI). Based on the objectives of the Principles for Responsible Banking, which were formulated to encourage banks to conduct business activities that are consistent with the goals of the international society, such as the SDGs and the Paris Agreement, MUFG will further develop its strategy from the perspective of “solving social issues” and strive to strengthen its contribution to international social goals.

<table>
<thead>
<tr>
<th>Principle: Alignment</th>
<th>High-level summary of bank’s response</th>
<th>Reference(s) Link(s) to bank’s full response/relevant information</th>
</tr>
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<tbody>
<tr>
<td><strong>(1.1)</strong> Describe (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.</td>
<td>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. We help our customers achieve growth by employing our many strengths. MUFG’s operators consist of seven business groups: Digital Service Business, Retail &amp; Commercial Banking Business, Japanese Corporate &amp; Investment Banking Business, Global Commercial &amp; Investment Banking Business, Global Commercial Banking Business, Asset Management &amp; 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. Our lending balance totalled approximately 101.5 trillion yen at the end of March 2021 of which domestic loans accounted for approximately 60% and overseas loans the remainder. 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.</td>
<td>Annual Report 2021, FY 2020 Investor Meeting Presentation – FY Ended Mar. 2021, P.1-13 (<a href="https://www.mufg.jp/english/csr/report/2021">https://www.mufg.jp/english/csr/report/2021</a> jewelry谎絶)</td>
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<tr>
<td><strong>(1.2)</strong> Describe 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 Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</td>
<td>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. We help our customers achieve growth by employing our many strengths. MUFG’s operators consist of seven business groups: Digital Service Business, Retail &amp; Commercial Banking Business, Japanese Corporate &amp; Investment Banking Business, Global Commercial &amp; Investment Banking Business, Global Commercial Banking Business, Asset Management &amp; 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. Our lending balance totalled approximately 101.5 trillion yen at the end of March 2021 of which domestic loans accounted for approximately 60% and overseas loans the remainder. 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.</td>
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</table>
In May 2021, we announced the “MUFG Carbon Neutrality Declaration” and became the first bank in Japan to publicize its fulfillment of society’s expectations in areas where MUFG’s capabilities can be brought to bear. We recognize climate change sustainability in light of our newly established Purpose, “Committed to empowering a brighter future.” with an eye to better fulfilling society’s expectations in areas where MUFG’s capabilities can be brought to bear.

Scope:
- The bank’s core business areas, products/services across the main industries that the bank operates in have been as described under 11. has been considered in the scope of the analysis.

Scale of Exposure:
- In identifying its areas of most significant impact, the bank has considered the scale and intensity/scale of the (potential) social, economic and environmental impacts resulting from the bank’s activities and provision of products and services.

Your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d) of this section. In building on this analysis, the bank has:
- Identified and disclosed its areas of most significant (potential) positive and negative impacts.
- Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts.

Impact Analysis:
- 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 environmental and social issues. This is MUFG’s definition of sustainability management.
- We have defined following 10 priority issues that must be tackled to help achieve environmental and social sustainability in light of our newly established Purpose, “Committed to empowering a brighter future.” with an eye to better fulfilling society’s expectations in areas where MUFG’s capabilities can be brought to bear.

a) Climate Change & Environmental Protection
b) Response to Aging Population & Low Birth Rate
- Inclusion & Diversity
c) Development Social Infrastructure
- Supporting Industrial Development & Innovation
- Ensuring Equal Access to Financial Services
- Promoting Workforce Reforms
- Response to Poverty
- Reduction of Educational Disparities
- Overcoming Threats to Health

We recognize climate change measures & environmental protection 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.

In May 2021, we announced the “MUFG Carbon Neutrality Declaration” and became the first Japanese bank committing to achieving net zero emissions in our finance portfolio. In addition to aiming to achieve net zero emissions in our finance portfolio by 2050, we will set and disclose an interim target for 2030 by the end of fiscal 2022, and report on our progress on an annual basis.

Based on the TCFD recommendations, the amounts and percentage of carbon-related assets (credit amounts) in our credit portfolio is 15.7 trillion yen (10.3%), including 8.0 trillion yen (5.2%) in the energy sector and 7.7 trillion yen (5.0%) in the utility sector as of March 31, 2021.

Environmental and social issues are now incorporated into business strategies, with each business group pursuing its own strategic measures addressing specific environmental and social issues. Raising the entire strength of the Group, we are thus striving to help resolve various issues society is now confronting, with the aim of embedding our Purpose and empowering our stakeholders to take the next step forward. In addition, we have set sustainable finance goals that will lead to the resolution of issues in the social field, such as “Supporting industrial development & innovation”, “Developing social infrastructure” and in the environmental field, such as “climate change measures & environmental protection”.

In May 2021, we announced the “MUFG Carbon Neutrality Declaration” and became the first bank in Japan to publicize its commitment to achieving a net zero status in terms of GHG emissions from its investment and financing portfolio.

In May 2021, we announced the “MUFG Carbon Neutrality Declaration” and became the first bank in Japan to publicize its commitment to achieving a net zero status in terms of GHG emissions from its investment and financing portfolio.

We have set the following targets for our approach to sustainability:

Sustainable Finance Goals
- MUFG aim to provide a total of 35 trillion yen in sustainable financing by fiscal 2030 through the social sector (18 trillion yen in the environmental sector) to contribute to solving the societal issues of sustainability, namely “Climate Change Measures & Environmental Protection” and “Developing Social Infrastructure” in the environmental field, such as “climate change measures & environmental protection”.

Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.

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 environmental and social issues. This is MUFG’s definition of sustainability management.

We have defined following 10 priority issues that must be tackled to help achieve environmental and social sustainability in light of our newly established Purpose, “Committed to empowering a brighter future.” with an eye to better fulfilling society’s expectations in areas where MUFG’s capabilities can be brought to bear. We recognize climate change measures & environmental protection 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.

In May 2021, we announced the “MUFG Carbon Neutrality Declaration” and became the first bank in Japan to publicize its commitment to achieving a net zero status in terms of GHG emissions from its investment and financing portfolio.
Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Target Setting.

We aim to achieve a cumulative total of 35 trillion yen in sustainable finance by FY2030 to help resolve social issues, including “supporting industrial development & innovation” and “developing social infrastructure”, and environmental issues, including climate change issues & environmental protection" (inclusive of positive impacts). Furthermore, we have set a target balance for coal-fired power generation projects financing and have announced the "MUFG Carbon Neutrality Declaration,” under which, in principle, we are planning to work with clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned, products and services developed; and where possible, the impacts achieved.

As part of efforts to strengthen its sustainability management system, MUFG has established a project system to monitor its sustainability initiatives, including progress towards targets.

The Sustainability Committee meets at least once a year, in principle, to deliberate on MUFG’s efforts to address environmental and social issues. The committee discuss and report on the content of deliberations, such as the current 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.

In May 2021, we announced the "MUFG Carbon Neutrality Declaration" and became the first Japanese bank committing to achieve net zero emissions in our financial portfolio.

In addition to aiming to achieve net zero emissions in our financial portfolio by 2050, we will set and disclose an emission target for 2030 by the end of fiscal 2022, and report on our progress on an annual basis.

We engaged two external experts in the environmental and social fields as permanent external advisors. Board members exchange views with the advisors and use advice and recommendations from their expertise in MUFG’s sustainability initiatives.

In addition, we established the position of Chief Sustainability Officer (CSuO) to clarify the responsibility related to the promotion of sustainability. For the time being, the officer in charge of corporate planning and strategy will also serve as the CSuO to enhance the promotion of sustainability, including integration with our core business.

The Sustainability Office of the Corporate Planning Division is in charge of planning for sustainability management, and is accelerating the company-wide implementation of sustainability-oriented management.

Furthermore, from the perspective of strengthening the system to support the realization of the "MUFG Carbon Neutrality Declaration" announced in May 2021, we have established a project team on a Group and global basis, including overseas partner banks, to support the Group’s operating companies and bases in each region to lead the way in decarbonization while taking into account the characteristics and circumstances of each region.

Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.

We have a governance system to monitor our sustainability initiatives including progress towards targets, thereby strengthening our sustainability promotion system.

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.

[3.1] Provide an overview of the policies and practices your bank has in place and/or 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.

With the conviction that environmental and social sustainability are essential to achieving sustainable growth for MUFG, and we aim to operate our business in a manner that integrates the resolution of environmental and social issues with MUFG’s management strategies.

We support our customers in their transition to a sustainable business model, both in terms of business opportunities and business risks.


[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, products and services developed; and where possible, the impacts achieved.


[3.3] Provide principles for your business activities and identify how your bank has a role in support of the United Nations’ Sustainable Development Goals.

Principle 4: ESG Impact

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society’s goals.

[4.1] Describe which stakeholders (or groups/types of stakeholder(s)) your bank has 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.


[4.2] Provide an overview of any policies or plans you have to implement the TCFD recommendations, or other policies and practices in support of your bank’s sustainability goals.

Society Governance Climate Change
Measures & Environmental Protection – TCFD Report – Sustainability Management Approach to Priority Issues

Principle 5: Governance & Culture

5.1 As part of efforts to strengthen its sustainability promotion system, MUFG has a governance system to monitor its sustainability initiatives, including progress towards targets. The Sustainability Committee meets at least once a year, in principle, to deliberate on MUFG’s efforts to address environmental and social issues. The committee discusses and reports on the content of deliberations, such as the confirmation of the status of sustainability initiatives, including the monitoring of the progress towards targets, and the integration and strengthening of the management plan, to the Board of Directors and the Executive Committee.

We engaged two external experts in the environmental and social fields as permanent external advisors. Board members exchange views with the advisors and use advice and recommendations from their expertise in MUFG’s sustainability initiatives.

In addition, we established the position of Chief Sustainability Officer (CSuO) to clarify the responsibilities related to the promotion of sustainability. For the time being, the officer in charge of corporate planning and strategy will also serve as the CSuO to enhance the promotion of sustainability, including integration with our core business.

Under the MUFG Way, which guides all of our activities, MUFG has established the MUFG Environmental Policy Statement as a specific action guideline for practicing environmental considerations. The MUFG Environmental Policy Statement has been determined by the Board of Directors since May 2021. The policy clearly states the company’s commitment to proactively disclose information on the environment, including climate change.

To advance our sustainability management, in fiscal 2021, we revised performance-linked indices used for the determination of executive compensation. The revised indices incorporate the degree of improvement in external ESG evaluation granted to MUFG by ESG rating agencies.

The Sustainability Office of the Corporate Planning Division is in charge of planning for sustainability management, and is accelerating the company-wide implementation of sustainability-oriented management. Furthermore, from the perspective of strengthening the system to support the realization of the “MUFG Carbon Neutrality Declaration” announced in May 2021, we have established a project team on a Group and global basis, including overseas partner banks, to support the Group’s operating companies and bases in each region to lead the way in decarbonization while taking into account the characteristics and circumstances of each region.

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.

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.

Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles:

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 established 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.

We hold in-house education and training sessions to promote a better understanding of sustainability. Also, to further improve the effectiveness of our sustainability management, we regularly hold training sessions for employees in order to keep them informed of 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.