

# Sustainability Management

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## Approach to Sustainability

### 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.

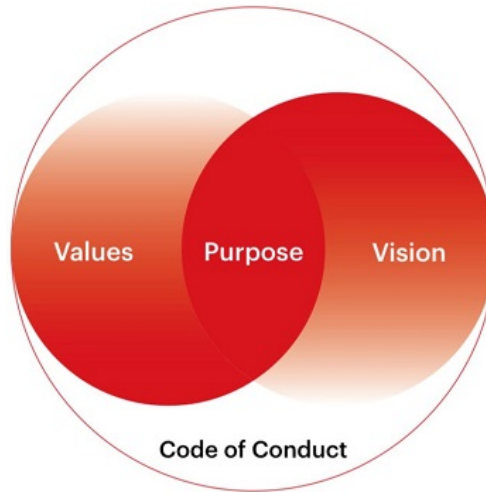
MUFG Way also is the foundation for management decisions, including the formulation of management strategies and management plans, and serves as the core value for all employees.

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.

MUFG Way

# What is the MUFG Way

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## Purpose

### Committed to empowering a brighter future.

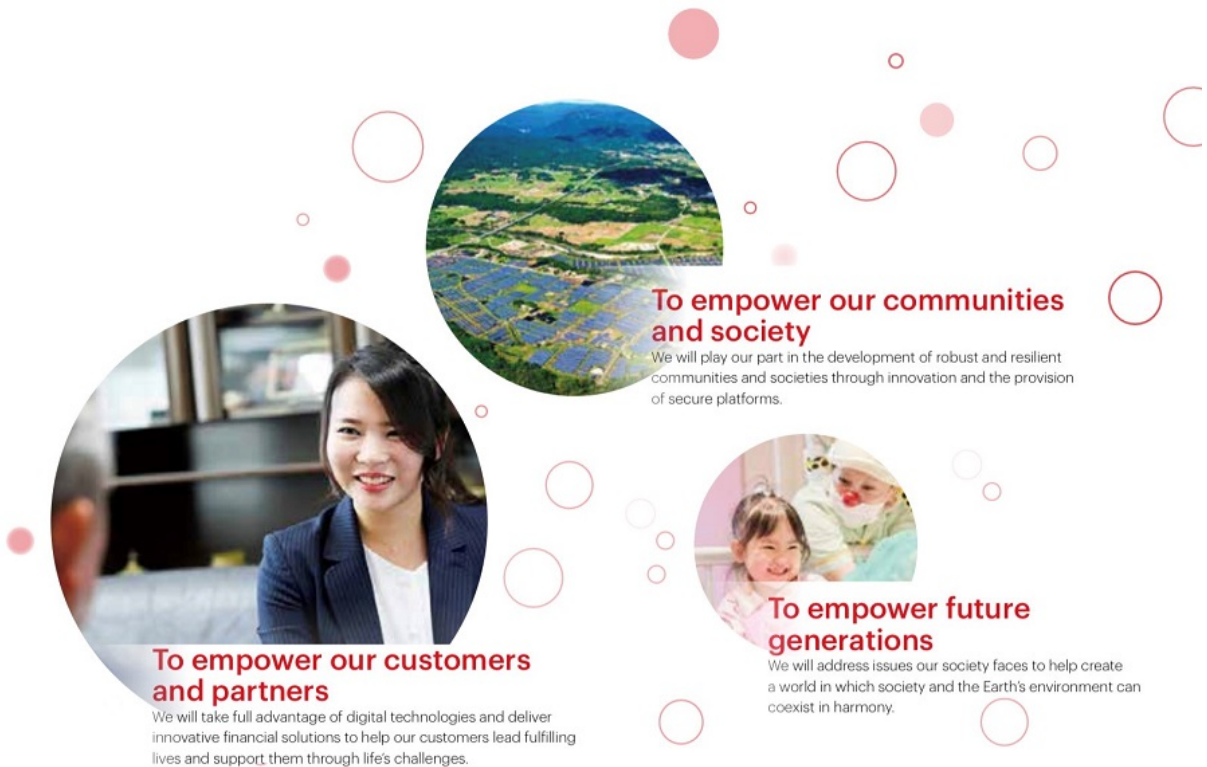
Today, all of our stakeholders are striving to overcome challenges and find a way to the next stage toward sustainable growth. We at MUFG will make every effort to help realize these goals. This will be our unchanging purpose now, and into the future.

## Values

In addition to our unchanging primary value of "Integrity and Responsibility," we also value "Professionalism and Teamwork" and will "Challenge Ourselves and Grow."

## Vision

By empowering our stakeholders to find a way to the next stage toward sustainable growth, we will make every effort to become an indispensable partner for them and to be the world's most trusted financial group.



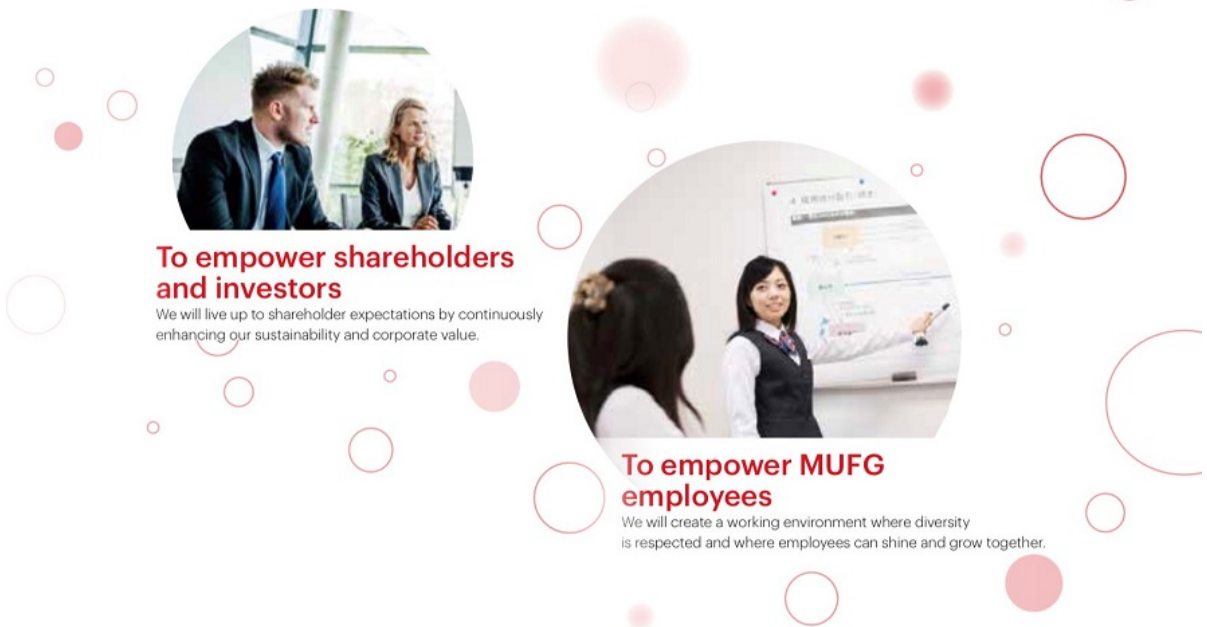
**To empower our customers and partners**  
We will take full advantage of digital technologies and deliver innovative financial solutions to help our customers lead fulfilling lives and support them through life's challenges.

**To empower our communities and society**  
We will play our part in the development of robust and resilient communities and societies through innovation and the provision of secure platforms.

**To empower future generations**  
We will address issues our society faces to help create a world in which society and the Earth's environment can coexist in harmony.

## Committed to empowering a brighter future.

We will work to resolve issues faced by all our stakeholders by formulating and executing strategies based on the challenges they confront.



**To empower shareholders and investors**  
We will live up to shareholder expectations by continuously enhancing our sustainability and corporate value.

**To empower MUFG employees**  
We will create a working environment where diversity is respected and where employees can shine and grow together.

## 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.

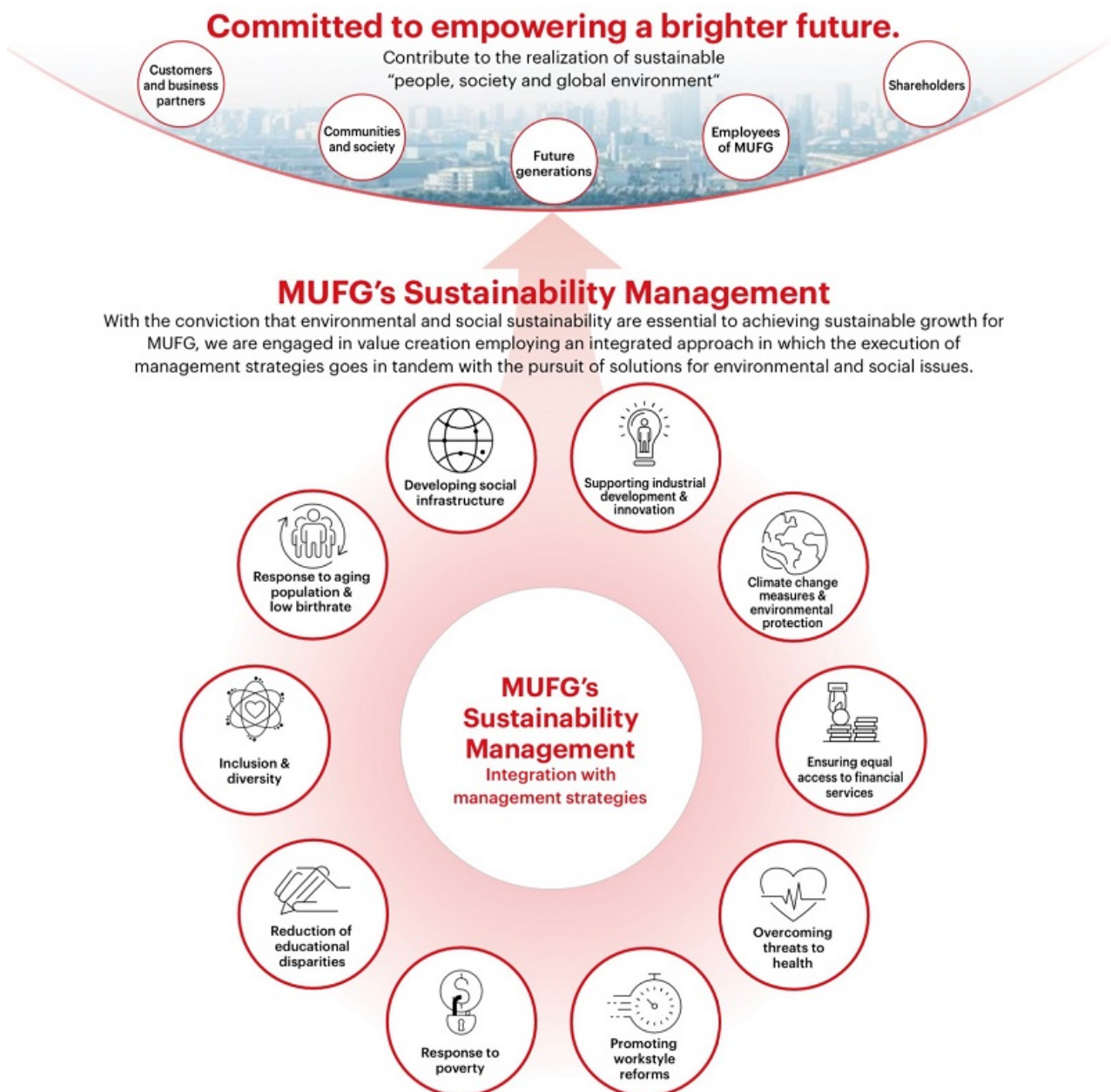
### Code of Conduct

- 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 (FY2021-FY2023)

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 FY2021, 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





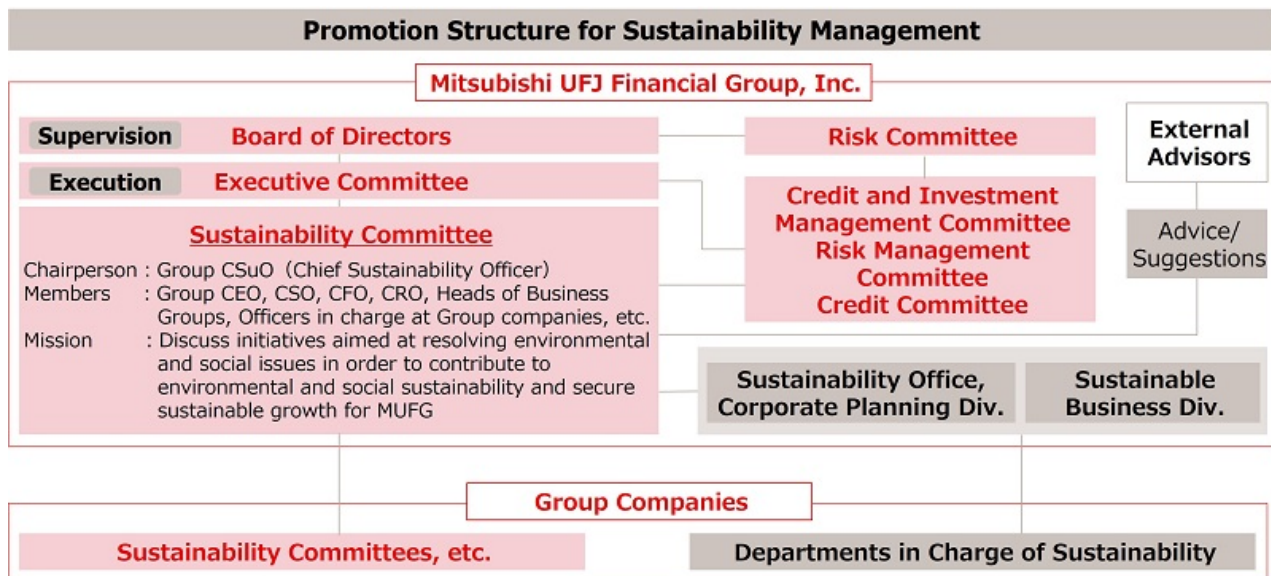
## Promotion of Sustainability

### Sustainability Promotion Structure

MUFG 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 responsible for all sustainability initiatives. Under the leadership of the Group Chief Strategy Officer (CSO), the CSuO continue the work closely with him to promote sustainability initiatives in conjunction with management strategies.

In principle, MUFG convenes the Sustainability 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, three 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)

The Group Chief Sustainability Officer is responsible for all initiatives to promote sustainability management.

#### 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 developing the foundation of MUFG's sustainability management as well as planning and promoting strategies for solving environmental and social issues while achieving sustainable growth.

## Sustainable Business Division

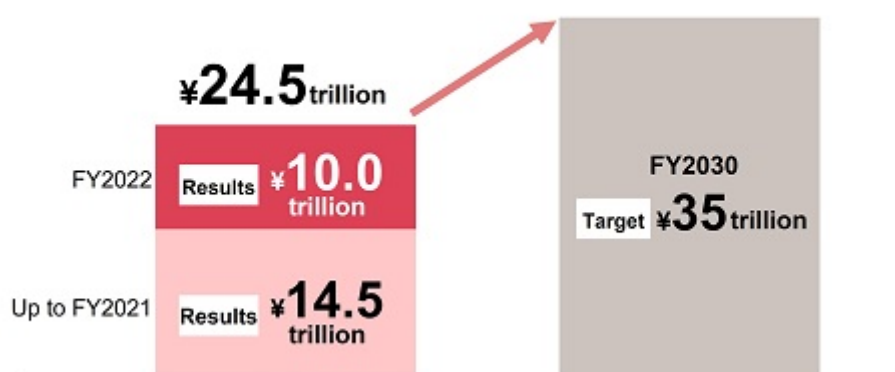
An organization dedicated to promoting sustainable business. By integrating MUFG's expertise in sustainability both in Japan and overseas, the Division supports the sustainable growth of customers by providing various types of information and solutions from the standpoint of solving environmental and social issues.

## Sustainable Finance

### Target and Progress

We have set the cumulative executed amount between fiscal year 2019 and fiscal year 2030 as our sustainable finance target for solving environmental and social issues. We are proceeding steadily toward this target, with a cumulative sustainable executed amount of ¥24.5 trillion (of which ¥8.9 trillion is in the environmental area) as of fiscal year 2022.

We are also considering a review of our sustainable finance targets through fiscal year 2030.



### Progress in Sustainable Finance Goals

【Unit: trillion yen】

Category		FY2019 results	FY2020 results	FY2021 results	FY2022 results	Cumulative	FY2030 goals
Environmental	Project finances, etc. for renewable energy and environment-related businesses	0.5	0.6	0.6	0.7	8.9	18.0
	Underwriting and sales of Green Bonds.	0.5	0.5	0.5	0.6		
	Corporate loan origination for businesses contributing to climate change mitigation and adaptation, etc.	0.2	0.3	0.3	1.0		
	Financial advisory for businesses that contribute to climate change mitigation and adaptation	0.8	0.3	0.3	0.1		
	Others	0.0	0.0	0.2	1.0		
Social	Finance for social infrastructure development and regional vitalization, etc.	1.0	1.3	1.6	2.5	6.4	17.0
Others	Finance for solutions of various environmental and social issues.	0.6	1.4	3.2	4.0	9.2	
Total		3.5	4.4	6.5	10.0	24.5	35.0

## 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).

## Responding to Funds-Supplying Operations to Support Financing for Climate Change Responses (Climate Response Financing Operations) at the Bank of Japan.

MUFG Bank and Mitsubishi UFJ Trust and Banking have been selected as counterparties of Funds-Supplying Operations to Support Financing for Climate Change Responses (Climate Response Financing Operations) at the Bank of Japan. The following include the criteria for eligible investment or loans for Climate Response Financing Operations by MUFG Bank and MUFG Trust and Banking.

### MUFG Bank

[Criteria for eligible investment or loans for Climate Response Financing Operations and disclosure of specific procedures for judgement on suitability \(in Japanese\) \(PDF / 95KB\)](#)

[Outstanding of investment or loans for Climate Response Financing at the end of each fiscal year \(in Japanese\) \(PDF / 179KB\)](#)

### MUFG Trust and Banking Corporation

[Criteria for eligible investment or loans for Climate Response Financing Operations and disclosure of specific procedures for judgement on suitability \(in Japanese\) \(PDF / 137KB\)](#)

[Outstanding of investment or loans for Climate Response Financing at the end of each fiscal year \(in Japanese\) \(PDF / 179KB\)](#)

## Issuance of Green, Social and Sustainability Bond

MUFG is the only issuer in Japan with a track record of issuing green, social, and sustainability bonds as the largest financial institution in Japan. The proceeds from bonds issued by MUFG will be used for sustainability-related financing.

Green, Social, and Sustainability Bonds

## Stakeholder Engagement

### Stakeholder

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 dialogs 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.

Key Stakeholder Groups	Policies for Improving Corporate Value
Customers and partners	<p>Deliver both financial and non-financial solutions to help customers resolve challenges they are confronting through business operations that precisely align with changes in the business environment and leverage MUFG's strength</p> <ul style="list-style-type: none"> <li>Initiatives of each business group</li> <li>Engagement with customers for decarbonization based on collaboration with external partners: Approximately 1,500 corporate clients at home and abroad</li> <li>Customer feedback volume: Approximately 180,000 instances,<sup>(note)</sup> including 214 inputs utilized to improve services</li> </ul> <p><small>(note) The Bank, the Trust Bank, MUMSS, NICOS and ACOM</small></p>
Communities and society	<p>Serve as a component of the financial infrastructure supporting society by offering stable funding and making our solid operations and systems available to customers while contributing to the social transition to digital technologies</p> <ul style="list-style-type: none"> <li>Number of dialogues held with NPOs/NGOs: 27</li> <li>Response to aging population &amp; low birthrate</li> <li>Supporting business efforts and innovation-oriented endeavors aimed at resolving social issues</li> <li>Cyber security-related initiatives</li> </ul>
Future generations	<p>Discover opportunities from the pressing need to solve environmental and social issues, thereby becoming a pioneering company blazing a path into the coming era</p> <ul style="list-style-type: none"> <li>Moving towards Carbon Neutrality</li> <li>Participation in climate change-related initiatives and the dissemination of MUFG's opinions</li> <li>Disclosure based on TCFD recommendations</li> <li>Promoting sustainable businesses</li> <li>Participation in various global initiatives</li> </ul>



Key Stakeholder Groups	Policies for Improving Corporate Value
MUFG Colleagues	<p>Promote corporate culture reforms focused on “speed” and “new challenges” by winning employee empathy toward “Corporate Transformation” via dialogue</p> <ul style="list-style-type: none"> <li>• Human capital management</li> <li>• Number of employees who applied for Job Challenge, an in-house job-posting program: 2,630, the ratio of applicants transferred to desired positions via the program: 44%</li> <li>• MUFG Way Employee Sessions, MUFG Way Boost Project</li> <li>• Spark X—new business incubation program</li> <li>• Town hall meetings attended by top management members</li> </ul>
Shareholders and investors	<p>Maintain highly transparent information disclosure and engagement in constructive shareholder dialogue while reflecting shareholder feedback in business management and strategies</p> <ul style="list-style-type: none"> <li>• Number of attendees at the General Meeting of Shareholders: 758 (a total of 1,516 shareholders watched the meeting online)</li> <li>• Number of presentation meetings held for institutional investors and analysts: 7</li> <li>• Dialogue between outside directors and institutional investors</li> <li>• Number of individual meetings with institutional investors: 359 (215 meetings with overseas investors)</li> <li>• Number of online seminars held for individual investors: 4 (a cumulative total of 3,200 viewers)</li> </ul>

## Having Dialogues with Stakeholders

### Opening of MUFG PARK

In June 2023, MUFG and MUFG Bank renovated a company owned sports ground in Nishitokyo City, western Tokyo, into a multi-use facility open to the public, called MUFG PARK. MUFG PARK is equipped with tennis courts, sports grounds, and a community library. A variety of events involving community residents are planned.

Under the concept of "offering a base for pursuing your own high quality of life," MUFG PARK hopes to become a force by empowering the region and society. It seeks to do so by tackling the preservation and handover of precious nature, support for the formation of communities, the creation of a resilient society equipped with strength, and other regional and societal issues that we should address on behalf of the next generation through dialogue with the community and participation by employees. We also aim to communicate to society, the varied experiences (know-how) and values cultivated in the facility.



## Group CEO Joins with Employees from Three Group Entities in Indonesia in a Town Hall Meeting, Engaging in Vigorous Discussions

To improve employee engagement, we have been proactively holding town hall meetings attended by officers in Japan and overseas. For the same purpose, a growing number of departments and branches have recently taken the initiative of hosting roundtable talks and other events.

In September 2022, President & Group CEO Kamezawa flew to Indonesia to host a town hall meeting.

Approximately 200 employees from three Group entities—the Bank’s Jakarta Branch, Bank Danamon, and Adira Finance (a subsidiary of Bank Danamon)—gathered at the venue.

Over the past decade, MUFG has placed utmost emphasis on executing investment in the country due to its high economic growth rate, with the acquisition of Bank Danamon being a prime example of this focus. While addressing attendees at the meeting, Mr. Kamezawa spoke in the Indonesian language to share MUFG’s Purpose of being “Committed to empowering a brighter future.” He communicated a powerful message with regard to his expectations for the concerted dedication of staff at three Group entities to work as One Team to empower a brighter future for Indonesia.

Also, a variety of questions from employees were addressed, encompassing such topics as diversity, equity & inclusion (DEI) and MUFG’s digital transformation (DX) strategy. The meeting was thus successful in improving employee engagement. Following the event, Mr. Kamezawa paid visits to neighboring Group bases and local financial authorities, attracting the attention of local media, with his activities covered in multiple news stories. In this way, his travel to Indonesia helped demonstrate MUFG’s commitment to supporting Indonesia’s development.



## Climate Change Initiatives Seminar

Positioning sustainability as one of the most important themes of our current Medium-Term Business Plan, MUFG has made significant progress in addressing climate change since the MUFG Carbon Neutrality Declaration in 2021.

In May 2023, we published a presentation on our website to highlight our progress along with major future initiatives, and held a Q&A session for institutional investors and analysts in live stream format.

At the Q&A session, we received questions about self-evaluation of efforts so far, MUFG’s approach to the climate change related shareholder proposals at the 18th Annual General Meeting of Shareholders, sustainable finance targets, and other topics.

Analysts and investors reacted positively to MUFG’s initiatives and stance. They also recognized the importance of the event as an opportunity to interact with CSO and CSuO, and praised our presentation structure that provided specific responses and viewpoints regarding the shareholder proposals.

