

## **Global Initiatives to Respond to Climate Change**

**Tokyo, August 13, 2021** --- MUFG today announced it has been elected as a member of the Steering Group (the Group) in the Net Zero Banking Alliance (NZBA), and decided its membership of the Partnership for Carbon Accounting Financials (PCAF).

### **1. Background**

MUFG defines its purpose as being “Committed to empowering a brighter future.” Our business activities are driven by the determination to make every effort to empower all stakeholders to advance to the next stage. In order to commit to bringing solutions for climate change, one of the most serious issues facing the world, MUFG announced its “MUFG Carbon Neutral Declaration<sup>[1]</sup>” (the Declaration) in May 2021. Under the Declaration, we are actively supporting our customers’ efforts towards decarbonization as well as the development of innovative technologies.

### **2. Net Zero Banking Alliance**

MUFG announced the Declaration in May 2021 and joined NZBA in the following month. Now, we have been elected as one of the Asian regional representatives of the Group consisting of 12 banks elected from each region<sup>[2]</sup>.

Launched in April 2021 with 43 founding banks, NZBA is an alliance convened by the United Nations Environment Programme Finance Initiative (UNEP-FI) as part of the Glasgow Financial Alliance for Net Zero (GFANZ)<sup>[3]</sup>. NZBA aims to achieve net zero greenhouse gas (GHG) emissions from financed portfolios by 2050 through setting scientifically based medium-to long-term GHG emissions reduction targets and disclosing the progress.

The 12 Group banks elected by NZBA members are diversified in terms of geography and business model, composed of 4 European banks, 4 U.S. banks, 2 Asian banks, 1 African bank, and 1 Latin American bank. The Group coordinates the decisions and strategies for NZBA, in order to build a global consensus and ensure that best practices are available worldwide.

Through its participation in the Group, MUFG will work to enhance its response to climate change, strengthen risk management, and disclose information with high transparency. We will actively disseminate information and opinions as a financial institution that has core foundations in Japan and the Asian region.

### **3. Partnership for Carbon Accounting Financials**

Under the Declaration, we have committed to set targets to align with the goals of the Paris Agreement and expand and improve transparency of information disclosure, and thereby have joined PCAF in order to support this process.

Established in 2015, PCAF is a global initiative with the aspiration to standardize the measurement and disclosure of financed emissions, initial members being a small group of European financial institutions. As of July 2021 however, PCAF has now expanded to more than 140 financial institutions across 44 countries. PCAF participants have been testing and developing GHG accounting methods in search of a globally harmonized standard, and the Global GHG Accounting and Reporting Standard for the Financial Industry (the Standard) was published in November 2020.

As a PCAF participant, whilst continuously referring to the Standard, we will leverage the knowledge and database available in PCAF to drive our efforts further towards the measurement and disclosure of our financed emissions. We will also contribute to the worldwide adoption of the measurement and disclosure of GHG emissions in collaboration with financial institutions participating in PCAF.

[<sup>1</sup>] For details on the MUFG Carbon Neutrality Declaration, please refer to the following link:

[https://www.mufg.jp/dam/pressrelease/2021/pdf/news-20210517-003\\_en.pdf](https://www.mufg.jp/dam/pressrelease/2021/pdf/news-20210517-003_en.pdf)

[<sup>2</sup>] For the Steering Group, please refer to the following link:

<https://www.unepfi.org/net-zero-banking/members/government/>

[<sup>3</sup>] A financial coalition formed by Mark Kearney at the April 2021 U.S. government-sponsored Climate Leaders Summit to integrate sector-by-sector net zero initiatives.

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### **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 approximately 2,500 locations in more than 50 countries. The Group has about 170,000 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.mufg.jp/english>.