



MUFG Human Rights Report 2024

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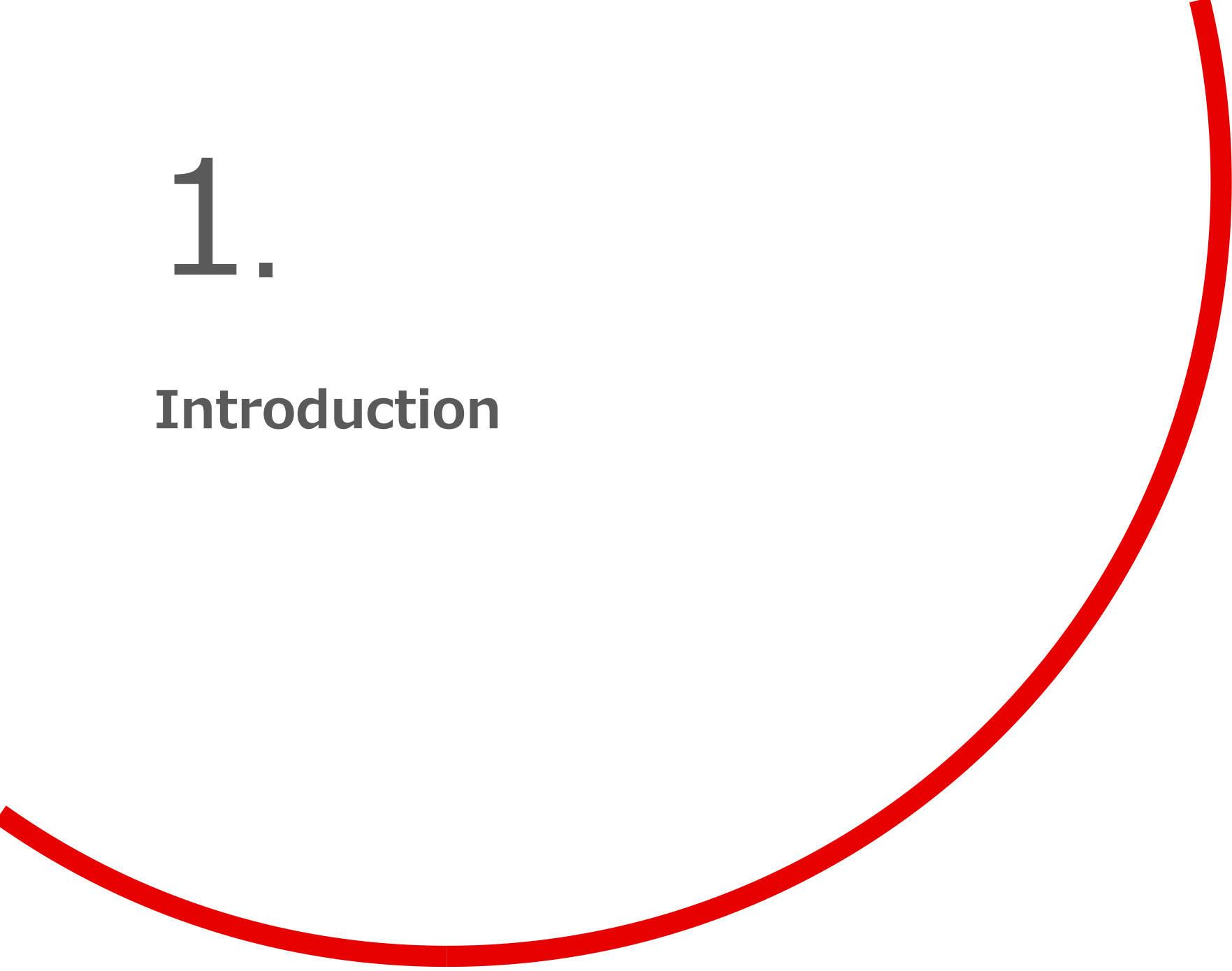
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1.

Introduction



Executive Summary

Respect for human rights is a universal value that is common to all humankind. Since the United Nations' adoption of the "Guiding Principles on Business and Human Rights" in 2011, respect for human rights has been regarded as ever more important in business activities. However, since that time, social issues including violations to human rights have diversified and aggravated with the progress of globalization and increasingly complex value chains. In recent years, Western nations adopted legislation requiring human rights due diligence and the Japanese government developed the "Guidelines on Respecting Human Rights in Responsible Supply Chains, etc.," requiring respect for human rights to be ensured not only individual single businesses but in entire supply chains.

Since establishing the Human Rights Statement and Environmental and Social Policy Framework in 2018, MUFG has been engaged in various initiatives to promote respect for human rights. Our initiatives include promoting respect for human rights among employees by preventing discrimination and harassment, and among borrowers / investees through bolstering due diligence concerning child labor, forced labor, and human trafficking, as well as expanding remedial contact points by joining Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), all of which were described in the "MUFG Human Rights Report" published in FY2023.

The following are the four key points of this "Human Rights Report 2024," which includes the progress we made from last year.

1 Policy Commitment:

Revisions to the Human Rights Statement and Environmental and Social Policy Framework (P.13,34), considerations about human rights in establishing AI management procedures (P.26)

2 Respect for Human Rights among Employees:

Revisions to MUFG Human Resources Principles (P.23), DEI Statement (P.24), new employee engagement survey score and percentage of female managers in executives' performance evaluation (P.24)

3 Respect for Human Rights in Financial Services:

Contributions to financial inclusion through investment in subsidiaries of Home Credit (Philippines-Indonesia) (P.28), supporting customers in respecting human rights and promoting DEI by providing sustainability-linked loans (P.30)

4 Respect for Human Rights among Investees / Borrowers and Suppliers:

Results in and examples of human rights due diligence (P.32-37)

Our new Medium-Term Business Plan (MTBP), which started in FY2024, integrates our efforts in driving social and environmental progress into our business strategies as part of three pillars of the MTBP. Respect for human rights has also been selected as one of our priority issues in sustainability management for realizing a sustainable environment and society. As society's expectations for respect for human rights promise to grow further, to demonstrate our Purpose as being "Committed to empowering a brighter future," MUFG will put our policy on respect for human rights into practice and unite our Group companies worldwide to contribute to the realization of a sustainable environment and society.

Main Areas of Progress

Main Areas of Progress from FY2023

Main Past Initiatives	
Internal System	<ul style="list-style-type: none"> Establishing MUFG's Human Rights Statement Having discussions on respect for human rights at the Sustainability Committee and reporting to the Board of Directors Establishing a working group for human rights initiatives
By Stakeholder	Employees <ul style="list-style-type: none"> Establishing MUFG Human Resources Principles Initiatives to prevent harassment Designating an Inclusion & Diversity (I&D) month Setting targets for the percentages of female managers and male employees taking parental leave
	Customers <ul style="list-style-type: none"> Managing customers' information appropriately Implementing measures against global financial crimes Providing universal services Contributing to ensuring equal access to financial services in Asia
	Borrowers / Investees <ul style="list-style-type: none"> Establishing and implementing applying MUFG Environmental and Social Policy Framework Bolstering human rights due diligence concerning child labor, forced labor, and human trafficking Initiatives in adherence to the Equator Principles
	Suppliers <ul style="list-style-type: none"> Revising our "Approach to Purchasing Activity" and adding details about respect for human rights and environmental considerations as requirements for suppliers Conducting trial screenings for severe forms of human rights violations
Disclosure of Information	<ul style="list-style-type: none"> Publishing our first Human Rights Report
Engagement	<ul style="list-style-type: none"> Improving engagement with stakeholders including employees, customers, borrowers / investors, suppliers, human rights groups, NGOs, shareholders, etc.
Grievance Mechanism / Remedy	<ul style="list-style-type: none"> Setting up consultation desks for employees and customers Joining the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) and establishing a remedy for adverse human rights impacts throughout the value chain

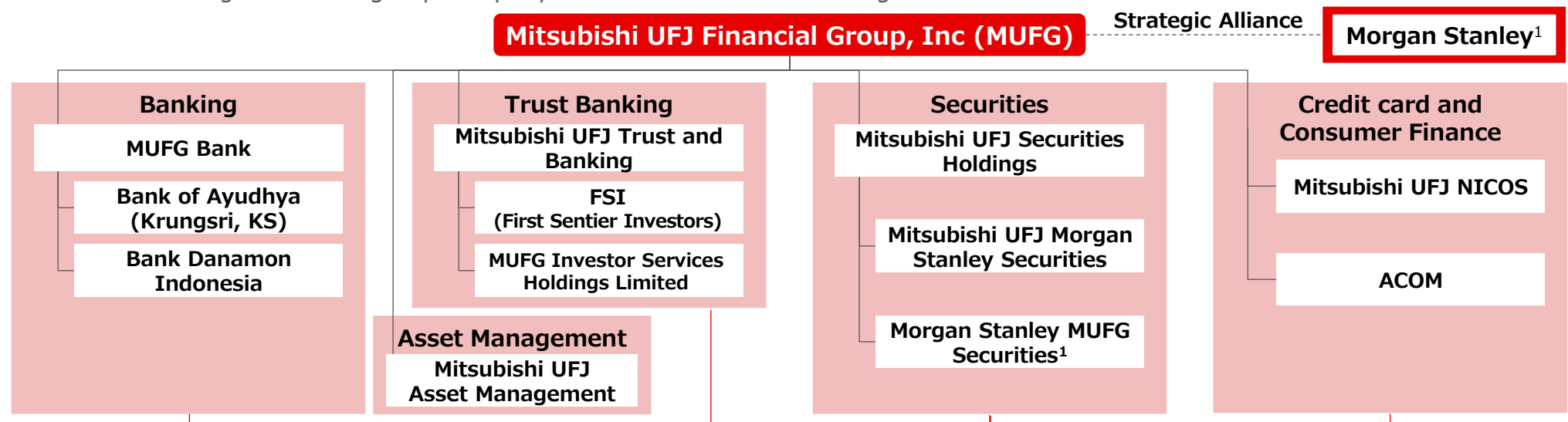
Main Areas of Progress from FY2023

- Selecting respect for human rights as a priority issue in sustainability management (P.7)
- Revising the Human Rights Statement (P.13)
- Revising MUFG Human Resources Principles as a basic policy to improve employee engagement and promote DEI (P.23)
- Reflecting employees' engagement survey scores and percentages of female managers in executives' compensation (P.23-24)
- Formulating the DEI Statement (P.24)
- Publishing MUFG's Health Management Declaration (P.25)
- Considering human rights in establishing AI management procedures (P.26)
- Making a contribution to financial inclusion through investment in subsidiary Home Credit (P.28)
- Conducting a proof of concept on digitalizing RSPO¹, a certification that prevents human rights violations including child labor and promotes environmental awareness (P.29)
- Providing support for initiatives to promote respect for human rights through finance (P.30)
- Providing support for startups founded or managed by women or persons with diverse backgrounds (P.30)
- Considering setting up a non-repayable scholarship fund based on donations (P.30)
- Revising MUFG Environmental and Social Policy Framework (mining and biomass power generation) (P.34)
- Conducting due diligence on borrowers / investees (enriched contents on the number of cases and their details) (P.36-37)
- Conducting surveys on more serious human right violations (P.38)
- Publishing the MUFG Human Rights Report 2024
- Holding discussions with external experts (Mr. Takasaki from ILO Office for Japan, etc.) (P.18)
- Participating in the UN Forum on Business and Human Rights (P.18)
- Conducting engagement activities to promote respect of human rights in asset management (P.40-41)
- Operating consultation desks for grievances and remediation (P.44-46)

(Note) 1. RSPO stands for Roundtable on Sustainable Palm Oil. It promotes the production, purchase, financing, and use of sustainable palm oil products; develops, implements, verifies, and assures international standards; and conducts periodic reviews.

MUFG's Business Description

MUFG is a comprehensive financial group that provides a variety of financial services, centering on banking, trust banking and securities companies. We have introduced a business headquarters system in which all group companies work closely together to centrally defined strategies and promote their businesses. Each business group develops strategies and manages measures that combine the strengths of each group company in order to meet a wide range of customer needs.



Consolidated Basis

Market Capitalization		JPY 19.2Tn
Deposit Balance Consolidated Basis		JPY 224.0Tn
Lending Outstanding Consolidated Basis		JPY 118.3Tn
Total Assets		JPY 403.7Tn
Number of Locations	Japan	431
	Overseas²	1,571
Number of Employees		approx. 140 thousand
Percentage of Foreign National Employees		63%

(as of the end of March, 2024)

Business Groups	Retail & Digital Business Group	Providing financial services to individual customers in Japan (excluding wealth management) through the best mix of real, remote, and digital channels
	Commercial Banking & Wealth Management Business Group	Providing a wide range of financial services such as lending, fund settlement, asset management, inheritance and real estate, and business and asset succession solutions for individuals and corporate customers in Japan
	Japanese Corporate & Investment Banking Business Group	Providing solutions for major Japanese companies by leveraging the expertise of each group company, including lending, fund settlement, foreign exchange and other services, M&A, and real estate-related business
	Global Commercial Banking Business Group	Providing financial services for companies operating in ASEAN, local SMEs, and individual customers through partner banks ³
	Asset Management & Investor Services Business Group	Responding to the needs of customers in Japan and overseas through consulting utilizing advanced and specialized know-how, and improving investment and product development capabilities in asset management, asset administration, and pension businesses
	Global Corporate & Investment Banking Business Group	Providing high value-adding solutions for large global corporate clients by integrating the Group's core commercial banking and securities functions
	Global Markets Business Group	Mainly responsible for client-facing business centering on sales and trading of interest rates (bonds), foreign exchange, and equities, as well as the overall operation and management of MUFG's assets, liabilities, and various risks

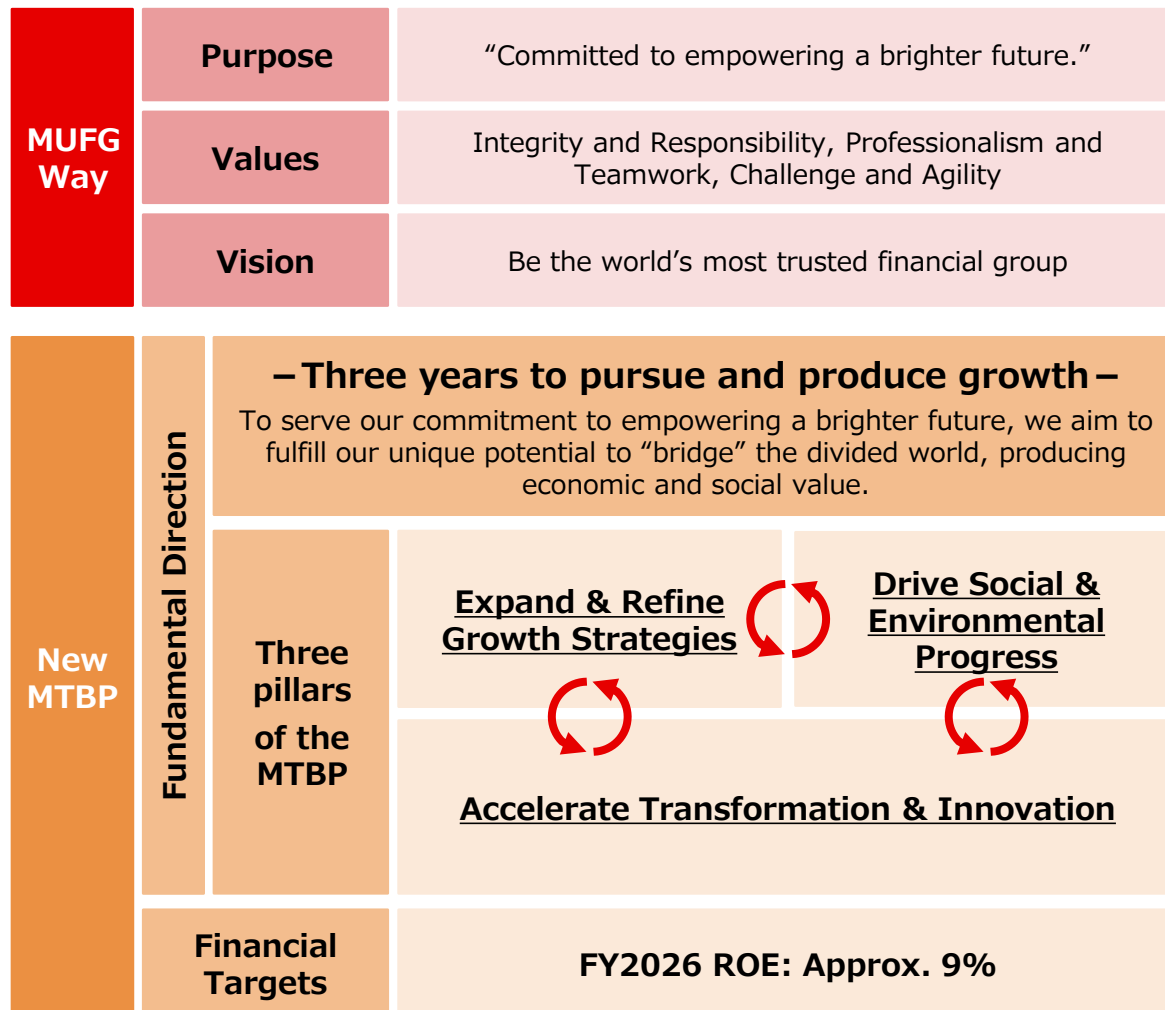
(Note) 1. Equity method affiliates 2. Includes 466 offices of Adira Finance, a subsidiary of Bank Danamon Indonesia 3. Krungsri, Bank Danamon Indonesia, VietinBank (Vietnam), Security Bank (Philippines)

The Positioning of Respect for Human Rights


NEW

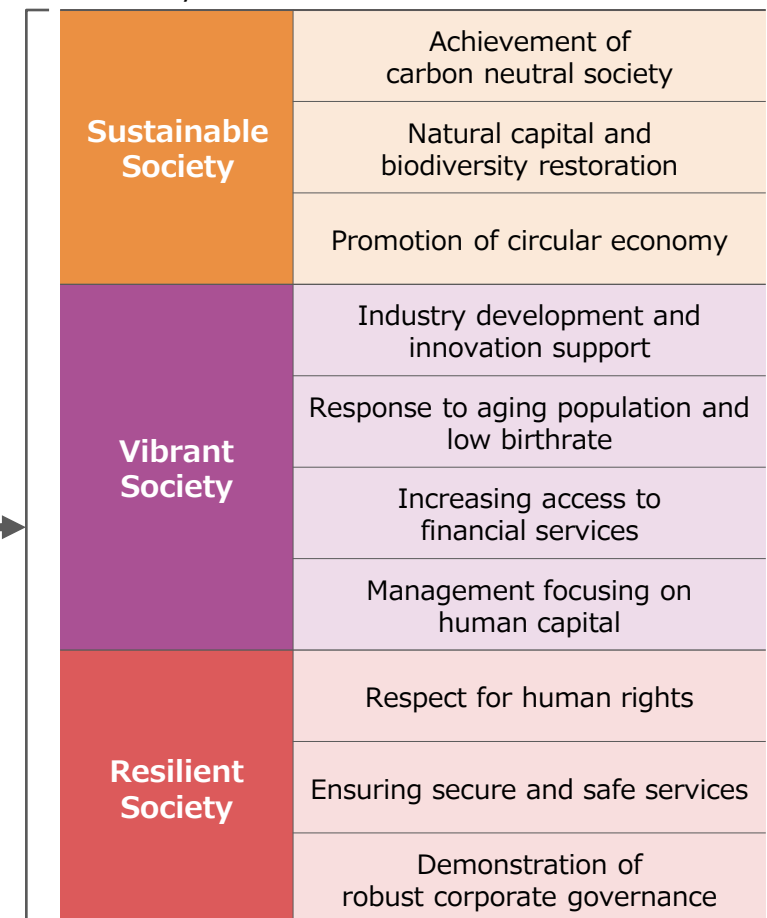
FY2024 marks the start of our new Medium-Term Business Plan (MTBP) which lasts for three years. As part of the three pillars of the new MTBP, we have integrated our efforts in driving social and environmental progress into our business strategies to further bolster our efforts. Respect for human rights has also been selected as one of our priority issues in sustainability management for realizing a sustainable environment and society, as well as an essential factor for a resilient society.

Fundamental Direction Set Forth in the New MTBP



Priority Issues

MUFG has set priority issues under the sustainability management to achieve a sustainable environment and society.



Issues to be Addressed Integrally with Human Rights

MUFG believes that it is important to tackle issues related to climate change, natural capital, and the circular economy by linking each issues together with human rights, as these issues are closely related. MUFG's activities in each area are disclosed in reports and other publications.

Example of Connection with Natural Capital

Response to Climate Change

Climate change causes higher atmospheric temperatures, an increase in extreme climate phenomena, and rising sea levels, which lead to negative impacts such as health damage due to more frequent heat strokes and displacement of people from their homes.



MUFG Climate Report 2024

Rehabilitation of Natural Capital

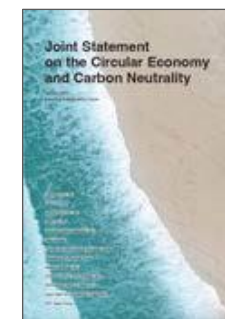
Damage to natural capital due to overdevelopment and environmental destruction leads to negative impacts on people's lives such as adverse effects on the surrounding population due to air and water pollution, and lower food production.



MUFG TNFD Report

Transition to a Circular Economy

Failure to reuse resources and reduce waste worsens environmental pollution, hampering people's access to clean water, air, and safe food, with a negative impact on their health and welfare.

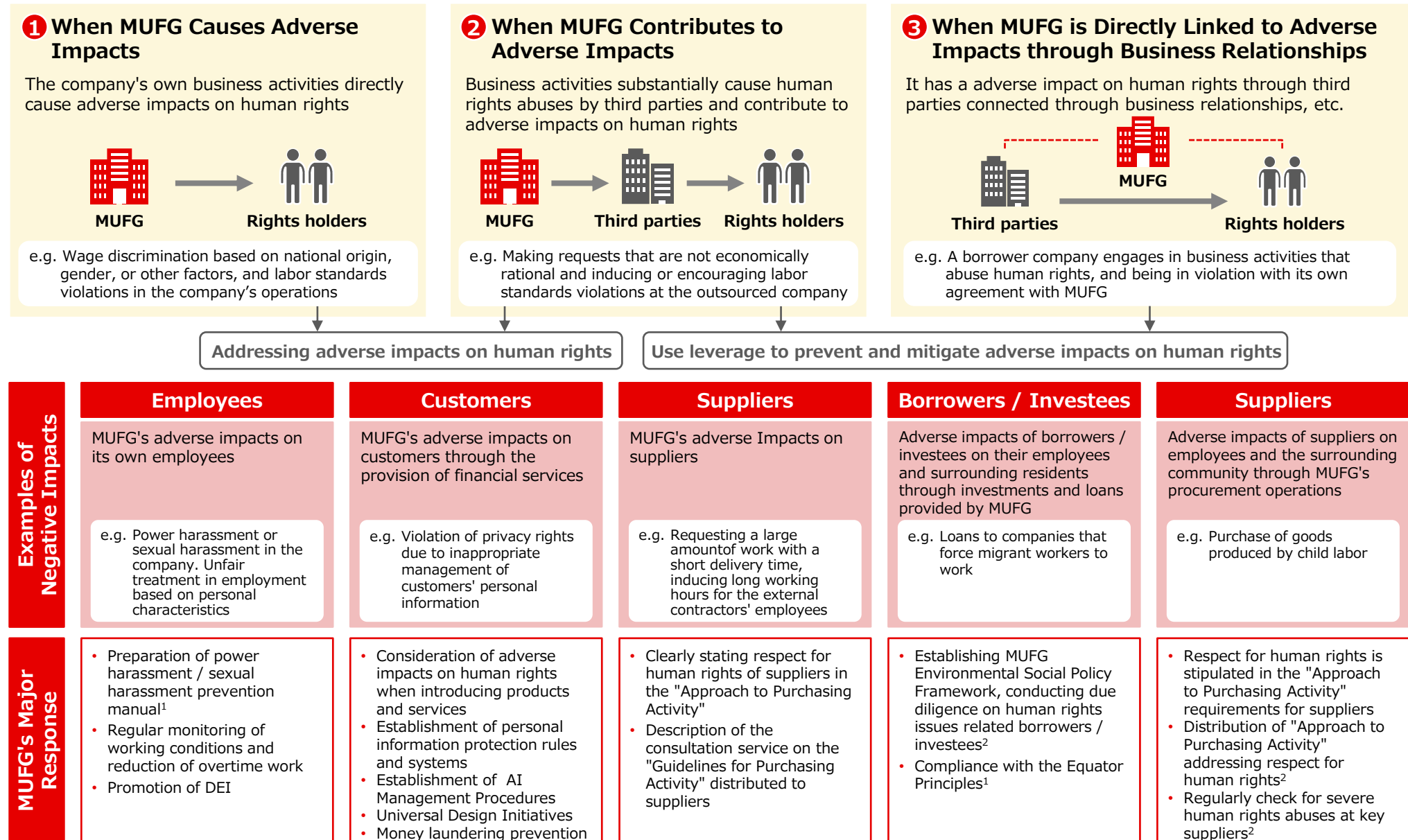


Joint Statement on the Circular Economy and Carbon Neutrality¹

(Note) 1. Announced with member companies of PwC Japan Group's Executive Sustainability Forum

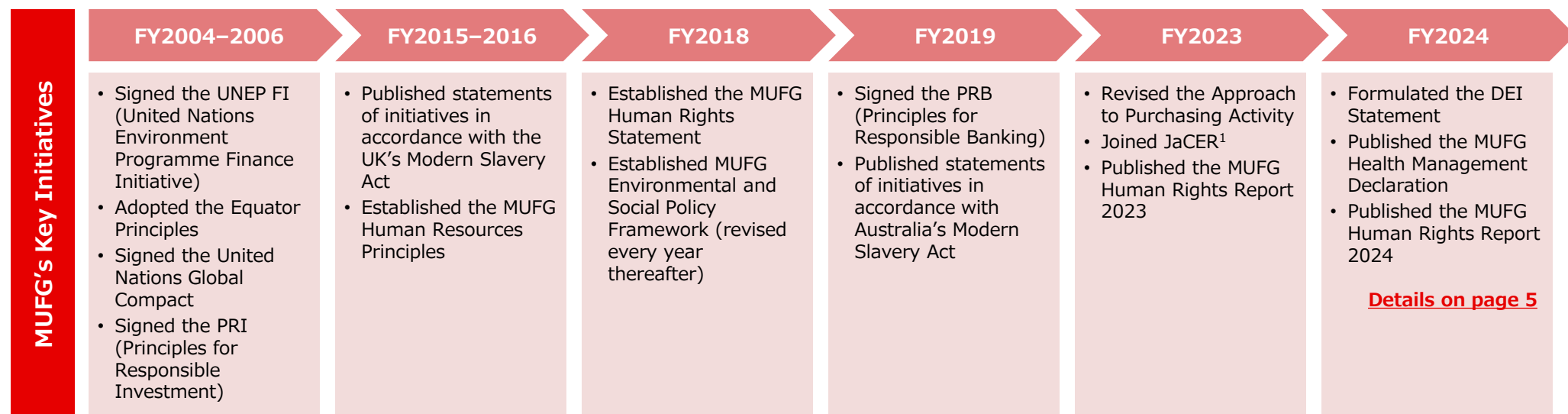
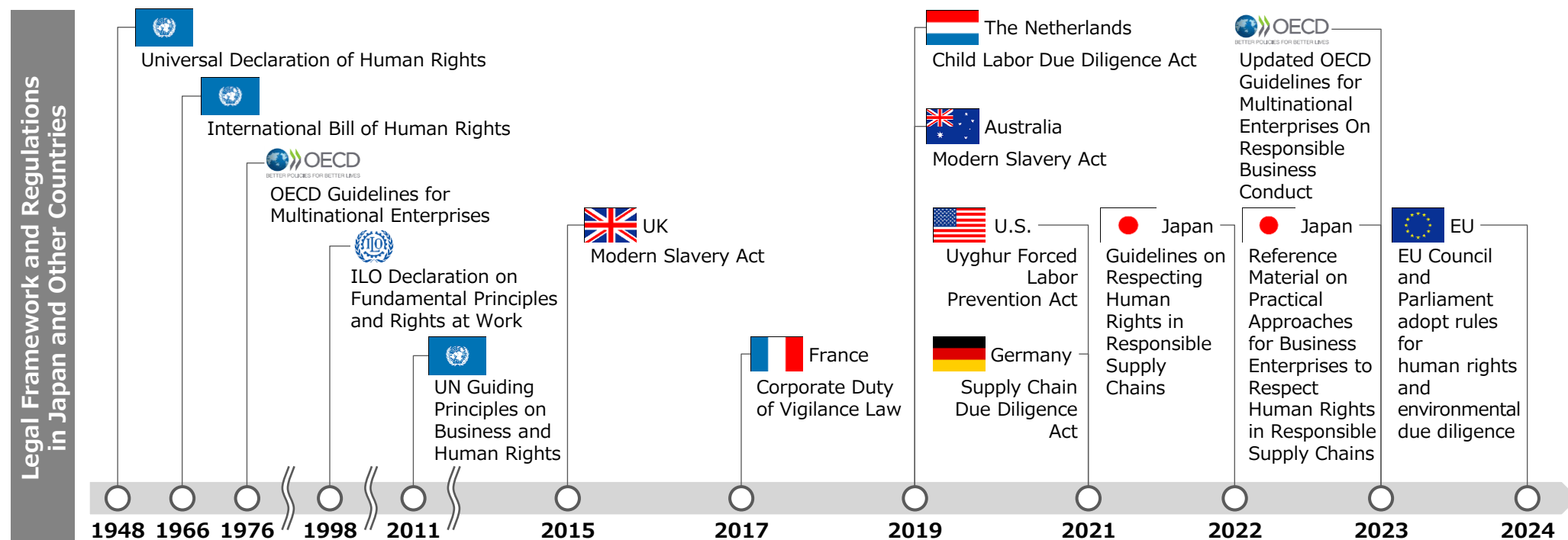
Respecting Human Rights as a Financial Institution

MUFG understands that our business activities may cause or contribute to adverse impacts on human rights or be directly linked to them through business relationships, and that it is expected to promote and encourage responsible corporate behavior by our business partners through engagement activities. We will strive to prevent adverse impacts on human rights, and if adverse impacts occur, we will endeavor to address the adverse impacts in accordance with the forms of involvement described in ① through ③ below.



(Note) 1. Initiatives of the Bank 2. Initiatives of the Bank, Trust Bank and Securities

MUFG Initiatives To Date



(Note) 1. Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), providing an "engagement and remedy platform," a non-judicial grievance platform in compliance with the UN Guiding Principles on Business and Human Rights.

2.

**Human Rights Statement /
Promoting Respect for Human
Rights**



Policy Commitment and Rules on Respect for Human Rights

Under the "MUFG Way" which articulates the values that guide all we act, "Committed to empowering a brighter future." is our Purpose set forth, and we are working to provide solutions to our respective customers, the society, and all other stakeholders. MUFG Human Rights Statement is based on MUFG Group Code of Conduct, established under the MUFG Way, and pledges to respect human rights in our business activities. Under MUFG Human Rights Statement, we have established various guidelines, policies and rules to respect for human rights.

The standards on how executives and employees should make decisions and act in day-to-day business activities under the MUFG Way.

MUFG Way

Our purpose "Committed to empowering a brighter future."

The basic policy in conducting our business activities and provides guidelines for all group activities.

MUFG Group Code of Conduct

MUFG Human Rights Statement

Customers

Information Management	Personal Information Protection Policy
Prevention of Money Laundering, etc.	Global Financial Crimes Policy Statement
Financing Facilitation	Basic Policy for Financing Facilitation ¹

Borrowers / Investees

Borrowers / Investees	MUFG Environmental and Social Policy Framework
	The Equator Principles ¹

Suppliers

Purchasing Activities	Approach to Purchasing Activity
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Employees

Workplace Environment DEI	MUFG Human Resources Principles
	DEI Statement
	Health Management Declaration
Harassment Prevention	Manual for Sexual Harassment Prevention ¹
	Manual for Power Harassment Prevention ¹
	Manual for Prevention of Harassment Related to Pregnancy, Childbirth, Childcare Leave, Family Care Leave, etc. ¹

(Note) 1. Initiatives of the Bank

Human Rights Statement Development Process / MUFG Human Rights Statement

Human Rights Statement Development Process (Established in 2018, Revised in 2021, 2024)

Environmental / Peers Research and Analysis

- We researched and analyzed international guidance such as the "Guiding Principles on Business and Human Rights" and ILO Standards, human rights policies and environmental / societal risk management policies of other leading financial institutions.

Identifying Human Rights Issues

- We ascertained human rights issues highly relevant to MUFG by referencing international principles for human rights and disclosures of other leading financial institutions.
- We discussed with the business and human rights experts, and held dialogues about human rights issues that should be stated in our Human Rights Statement.

Affirming and Organizing Initiatives, Draw up a Human Rights Statement Draft

- After affirming and organizing initiatives at hand on various human rights issues with the relevant departments, we compared them with international principles for human rights and initiatives of leading companies for gaps.
- We drafted the Human Rights Statement based on the organized human rights issues that MUFG should address and the direction to be aimed at. We stipulated that not only should MUFG promote respect for human rights, but also encourage our customers and suppliers to respect human rights.

Establishing a Human Rights Statement and development of a system

- We prepared a final draft policy based on the opinions of experts and the relevant departments of the Group in Japan and overseas, discussed it at the Sustainability Committee and resolved it at the Management Committee (and resolved to revise it at the Board of Directors meeting in 2021), established MUFG Environmental and Social Policy Framework as a subordinate regulation, and prepared and enhanced a management system.

Revision in FY2024


NEW

In light of the external environment and expectations from stakeholders, the Human Rights Statement was revised on April 2024.

Revision details

- Adding awareness of the impact of climate change, loss of natural capital, and AI on human rights (Articles 2)
- Adding policies on human rights due diligence and descriptions of risk identification related to human rights (Articles 5, 11)
- Expanding descriptions of consideration for human rights by stakeholder category (Articles 6-9)

MUFG Human Rights Statement

1. Commitment to Respect Human Rights

Mitsubishi UFJ Financial Group (hereinafter referred to as "MUFG") recognizes respect for human rights as an important issue to be addressed in the management of our business for the realization of our Purpose of "Committed to empowering a brighter future." defined under the MUFG Way. We are committed to endeavor to fulfill our responsibility to respect human rights across all of our operations.

2. Human Rights Principles

MUFG is guided by the following international principles for human rights:

- Universal Declaration of Human Rights
- Declaration on Fundamental Principles and Rights at Work (International Labour Organization (ILO))
- Guiding Principles on Business and Human Rights

In addition, MUFG supports and promotes the international initiatives in Reference.

While national governments are primarily responsible for protecting the human rights of their citizens, MUFG supports and respects internationally recognized human rights standards, regardless of whether the national legislation of the relevant country contains such protections or not.

In countries where local legislation conflicts with internationally recognized human rights standards, MUFG seeks to respect international standards.

In addition, MUFG recognizes that environmental issues, such as climate change and the loss of natural capital or biodiversity, as well as artificial intelligence (AI) technology, can have impacts on human rights.

3. Positioning of the Human Rights Statement

Under the "MUFG Way", which articulates the values that guide all we do, "Committed to empowering a brighter future." is our Purpose set forth, and we are working to provide solutions for our respective customers, the society, and all other stakeholders. With this Human Rights Statement, which is approved by the Board of Directors, we pledge to respect human rights throughout our business activities on the basis of the "MUFG Group Code of Conduct" under the MUFG Way.

4. Applicability & Scope

In compliance with this MUFG Human Rights Statement, executives and employees of each group company strive to respect human rights.

Additionally, MUFG urges clients and suppliers of each group company to respect human rights. MUFG also works to respond in an appropriate manner to known cases of human rights violation by our clients or suppliers

Human Rights Statement Development Process / MUFG Human Rights Statement

5. Human Rights Due Diligence

MUFG respects the “OECD Due Diligence Guidance for Responsible Business Conduct” and engages in human rights due diligence activities in order to prevent or mitigate adverse impacts on human rights caused or contributed to by business activities or which are directly linked to business relationships. MUFG strives to appropriately conduct human rights due diligence, continuously identifies and assesses such adverse impacts on human rights, takes actions to address identified adverse impacts, assesses the effectiveness of initiatives, and discloses information and communicates with stakeholders.

In the case MUFG has caused or contributed to adverse impacts on human rights, MUFG will strive to correct the situation through taking appropriate measures to mitigate or reverse such adverse impacts. If MUFG has been directly linked to adverse impacts through business relationships, MUFG will appropriately use our leverage to encourage our clients, suppliers, and others to prevent or mitigate such adverse impacts.

6. Executives and Employees

MUFG is committed to eliminating all kinds of employment and workplace discrimination from our business operations. We will not tolerate any type of human rights violation including, but not limited to, discrimination on the basis of race, national origin, belief, religion, disabilities, family origin, gender, sexual orientation, gender identity, age or health status as well as sexual, power and other types of harassment, forced labor, and child labor. All MUFG executives and employees are required to comply with this commitment. MUFG also respects right to privacy, the freedom of association, and collective bargaining rights, and promotes diversity, equity, and inclusion (DEI).

7. Clients

MUFG strives to ensure that our business operations do not adversely affect the human rights of clients through actions such as providing financial services that give due consideration to human rights, protecting and respecting clients’ right to privacy, and preventing money laundering and other financial crimes.

8. Encouraging Clients to Give Due Consideration to Human Rights

MUFG expects its clients to respect human rights and avoid any human rights violations. MUFG promotes the respect of human rights by responding in an appropriate manner in situations where our products and services are directly connected to violations of human rights and urging clients to implement the appropriate responses.

In particular, MUFG recognizes child labor, forced labor, and human trafficking as well as adverse impacts on indigenous peoples’ communities, etc., as serious human rights issues. MUFG has introduced an Environmental Social Policy Framework, which incorporates environmental and social due diligence requirements, to assess and manage transaction related environmental and social impacts associated with the business conducted with our clients.

9. Encouraging Suppliers to Give Due Consideration to Human Rights

MUFG has defined its “Approach to Purchasing Activity” and expects suppliers to respect human rights and avoid human rights violations. MUFG promotes the respect for human rights by responding in an appropriate manner to known cases where human rights are negatively affected by our suppliers.

10. Remedial Actions

In cases when executives or employees of each group company, or financial products or services provided by them, are confirmed as conducting or being involved in activities which adversely affects human rights, MUFG responds in an appropriate manner and implements remedial actions.

11. Governance and Management System

This MUFG Human Rights Statement is approved by the Board of Directors. The need to update this MUFG Human Rights Statement will be reviewed regularly and amendments will be made as necessary.

MUFG strives to identify the risks related to human rights. Our human rights-related initiatives will be regularly deliberated at the Sustainability Committee, the outcomes of which will be further deliberated at the Executive Committee and ultimately reported to the Board of Directors.

We will make every effort to ensure transparency by disclosing our human rights-related activities appropriately and proactively.

12. Stakeholder Engagement

MUFG is committed to progressing and improving actions to ensure human rights are respected through dialog and consultations on our Human Rights Statement with relevant stakeholders.

Reference

- The OECD Guidelines for Multinational Enterprises
- The United Nations Global Compact
- Children's Rights and Business Principles
- Principles for Responsible Banking (PRB)
- Principles for Responsible Investment (PRI)
- The Equator Principles
- United Nations Environment Programme Finance Initiative (UNEP FI)
- Principles for Financial Action for the 21st Century
- Stakeholder Capitalism Metrics

Dissemination of Human Rights Statement and Promoting Human Rights Awareness

Based on its Human Rights Statement, MUFG is working to disseminate the policy to each stakeholder in order to fulfill its responsibility to respect human rights in all business activities. We believe that it is important for all employees to mutually share the importance of respecting human rights with each stakeholder by understanding the content of our Human Rights Statement and putting it into action. We will continually make our efforts to disseminate our Human Rights Statement and to work on promoting human rights awareness.

For Employees

• Raising Human Rights Awareness through the Code of Conduct

MUFG Group established the Code of Conduct that sets forth the standards on how executives and employees should make decisions and act in day-to-day business activities under the MUFG Way. The Code of Conduct states that we will contribute to the realization of a sustainable society through our efforts to resolve environmental and social issues, including respect for human rights, and we are making our employees aware of the importance of respect for human rights and fostering their awareness.

[Click here for details](#)

• Promoting Human Rights Awareness

The Bank, the Trust Bank and the Securities have established a human rights awareness promotion system, and in addition to conducting trainings and other activities, promotion staff assigned to each department, office and branch, and designated persons are responsible for promoting and developing MUFG Group-wide efforts to respect human rights. We strive to further deepen each employee's correct understanding and awareness of Human Rights Statement and human rights issues by providing awareness lectures to all employees through trainings for new recruits and each hierarchy of employees, etc.

For Borrowers / Investees

We conduct trainings for relationship managers of business divisions in our major subsidiaries to deepen their understanding of MUFG Environmental and Social Policy Framework, which is based on our Environmental Policy and Human Rights Statement, as well as our efforts to address global environmental and social issues.

For Suppliers

Based on the idea of the Environmental Policy and Human Rights Statement, MUFG established its "Approach to Purchasing Activity" and encourages suppliers to respect human rights. In accordance with the "Approach to Purchasing Activity," the Bank, the Trust Bank and the Securities hand deliver and explain the "Guidelines for Purchasing Activity" to their suppliers¹, seeking their understanding of MUFG's policy.

(Note) 1. The Bank: suppliers with ongoing transactions. The Trust Bank and the Securities: major suppliers

	Bank	Trust Bank	Securities
Activities	<ul style="list-style-type: none"> • Training programs for all employees • Training programs for each hierarchy • Calling for making human rights slogans • Distribution of Human Rights Newsletter 	<ul style="list-style-type: none"> • Human rights promotion training program • Calling for making human rights slogans • Posting posters for human rights week 	<ul style="list-style-type: none"> • Training program on power harassment • Human rights promotion training program
Participants	<ul style="list-style-type: none"> • All employees (including contract employees, temporary employees) • Hierarchical training (officers, newly appointed Branch Manager, newly appointed Deputy Manager, new employees, etc.) 	All employees	All employees
Number of Attendees of Training FY2023	About 31,000	About 7,000	About 5,000

• Examples of Major Initiatives in FY2023

Business and Human Rights Training

Under the Human Rights Statement, we conduct trainings provided through e-learning, etc., to ensure each employee understands and practices the importance of "fulfilling our responsibility to respect human rights" as a company. For example, at the Bank, in addition to the content of the "Guiding Principles on Business and Human Rights," the training also covers the initiatives and contents of the Human Rights Statement, the Environmental and Social Policy Framework, and the Human Rights Report.

Training for Executive Officers

Mr. Takasaki, Director of the ILO Office for Japan, was invited to give a lecture on "business and human rights" accompanied by a discussion with the CHRO and CSuO. The lecture and discussion were also used as the main contents of training for executive officers.

[See P18 for details](#)

Sharing Human Rights Awareness Slogans

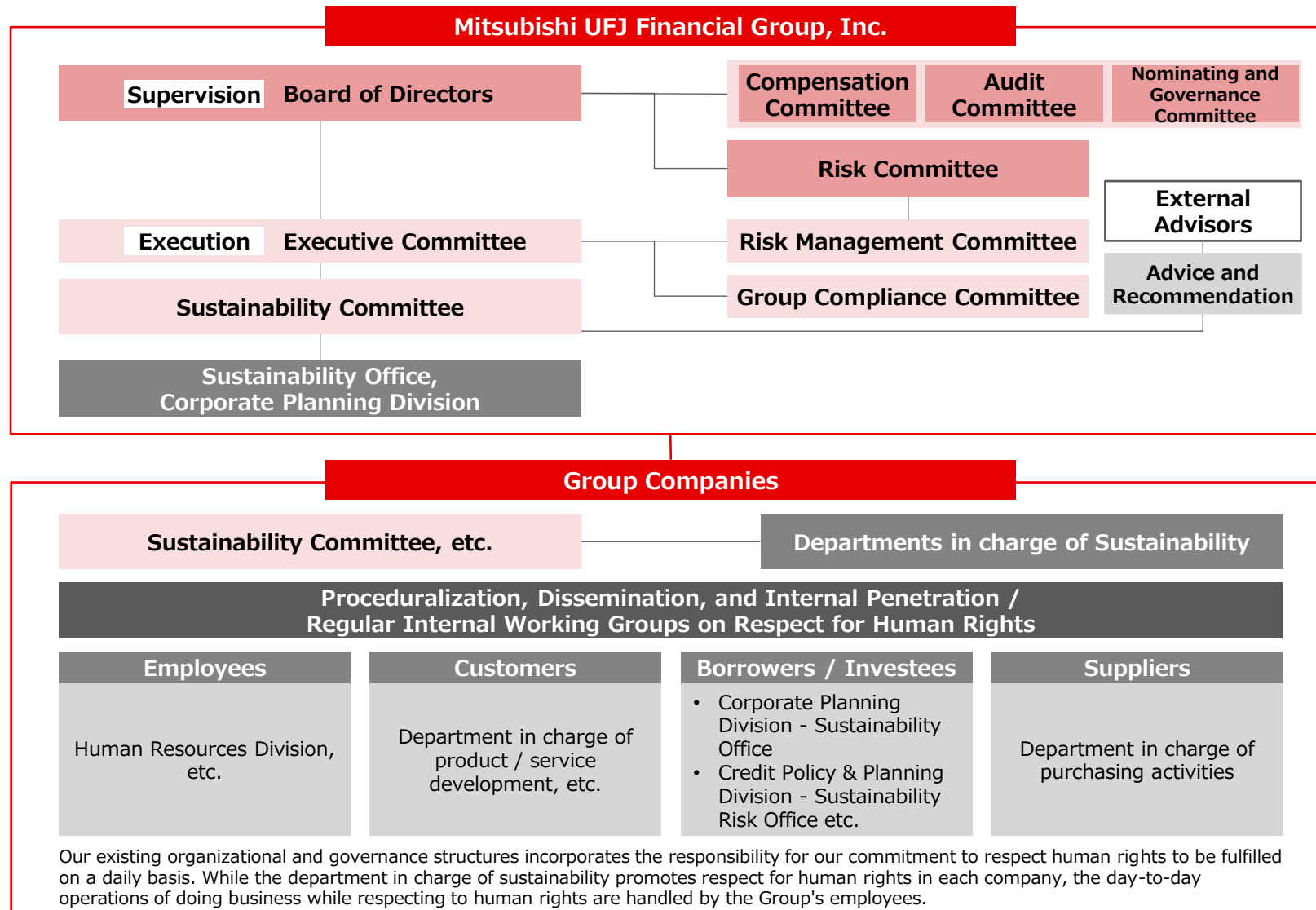
As part of promoting human rights awareness, the Bank and Trust Bank solicit human rights awareness slogans from employees and their families every year. The best slogans are publicized internally.

Governance & Implementation Structure for Promoting Respect for Human Rights

The Sustainability Committee, chaired by the Group CSuO (Chief Sustainability Officer), deliberates on measures and policies related to respect for human rights based on the MUFG Human Rights Statement and other important matters related to human rights. The results of the Sustainability Committee's deliberations are reported to and supervised by the Board of Directors.

Based on the discussions of the Board of Directors and the Sustainability Committee, the resources necessary to ensure effective respect for and protection of human rights are appropriately allocated to the relevant departments.

The MUFG Human Rights Statement, MUFG's basic policy on human rights, is established and reviewed by the Board of Directors.



Governance & Implementation Structure for Promoting Respect for Human Rights

Initiatives to respect human rights are deliberated by the Risk Management Committee and Group Compliance Committee, as well as the Sustainability Committee and the Executive Committee, and are supervised by the Board of Directors and the Risk Committee. The Bank, the Trust Bank, and the Securities have established a Human Rights Enlightenment Committee to deliberate on matters related to the promotion of human rights awareness activities. MUFG plans to add human rights targets in the evaluation of the performance (qualitative evaluation) for executives bonus such as the president, from fiscal year 2023.

Meeting Bodies and Its Roles Relating to Respect for Human Rights , etc. in Supervision and Execution Function * Constitution as of 1 July 2024

■ : Meeting body □ : Constitution □ : Roles in Respect for Human Rights

Supervision

Board of Directors	<ul style="list-style-type: none"> • Chair: Chairman 9 Outside Directors, 2 Internal Non-Executive Directors, 5 Executive Directors <ul style="list-style-type: none"> • Resolution to revise Human Rights Statement • Oversees the status of initiatives to respect human rights, receiving reports from execution function at least once a year, etc.
Risk Committee	<ul style="list-style-type: none"> • Chair: Outside Director 4 Outside Directors, 3 Outside Experts, Group CSO <ul style="list-style-type: none"> • Deliberate and make recommendations to the Board of Directors on important matters related to overall risk management for the entire Group, including human rights risks (including risk appetite), risks that have a significant impact on the Group's management, newly emerged risks, and risks that are on the rise.

Execution

Executive Committee	<ul style="list-style-type: none"> • Chair: President and Chief Executive Officer President and CEO of the Bank, the Trust bank and the Securities, CSO, CFO, CRO, etc. <ul style="list-style-type: none"> • Deliberation and reporting on policies and plans regarding respect for human rights • Revision of the Human Rights Statement and the environmental and social policy framework • Implementation status of human rights due diligence, etc.
Sustainability Committee	<ul style="list-style-type: none"> • Chair: Group CSuO President and CEO of the Bank, the Trust bank and the Securities, CSO, CFO, CRO, etc. <ul style="list-style-type: none"> • Deliberation on sustainability matters, including respect for human rights <ul style="list-style-type: none"> – Discussion in FY 2023 Revision of the Human Rights Statement and the environmental and social policy framework, and implementation status of human rights due diligence, etc.
Group Compliance Committee	<ul style="list-style-type: none"> • Chair: Group CCO • Outside Experts (Gathering opinions as an advisor) <ul style="list-style-type: none"> • Deliberation on important matters related to the development of policies and systems to promote compliance throughout the Group
Risk Management Committee	<ul style="list-style-type: none"> • Chair: President and Chief Executive Officer • Vice Chair: Group CRO <ul style="list-style-type: none"> • Deliberation on important matters related to the development of policies and systems to promote integrated risk management throughout the Group, including human rights risks
Human Rights Enlightenment Committee (The Bank, the Trust Bank, and the Securities)	<ul style="list-style-type: none"> • Chair: CHRO of the Bank, the Trust Bank, and the Securities CSO, CFO, CCO, etc. <ul style="list-style-type: none"> • Deliberation on matters related to the promotion of human rights awareness such as human rights awareness training

Discussion with an Outside Expert

To enhance our capability of human rights, Mr. Shinichi Takasaki, Director of the ILO Office for Japan, was invited to give a lecture on changes in the external environment affecting “business and human rights” and how this relates to improving corporate value. His lecture was accompanied by a discussion with the CHRO and CSuO on how financial institutions should approach respect for human rights along with the future outlook and issues. In addition, through the exchange of opinions with external advisors with expertise in environmental and social issues and participating in international conferences on business and human rights, and we utilize the input from these activities in MUFG’s policy development and initiatives.

Discussion with Mr. Takasaki, Director of ILO Office for Japan

• Agenda

- History of business and human rights
- Specific actions required of companies
- Trends in the international community (legislation, mandated disclosure)
- Consumers demanding respect for human rights by companies
- Spillover effects on SMEs through the supply chain
- Initiatives for respecting human rights and improvement of corporate value



• Main Contents of the Discussion

- In addition to compliance with domestic labor laws, it is necessary to consider the gap with international labor standards in considering approaches for respecting human rights.
- The approach to business and human rights is not to eliminate all risks at once, but rather to make gradual progress with risk management, and as such efforts need to be continuously updated.
- “Business and human rights” has so far been rather theoretical, but for this effort to be enduring, it is necessary to create a positive cycle of respect for human rights and economic benefits. Human rights due diligence should not be seen as merely a risk management procedure, and it is important to establish a strategy that connects it to enhancing corporate value in some way.
- Financial institutions operate in a constantly changing business environment. Although the Human Rights Report was released last year, now MUFG is being asked to develop specific initiatives. In particular, to realize respect for human rights throughout supply chains, it is essential for various entities and businesses to exercise their influence and advocacy and support from financial institutions will be important in this respect.

Recommendations from External Advisors

Management regularly hold meetings with external advisors to receive updates on global trends and hear recommendations that contribute to the improvement of MUFG’s policies and initiatives.

External Advisors

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.
Kenji Fuma	CEO, Neural Inc.

Participation in the United Nations Forum on Business and Human Rights



The UN Forum on Business and Human Rights is held for the purpose of deepening dialogue and collaboration between diverse stakeholders, including companies, governments, civil society, international organizations, academia, NGOs, and rights holders, and promoting the implementation of the United Nations Guiding Principles on Business and Human Rights.

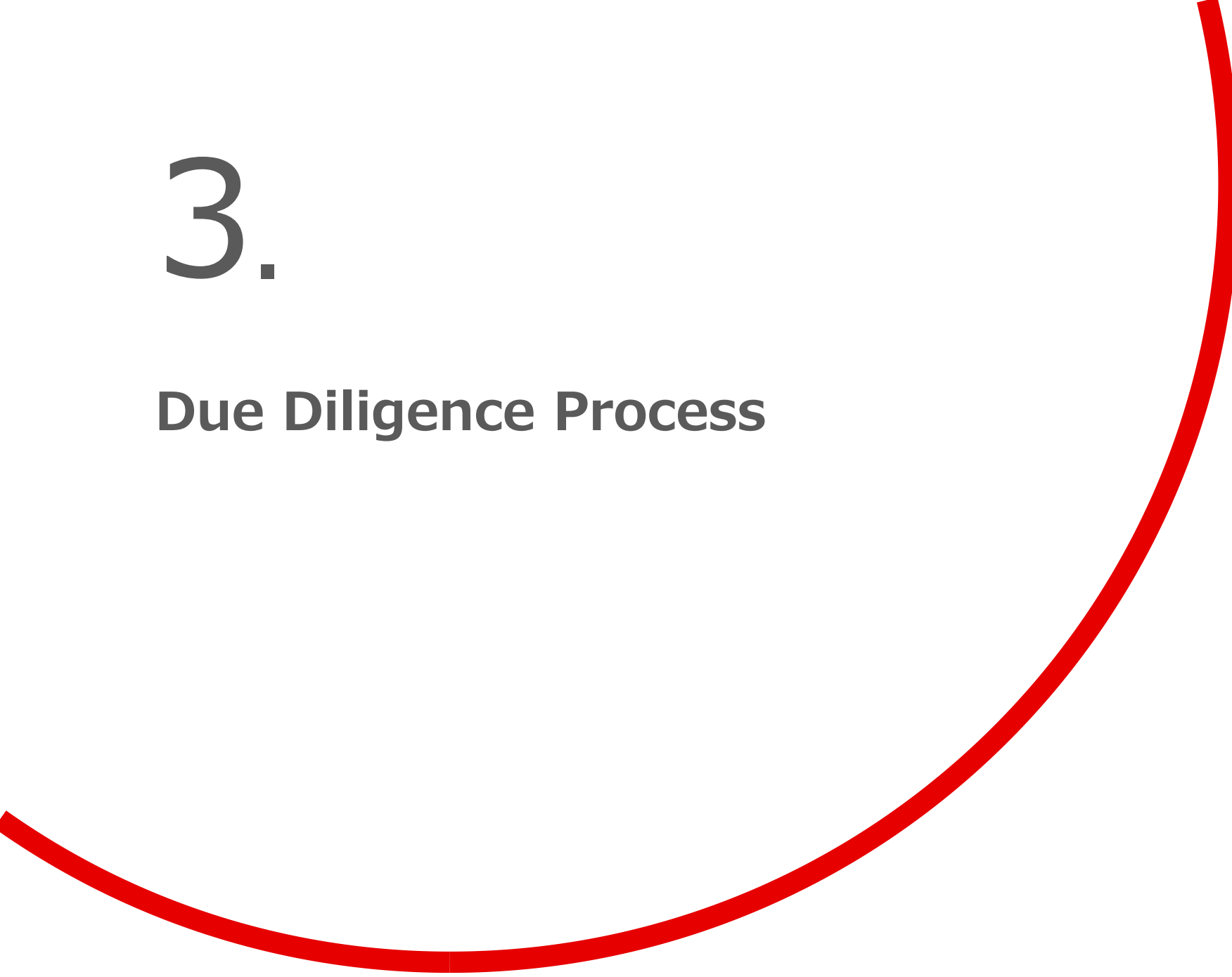
MUFG participated in the Forum held in November 2023, which gave us a deeper awareness of the latest discussions on business and human rights and the opinions held by rights holders. We will apply the insights and implications we obtained in the Forum to MUFG’s policies and initiatives.

• Main Agenda

- Just transition in the energy and mining industries
- Eradicating forced labor and human trafficking
- Rights of indigenous peoples’ communities
- Effective remedies by financial institutions

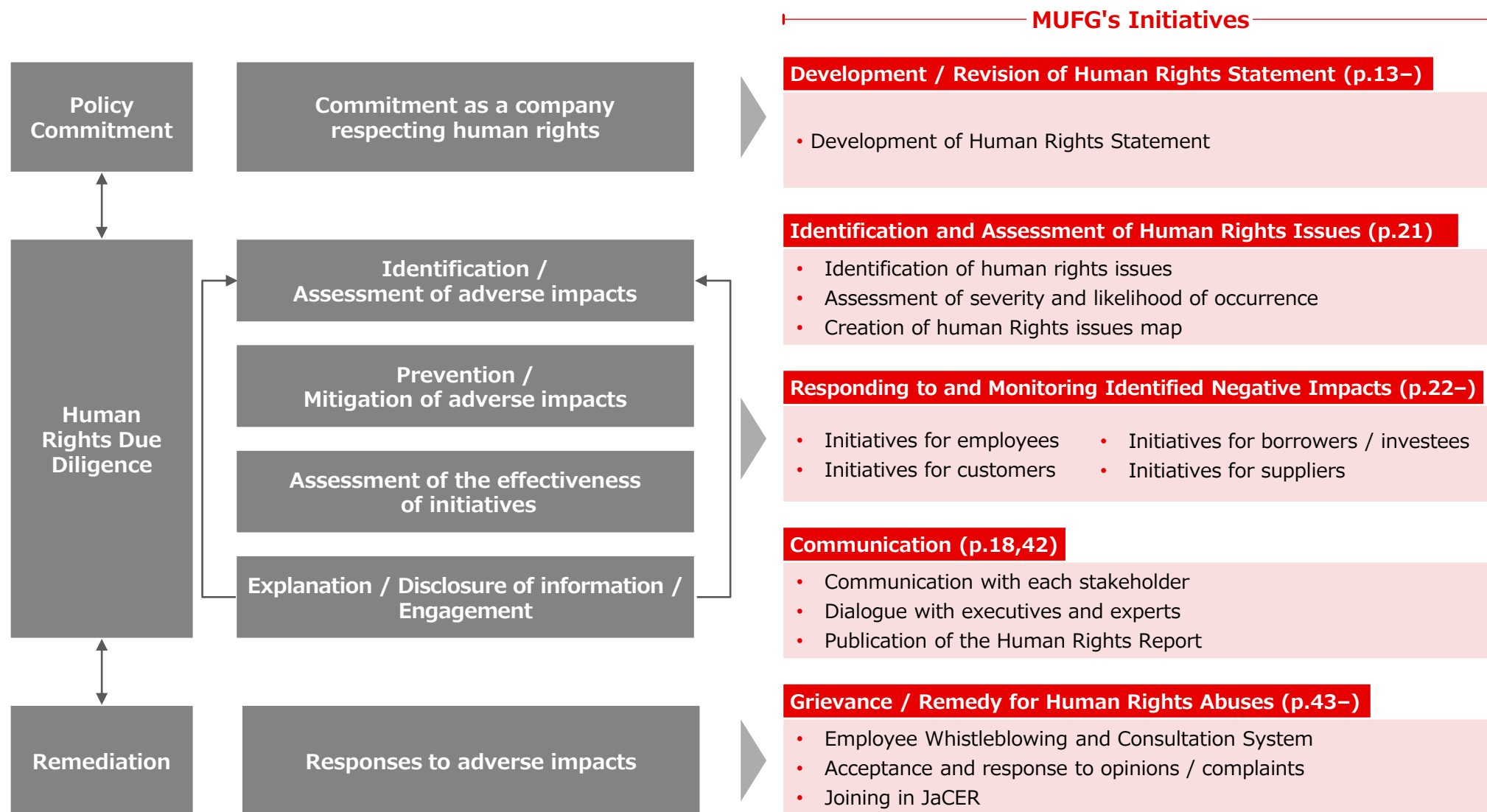
3.

Due Diligence Process



Due Diligence Process

MUFG engages in human rights due diligence by respecting the United Nations Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct (hereinafter "OECD Guidance"). We also continuously review our human rights policies and initiatives based on lessons learned through communication with stakeholders and remedy efforts.



Identification of Human Rights Issues and Assessment Methods

We identified salient human rights issues highly relevant to MUFG, assessed their severity and likelihood of occurrence, and created a human rights issues map (FY2023). Based on the results, the Sustainability Committee discussed future policies for addressing salient human rights issues. We are continually considering ways to strengthen our response, giving priority to the highly severe human rights issues. This map of human rights issues will be reviewed on an ongoing basis in light of changes in the business environment and the results of stakeholder engagement.

Methodology for Creation of Human Rights Issues Map

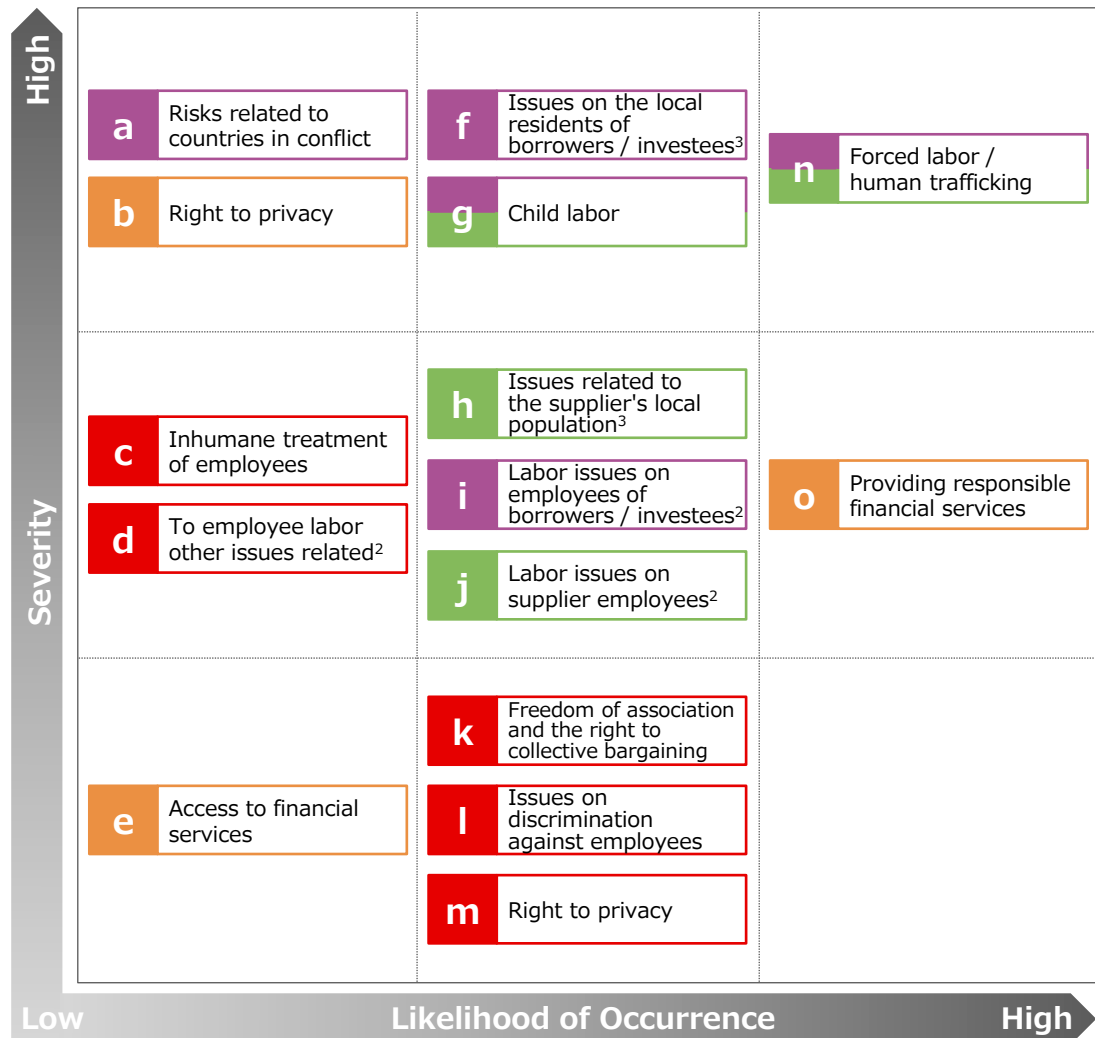
Identification of Human Rights Issues	<ul style="list-style-type: none"> Referring to international principles for human rights such as the International Bill of Human Rights and the ILO Declaration, as well as issues at other financial organizations, we ascertained salient human rights issues highly relevant to MUFG
Assessment of Severity	<ul style="list-style-type: none"> We assessed the severity of each human rights issue based on the following three criteria: 1) Severity of adverse impact (e.g. the degree to which human rights abuses affect lives), 2) Extent of adverse impact (e.g. the number of people affected), and 3) Difficulty of remedy (e.g. the possibility of remedy through compensation) Based on UNDP guidance, we make use of outside consultants' knowledge
Assessment of Likelihood of Occurrence	<ul style="list-style-type: none"> Scoring risks by country and industry based on external data Combining data on MUFG's number of employees by country, amount of credit per country / sector, etc. with the above scores to assess the likelihood of occurrence
Creation of Human Rights Issues Map	<ul style="list-style-type: none"> Mapping of each salient human rights issue for MUFG, with severity on the vertical axis and likelihood of occurrence on the horizontal axis

■ Issues on Employees (p.22–) ■ Issues on Customers (Issues on ours in providing financial service) (p.26–)

■ Issues on Borrowers / Investees (p.31–) ■ Issues on Suppliers (p.38–)

(Note) 1. Data published by the World Bank, United Nations, etc. (e.g., Global Slavery Index, etc.) and data from the Business and Human Rights Resource Center

2. Working hours, wages, industrial safety and health, treatment of migrant workers, etc. 3. Health of nearby residents, land issues, etc.



(1) Initiatives for Employees ①

MUFG recognizes respect for human rights as an important issue for management to address, and has established rules and standards such as the Code of Conduct and the Compliance Manual. We are committed to eliminating all forms of employment and workplace discrimination, and we do not tolerate discrimination, sexual harassment, power harassment or any other forms of harassment, and ensure employees comply with this commitment. In addition, we promote initiatives to respect freedom of association and collective bargaining rights, and to create a workplace where employees can work vigorously in a healthy working environment.

| Prevention of Discrimination and Harassment

MUFG Group companies have established consultation desks for sexual harassment and power harassment to provide consultation services through various means, including meetings, telephone calls, e-mails, etc., in order to create a positive, safe and comfortable work environment.

The Bank has established the Harassment Prevention Manual which presents types of harassment, precautions and guidelines as how to respond when harassment occurs, to deepen each employee's correct understanding and awareness. Furthermore, the Bank conducts ongoing trainings to prevent harassment.

| Respect for Freedom of Association and Collective Bargaining Rights

MUFG is committed to respecting workers' freedom of association and collective bargaining rights in accordance with its Human Rights Statement, and ensures its compliance through awareness-raising activities.

In the Bank, the Trust Bank, and the Securities, employee unions are organized in each company, and the company and the union regularly discuss various topics while respecting each other's perspective and view.

| Protection of Employees' Personal Information

At MUFG, each company is committed to the appropriate protection and use of employees' personal information in accordance with the "Act on the Protection of Personal Information" and the "Act on the Use of Number to Identify Specific Individuals in Administrative Procedures", and other relevant laws and regulations.

The Bank, the Trust Bank, and the Securities established policies and regulations regarding handling and protection of employee information at each company, and are making efforts to continuously raise awareness among employees regarding handling of employee information and other related matters.

| Working Conditions (Working Hours / Wages, etc.)

• Compliance with Laws and Regulations

MUFG Group companies comply with the laws and regulations of the countries and regions in which they operate, and provide salaries exceeding minimum wage and fully implement the concept of equal pay for equal work.

Each company is also compliant with the Act to Promote Work Style Reform that came into effect in April 2019, conducting monitoring that includes whether there are violations of 36 Agreement on overtime work and minimum wage, and the number of work-related accidents.

• Reducing Overtime

MUFG complies with the laws and regulations of the countries and regions in which our group companies operate in respect of further improving the workplace environment, including the reduction of long working hours while ensuring that our employees can stay healthy and improve their work-life balance.

For example, in Japan, in addition to accurately ascertaining each employee's work status, management operates with an awareness of limits set on working hours and the intervals within which employees work.

Overtime hours for employees are also being reduced by optimizing operations through the use of RPA (robotic process automation), setting target times for leaving the office, and establishing early finish days.

(1) Initiatives for Employees ②

MUFG has positioned human capital as one of the most important types of capital and, accordingly, engages in a variety of initiatives to enhance it. Efforts to boost employee engagement include support for autonomous career development, the Employee Engagement Survey, and enhanced rewards to employees.

Concept for Human Capital Management

Aiming to become a global financial group making a positive social impact and fostering a culture where our employees thrive, MUFG positions enhancing its human capital as one of its key strategies, and is pursuing four key initiatives to this end: employee enablement and progression, improving employee engagement, promoting a diverse, equitable & inclusive workforce, and embedding a culture of healthy working.

The MUFG Human Resources Principles, which set forth the basic policy for all of MUFG's human resources management, were updated in April 2024 to reflect the above concept. [Click here for details](#)

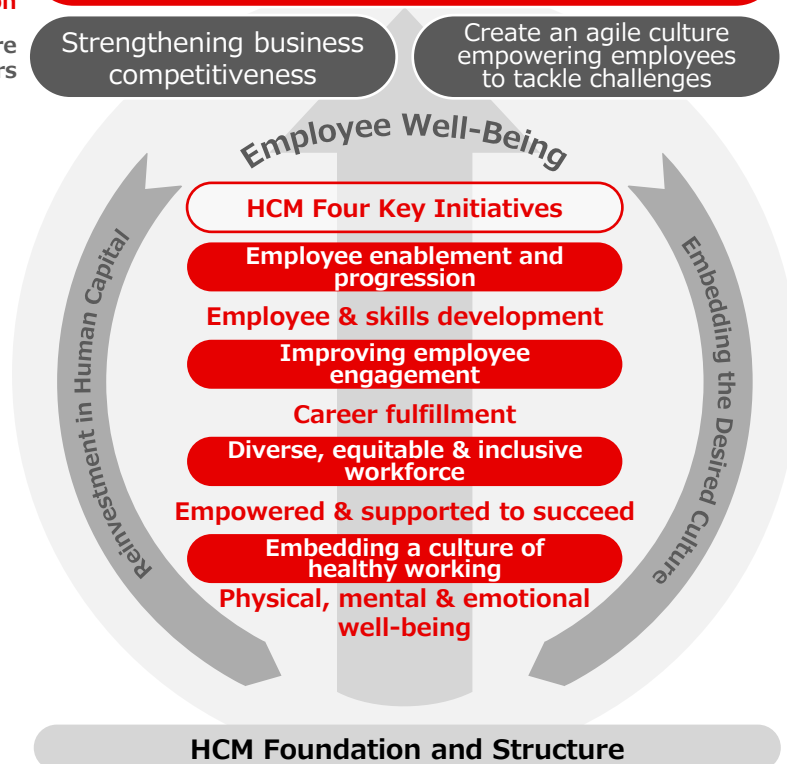
Human
Capital
Management
(HCM) Vision

A global financial group making a positive social impact and fostering a culture where our employees thrive

HCM Core
Pillars

Strengthening business competitiveness

Create an agile culture empowering employees to tackle challenges

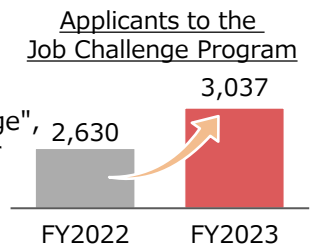


(Note) 1. Monthly income base raises given MUMSS bonuses are tied to performance.

Improvement in Employee Engagement

• Support for Autonomous Career Development

To support autonomous career development of individual employees, we have frameworks such as the Career Challenge System and offer a variety of programs inside and outside the Group. Applicants to "Job Challenge", our internal job-posting program under the Career Challenge System, exceeded 3,000 in FY2023, indicating that steady progress is being made in creating an environment that allows more employees to challenge themselves to develop their own careers.



In addition, the Bank, the Trust Bank, and the Securities are developing compensation systems for employees with high levels of skill and expertise, providing support for career development that pursues specialization.

• Employee Engagement Survey

Through the Employee Engagement Survey, we identify employees' perceptions regarding DEI and workplace integrity. We analyze the survey results to take actions aimed at improving the employee experience. Starting in fiscal 2024, the employee engagement survey score will be one of the performance-linked factors to determine executive stock compensation.

In Japan, the Bank, the Trust Bank, and the Securities undertake checks of employees' day-to-day motivation, health and workplace environment, and other matters through pulse surveys, and regularly conduct organizational diagnoses to improve areas of concerns. The key findings are shared with employees to help identify and resolve problems at the early stage, promoting a healthy and open- working .

• Reward Employees

In Japan, to address to employee engagement and retain skilled talent, the Bank, the Trust Bank, and the Securities have increased wages again in fiscal 2024, as was done last year. In conjunction with this, a share-based compensation plan will be introduced in July 2024 for employees in management positions who meet certain requirements.

(1) Initiatives for Employees ③

MUFG is committed to creating an organizational and workplace environment where each employee, regardless of gender, disability, nationality, race, age, or sexual orientation, can have fair and equitable growth opportunities, succeed and be their authentic best.

Driving DEI


NEW

• Thinking on DEI

MUFG has positioned Diversity, Equity, and Inclusion (DEI) as one of its key management imperatives. We are committed to creating an organizational and workplace environment where each employee, regardless of gender, disability, nationality, race, age, or sexual orientation, can have fair and equitable growth opportunities, succeed and be their authentic best. In 2024, this policy and vision was newly established and announced as the DEI Statement.

[Click here for details](#)

In addition, in FY2022 we added DEI targets to qualitative evaluation factors for determining the amount of executive bonuses vis-à-vis the execution status of the recipients' duties to facilitate management efforts to promote and secure the robust employee understanding of DEI. This was followed by the adoption of the ratio of female managers as a performance-linked factor for executives' stock compensation starting in FY2024.

• The Organizational Structure to Drive DEI

In 2018, the Bank, the Trust Bank, and the Securities began to cooperate to promote DEI groupwide. Also, DEI promotion teams globally have been working on DEI specific to each region. Since 2023, we established three common key DEI pillars: "Gender equity," "Learning and development," and "Embedding DEI into our culture," and we are accelerating a variety of DEI initiatives globally, in close collaboration with the CHROs in respective regions.

• Major Indicators

Item	Target Value	Actual Result
Percentage Women in Management Positions ¹	22% (March 2024) 27% (March 2027) 30% (2030)	22.3% (March 2024)
Percentage of Male Employees Taking Childcare Leave ²	100%	The Bank: 81% The Trust Bank: 93% The Securities: 100% (FY2023)
Inclusion Score ³	Kept at 75 or higher	75 (FY2023)
Employment of People with Disabilities	- *(Maintain the legal employment rate ⁴)	Approx. 1,400 (June 2023) (group employment rate: 2.60%)
Percentage of Foreign National Employees	-	63% (March 2024)

(Note) 1. Ratio of women in line manager or higher positions at the Bank, the Trust Bank, and MUMSS in Japan. 2. Percentage who actually took leave based on the deadline for taking leave. 3. Result of the relevant questions in the Employee Engagement Survey. 4. The legal employment rate is expected to change from 2.5% in FY2024 to 2.7% in FY2026. 5. Bank and MUMSS: figures for local subsidiaries which are effectively branches; overseas branches and partner banks not included. Trust Bank: figures for overseas branches only.

• Efforts Towards Gender Equality

At MUFG, improving the ratio of women in management positions is considered a particularly important issue. We have set medium- to long-term numerical targets and is committed to the development and promotion of women under the leadership of top management. For female employees in senior positions, we implement training and mentoring programs for selected employees to foster awareness and provide opportunities to acquire advanced skills.

At the Bank, the Trust Bank, and the Securities, we have set a joint numerical target is to achieve a 27% ratio of women in management positions by the end of the current medium-term planning period (March 2027) and 30% by the year 2030.

• Employment and Empowerment of People with Disabilities

Each company within the group is working to create a good workplace that is accommodating for employees with disabilities. This includes establishing special subsidiary companies and creating work environments that take into consideration the characteristics of various disabilities, thereby expanding the opportunities for employees with disabilities to thrive. In addition, we also support career development by selecting and redesigning jobs according to the characteristics of disabilities and their skills.

• Operation of Overseas Offices Led by Locally-Hired Staff

Key positions at overseas offices⁵ are assigned without favoritism to both overseas locally-hired staff and Japanese expats from the head office. To enhance the overseas talent pool, unified training opportunities are offered to locally-hired staff and Japanese expats in wide-ranging age groups.

	FY2022	FY2023
Percentage of Locally-hired Staff at Overseas Offices	93%	93%
Percentage in Management Roles	86%	87%

• Understanding of Racial and Cultural Diversity

At MUFG, we proactively address issues related to racial discrimination and strive to create an inclusive workplace environment. Particularly in the Americas and EMEA, we foster an understanding of racial and cultural diversity through the activities of ERNs (Employee Resource Networks). Through these efforts, we cultivate a workplace culture that values and leverages the differences among us.

(1) Initiatives for Employees ④

At MUFG, in our pursuit to realize our Purpose, we are fully committed to addressing the challenges faced by society, our customers, and all other stakeholders. With this, we believe that the physical and mental well-being of our employees is of utmost importance in this endeavor. This belief is adopted as a fundamental policy common across the MUFG Group, and under the MUFG Health management declaration, we are promoting health and productivity management across the entire group.

Examples of DEI Initiatives

• DEI Month

DEI Month was launched to give all MUFG employees an opportunity to reflect on how we can create an organization where diverse talents can thrive. Each year, we conduct training programs on various topics, including LGBTQ, caregivers, and psychological safety.

In FY2023, we conducted e-learning sessions on the theme of “Equity (fairness and equality)” for all employees, followed by discussions at branches and departments.



• Initiatives to Promote Understanding and Awareness of LGBTQ

MUFG explicitly prohibits any form of harassment or discrimination based on sexual orientation and gender identity as stated in the MUFG Human Rights Statement. The goal is to establish workplaces where all employees can be their authentic selves. To cultivate a workplace environment of mutual respect for diverse colleagues, MUFG has developed handbooks on LGBTQ and unconscious bias. Furthermore, to enhance societal awareness of sexual minorities, including LGBTQ individuals, MUFG has been a sponsor and participant in Tokyo Rainbow Pride since 2018.



Group photo of employees who participated in the Tokyo Rainbow Pride Parade

This event celebrates sexual and gender diversity.

Many MUFG employees participated in the Tokyo Rainbow Pride Parade, which occurred in April 2024.

• Activities to Promote Employment of People with Disabilities

Through initiatives such as partnering with Mirairo Inc., a frontrunner in the employment of people with disabilities, MUFG is committed to further promoting the employment of people with disabilities improving the quality of their employment, and enhancing financial services for people with disabilities.



Health and Productivity Management



NEW

• MUFG Health Management Declaration

In line with our Purpose, “Committed to a brighter future,” we follow the principle of striving to empower sustainable development for our customers and society through our business activities.

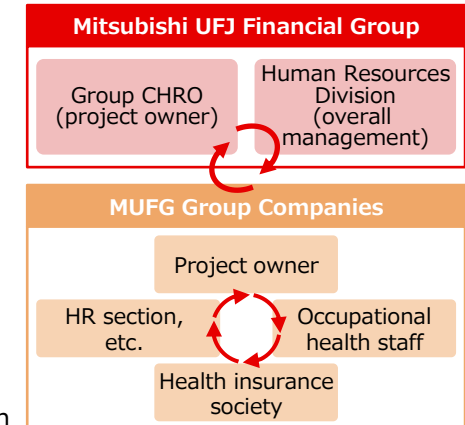
To make this a reality, we believe that it is essential for each employee to be able to thrive and feel rewarded in a work environment that provides a holistic sense of well-being, and that they and their families can lead healthy and fulfilling lives.

Based on this concept, MUFG engages in health and productivity management to enable our employees, who are our irreplaceable assets, to perform to their fullest and MUFG to contribute to all of our stakeholders and continue to grow as a financial group.

[Click here for details](#)

• Health Management Promotion Framework

With the Group CHRO (Chief Human Resources Officer) acting as the project owner and the MUFG Human Resources Division taking charge of overall management, MUFG Group companies work in coordination to pursue health management. At each Group company, HR sections, occupational health staff, and relevant organizations such as the health insurance society cooperate in efforts to address the company’s challenges in this area.



• Health Management Initiatives

We identify employees’ issues based on the results of health checkups and stress level checks and work to tackle them. In addition to promoting good health, we seek to create better workplaces including accommodating diverse working styles, and by improving productivity and engagement, we aim to help employees maximize their performance.

(2) Initiatives for Customers ①

MUFG believes it is our social responsibility to handle customers' personal information properly and we are committed to protecting and respecting the privacy of our customers. In addition, we are promoting various initiatives to provide financial services that take human rights into consideration.

Management of Our Customers' Information

Since MUFG believes it is our social responsibility to handle customers' personal information properly, we established and published the Personal Information Protection Policy.

In addition, in order to realize a unified management system within the Group companies, we have established the "MUFG Personal Information Protection Principle" (the "Principle") and each Group company has established its own "Personal Information Protection Procedure", etc. based on the Principle. The management methods for organizational, human, technical, and physical safety control measures are clarified in the relevant principles and procedures of each company, and regular education and training are provided to employees.

We strive to protect and respect the privacy of our customers by continuously strengthening our information management system while keeping abreast of the ever-changing external environment and continuously reviewing related regulations and training programs.

In addition to internal information management, we have prepared a system to check whether the information is managed by outside contractors in accordance with the Personal Information Protection Law and other relevant laws.

Identifying Human Rights Impacts in the Planning and Development of Products and Services and The Publication of Advertising Materials

Group companies constantly check whether sufficient measures have been taken at the planning and development stages of products and services from the "customer's perspective," and risk assessments are conducted for new products and services, including customer protection and the customer's viewpoint.

When publishing advertising materials, we check for problematic expressions from the perspective of respect for human rights. We give full consideration to diversity and strive to ensure that our expressions are inclusive.

Combating Financial Crimes

MUFG is committed to supporting the financial system and combating financial crimes, including money laundering and financing of terrorism, economic sanctions and bribery and corruption.

To that end, MUFG maintains compliance and risk management frameworks incorporating processes for the identification, assessment, treatment, and monitoring of customers for financial crimes risks, including criminal or unethical activities, such as human rights abuses.

[Click here for details](#)

Considerations about Human Rights in Establishing AI Management Procedures



NEW

AI technologies are valuable and should be leveraged, but we also acknowledge the risks that they may pose to human rights. That includes issues of fairness that must be avoided when having AI make decisions, as AI may judge based on the gender, race, or other personal attributes of the subjects involved.

Aware of those risks, each company in the MUFG Group has defined rules in that regard. For example, MUFG Bank has established AI Management Procedures that ensure fairness when AI is used in credit screening process, customer service chatbots, and other processes in which certain information should not be used as decision criteria.

Verification examples

- We verify that AI learning datasets do not contain potential bias or any information that should be excluded from a fairness perspective (gender, race, etc.).
- We conduct regular monitoring of AI output results to make sure they are not biased and make fair judgements.

Initiatives for Financial and Economic Education

MUFG members provide financial and economic education as part of our CSR activities, based on the idea that people should design their own lives and ways of living by making clever decisions grounded on correct information.

In FY2023, we created a wide curriculum for financial and economic education with the aim of establishing a framework to meet all kinds of needs.

Focusing mainly on workplace experiences and visiting lectures for elementary, junior high, and high school students, financial and economic education reached around 40,000 students in Japan in FY2023.

Also, our new Medium-Term Business Plan has set a 500,000-participant target as a KPI for financial and economic education activities including those for students.



(2) Initiatives for Customers②

MUFG is continuously committed to introducing universal design in both software and hardware aspects to ensure that all customers can use our services with peace of mind, including customer service that takes all customers into consideration (hospitality) and safe and secure branch facilities.

Creating Universal Branches (Initiatives in Hardware Aspects)

Pictogram

The Bank and the Trust Bank homepages feature information related to barrier-free access about their respective branches so that customers can confirm the kinds of facilities available.



Assistance Dog Stickers and Ear Marks

The Bank and the Trust Bank display "assistance dog stickers" to indicate that customers can bring their assistance dogs and "earmark stickers" to indicate that they have a system in place to provide necessary assistance to customers who are hearing-impaired.



ATMs for the Visually Impaired

Domestic branches and unmanned ATM corners (with some exceptions) are equipped with handsets (telephone receivers with voice guidance). By using the handset and following verbal instructions, customers can make withdrawals and deposits, check balances, and record and renew their passbooks.



Communication Board

To accommodate customers with hearing and speech impairments, in addition to tools like writing pads 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.



Telephone Relay Service (Public Infrastructure)

The Bank, the Trust Bank, the Securities, and NICOS have adopted the Telephone Relay Service. The Service is provided by the Nippon Foundation Telecommunication Relay Service as public infrastructure to enable mutual communication over the phone through an interpreter operator between sign language or text and spoken language.

* Available features of the Service may vary by company.

Providing Universal Services (Initiatives in Software Aspects)

Application of ATM Transfer Fees

We have applied over-the-counter transaction fees to the same level as ATM transfer fees for customers who have visual disabilities or use wheelchairs.

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 hospitalization / treatment fees, care facility fees, or tax / social insurance fees on request.

Handling Braille Cards and Notification Forms

To meet the needs of customers with visual disabilities, the Bank provides cards with customer name and other information indicated in Braille, and Braille is used on notification forms to indicate balance information. The Bank also provides ordinary deposit statement notifications in Braille, in addition to monthly account balances.

Enhancing Reception to Respond to the Elderly and People with Disabilities

The Bank and the Trust Bank are working to enhance their response to the elderly and people with disabilities by learning through fundamental case studies about providing in-facility guidance, explanations tailored to various physical characteristics, etc.

LGBT Response Handbook

The Bank and the Securities have compiled the "LGBT Response Handbook" containing basic know-how and key points when dealing with LGBT, and we aim to provide service and respond in a manner that makes customers feel comfortable.

(2) Initiatives for Customers③

In the Asian region, ensuring equal access to financial services is a challenge due to the lack of bank branches and ATMs in remote and rural areas, and ignorance of the existence and use of available services. MUFG contributes to ensuring equal access to financial services in Asia by providing opportunities to access financial services and working to improve financial literacy.

| Initiatives to Ensure Equal Access to Financial Services



Collaboration with Grab

Grab is the leading super-app in Southeast Asia, providing everyday services that matter most to consumers. We plan to provide customers with next-generation financial services by combining Grab's advanced technologies and data management expertise with our financial knowledge and know-how. For example, it contributes to financial inclusion by providing deposit and loan products to previously underserved segments such as drivers and small food franchisees.

[Click here for details](#)



Investment in DMI Finance, Inc.

DMI Finance Private Limited, a non-bank operator offering digital financial services in India, is positioned as an important non-bank in the country's financial system, providing POS loans¹ and personal loans. The company is strong in serving the financially underserved and has extended credit to customers. MUFG is contributing to financial inclusion in India through its investment in the company.

[Click here for details](#)



Investment in Akulaku

Akulaku provides digital financial services such as "Buy Now Pay Later," a payment service that allows customers to pay for products at a later date, primarily in Indonesia. In Indonesia, where financial penetration is low, the company's services are becoming an important part of the financial infrastructure for those who lack access to financial services to make purchases in stores and online. Through its investment in the company, MUFG is providing access to financial services to those who otherwise would not have access to them in Indonesia.

[Click here for details](#)



Investment in Subsidiaries of Home Credit B.V.

Home Credit B.V. is a consumer finance company engaged in consumer lending, primarily in POS loans. The company's strengths include its own app that can complete the process of loan application, execution, and collection, as well as a fast, highly accurate, and speedy screening model. Through its investments in the company's subsidiaries in the Philippines and Indonesia, MUFG contributes to financial inclusion by providing digital financial services to people in both countries who otherwise would not have enough access to financial services.

[Click here for details](#)

1. Point of Sales Loans. Installment loans provided by dealers for the purchase of products such as cell phones and home appliances

(2) Initiatives for Customers ④**NEW**

Palm oil is used as cooking oil, in detergents, and in many other daily essentials, but its production process needs attention as it may involve human rights issues such as child labor.

MUFG Bank and Musim Mas (a Singaporean palm oil company) collaborated with small farmers in Indonesia to digitalize paper certificates of the Roundtable on Sustainable Palm Oil (RSPO) using the Web3¹ wallet, in a proof of concept for better supply-chain traceability functions. This initiative aims to make it easier for farmers to adopt sustainable production methods that take both the environment and human rights into account, and to increase transparency and sustainability in palm oil production as a whole.

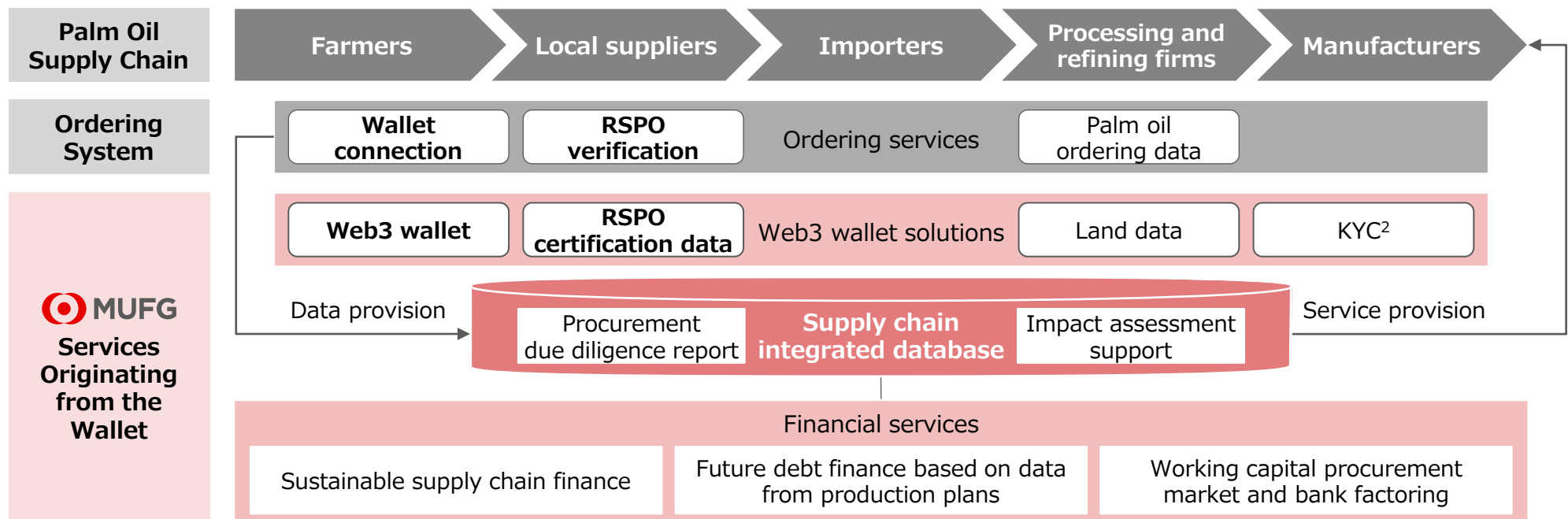
Issues in Palm Oil Production**Contributions of This Scheme**

60 to 70% of Small-scale Palm Oil Farmers are Not RSPO-certified

- After RSPO paper certificates are digitalized, that data is used to create an ordering system, and farmers are provided with Web3 wallets.
- Only farmers who have obtained the RSPO certification can participate in the ordering system, which provides motivation for farmers to become RSPO-certified.

Difficult to Predict Demand and Ensure Traceability in the Supply Chain

- In addition to certification data, information from orders, receipt, and payment are all centralized, so that data from all stages in the palm oil supply chain is shared. Demand can be predicted before production, and traceability in the supply chain is ensured.



(Note) 1. A concept in which users use blockchain and other technologies to freely manage and use the data on their own.

2. Stands for "Know Your Customer," a procedure for customer identity verification.

(2) Initiatives for Customers ⑤

Through financial services, MUFG supports initiatives for human rights protection by customers and other stakeholders.

Initiative to Support Respect for Human Rights and Promote DEI through Finance



With financial services, MUFG Bank proactively supports initiatives to respect human rights and to promote DEI.

JTB: Signed a first-ever sustainability-linked loan to promote initiatives related to respect of human rights and DEIB¹

JTB advocates the enhancement of awareness of human rights in its sustainability policies and assessment of materiality.

In May 2024, to steadily progress these initiatives,

JTB set specific targets to address the gender pay gap, utilizing a sustainability-linked loan. In addition,



感動のそばに、いつも。

the company has announced human rights and DEIB related targets in order to conduct its initiatives and achieve the targets. Following the execution of the loan, the progress toward those targets is monitored on regular basis to ensure the enhancement of consideration of human rights and the promotion of DEIB activities.

【How the Sustainability-linked Loan Works】

Overview	<ul style="list-style-type: none"> Based on MUFG's principles for sustainability-linked loans, sustainability performance targets (SPTs) are set in line with the company's ESG management strategies. Interest rates and other credit conditions could change depending on the achievement of the company's target. Progress on SPTs is disclosed regularly or is reported to financial institutions.
Meanings of SLL	<ul style="list-style-type: none"> By making a commitment to the target and providing incentives as per the achievement, the customers are expected to expedite their company-wide initiatives to further improve sustainability.

SPTs Set in This Case

- Gender pay gap
- Ratio of male employees who take parental leave
- Engagement index: Ratio of employees who answered "Yes" to the question on whether you have hopes for the future of the company.

(Note) 1. Diversity, Equity, Inclusion, and Belonging.

Supporting Startups Founded/Managed by Women or Persons with Diverse Backgrounds



In March 2024, MUMSS announced the launch of the "Japan Inclusive Ventures Lab" (JIVL), a startup support program leveraging the "Morgan Stanley Inclusive Ventures Lab", operated in the U.S, Europe, the Middle East and Africa by Morgan Stanley.



JIVL is dedicated to promoting Japanese startup companies founded or managed by women or persons with diverse backgrounds.

This program aims to realize a society in which people with diverse attributes and values will receive fair and equal opportunities for growth and can make full use of their skills.

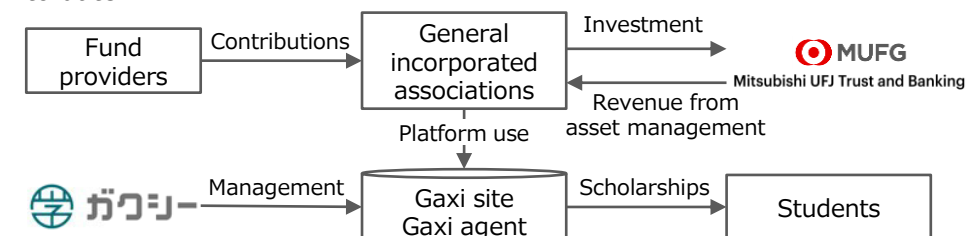
Consideration to Setting Up a Non-repayable Scholarship Fund Based on Donations



MUTB and Gaxi are jointly considering setting up a scholarship fund based on donations to provide motivated students with opportunities to pursue their studies. A fund for non-repayable scholarships will be created by FY2025.

Contributions from retail customers, companies, and other entities will be invested in bonds and shares managed under a trust structure, whose revenue will be used to fund student scholarships. This way, fund providers can invest and manage their assets while contributing to society.

Nowadays, about 1 in 2 students is said to be using scholarships. This service aims to contribute to resolving education-related social issues by leveraging the strengths of Japan's largest scholarship platform operator and the asset management know-how that we have developed to date.



(3) Initiatives for Borrowers / Investees ①

MUFG recognizes that the environmental and social risks arising from the business activities of each group company are important management issue to be addressed appropriately. Based on this recognition, we established MUFG Environmental and Social Policy Framework in 2018 as a framework to cease, prevent, and mitigate adverse impacts on environment and society, including human rights issues, in the process of providing financing for corporate customers. MUFG Environmental and Social Policy Framework is regularly deliberated at the Sustainability Committee for its revision, and is revised as necessary based on changes in business activities, business environment, and dialogue with stakeholders, and to comply with state and local laws.

In addition, large-scale infrastructure development, resource development, etc. may have adverse impacts on the project sites and the surrounding communities and natural environment. In accordance with the Equator Principles, the Bank identifies risks and impacts on the environment and society, including the status of human rights considerations in the business of the borrowers and confirms the mitigation measures taken by them.

Overview of MUFG Environmental and Social Policy Framework¹

Applicable Products and Services

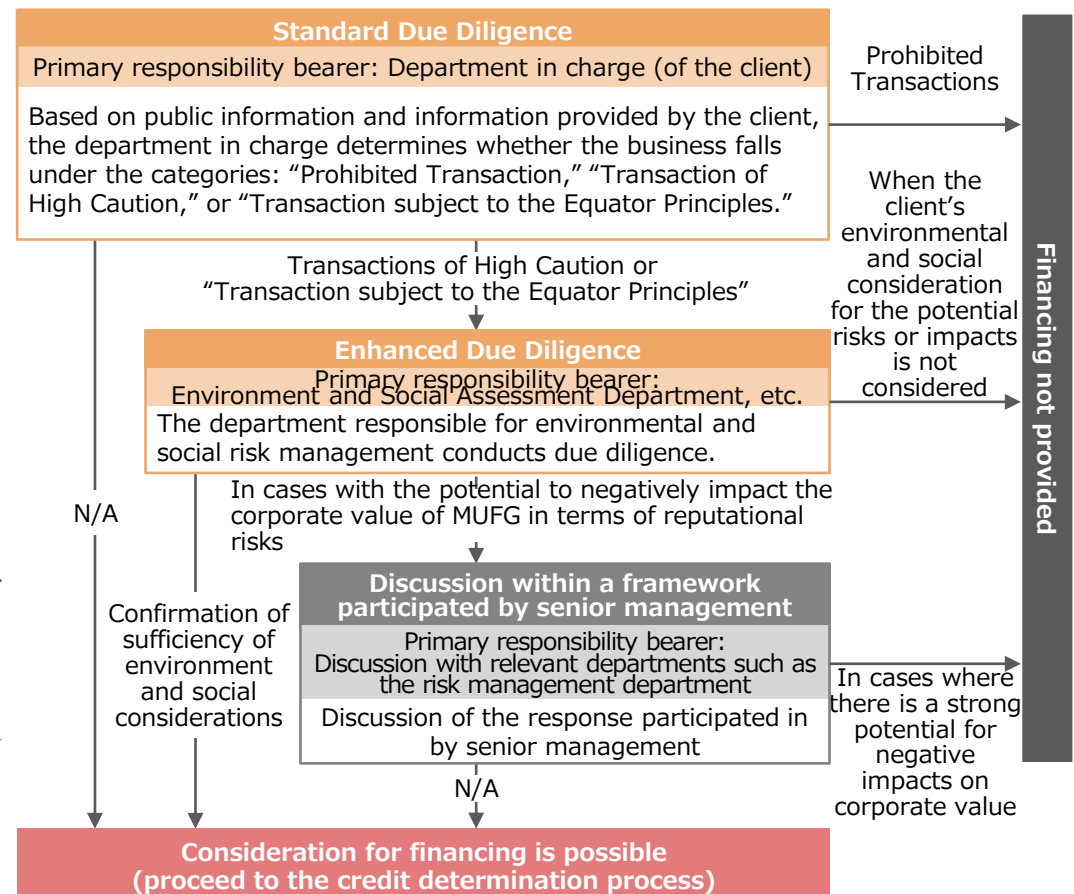
- Financing in all countries and regions for the corporate customers of the Bank, the Trust Bank and the Securities²

Prohibited Transactions

- Illegal transactions and transactions for illegal purposes
- Transactions which violate public order and good morals
- Transactions that adversely impact wetlands designated under the Ramsar Convention
- Transactions that adversely impact UNESCO designated World Heritage Sites
- Transactions violating the Convention on International Trade in Endangered Species of Wild Fauna and Flora (Washington Convention)
- Transactions involving the use of child labor, forced labor or human trafficking
- Cluster munitions and inhumane weapons manufacturing

Transactions of High Caution

Cross-Sector Guidelines	<ul style="list-style-type: none"> Adverse impact on indigenous peoples communities Land expropriation leading to involuntary resettlement Adverse impact on high conservation value areas Cause of or contribution to, or direct linkage with, violation of human rights in conflict areas 	
Sector Specific Guidelines	<ul style="list-style-type: none"> Coal fired power generation Mining Oil and gas (oil sand, development of the Arctic, shale oil and gas, oil and gas pipelines) 	<ul style="list-style-type: none"> Large hydropower Biomass power generation Forestry Palm oil



(Note)1. The application of this Framework remains subject to compliance with local laws and regulations. 2. Extension of credit and underwriting of bonds and stocks

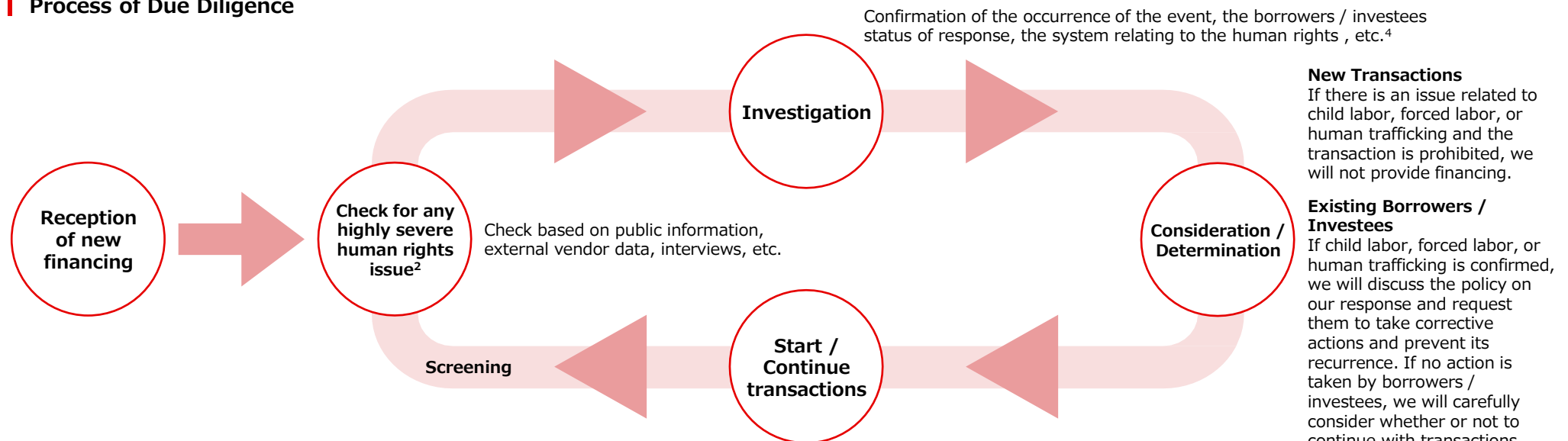
(3) Initiatives for Borrowers / Investees ②

MUFG recognizes child labor, forced labor, and human trafficking as highly severe human rights issues and has designated them as prohibited transactions in MUFG Environmental and Social Policy Framework. MUFG conducts due diligence when considering financing, and makes the credit decision after confirming whether or not the transactions fall under prohibited transactions. In addition, MUFG will perform regular screening on its borrowers / investees for any issue related to child labor, forced labor, and human trafficking, and if such highly severe human rights issue is identified, MUFG will request borrowers / investees to take corrective actions and prevent its recurrence.

Initiatives for the Prohibited Transactions (child labor, forced labor, and human trafficking) designated in the MUFG Environmental and Social Policy Framework¹

Considering New Transactions	<ul style="list-style-type: none"> • Branches or departments considering a new transaction check whether or not the borrowers / investees have highly severe human rights issue² and determine whether the transaction falls under the prohibited transaction category based on available public information, information provided by the borrowers / investees, and external vendor data³, etc. • If highly severe human rights issue² of borrowers / investees is detected, MUFG confirms the detected issues and the status of their response.⁴ • If child labor, forced labor, or human trafficking is confirmed, MUFG will not provide financing.
Management during the Transaction Period	<ul style="list-style-type: none"> • Using external vendor data, we perform regular screening for highly severe human rights issue² of borrowers / investees. • If highly severe human rights issue² of borrowers / investees is detected in external vendor data or by external observations etc., we confirm the occurrence of the event and the status of the response to them. • If child labor, forced labor, or human trafficking is confirmed, we will request borrowers / investees to take corrective actions and prevent its recurrence. • If no action is taken by the borrowers / investees, we will carefully consider whether or not to continue with the transaction.

Process of Due Diligence



(Note) 1. The application of this Framework remains subject to compliance with local laws and regulations

2. Human rights issue related to child labor, forced labor, or human trafficking

3. Referring to external data, etc., on the violation status of ten principles under the UN Global Compact Principles.

4. Checks are conducted at each site. Consult with the departments in the headquarters (in case of the Bank, Sustainability Office) as necessary.

(3) Initiatives for Borrowers / Investees ③

A transaction categorized as "Transactions of High Caution" is subject to enhanced due diligence which will be conducted by the department which manages the environmental and social risk of each core subsidiary (such as Environmental and Social Assessment Department in Sustainability Office) as necessary, in addition to the standard due diligence. If the environmental and social considerations of the borrowers / investees are not considered sufficient relative to the level of the potential risks and impacts, financing will not be provided except as required by state or local law.

Initiatives for the Transactions of High Caution Specified in MUFG Environmental and Social Policy Framework¹

Adverse impact on Indigenous Peoples Communities

There are cases where indigenous people's rights to their ancestral lands, territories and natural resources may be adversely impacted due to large-scale development projects such as mining and infrastructure projects. We assess its risk and impact through interviews, assessments by independent consultants, and on-site inspections which we confirm its consistency with the international standards such as IFC Performance Standards.

Key Points to Assess Risks / Impacts

- Relationship between the affected indigenous people and the business operations
- Consultation and communication processes with affected indigenous peoples (e.g. use of grievance mechanisms, free, prior and informed consent)
- Profit sharing and development opportunities for indigenous peoples

Land expropriation leading to involuntary resettlement

In some cases, investments involving the acquisition of land use rights, such as investments in agribusiness and plantations, lead to "land exploitation."

We assess its risk and impact through interviews, assessments by independent consultants, and on-site inspections which we confirm its consistency with the international standards such as IFC Performance Standards.

Key Points to Assess Risks / Impacts

- Whether or not the design and the timing minimize the adverse impact
- Effectiveness of the involuntary transfer procedures taken
- Development status of the resettlement and livelihood restoration plans to mitigate adverse impacts

Transactions in Conflict Areas²

There is a concern that conflict areas with weak governance may have higher human rights risks, including those in the five areas³ included in the ILO's Core Labor Standards.

We confirm and assess whether the transaction has an adverse impact on the human rights through interviews, external information, and assessments by independent consultants and others.

Key Points to Assess Risks / Impacts

- Whether the transaction is in the region identified from the Conflict Areas and High Risk Areas (CAHRAs)
- Whether there is any risk of adverse impact on the human rights due to the product or service handled or sold being used for other than its purpose
- Whether the transaction involves any dealing with the government, public institution, state-owned enterprise, national military organization, etc.

Forestry / Palm Oil

Forestry / palm oil businesses are considered to have a significant environmental and social impacts, including human rights issues such as child labor and forced labor in the production process, and environmental destruction and impacts on biodiversity due to deforestation.

We check the status of certification that confirms that environmental and social considerations have been implemented, as well as compliance with NDPE. Moreover, we request for an enhancement of supply chain management and traceability, or we confirm that appropriate measures are taken to address social issues such as respect for human rights, etc. during the transaction period.

Key Points to Assess Risks / Impacts

- Acquisition or acquisition plan of FSC⁴, PEFC⁵ certification, etc. (Forestry)
- RSPO certified or planning to be certified and compliance with NDPE⁶ policy (Palm oil)

(Note) 1. The application of this Framework remains subject to compliance with local laws and regulations.

2. Conflict areas in the 22 countries extracted from the CAHRAs list (as of April 2024)

3. Forced labor and human trafficking, child labor, discrimination, freedom of association and the right to collective bargaining, industrial safety and health

4. An international system that certifies "appropriate forest management" created with the aim of sustainable forest utilization and conservation.

5. An organization that mutually recognizes forest certification standards created in various countries and regions. Primarily focused on Europe and America, it operates a system for the mutual recognition of national and regional forest certification schemes established in each country.

6. Abbreviation for No Deforestation, No Peat, and No Exploitation.

(3) Initiatives for Borrowers / Investees ④

MUFG revised MUFG Environmental and Social Policy Framework and added Mining (General) and Biomass Power Generation to the transactions of high caution in April 2024. As both industries are essential to addressing climate change while potentially having negative impacts on human rights, natural capital, and biodiversity, MUFG assesses the status of the customers' consideration of environmental and social impacts before providing financing to those customers.

Revision of MUFG Environmental and Social Policy Framework¹ in April 2024 (mining and biomass power generation added to the transactions of high caution) **NEW**

• Mining (General)

MUFG assesses the status of the customers' consideration of the environmental and social impacts, including impacts on ecosystems and indigenous peoples' communities, and human rights violations, such as child labor or forced labor, of the mining business (mining and mineral beneficiation and the disposal of tailings resulting from those processes).

Key Points in Assessing Risks / Impacts

- A method of disposing of tailings and whether a plan for closing mines is in place
- Impacts of water pollution and other factors on surrounding areas and indigenous peoples' communities
- Impacts on rare species
- Concerns about child labor, forced labor or human trafficking, and occupational safety

• Biomass Power Generation

While biomass power generation contributes to supplying clean energy as a renewable energy source, consideration must be given to the environmental and social impacts it has when fuels are produced and processed. MUFG assesses customers to ensure that they give due consideration to the conflict between the use of the biomass as fuel and as food, sustainability of fuels, and lifecycle greenhouse gas emissions.

Key Points in Assessing Risks / Impacts

- Whether assessment is conducted to identify any conflict between the use of the biomass as fuel and as food (food or non-food biomass, etc.) from the perspective of food security
- Sustainability of the fuels to be used in terms of biodiversity conservation, elimination of child labor and forced labor, and the health and safety of workers
- Whether lifecycle greenhouse gas emissions can be measured



Column: Climate Change and Respect for Human Rights

As shown by media reports on potentially climate-induced disasters and their impact on industry, the impact of climate change on our lives is becoming more serious. Under these circumstances, in 2022 the United Nations adopted a resolution, declaring access to a clean, healthy and sustainable environment a universal human right. This declaration suggests that the impact of climate change, air, soil, and water pollution, biodiversity loss, etc. will have negative implications, both direct and indirect, on human rights, and calls on governments of each country, international organizations, and business enterprises to scale up efforts to ensure a healthy environment for all.

In addition, a theory of just transition is becoming increasingly important as an approach for pushing ahead with efforts to address climate change, while correcting social disparities.

Relationships between Climate Change and Respect for Human Rights (Examples)

① Impact of climate change and human rights

Climate change causes rising temperatures, extreme weather events, and sea level rises, and has negative impacts such as health damage on people including an increase in heatstroke patients, and forced relocations from their hometown.

② Addressing climate change and human rights

Renewable energy equipment and batteries are necessary technologies for achieving carbon neutrality, but at the same time the minerals needed for the production are sometimes mined in countries in conflict or areas where human rights protection is weak, resulting in child labor.

③ Climate change and workers' rights

The industrial transformation that takes place in the process of tackling climate change may cause fossil fuel sector workers to lose jobs.

(Note) 1. The application of this Framework remains subject to compliance with local laws and regulations.

(3) Initiatives for Borrowers / Investees ⑤

MUFG has been contributing to the realization of a sustainable environment and society by adopting and adhering to the Equator Principles, a risk management framework for identifying, assessing and managing environmental and social risks and/or impacts for large-scale projects such as development of natural resources. During the preparation for the fourth iteration of the Equator Principles, which came into effect in July 2020, the Bank, as a Co-Lead of the Social Risk Working Group of the Equator Principles Association at the time, steered the work on updating requirements related to human rights. Currently, MUFG is promoting discussions to enhance risk management including human rights risk management in the financial sector as a regional representative of the Asia-Oceania Region in the Steering Committee.

Adoption of and Adherence to the Equator Principles

Environmental and social risk management in accordance with the Equator Principles

The Bank confirms environmental and social considerations conducted by the project proponent for the large-scale developments in accordance with the Equator Principles since its adoption of the Principles in December 2005.

Specifically, prior to making a decision to finance a project, the Bank identifies the environmental and social risks and impacts, including the status of human rights considerations in client's business, and confirms the measures to be taken by the client, based on the laws and regulations of the host country and international standards, including those of the World Bank. After executing the loan, the Bank monitors the project to see if any environmental or social risks have materialized.

Status of the Implementation of the Equator Principles

The fourth iteration of the Equator Principles (EP4) was adopted in November 2019, and the Bank has been applying EP4 to projects for which mandates have been obtained from clients on or after July 1, 2020.

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

Equator Principles Implementation in 2023¹

Project Finance	79
Project-related Corporate Loans	4
Project-related Corporate Refinance	1
Project finance Advisory Services	13

[Click here for details](#)

Responding to Human Rights and Stakeholder Engagement Requirements under the Equator Principles

The Bank confirms the status of human rights considerations by project proponent through the environmental and social impact review, monitoring, etc. including the following requirements under the Equator Principles.

Key Requirements ²	
Assessment	Has an appropriate assessment of human rights issues based on international standards been conducted by the project proponent? Are the assessments reviewed by independent experts?
Stakeholder Engagement	Is a process of "informed consultation and participation" being taken by the project proponent? In particular, with respect to indigenous peoples who may represent vulnerable segments of project-affected communities, has the consultation process and its outcomes been evaluated against the laws of the host country and the international standards?
Grievance Mechanism	Does the project proponent have an effective grievance mechanism and provide the community and workers with opportunities to access the mechanism?
Reporting	Does the project proponent disclose key environmental and social impacts, including, when relevant, a summary of human rights risks and impacts?
Monitoring	Is the plan indicated by the project proponent being executed even after the project execution?

(Note) 1. Number of transactions from April 1, 2023 to December 31, 2023

2. The requirements apply to all Category A and B projects for Stakeholder Engagement, and to all Category A and, as appropriate, Category B projects for other items

(3) Initiatives for Borrowers / Investees ⑥

Due Diligence Case Study NEW

Case ①: Lithium-Ion Battery Manufacturing Facility Construction Project

Extraction of resources

Procurement

Battery production



- Potential suppliers of materials for battery production may source the materials from high human rights risk countries and regions, which raised concerns for the supply chain worker's human rights, such as child labor and forced labor.

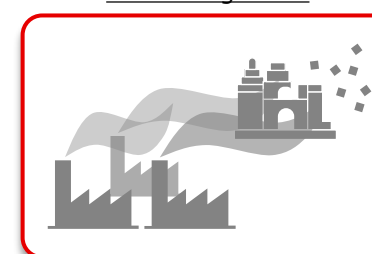
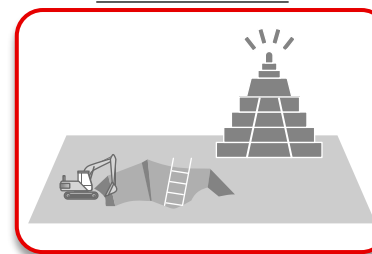
Identified Risk and MUFG's Response

Risk	Child labor and forced labor risks in supply chains
Points Requested and Confirmed by MUFG	<ul style="list-style-type: none"> • The project proponent conducts an assessment of the human rights risks and impacts of the project and disclose the results of the assessment, along with its human rights statement. • The project proponent has prepared a supplier code of conduct which prohibit child labor and forced labor applicable to the project's workers and third-party workers. The contract between the project proponent and a supplier will require that the supplier comply with its code of conduct formulated by the project proponent. • The project proponent has a grievance mechanism in place, to which all suppliers have access. • The project proponent conducts an audit of each of the suppliers who will be selected going forward. • In the loan agreement, the project proponent is committed to comply with international standards on business and human rights.

Case ②: Fertilizer Manufacturing Plant Construction Project

Cultural heritage identified at planned construction site

Potential impacts of air pollutants on the heritage sites



- Indigenous cultural heritage were identified at the planned construction site. There are similar heritage sites found across the region. It has been pointed out that air pollutants discharged from the manufacturing plant and other facilities in the region may accelerate the weathering of the heritage.

Identified Risk and MUFG's Response

Risk	Impacts on indigenous cultural heritage
Points Requested and Confirmed by MUFG	<ul style="list-style-type: none"> • The project proponent concluded an agreement that includes its respect for existing contracts and obligations with the indigenous peoples in the area. Consultations will be maintained. • In collaboration with indigenous groups, experts, and government agencies, a cultural heritage management plan has been developed. The plan includes efforts to enhance employees' cultural understanding, manage heritage sites, establish communication systems with indigenous groups, and set up a dispute resolution committee. • The heritage identified within the construction site will be protected so as not to adversely harm them. • The relationship between the weathering of heritage sites and atmospheric pollutants is not clear, necessitating further investigation. The project proponent provides financial and technical support for cultural heritage management plan implemented by local governments.

(3) Initiatives for Borrowers / Investees ⑦

MUFG implements due diligence in accordance with MUFG Environmental and Social Policy Framework and the Equator Principles when any human rights issues are detected with a borrower / investee. If any concern about human rights issues is confirmed, MUFG checks the status of response by the borrower / investee and conducts stakeholder engagement and monitoring as necessary to ensure that corrective actions or recurrence prevention measures will be taken.

| Status of Implementation of Human Rights Due Diligence for Borrowers / Investees


NEW

Identified Human Rights Issues	Number of Transactions
Forced Labor, Human Trafficking	6
Child Labor	3
Impact on Indigenous People's Rights and Communities	6
Involuntary Displacement	5
Issues Related to the Working Environment and Other Employee Rights	1
Total	21



Status of the Response to Issues	Number of Transactions
Confirmed that Appropriate Actions or Measures to Prevent Recurrence Have been Taken ¹	18
Credit Transactions Have been Called Off ²	1
Confirming the Identified Issues and the Status of Response by the Client ³	2
Total	21

* Human rights issues identified in accordance with MUFG Environmental and Social Policy Framework and the Equator Principles from April 2023 to May 2024. Transactions for which due diligence was implemented due to multiple human rights issues are double-counted. There are 12 transactions in total other than those above, for which due diligence was completed in or before March 2023 and monitoring continues to be conducted.

(Note) 1. Due diligence was completed in or after April 2023

2. In or after April 2023

3. Due diligence is yet to be completed as of the end of May 2024

(4) Initiatives for Suppliers

MUFG's business activities are supported by diverse suppliers, and we recognize that there is a risk that our procurement activities may have an adverse impact on the employees of our suppliers, the environment, and society. We are committed to respecting human rights in our supply chain through the revision of "Approach to Purchasing Activity" and the implementation of human rights due diligence.

Formulating and Publicizing "Approach to Purchasing Activity"

"Approach to Purchasing Activity" defines MUFG's approach and expectations of its suppliers.

In June 2023, we revised our "Approach to Purchasing Activity" to clarify our expectations, including respect for human rights and environmental considerations. [Click here for details](#)

Domestic offices of the Bank, the Trust Bank and the Securities hand deliver and explain the "Guidelines for Purchasing Activity" based on the "Approach to Purchasing Activity" to suppliers¹ to seek their understanding of MUFG's policy.

In addition, from the perspective of preventing customer harassment, including abuse of a superior bargaining position and human rights abuse against suppliers, the Bank's domestic offices have established a consultation service for suppliers, with contact information provided in the "Guidelines for Purchasing Activity."

Actions in Response to the Modern Slavery Acts

In response to the enforcement of the Modern Slavery Act in the UK in 2015 and in Australia in 2019, MUFG group companies annually publish statements of our efforts to prevent the exploitation of labor and human trafficking in our and suppliers' business, and are committed to preventing human rights abuses in our supply chains.

(Examples of the Bank's Actions)

UK	As part of our supplier due diligence process, we monitor and assess our suppliers with a risk assessment process.
Australia	We have implemented "MUFG Bank Modern Slavery Policy and "Supplier Code of Conduct". We also conduct supplier due diligence through questionnaires.

(Announcement)

[MUFG Bank Mitsubishi UFJ Trust and Banking](#) [MUFG Securities EMEA](#)
[FSI Mitsubishi UFJ Trust International](#) [MUFG Investor Services](#)

(Note) 1. The Bank: suppliers with ongoing transactions; The Trust Bank and the Securities: major suppliers. 2. Major suppliers of the Bank, the Trust Bank, and the Securities.

3. Implemented by the Bank and the Trust Bank. 4. Implemented at the Banks's European and Americas offices. etc.

Implementation of Human Rights Due Diligence **NEW**

Major suppliers² were screened for highly severe human rights issues (child labor, forced labor, and human trafficking) using external vendor data. As this screening identified one case of adverse news concerning a highly severe human rights issue, we checked with the supplier to confirm what kind of actions and remediation measures they are taking, and requested that they continue addressing and correcting human rights issues.

Risk Identification and Assessment

New Transactions	Check for risks related to human rights with respect to important external contractors ³ Check through adverse media screening ⁴
Existing Transactions	Regular checks of major suppliers ² are conducted at the Sustainability Office and other sections to determine if there are any highly severe human rights issues (child labor, forced labor, and human trafficking)

Responses when Risks are Detected

Information Confirmation	Confirmation of detected issue, the status of supplier's responses and system related to human rights
Consideration of Responses	<p>At the Start of a New Transaction Based on what we have confirmed, if it is clear that there is human rights abuse, we will not execute the contract.</p> <p>Existing Suppliers Based on the information confirmed, if it is clear that there is a human rights abuse, we will request the company to respond and take corrective actions for the human rights issue, follow up on the status of response as necessary, and consider suspending new contracts or terminating transactions if corrective action is not taken.</p>

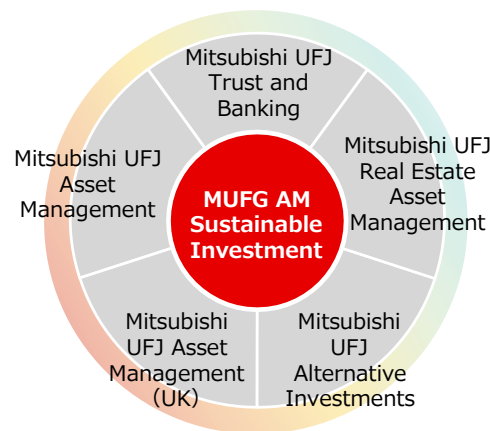
Initiatives as Asset Manager^①

MUFG Asset Management (“MUFG AM”^①) is committed to providing investment returns to our clients, and is taking actions that promote sustainable value enhancement and provide solutions to environmental and social issues faced by investees through our stewardship activities. Based on our Sustainable Investing Policy, we enable investees to address issues they are facing through our stewardship activities and continue to strengthen our support structure efforts.

MUFG AM Sustainable Investment

MUFG AM has been promoting sustainable investing in collaboration with the rest of the MUFG Group since April 2023. Sustainable Investment Division has been established to lead MUFG AM’s group-wide sustainable investing activities, and will further promote investment, product development, and sales at group companies.




MUFG AM brings global-level experts and knowledge such as external personnel to promote sustainable investments by strengthening products and services.



MUFG AM will continue strengthening sustainable investments with its global vision, “Investing for our Sustainable Future,” and MUFG AM Sustainable Investing Policy.

[Click here for details](#)

Efforts to Address Human Rights Issues

Stewardship Activities	Conducting engagement activities, exercising voting rights, and taking other initiatives for addressing sustainability challenges including human rights issues.
Thematic Engagement	Selecting priority themes from the investment universe MUFG AM has identified, and engaging with investees highly relevant to those themes 
Collaborative Engagement	Engaging with investees in collaboration and coordination with domestic and international initiatives and investment agencies 
Public Engagement	Working with market participants, and making direct and indirect policy recommendations to regulators, initiatives, academia, among others. 

(Note) 1. MUFG Asset Management (MUFG AM) is a brand name formed by Mitsubishi UFJ Trust and Banking Corporation, an asset management company of Mitsubishi UFJ Financial Group (MUFG), Mitsubishi UFJ Asset Management Co., Ltd., Mitsubishi UFJ Real Estate Asset Management Co., Ltd., Mitsubishi UFJ Asset Management (UK) Ltd., and Mitsubishi UFJ Alternative Investments Co., Ltd.

Initiatives as Asset Manager②

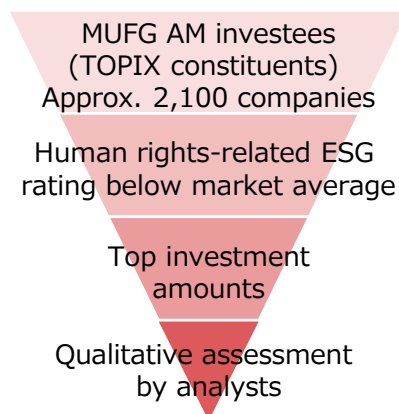
MUFG AM is taking action to strengthen the engagement structure and increase its effectiveness, with the goal of stronger support for efforts to solve environmental and social issues and improve corporate behavior. With respect to human rights, we engage with investees with high impact to develop our mutual understanding as we cherish taking action for human rights management in the supply chains and achieving diversity in our society.

Selecting Companies to Engage


NEW

We select the companies for engagement from MUFG AM's investees based on human rights-related ESG rating, investment amounts, and analysts' qualitative assessment.

Scope of Engagement



Key Human Rights Issues
Modern slavery
Supply chain management
Diversity, equity, inclusion
Labor rights

Engagement Stage Management

We aim to resolve issues through engagement by implementing four-stage management.

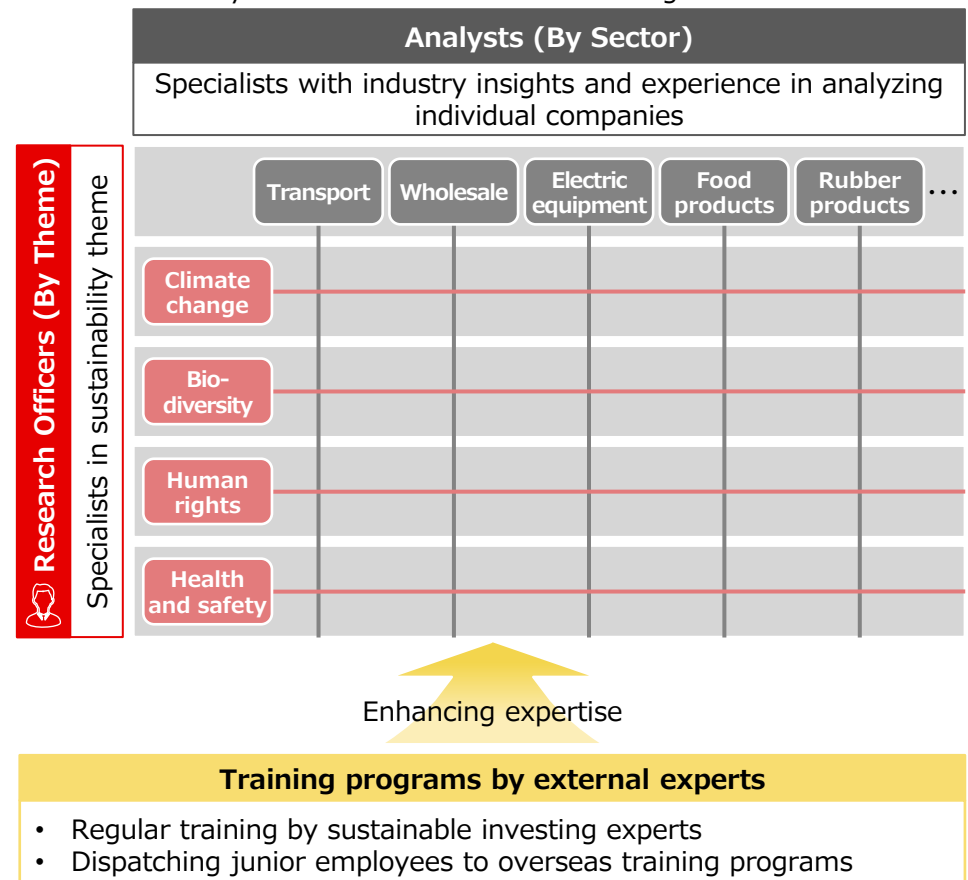
Stage 1 Identify Issues	Analyzing companies for engagement and identify their issues
Stage 2 Share the Issues	Sharing the issues with respective companies
Stage 3 Checking actions	Checking that companies have taken actions to address the issues
Stage 4 Monitoring	Ensuring that companies to take actions to resolve the issues

Effective Engagement Structure


NEW

Based on the MUFG AM Sustainable Investing Policy, we, as group-wide investment companies, work to promote engagement. In addition to corporate/industry-specialized analysts, research officers specialized in sustainability themes also bring the latest knowledge and reflect into the rapidly changing field of sustainability.

We also maintain a high level of expertise by brining external experts to train our analysts and research officers on a regular basis.

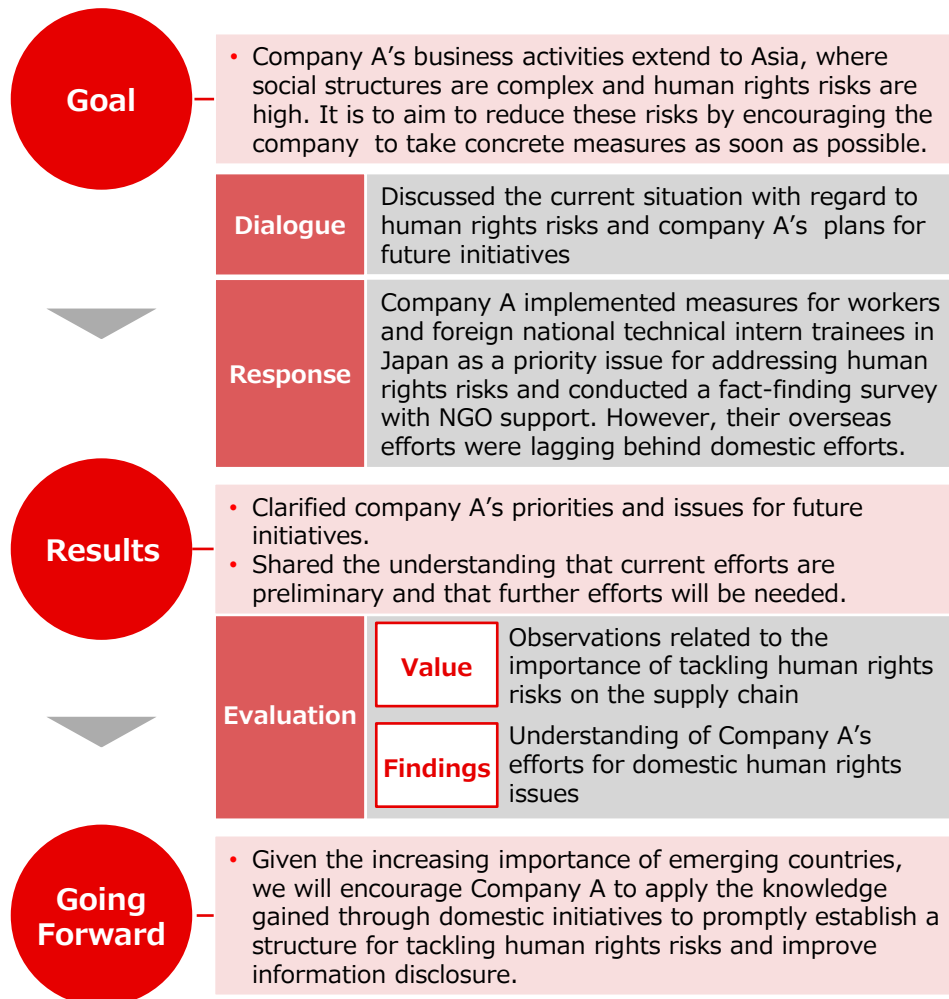


Initiatives as Asset Manager^③

In thematic engagement, we conducted engagements on the theme of human rights with various companies. In collaborative engagement, we encouraged a manufacturer to respond to human rights issues through IAST APAC. Additionally, at PRI in Person, we hosted a side event for IAST APAC members, conducting a panel discussion on the theme of modern slavery in the Asia-Pacific region.

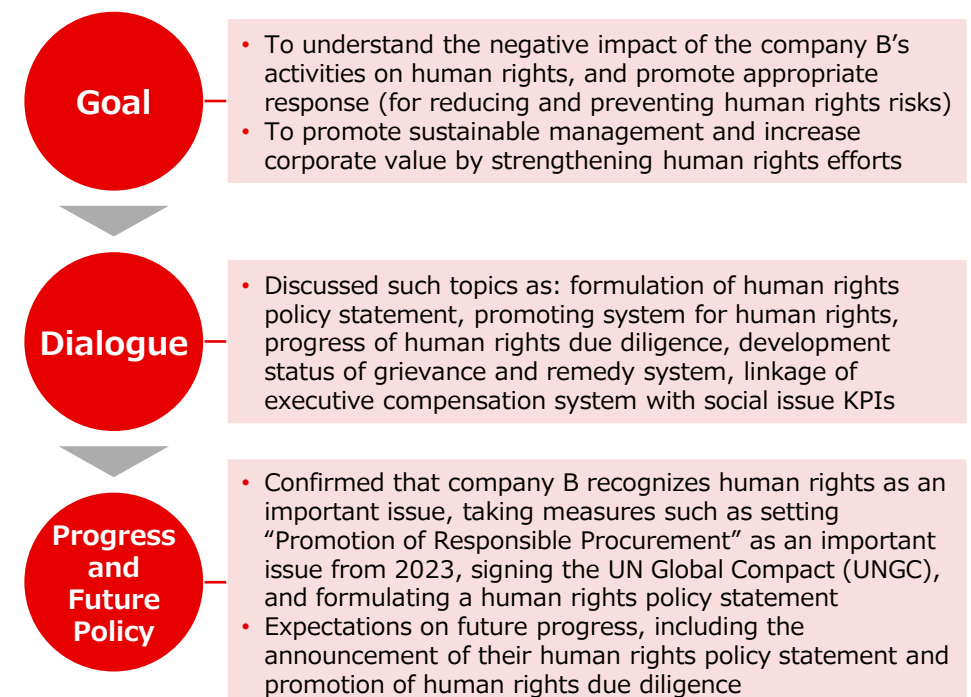
Thematic Engagement NEW

Target	Automobile Company A	Theme	Tackling human rights issues on the supply chain
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Collaborative Engagement NEW

Target	Manufacturing Company B	IAST APAC Engagement in collaboration with other IAST APAC investors and management agencies
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Public Activities through Collaborative Engagement



- In October 2023, MUFG AM hosted a joint event at PRI In Person
- Panel discussions brought experts on modern slavery in the APAC region in collaboration with IAST APAC

Communication with Stakeholders

MUFG actively promotes a constructive dialogue with various stakeholders in order to deepen mutual understanding towards respect for human rights. In particular, we believe that a dialogue with stakeholders which may have human rights impacts through MUFG's business is an important element in achieving respect for human rights. We will strive to build a relationship of trust and collaboration with stakeholders by responding appropriately to their concerns, issues, and opinions, which will lead to MUFG's sustainable growth and improvement of corporate value over the medium to long term.



Employees may be subject to adverse human rights impacts caused by MUFG, such as discrimination and harassment.

MUFG is working to identify, assess, prevent, and mitigate potential adverse impacts on employees by the group awareness and engagement surveys, the establishment of an employee hotline to receive complaints and consultations, and communication through DEI promotion measures, etc.



Customers may be subject to adverse human rights impacts caused by MUFG through the merchantability, convenience, and presentation of products and services provided by MUFG.

MUFG is working to identify, assess, prevent, and mitigate potential adverse impacts on customers by responding to opinions and complaints about our products, services, and customer service, etc., and by communicating with customers through sales and other activities.



MUFG may contribute to human rights abuses or be associated with adverse human rights impacts through business relationships in the course of financing and purchasing activities, etc.

When adverse human rights impacts are identified in the course of the business relationships, MUFG takes appropriate actions and encourages borrowers / investees and suppliers to take appropriate actions through a dialogue, thereby preventing or mitigating adverse impacts.



We participate in organizations such as the Industrial Federation for Human Rights, Tokyo, the Industrial Federation for Human Rights, Aichi, Osaka City Corporate Human Rights Promotion Council, and the working committee on equal rights of the Japanese Bankers Association. Through participation in training programs and information exchange with other companies, we are accumulating knowledge and promoting human rights awareness initiatives.



If we become aware that there is a likelihood of human rights issues, such as labor problems related to borrowers / investees, through dialogues with NPOs / NGOs such as environmental groups and human rights groups, we will confirm the facts and consider the review of transaction policy, as necessary. The information obtained from such stakeholders is also used as a reference when reviewing MUFG Environmental and Social Policy Framework.

Case Study

Members of the Sustainability Office of Corporate Planning Division engaged in dialogues with members of NGOs working globally. Through the discussion, NGOs raised the issues relating to the exploitative labor practices in the palm oil business operated by MUFG's borrowers / investees as well as the negative environmental and social impacts of biomass power generation. They provided opinions on enhancing the "MUFG Environmental and Social Policy Framework." In addition to those dialogues and discussions, the discussions held with the NGOs and NPOs are also considered when holding dialogues with borrowers / investees and referenced when reviewing MUFG Environmental and Social Policy Framework.

<Revisions Based on the Exchange of Opinions>

- 2022: the Palm oil policy was tightened by limiting the customer certification requirement to accept only the RSPO, the international certification.
- 2023: the Palm oil and Forestry policy was revised to require enhancement of supply chain management and traceability.
- 2024: Establish a policy that requires environmental and social consideration for biomass power generation.



We check and continuously improve the status of our response through exchanges of opinions with institutional investors and analysts regarding our response to human rights, based on the recognition that responding to respect for human rights is an essential requirement for the company's sustainable growth and enhancement of corporate value over the medium to long term.

4.

**Grievance Mechanism /
Remedy for Human Rights Abuses**

(1) Initiatives for Employees

"Compliance Helpline" and consultation service for issues such as sexual and power harassment are established at each Group company to ensure a pleasant and positive working environment. It responds to reports submitted in-person or via phone, email, etc., while considering the individual's anonymity and privacy.

■ MUFG Compliance Helpline

We consider the whistle-blowing system an important governance tool. Each Group company develops such a system to ensure their self-cleansing ability in order to identify compliance issues and remediate them quickly. Moreover, we have established "MUFG Compliance Helpline", which is available around the clock for any Group member on a global basis (including resigned employees).

Protection of Whistle-blowers

- We observe strict adherence that the identities of whistle-blowers and the content of the reports must be strictly confidential in the course of handling reported issues so that whistle-blowers will not be subjected to retaliation.
- We are therefore ensuring thorough protection for whistle-blowers even as we perform investigations into issues being reported and conduct corrective measures, including follow-up inspections.

Reception Results

- In FY2023, a total of 436 reports were accepted at MUFG and main Group companies.
- Major contents of whistle-blowing report: Violation of laws, company rules, etc.
- Response to whistle-blowing reports: Depending on the content of the whistle-blowing report, the appropriate department conducts fact-finding and other investigations. If content of the report is true, remediation or disciplinary action shall be taken.

Initiatives to Improve the Credibility Level

- We aim to ensure that employees can access this helpline without hesitation whenever they are suspicious of matters regarding compliance issues. We are striving to improve the credibility of the system by disclosing not only the contact point, but also the number of whistle-blowing reports to the public, and sharing cases in a manner that protects the anonymity of individual whistle-blowers.

Responding to Changes in the Law

- In accordance with the revised Whistleblower Protection Act, which became effective from June 2022, we have upgraded whistle-blowing systems in place at MUFG as well as Group company's subsidiaries and affiliates, so that employees are well protected when using the systems.

■ Employee Consultation Desk

At the Employee Consultation Desk, consulting staff members provide consultation on various issues such as workplace relationships, harassment, and personal problems. While ensuring the privacy of the consulters and the confidentiality of their consultations, we consider the appropriate measures through a dialogue with them, and then work with the relevant departments to resolve their problems and concerns.

The Bank has appointed "employee counselors" at each of its offices to serve as familiar consultation counsellors in the workplace, providing consultation on various concerns of front-line workers and actively working to improve the working environment in cooperation with the Employee Consultation Desk. In addition, the Employee Consultation Desk provides support for creating a better working environment through visiting each branch for interviews, etc.

■ DEI Consultation Desk

Under the MUFG Human Resources Principles, we promote DEI and provide an inclusive workplace and growth opportunities where all employees engage in their work with enthusiasm and job satisfaction, and the DEI Office has established a contact point to receive inquiries and provide consultation regarding DEI from employees.

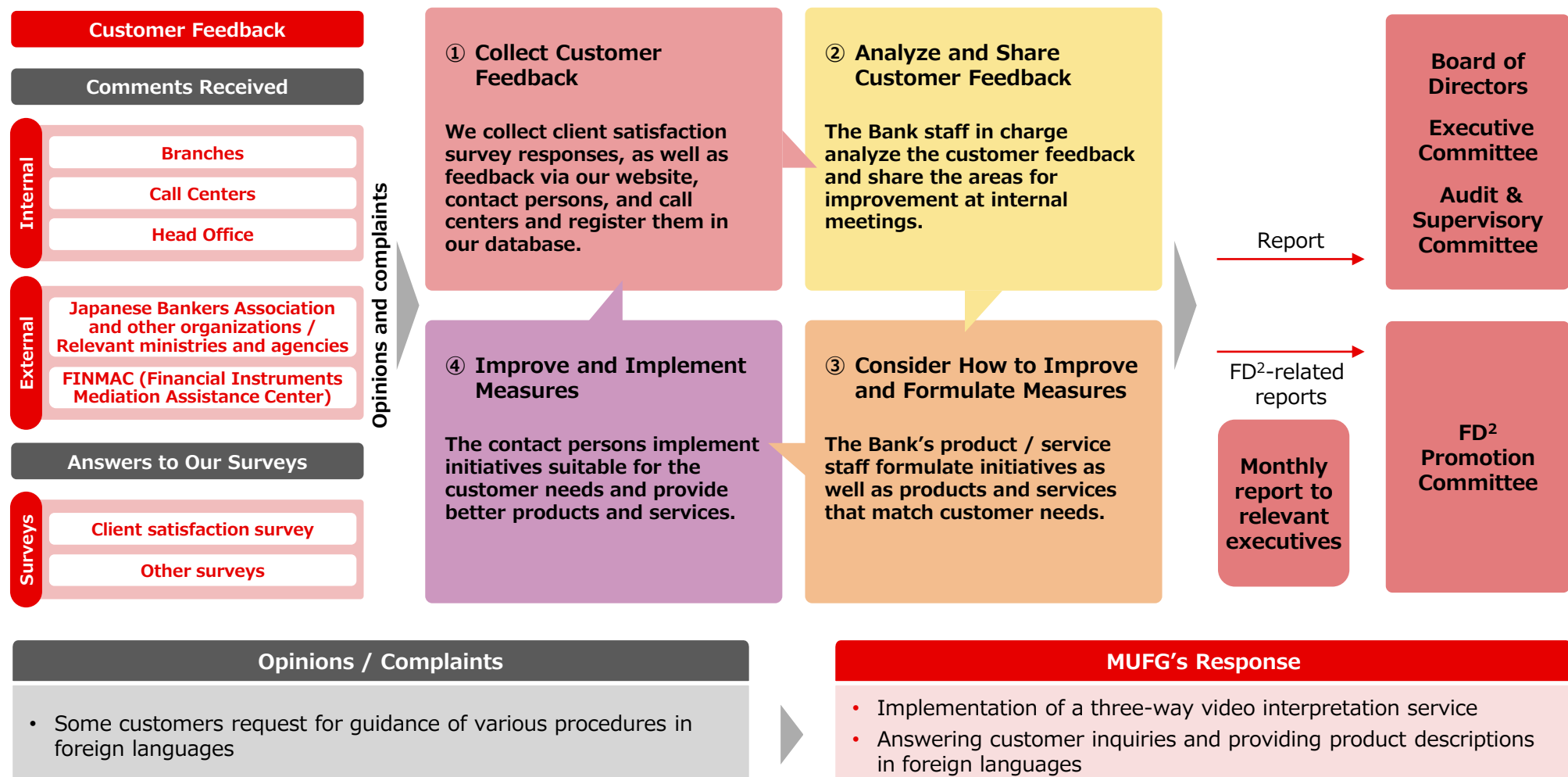
Examples of Consultation

- Consultation on balancing work with childcare, nursing care, infertility treatment, etc.
- Consultation on work-life balance (e.g. taking childcare leave regardless of gender, efficient work styles, etc.)
- Consultation for persons with disabilities
- Sexual orientation and gender identity (LGBTQ) counseling, etc.

(2) Initiatives for Customers

MUFG has established a system to appropriately respond to opinions and complaints, including human rights issues, from customers and other stakeholders, while ensuring confidentiality and anonymity. If it becomes clear that employees of group companies, or the products or services we provide, are causing, contributing to, or directly linked to adverse human rights impacts, we will work to remediate the situation. In FY2023, there were 195 cases in which services were improved based on feedback and requests received from customers to the five group companies.¹

Flow of Handling Customer Feedback and Complaints (Case of the Bank)



(Note) 1. The Bank, the Trust Bank, the Securities, NICOS, and ACOM.

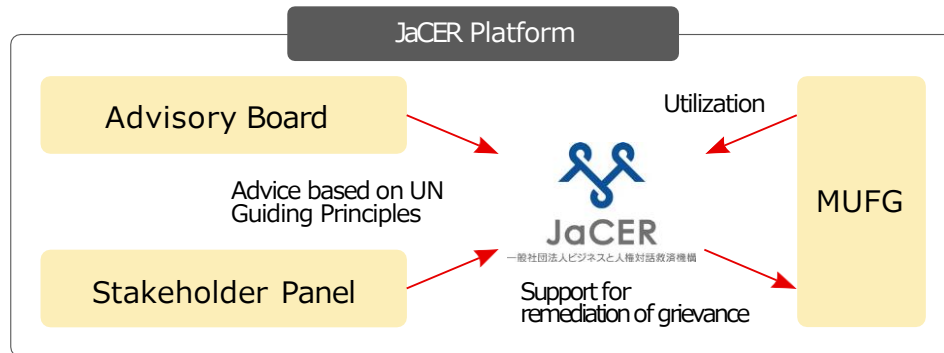
2. Fiduciary duty

(3) Initiatives throughout the Value Chain

In 2023, MUFG had joined in Japan Center for Engagement and Remedy on Business and Human Rights (JaCER). JaCER is an organization that receives reports of grievances related to human rights through the "Engagement and Remedy Platform" and aims to act in a professional capacity to support and promote remediation of grievances by member companies. By utilizing JaCER platform, MUFG established a remedial contact points for adverse human rights impacts that occur throughout the value chain, including employees of borrowers/investees and suppliers, as well as community and neighborhood residents, and making an effort to improve our grievance mechanisms.

Structure of JaCER

JaCER platform has a fair dialogue and remedy process in place, which ensures the anonymity of whistle-blowers and confidentiality of the content of their reports, and also allows whistle-blowers to report in multiple languages. JaCER established a system which allows the use of the Advisory and Mediation Panels, etc., which are comprised of third-party expert individuals and organizations, as necessary. In addition, JaCER operates in accordance with the internal rules based on international principles on human rights such as the UN Guiding Principles.



JaCER's Whistle-blowing Form

Operation Process

Whistle-blower(The rights holder or their representative)

Reception

JaCER Engagement and Remedy Platform
(received at JaCER or our website)

Initial investigation¹

- Confirmation of content reported
- Determine its applicability as a grievance case
- Consideration of response to the grievance

Response

- Discussion on its remediation measures in cooperation with the relevant departments
- Utilization of JaCER's knowledge, as necessary

In FY2023, we received one complaint regarding the negative impact on indigenous peoples through loans and held a dialogue with the indigenous peoples. We have been working with management and relevant departments to discuss the direction of our response to the opinions we received, and also engage with the business operator to encourage constructive dialogue.

1. To be conducted in collaboration with JaCER for about 2 weeks

5.

Conclusion



Future Prospects

MUFG has been working on the three initiatives required of companies by the “United Nations Guiding Principles on Business and Human Rights (UNGPs)” (① policy commitment, ② human rights due diligence, and ③ remediation), and will continue to consider strengthening these efforts going forward. MUFG also believes that ④ mutual communication with the stakeholders is the foundation for ensuring respect for human rights, and will continue to actively promote constructive dialogue with relevant parties.

① Policy Commitment

- Recently, topics such as AI and climate change are becoming increasingly relevant to human rights issues. In response to these changes in the external environment, MUFG revised its Human Rights Statement in April 2024. We will continue updating our Human Rights Statement and other policies and internal rules to appropriately address expanding scope of relevant topics (e.g. responsive ads and corporate lobbying), stakeholders’ requests, and developments in international guidelines and legal systems.

② Human Rights Due Diligence

- MUFG will steadily implement human rights due diligence based on rules such as MUFG Environmental and Social Policy Framework and the Equator Principles, and will continue to strengthen our efforts.

<Specific Actions>

- Enhance each employee’s capability to handle human rights issues by upgrading human rights training for all employees throughout the company and human rights DD training for the front office staff.
- Consider revising MUFG Environmental and Social Policy Framework (review of the scope of human rights issues and sectors subject to due diligence, upgrading of check list items, etc.).
- Make integrated efforts on climate change, natural capital, and the circular economy with the revised Environmental and Social Policy Framework and other corporate policies.

③ Remediation

- MUFG recognizes that it is essential to establish a remediation mechanism that allows the rights holders to voice their concerns appropriately. Accordingly, MUFG has been working on its grievance / remediation system by upgrading its whistleblowing contact points and joining JaCER. On the other hand, there are cases in which an individual human rights issue reported to the remediation contact is difficult for a single company to handle, or is difficult to disclose due to contractual confidentiality obligations. Bearing these points in mind, we will listen to the complaints received and respond appropriately to human rights issues.

④ Communication with Stakeholders

- We believe that dialogue with our stakeholders and rights holders, including employees, customers, borrowers / investees , suppliers, and NGOs / NPOs, is effective for deepening the awareness of initiatives and issues related to respect for human rights for both parties. We actually improve our service content based on the customer feedback received, and refer to the content of our discussions with NGOs and NPOs when reviewing our Environment and Social Policy Framework. MUFG will continue to disclose information about its measures to ensure respect for human rights and will incorporate suggestions gained through dialogue with the stakeholders into our own actions.

Reference to UN Guiding Principles Reporting Framework

Item				Corresponding Pages
Part A Governance of Respect for Human Rights	Policy Commitment	A1.1	How has the public commitment been developed?	P13
		A1.2	Whose human rights does the public commitment address?	P13–14
		A1.3	How is the public commitment disseminated?	P15
	Embedding Respect for Human Rights	A2.1	How is day-to-day responsibility for human rights performance organized within the company and why?	P16–17
		A2.2	What kinds of human rights issues are discussed by senior management and by the Board, and why?	P7, 16–18
		A2.3	How are employees and contract workers made aware of the ways in which respect for human rights should inform their decisions and actions?	P7, 15, 22-26, 30, 38, 42
		A2.4	How does the company make clear in its business relationships the importance it places on respect for human rights?	P7, 12–14, 31–35, 38-40
		A2.5	What lessons has the company learned during the reporting period about achieving respect for human rights, and what has changed as a result?	P41-42, 45
	Part B	Statement of Salient Issues	B1	Statement of Salient Issues: State the salient human rights issues associated with the company's activities and business relationships during the reporting period
Defining a Focus of Reporting	Determination of Salient Issues	B2	Determination of Salient Issues: Describe how the salient human rights issues were determined, including any input from stake holders.	P18, 21, 42
	Choice of Focal Geographies	B3	Choice of Focal Geographies: If reporting on the salient human rights issues focuses on particular geographies, explain how that choice was made.	P33
	Additional Severe Impacts	B4	Additional Severe Impacts: Identify any severe impacts on human rights that occurred or were still being addressed during the reporting period, but which fall outside of the salient human rights issues, and explain how they have been addressed.	P13, 26, 34, 48
Part C Management of Salient Human Rights Issues	Specific Policies	C1.1	How does the company make clear that relevance and significance of such policies to those who need to implement them?	P15, 22-26, 31–35, 38, 42
	Stakeholder Engagement	C2.1	How does the company identify which stakeholders to engage with in relation to each salient issue, and when and how to do so?	P21, 42, 44–46
		C2.2	During the reporting period, which stakeholders has the company engaged with regarding each salient issue, and why?	P18, 36-38, 41-42, 44–46
		C2.3	During the reporting period, how have the views of stakeholders influenced the company's understanding on each salient issue and/or its approach to addressing it?	P18, 36-38, 41-42, 44–46
	Assessing Impacts	C3.1	During the reporting period, were there any notable trends or patterns in impacts related to a salient issue and, if so, what were they?	P21, 37-38, 40, 44-46
		C3.2	During the reporting period, did any severe impacts occur that were related to a salient issue and, if so, what were they?	P31-38, 40-41, 44-46
	Integrating Findings and Taking Action	C4.1	How are those parts of the company whose decisions and actions can affect the management of salient issues, involved in finding and implementing solutions?	P16-17, 22-41, 44-46
		C4.2	When tensions arise between the prevention or mitigation of impacts related to a salient issue and other business objectives, how are there tensions addressed?	P26, 31–38
		C4.3	During the reporting period, what action has the company taken to prevent or mitigate potential impacts related to each salient issue?	P20–42
	Tracing Performance	C5.1	What specific examples from the reporting period illustrate if each salient issue is being managed effectively?	P22-30, 36-38, 41
	Remediation	C6.1	Through what means can the company receive complaints or concerns related to each salient issue?	P44–46, 48
		C6.2	How does the company know if people feel able and empowered to raise complaints or concerns?	P44–46, 48
		C6.3	How does the company process complaints and assess the effectiveness of outcomes?	P44–46, 48
		C6.4	During the reporting period, what were the trends and patterns in complaints or concerns and their outcomes regarding each salient issue, and what lessons has the company learned?	P44–46, 48
		C6.5	During the reporting period, did the company provide or enable remedy for any actual impacts related to a salient issue and, if so, what are typical or significant examples?	P44–46, 48

Glossary

Term	Explanation
The Ten Principles of The UN Global Compact	Ten principles established by the UN Global Compact encourage companies to support and practice international principles on human rights, labor, environment, and anti-corruption. They include protection and respect for internationally proclaimed human rights and the abolition of forced labor and child labor.
International Bill of Human Rights	The collective name for the Universal Declaration of Human Rights, which sets forth common norms to be achieved by all people and nations to respect and ensure human rights and freedoms, and the two international human rights covenants (the Covenant on Social and Civil Liberties), which are legally binding as international treaties, and the First and Second Optional Protocols to the International Covenant on Civil and Political Rights.
United Nations Development Programme (UNDP) (<u>U</u>nited <u>N</u>ations <u>D</u>evelopment <u>P</u>rogramme)	UNDP is the UN's principal development assistance agency promoting sustainable development. It is uniquely placed to help implement the Sustainable Development Goals (SDGs) through our work on the ground. It provides comprehensive support to countries around the world to integrate the SDGs into national development plans and policies.
UN Guiding Principles Reporting Framework	Comprehensive guidance for companies to report on human rights issues in line with their responsibility to respect human rights as set out in the Guiding Principles on Business and Human Rights.
OECD Due Diligence Guidance for Responsible Business Conduct	Guidance from the Organization for Economic Cooperation and Development (OECD) that provides practical guidance on how to conduct due diligence on human rights issues, etc.
Guidelines on Respecting Human Rights in Responsible Supply Chains	Guidelines issued by the Japanese government in September 2022 to promote respect for human rights by Japanese companies, based on international standards.
Reference Material on Practical Approaches for Business Enterprises to Respect Human Rights in Responsible Supply Chains	In April 2023, the Japanese government released practical reference materials that include detailed explanations and examples related to the development of a human rights statement and the identification and assessment of negative impacts on human rights (risks of human rights violations).
Guiding Principles on Business and Human Rights	A global standard to be respected by all nations and corporations, approved by the UN Human Rights Council in 2011. It consists of three components: (1) the obligation of states to protect human rights, (2) the responsibility of companies to respect human rights, and (3) access to remedies.
Money laundering	Attempting to evade detection and arrest by law enforcement agencies, etc., by keeping the source or true owner of proceeds obtained from a crime unknown.
Conflict-Affected and High-Risk Areas (CAHRAs) (<u>C</u>onflict-<u>A</u>ffected and <u>H</u>igh-<u>R</u>isk <u>A</u>reas)	A list identifying areas that are in a state of armed conflict or post-conflict fragile states, areas where governance and security are weak or non-existent, such as failed states, and areas where there are widespread and systematic violations of international law, including human rights abuses, in order to regulate conflict minerals. It was created by the EU.
FSC Certification (<u>F</u>orest <u>S</u>tewardship <u>C</u>ouncil)	An international system for certifying "appropriate forest management" that was created for the purpose of sustainable forest utilization and conservation. Products produced from certified forests are certified based on one common standard worldwide and bear the FSC logo mark.
GHG (Green House Gas)	Greenhouse Gas. General term for carbon dioxide, methane, and other greenhouse gases in the atmosphere

Glossary

Term	Explanation
IAST APAC (I nvestors A gainst S lavery & T rafficking A sia- P acific)	An acronym for the Investors Against Slavery and Trafficking Asia Pacific, and is an initiative of institutional investors that tackles issues such as modern slavery, labor exploitation, and human trafficking.
IFC Performance Standards (I nternational F inance C orporation)	IFC (International Finance Corporation) standards to prevent pollution, protect the natural environment, and protect the human rights of local residents and workers affected by the project.
ILO Declaration (I nternational L abour O rganization)	It provides recommendations and guidelines on how companies should apply and how states should promote the basic principles of labor derived from the international labor standards adopted by the International Labour Conference (ILO General Conference) in 1998.
ILO Core Labour Standards	They set minimum standards for labor including: (1) freedom of association and effective recognition of the right to collective bargaining, (2) elimination of all forms of forced or compulsory labor, (3) prohibition of child labor, and (4) elimination of discrimination. In addition to these four areas, the safe and healthy working environment was added in 2022.
LGBTQ	A collective term for lesbian, gay, bisexual, transgender, and queer / questioning, representing various sexual minorities.
NDPE (N o D eforestation, N o P eat and N o E xploitation)	This is an acronym that signifies a commitment to zero deforestation, zero peatland development, and zero exploitation.
OECD Guidelines for Multinational Enterprises	Guidelines compiled by the OECD (Organization for Economic Cooperation and Development) on the responsible behavior expected of multinational corporations, given the important role they play in the development of the global economy.
PEFC Certification (P rogramme for the E ndorsement of F orest C ertification S cheme)	An organization that mutually approves forest certification standards developed in various countries and regions. A system for mutual recognition of national and regional forest certification systems established in various countries, mainly in Europe and the United States.
RSPO (R oundtable on S ustainable P alm O il)	Officially known as the Roundtable for Sustainable Palm Oil, a non-profit organization composed of stakeholders involved in palm oil. It promotes the production, purchase, financing, and use of sustainable palm oil products; develops, implements, verifies, and assures international standards; and conducts periodic reviews.
SLL (S ustainability- L inked L oans)	A financial product that sets sustainability performance targets (SPT) based on the borrower's ESG strategy. The terms of the loan change according to the progress on the targets.
UNEP FI (U nited N ations E nvironment P rogramme F inance I nitiative)	An acronym for the United Nations Environment Programme (UNEP) Finance Initiative, a global partnership that was established between UNEP and the financial sector to promote actions to align the economy with sustainable development throughout the financial system.

Abbreviations for MUFG organizations and titles

MUFG organizations

Organization	Official name/notes
MUFG	Mitsubishi UFJ Financial Group, Inc.
Bank	MUFG Bank, Ltd.
Trust Bank	Mitsubishi UFJ Trust and Banking Corporation
Securities	Mitsubishi UFJ Securities Holdings CO., Ltd.
MUMSS	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
MUFG AM	MUFG Asset Management
Krungsri	Bank of Ayudhya Public Company Limited.: An MUFG consolidated subsidiary in Thailand
Bank Danamon	PT Bank Danamon Indonesia Tbk: An MUFG consolidated subsidiary in Indonesia

MUFG titles

Abbreviation	Official Name
CEO	Chief Executive Officer
CSO	Chief Strategy Officer
CFO	Chief Financial Officer
CRO	Chief Risk Officer
CHRO	Chief Human Resources Officer
CCO	Chief Compliance Officer
CLO	Chief Legal Officer
CSuO	Chief Sustainability Officer

Disclaimer

This report (the “Subject”) is intended to comply with the general principles related to the environment, human rights, nature, biodiversity or corporate responsibility. However, please be aware that environmental, social and governance(ESG) standards, laws, regulatory requirements and practice may vary significantly across different jurisdictions. As such, depending on your country of residence or incorporation, there may be specific local requirements or standards that the Subject does not fully address. The application of MUFG Sustainability Policies and Guidelines remains subject to compliance with local laws and regulations. We encourage you to consider your local requirements and your own ESG criteria and objectives when selecting our products and services.

It should be noted that no universally accepted global framework (legal, regulatory, or otherwise) currently exists, nor is there a market consensus in terms of what constitutes a “green”, “social”, “sustainable”, “responsible”, “traditional”, or equivalent “ESG” investment, communication, product, or offering. Furthermore, no assurance can be given that such a universally accepted framework or consensus will develop over time. Although there have been regulatory efforts in certain jurisdictions and regions (in particular, in the European Economic Area) to define such concepts, the legal and regulatory framework is still under development.

Additionally, the lack of common or harmonized definitions and labels currently regarding what is considered “green”, “ESG”, “sustainable”, “responsible”, and other similar criteria, or clear guidelines on what these monikers mean may result in different approaches being taken by different institutions.

Alongside its sustainable financing activities, MUFG and its affiliates invest in and finance projects associated with a wide range of industries, businesses and jurisdictions including in, but not limited to, high-emitting and hard to abate sectors such as the energy sector.

Accordingly, no assurance, warranty or representation can be given by MUFG that any of their investments, products, communications, services or offerings will meet any or all expectations regarding “green”, “ESG”, “sustainable”, “responsible”, or other equivalently labelled objectives or that no adverse environmental, social, and/or other impacts will occur.

