

**Mitsubishi UFJ Financial Group Inc. (MUFG)**

## **MUFG Revises its Green, Social, and Sustainability Bond Framework**

**Tokyo, May 13, 2020** --- MUFG has revised its Green, Social, and Sustainability Bond Framework (the Framework) as part of our efforts to alleviate the socioeconomic impact of COVID-19 through capital markets. This is the first framework in Japan to channel funds specifically into the fight against COVID-19. As of today, MUFG has obtained a Second-Party Opinion<sup>\*1</sup> for the Framework from Sustainalytics, a leading international second-party opinion provider.

### **1. Background**

MUFG's mission as a financial institution is to build long-lasting relationships with its customers and society, so as to achieve sustainable growth together. By working to resolve key environmental and social issues through its financial functions, MUFG aims to contribute to our sustainable business growth and enhance our corporate value. In May 2019, MUFG established a set of Sustainable Finance Goals with the aim of helping to realizing a sustainable society and achieving the Sustainable Development Goals (SDGs) through the provision of financial services. The Framework was created in October 2019 as part of that effort, and in December 2019, MUFG drew on the Framework to strengthen its ESG initiatives, including our first foray into using proceeds from Social Bonds for financing that helps to resolve social issues.

### **2. Objective and overview**

Given the socioeconomic impact of COVID-19, MUFG Bank has set up a special fund to lend to corporate and sole operator customers who have been affected by COVID-19. Financing and subsequent refinancing for SME and sole operator customers through this special fund has been added as a use of proceeds under the existing Framework to strengthen our support for customers in preserving employment over the medium to long term.

To support projects that help combat COVID-19 and other infectious diseases, MUFG has also added to the use of proceeds under the Framework (1) financing for medical care facilities along with medical equipment and product manufacturers (domestic and overseas) so as to contribute to treating and preventing the spread of COVID-19 and other infectious diseases and (2) financing for pharmaceutical companies so as to contribute to testing and R&D aimed at alleviating symptoms and preventing the spread of infectious diseases.

Sustainalytics has provided a Second-Party Opinion confirming that the Framework meets the criteria set forth by the International Capital Market Association (ICMA) in its

Green Bond Principles 2018 (GBP)<sup>\*2</sup>, Social Bond Principles 2018 (SBP)<sup>\*2</sup>, and Sustainability Bond Guidelines 2018 (SBG)<sup>\*2</sup>.



By issuing Social Bonds under the Framework and financing the proceeds through MUFG Bank, MUFG will continue to support projects that contribute to promoting a sustainable environment and society, and to contribute to investment and financing projects which take Environmental, Social and Governance (ESG) factors into account.

<sup>\*1</sup> For more information on Opinions and the Framework Overview, please refer to Sustainalytics website: <http://www.sustainalytics.com/sustainable-finance/mitsubishi-ufj-financial-group-green-social-and-sustainability-bond-second-party-opinion/>



<sup>\*2</sup> This is a voluntary guideline formulated by the International Capital Market Association (ICMA) to secure the transparency, disclosure, and reporting of green, social, and sustainability bonds and to promote market order.



### 【Appendix】 Use of Proceeds Categories and Alignment with SDGs

#### Green Projects

Use of Proceeds Categories	SDGs Target
1. Financing eligible green buildings owned by J-REIT (Japanese Real Estate Investment Trust).	
2. Financing of eligible renewable energy projects (solar thermal power generation, solar photovoltaic power generation, and onshore and offshore wind farm projects).	

#### Social Projects

Use of Proceeds Categories	SDGs Target
1. Employment generation/preservation Financing contributing to reconstruction and recovery from economic damage and impact caused by earthquakes, typhoons, and other disasters (priority to be allocated to loans to operators using the Scheme for Compensation for Interest Rates on Special Zones for Reconstruction <sup>*3</sup> or Subsidy Program for New Business Establishment in the Areas Recovering from Tsunami and Nuclear Disaster towards Employment Creation <sup>*4</sup> for such damage). Financing (such as financing and subsequent refinancing through the special fund set up by MUFG Bank) contributing to recovery from the economic damage and impact of the spread of infectious diseases (COVID-19, etc.).	
2. Healthcare Financing of public hospitals (domestic and overseas) and domestic hospitals run by a social medical care corporation or a social welfare corporation that will ensure accessibility to vulnerable groups. Financing of medical care facilities and medical equipment and product manufacturers (domestic and overseas) that contribute to treating and preventing the spread of infectious diseases (COVID-19, etc.) and financing of pharmaceutical companies contributing to testing and R&D toward alleviating symptoms and preventing the spread of infectious diseases.	

<p>3. Education Financing of public schools that will ensure accessibility to people with low income.</p>	
<p>4. Public housing Financing of public housing suppliers that are registered with the Regulator of Social Housing in England.</p>	

\*3 This government system supports the smooth implementation of projects by providing interest subsidies for five years to finance core projects in reconstruction promotion plans prepared by local governments and approved by the national government for the reconstruction of areas suffering damage from the Great East Japan Earthquake.

\*4 Subsidies for the purpose of promoting industrial reconstruction and regional economic revitalization, mainly in areas where evacuation orders have been lifted, and through job creation, in areas such as the tsunami disaster zones that suffered particularly great damage from the Great East Japan Earthquake and evacuation order zones that suffered enormous damage from the nuclear disaster.

This statement is intended for public release of our Green, Social and Sustainability Bond Framework and Second-Party Opinion, not for investment solicitation purposes.

## About MUFG

Mitsubishi UFJ Financial Group, Inc. (MUFG) is one of the world's leading financial groups. Headquartered in Tokyo and with over 360 years of history, MUFG has a global network with over 2,700 locations in more than 50 countries. The Group has over 180,000 employees and offers services including commercial banking, trust banking, securities, credit cards, consumer finance, asset management, and leasing. The Group aims to "be the world's most trusted financial group" through close collaboration among our operating companies and flexibly respond to all of the financial needs of our customers, serving society, and fostering shared and sustainable growth for a better world. MUFG's shares trade on the Tokyo, Nagoya, and New York stock exchanges.

For more information, visit <https://www.muftg.jp/english>.