

# MITSUBISHI UFJ FINANCIAL GROUP GREEN BOND

## FRAMEWORK OVERVIEW AND SECOND OPINION BY SUSTAINALYTICS

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## 1. INTRODUCTION

Mitsubishi UFJ Financial Group (MUFG) has developed a green bond framework under which it plans to issue a green bond and use the proceeds to finance expenditures related to the generation of renewable energy, specifically solar and wind energy. MUFG has engaged Sustainalytics to provide a second opinion on its framework and the framework's environmental credentials. As part of this engagement, Sustainalytics held conversations with various members of MUFG's management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of MUFG's framework. Sustainalytics also reviewed relevant public documents and non-public information. Following this engagement between MUFG and Sustainalytics, some elements of the green bond framework were clarified to ensure an alignment with the level of disclosure expected by ICMA's Green Bond Principles, 2017.

This document contains two sections: Framework Overview – summary of MUFG's green bond framework; and Sustainalytics' Opinion – an opinion on the framework.

## 2. OVERVIEW OF ISSUER

MUFG is the largest Japanese and one of the world's largest financial institutions, formed in 2005 from the merger of several financial institutions with over 350 years of history. The company, through its subsidiaries, provides financial services in Japan and over 50 countries including America, Europe, Middle East, Africa, Asia and Oceania. It operates in several segments, including Retail Banking, Corporate Banking, Trust Assets, and Global Business Group. MUFG headquartered in Tokyo.

MUFG has a mission to “be a foundation of strength, committed to meeting the needs of our customers, serving society, and fostering shared and sustainable growth for a better world”.<sup>1</sup> In alignment with its mission, MUFG has created a Corporate Social Responsibility (CSR) policy, which emphasizes contributing to solve social issues through its core financial businesses and to the realization of a sustainable society, focusing on the three pillars of 1) Customers, 2) Community, and 3) Responsible Finance.

MUFG is committed to contributing to the promotion of renewable energy through its core financial business and has provided financing to multiple renewable energy projects around the world, including solar, hydro, wind, biomass and geothermal power projects. In Financial Year (FY) 2016, MUFG was ranked No.1 in Lead Arranger for Clean Energy & Energy Smart Technologies by Bloomberg New Energy Finance. In FY 2016, MUFG originated USD 2,911 million in renewable energy transactions.<sup>2</sup> Additionally, MUFG, as part of the implementation of its responsible finance pillar, issued a green bond aimed at funding eligible solar and wind energy generation projects in September 2016. To further promote its mission and its CSR policy, MUFG is planning to issue another green bond to finance lending to renewable energy projects.

<sup>1</sup> Who We Are, MUFG:

[http://www.mufig.jp/english/ir2017/who\\_we\\_are/vision.html](http://www.mufig.jp/english/ir2017/who_we_are/vision.html)

<sup>2</sup> Ranked No.1 in Bloomberg's Lead Arranger for Clean Energy & Energy Smart Technologies, MUFG:

<http://www.mufig.jp/english/csr/juten/sustainability/saiseikanou/>

## 3. FRAMEWORK OVERVIEW

For the purpose of issuing a green bond MUFG has developed the following framework, which addresses the four key pillars of the Green Bond Principles (GBP): use of proceeds, project evaluation and selection process, management of proceeds, and reporting.

### 3.1 Use of Proceeds

The proceeds of the green bond will be allocated towards financing projects that meet the following eligibility criteria.

#### 3.1.1 Eligibility Criteria

##### 1. RENEWABLE ENERGY:

Proceeds of the green bond may be allocated to lending to new and existing renewable energy projects, such as solar thermal power generation, solar photovoltaic power generation and onshore and offshore wind farm projects. In order for a project to be funded through green bond proceeds, the project must meet the following eligibility criterion:

- Expenditures related to the development construction, operation, or expansion of facilities for new and existing solar and wind projects that are (i) determined as Category B or Category C in accordance with the Equator Principles, and (ii) signed within the 24 months preceding the date of the green bond issuance and/or after the issuance.

As per the Equator Principles, Category A projects have potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented. Category B projects have limited adverse environmental and social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures. Category C projects have minimal or no adverse environmental and social risks and/or impacts.<sup>3</sup>

### 3.2 Project Evaluation and Selection Process

#### Application of Eligibility and Exclusionary Criteria in Project Selection

All renewable energy projects financed through bond proceeds are evaluated for financial viability by the BTMU Structured Finance Division. Additionally, Eligible Green Projects financed through green bond proceeds are evaluated by the Social and Environmental Risk Assessment Office of BTMU's Structured Finance Division for their alignment with the eligibility criterion. As noted above, this includes selecting projects that are categorised as Category B or Category C in accordance with the Equator Principles, i.e. projects that have limited or minimal adverse environmental and social risks and impacts.

<sup>3</sup> The Equator Principles:

<http://www.equator-principles.com/>

## Sustainability Objectives

MUFG's Corporate Social Responsibility (CSR) policy is focused on three pillars that it has assessed as most important to business success and societal stakeholders: Customers, Community, and Responsible Finance. The Responsible Finance pillar references MUFG's underlying objective to "contribute to the realization of a sustainable environment and society through its financial business." MUFG aims to realize this objective through the (i) dissemination of renewable energy; (ii) public-private financial partnerships; (iii) adoption and adherence to the Equator Principles, a risk management framework to determine, assess and manage environmental and social risks and impacts in projects; (iv) consulting services related to climate change mitigation; (v) promotion of ESG investment; and (vi) issuance of green bonds. Particularly, the dissemination of renewable energy is a key business activity for MUFG. MUFG views financing renewable energy as a way to help to reduce greenhouse gases and to integrate the CSR pillar of Responsible Finance into its business operations.

## Process to Mitigate Environmental and Social Risks

BTMU categorises projects as A, B or C, as per the Equator Principles<sup>4</sup>, based on its internal environmental and social risk assessment process. As a part of this process, BTMU evaluates a project for minimal, limited or significant potential adverse environmental and social impact based on the International Finance Corporation (IFC)'s eight Performance Standards on Environmental and Social Sustainability. For each Performance Standard where limited or significant risk is identified, BTMU's internal process requires the Social and Environmental Risk Assessment Office to work in partnership with its clients to assess and manage these environmental and social risks and impacts. The final project categorisation awarded through this process, and alignment of the project selection process with the Equator Principles is reviewed by PricewaterhouseCoopers Sustainability Co., Ltd. As an example, the most recent PricewaterhouseCoopers Sustainability Assurance report can be found on the MUFG website.<sup>5</sup>

## 3.3 Management of Proceeds

While the bond will be issued by MUFG, proceeds will be loaned on to BTMU, a wholly owned subsidiary of MUFG. As soon as MUFG receives the proceeds of the bond, MUFG will remit an amount equivalent to the proceeds to BTMU, based on a loan agreement made between MUFG and BTMU. MUFG reports that it will monitor and track the allocation of proceeds to Eligible Green Projects using BTMU's internal loan management system. This loan management system generates a spreadsheet listing all loans. BTMU uses the spreadsheet to identify and tag loans that are eligible for funding through bond proceeds. Such loans are identified and tagged by using internal project ID codes. Pending allocation of an amount equal to the net proceeds to Eligible Green Projects, BTMU is expected to invest an amount equal to any unallocated balance of such net proceeds in cash, cash equivalents and/or marketable securities.

<sup>4</sup> The Equator Principles:

<http://www.equator-principles.com/>

<sup>5</sup> The most recent PricewaterhouseCoopers Sustainability Assurance report can be found at the link below:

[http://www.mufig.jp/english/csr/juten/sustainability/sekidou/pdf/independent\\_assurance2017.pdf](http://www.mufig.jp/english/csr/juten/sustainability/sekidou/pdf/independent_assurance2017.pdf)

### 3.4 Reporting

#### Allocation Reporting

MUFG has confirmed that it will, on an annual basis throughout the term of the bond, or until the proceeds are fully allocated, disclose attestations by management that confirm the allocation of proceeds to Eligible Green Projects. Allocation of proceeds in these attestations will be disclosed in aggregate, on a project portfolio basis. These attestations will be disclosed on the MUFG website.

#### Impact Reporting

MUFG has committed to publishing an impact report annually, throughout the term of the bond, that will report on the following impact metrics:

- kWh of power generated from renewable energy produced by Eligible Green Projects, and
- Prospective carbon offset from Eligible Green Projects, in tonnes of CO2 equivalent

These metrics will be disclosed in aggregate, on a project portfolio basis. All impact reporting will be disclosed on the MUFG website.

### 3.5 Compliance Review

Before the first anniversary of the Green Bond issuance, MUFG will engage an independent consultant to review the lending financed by MUFG's Green Bond in order to assess the compliance of the lending with the MUFG Green Bond. This review will be conducted annually until full allocation of the net proceeds from the MUFG's Green Bond. Sustainalytics will provide a report of the review, which MUFG will publish on its investor relations website. In an unlikely event that the annual review identifies allocations made to activities that do not comply with the MUFG Green Bond, MUFG will allocate the corresponding amounts to different lending activities that are compliant with the MUFG Green Bond.

# 4 SUSTAINALYTICS’ OPINION

## Section 1: Sustainalytics’ Opinion on the MUFG Green Bond Framework

### Summary

Sustainalytics is of the opinion that the MUFG’s Green Bond Framework is credible and impactful, and aligns with the four pillars of the Green Bond Principles 2017. Additionally, Sustainalytics views the MUFG’s Green Bond positively. Some of its key strengths are that:

- The eligible category for the use of proceeds, renewable energy, is aligned with those recognized by the Green Bond Principles, and Sustainalytics considers the category as creating environmentally sustainable benefits.
- MUFG’s internal process in evaluating and selecting projects is in line with international standards such as the Equator Principles.
- MUFG intends to report allocation proceeds in assertions confirmed by the management on an annual basis. In addition, MUFG is committed to reporting the amount of power generated from renewable energy and the prospective carbon offset in tonnes of CO<sub>2</sub> equivalent from eligible green projects. In Sustainalytics’s view reporting on these metrics is in line with market practice.

**Alignment with Green Bond Principles 2017:** Sustainalytics has determined that the MUFG Green Bond aligns to the four pillars of the Green Bond Principles 2017. For detailed information please refer to Appendix B: Green Bond/Green Bond Programme External Review Form.

### Alignment with Japan’s Green Bond Guidelines 2017

Sustainalytics is of the opinion that the Japanese Green Bond Guidelines are in line with the ICMA Green Bond Principles. In addition, The Japanese Green Bond Guidelines communicate what an issuer should do to issue a credible green bond, and also highlight what an issuer is recommended to do. Sustainalytics assessed the alignment between the MUFG Green Bond Framework and the ‘requirements of’ items outlined in the Japan’s Green Bond Guidelines.

| ICMA Green Bond Principles and Japan’s Green Bond Guidelines, 2017 <sup>6</sup> | Alignment with GBP and with Japan’s Green Bond Guidelines? | Sustainalytics’ comments on alignment with Japan’s Green Bond Guidelines. <sup>7</sup>      |
|---|--|---|
| 1. Use of Proceeds  | Yes  | MUFG’s selected eligible criteria, renewable energy, is clearly suggested as green projects |

<sup>6</sup> Green Bond Guidelines, 2017, Summary, Ministry of the Environment, Japan: <https://www.env.go.jp/en/policy/economy/gb/summary2017.pdf>

<sup>7</sup> For detailed comments on alignment with ICMA GBP, please see Appendix.

|  |     |   |
|--|-----|---|
|  |     | with clear environmental benefits in the Japanese green bond guideline. Additionally, the information on the green bond proceeds, green project categories as well as the process to mitigate the negative impacts are all described in the framework and will be accessible to the investors.  |
| <b>2. Process for Project Evaluation and Selection</b> | Yes | MUFG, through its CSR objective, clearly references to the reduction of greenhouse gases by supporting the renewable energy development. Furthermore, MUFG ensures that projects are evaluated and selected by the BTMU Structured Finance Division according to the eligibility criteria that are aligned with the Equator Principles. |
| <b>3. Management of Proceeds</b>                       | Yes | MUFG's framework clearly explains that the proceeds will be tracked and managed by using BTMU's internal loan management system and that the unallocated proceeds will be invested in cash, cash equivalents and/or marketable securities, in which MUFG will explain all the relevant information to the investors.                    |
| <b>4. Reporting</b>                                    | Yes | MUFG has confirmed that its reporting on the bond will be annual and will include the list of projects, description of projects, allocated and unallocated amount of the proceeds, as well environmental impact by carbon offset.   |

## Section 2: Sustainability Strategy of the Issuer

### Contribution of framework to issuer's sustainability strategy

In line with MUFG's mission, which aims to foster shared and sustainable growth for a better world, MUFG's CSR goals commit to contributing to solve social issues through its core financial businesses as well as realizing sustainable society. In order to support the fulfillment of its goal, MUFG further sets out a CSR policy and identifies three key material issues: 1) Customers, 2) Community, and 3) Responsible Finance.

As seen in one of key material issues, Responsible Finance of its CSR policy, Sustainalytics' ESG research assesses MUFG as having a strong environmental policy. Responsible Finance is laid out mainly six objectives as described in the framework and one of its key strength is that the company conducts strict reviews of projects by adopting the Equator Principles and ensuring that any environmental and social risks and impacts associated with the projects are identified, assessed and managed, which can help to limit its exposure to any financial risks. Additionally, the company has contributed to expand renewable energy globally through its financial products such as loans with a record of being No.1 in Lead Arranger



for Clean Energy & Energy Smart Technologies.<sup>8</sup> The company also promotes its support for the dissemination of the renewable energy through a green bond issued in 2016.

Following a review of MUFG's mission, CSR policy and its responsible finance initiatives, Sustainalytics is of the opinion that the issuance of green bonds strongly aligns and will contribute to advancing the MUFG's commitments to contributing to the achievement of a sustainable society through its core financial businesses.

### **Well positioned to address common environmental and social risks associated with the the projects**

The financial organizations are exposed to environmental and social risks by offering financial services to the renewable energy projects. However, Sustainalytics is of opinion that MUFG has comprehensive and robust internal processes to mitigate the risks and potential negative impacts with the following key strengths:

- MUFG, through BTMU, assesses and manages environmental and social risks stemming from its project finance activities by systematically ensuring compliance with the Equator Principles (EP) and by limiting its financing to projects in the EP's Categories B and C, which indicate limited or minimal environmental and social risks/impacts.
- BTMU's Social and Environmental Risk Assessment Office is required to assess and manage the environmental and social risks and impacts with its clients where limited or significant risk is identified during the process.
- An independent third-party auditor (Pricewaterhouse Coopers) provides assurance on compliance with the EP, and MUFG has confirmed that the assurance report will be publicly available.

## **Section 3: Impact of Use of Proceeds**

### **Impact of Renewable Energy in Japan**

Japan is the world's fifth largest country in energy consumption<sup>9</sup> while it has lower energy self-sufficiency ratio among the OECD nations due to its limited natural resources<sup>10</sup>. In addition, before the Great East Japan Earthquake in 2011, Japan heavily depended on the nuclear energy as it was Japan's national strategic priority since 1973. However, the strategy came under review following an accident at the Fukushima Daiichi Nuclear Power Plant and the subsequent shutdown of nuclear reactors across Japan

<sup>8</sup> Promotion and Dissemination of Renewable Energy, MUFG:

<http://www.mufg.jp/english/csr/juten/sustainability/saiseikanou/>

<sup>9</sup> Top 20 Countries in Primary Energy Consumption in 2016, Statista:

<https://www.statista.com/statistics/263455/primary-energy-consumption-of-selected-countries/>

<sup>10</sup> Japan's Energy, Ministry of Economy, Trade and Industry Agency for natural Resources and Energy:

[http://www.enecho.meti.go.jp/en/category/brochures/pdf/japan\\_energy\\_2016.pdf](http://www.enecho.meti.go.jp/en/category/brochures/pdf/japan_energy_2016.pdf)

due to residents’ concerns. As a result, Japan revised its Strategic Energy Plan and established the goal to increase its dependence on renewable energy (including wind, solar, biomass, and hydro) to 22-24% by 2030, a major increase from 1.1% prior to the earthquake. Furthermore, as part of its Paris Agreement commitments, the government of Japan promotes the expansion of renewable energy to the maximum extent possible as part of its contribution to addressing climate change. Given this context, there is growing demand for renewable energy in order to achieve the National Strategic Plan and to meet electricity needs in Japan.

**Alignment with/contribution to SDGs**

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green bond advances the following SDG goals and targets:

| Use of Proceeds Category | SDG                            | SDG target   |
|--------------------------|--------------------------------|--|
| Renewable Energy         | 7. Affordable and Clean Energy | 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix |

Refer to: <https://sustainabledevelopment.un.org/?menu=1300>

**Conclusion**

Sustainalytics is of the opinion that MUFG’s planned use of proceeds will positively contribute to its mission and CSR goal to support the dissemination of renewable energy and, more generally, the realization of a sustainable society, while also contributing to Japan’s target to reduce its CO<sub>2</sub> emissions. In line with this view, renewable energy development is recognized by the Green Bond Principles as having clear environmental benefits. Furthermore, MUFG’s project selection process is aligned with external standards such as the Equator Principles, which help to ensure that projects funded through bond proceeds have minimal or limited adverse environmental or social impacts. Sustainalytics is confident that the MUFG’s Green Bond Framework aligns with the four pillars of the Green Bond Principles and is transparent and robust.

## APPENDICES

### Green Bond / Green Bond Programme External Review Form

#### Section 1. Basic Information

**Issuer name:** Mitsubishi UFJ Financial Group

**Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:**

**Review provider's name:** Sustainalytics

**Completion date of this form:** December 15, 2017

**Publication date of review publication:** December 22, 2017

#### Section 2. Review overview

##### SCOPE OF REVIEW

The review assessed the following elements and confirmed their alignment with the GBPs:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds        | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting                                    |

##### ROLE(S) OF REVIEW PROVIDER

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification   | <input type="checkbox"/> Rating        |
| <input type="checkbox"/> Other ( <i>please specify</i> ):                       |  |

##### EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

Please refer to Green Bond Framework and Second Opinion Document above.

## Section 3. Detailed review

### 1. USE OF PROCEEDS

**Overall comment on section (if applicable):**

MUFG uses proceeds to lending to new and existing renewable energy projects, such as solar thermal power generation, solar photovoltaic power generation and onshore and offshore wind farm projects. The Use of Proceeds are clearly described in the public offering statement. In addition, renewable energy is included in the GBP as an eligible green project category, offering clear environmental benefits. BTMU has a global portfolio of solar and wind projects.

Sustainalytics is of the opinion that projects funded in accordance with the eligibility criteria described in the framework will contribute to mitigating climate change by reducing GHG emissions.

**Use of proceeds categories as per GBP:**

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Renewable energy   | <input type="checkbox"/> Energy efficiency                                  |
| <input type="checkbox"/> Pollution prevention and control  | <input type="checkbox"/> Sustainable management of living natural resources |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation   | <input type="checkbox"/> Clean transportation                               |
| <input type="checkbox"/> Sustainable water management  | <input type="checkbox"/> Climate change adaptation                          |
| <input type="checkbox"/> Eco-efficient products, production technologies and processes   | <input type="checkbox"/> Other (please specify):                            |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs |   |

If applicable please specify the environmental taxonomy, if other than GBPs:

### 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

**Overall comment on section (if applicable):**

All renewable energy projects financed through bond proceeds are evaluated for financial viability by the BTMU Structured Finance Division. Additionally, Eligible Green Projects financed through green bond proceeds are evaluated by the Social and Environmental Risk Assessment Office of BTMU's Structured Finance Division for their alignment with the eligibility criterion. As noted above, this includes selecting projects that are categorised as Category B or Category C in accordance with the

Equator Principles, i.e. projects that have limited or minimal adverse environmental and social risks and impacts.

Sustainalytics is of the opinion that this is in line with market norms.

### Evaluation and selection

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available       | <input type="checkbox"/> Other ( <i>please specify</i> ):   |

### Information on Responsibilities and Accountability

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other ( <i>please specify</i> ):  |  |

### 3. MANAGEMENT OF PROCEEDS

#### Overall comment on section (*if applicable*):

While the bond will be issued by MUFG, proceeds will be loaned on to BTMU, a wholly owned subsidiary of MUFG. As soon as MUFG receives the proceeds of the bond, MUFG will remit an amount equivalent to the proceeds to BTMU, based on a loan agreement made between MUFG and BTMU. MUFG reports that it will monitor and track the allocation of proceeds to Eligible Green Projects using BTMU's internal loan management system. This loan management system generates a spreadsheet listing all loans. BTMU uses the spreadsheet to identify and tag loans that are eligible for funding through bond proceeds. Such loans are identified and tagged by using internal project ID codes. Pending allocation of an amount equal to the net proceeds to Eligible Green Projects, BTMU is expected to invest an amount equal to any unallocated balance of such net proceeds in cash, cash equivalents and/or marketable securities.

Sustainalytics is of the opinion that this is line with market norms.

#### Tracking of proceeds:

- |   |
|---|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in a systematic manner            |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other ( <i>please specify</i> ):   |

**Additional disclosure:**

- |  |   |
|--|---|
| <input type="checkbox"/> Allocations to future investments only                  | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input checked="" type="checkbox"/> Allocation to individual disbursements       | <input type="checkbox"/> Allocation to a portfolio of disbursements                     |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other ( <i>please specify</i> ):                               |

**4. REPORTING**

**Overall comment on section (if applicable):**

Allocation Reporting

MUFG has confirmed that it will, on an annual basis throughout the term of the bond, or until the proceeds are fully allocated, disclose attestations by management that confirm the allocation of proceeds to Eligible Green Projects. Allocation of proceeds in these attestations will be disclosed in aggregate, on a project portfolio basis. These attestations will be disclosed on the MUFG website.

Impact Reporting

MUFG has committed to publishing an impact report annually, throughout the term of the bond, that will report on the following impact metrics:

- kWh of power generated from renewable energy produced by Eligible Green Projects, and
- Prospective carbon offset from Eligible Green Projects, in tonnes of CO2 equivalent

These metrics will be disclosed in aggregate, on a project portfolio basis. All impact reporting will be disclosed on the MUFG website.

**Use of proceeds reporting:**

- |  |  |
|--|--|
| <input type="checkbox"/> Project-by-project            | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other ( <i>please specify</i> ):        |

**Information reported:**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Allocated amounts     | <input type="checkbox"/> GB financed share of total investment |
| <input type="checkbox"/> Other ( <i>please specify</i> ): |  |

**Frequency:**

- |   |                                      |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual                | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other ( <i>please specify</i> ): |                                      |

**Impact reporting:**

- Project-by-project
- On a project portfolio basis
- Linkage to individual bond(s)
- Other (please specify):

**Frequency:**

- Annual
- Semi-annual
- Other (please specify):

**Information reported (expected or ex-post):**

- GHG Emissions / Savings
- Energy Savings
- Other ESG indicators (please specify): kWh of power generated from renewable energy and prospective carbon offset in tonnes of CO2 equivalent

**Means of Disclosure**

- Information published in financial report
- Information published in sustainability report
- Information published in ad hoc documents
- Other (please specify):
- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

**USEFUL LINKS** (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

The Equator Principles: <http://www.equator-principles.com/>  
The IFC Performance Standards:  
[http://www.ifc.org/wps/wcm/connect/topics\\_ext\\_content/ifc\\_external\\_corporate\\_site/ifc+sustainability/our+approach/risk+management/performance+standards/environmental+and+social+performance+standards+and+guidance+notes](http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/our+approach/risk+management/performance+standards/environmental+and+social+performance+standards+and+guidance+notes)  
PricewaterhouseCoopers Sustainability Assurance Report on compliance with Equator Principles:  
[http://www.mufg.jp/english/csr/juten/sustainability/sekidou/pdf/independent\\_assurance.pdf](http://www.mufg.jp/english/csr/juten/sustainability/sekidou/pdf/independent_assurance.pdf)

**SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**

Type(s) of Review provided:

- |  |  |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit                        | <input type="checkbox"/> Rating        |
| <input type="checkbox"/> Other ( <i>please specify</i> ):            |  |

**Review provider(s):**

**Date of publication:**

**ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP**

- (i) Consultant Review: An issuer can seek advice from consultants and/or institutions with recognized expertise in environmental sustainability or other aspects of the issuance of a Green Bond, such as the establishment/review of an issuer’s Green Bond framework. “Second opinions” may fall into this category.
- (ii) Verification: An issuer can have its Green Bond, associated Green Bond framework, or underlying assets independently verified by qualified parties, such as auditors. In contrast to certification, verification may focus on alignment with internal standards or claims made by the issuer. Evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria.
- (iii) Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against an external green assessment standard. An assessment standard defines criteria, and alignment with such criteria is tested by qualified third parties / certifiers.
- (iv) Rating: An issuer can have its Green Bond or associated Green Bond framework rated by qualified third parties, such as specialised research providers or rating agencies. Green Bond ratings are separate from an issuer’s ESG rating as they typically apply to individual securities or Green Bond frameworks / programmes.



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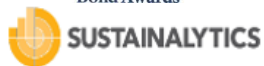
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