

Mitsubishi UFJ Financial Group, Inc. (MUFG)

MUFG Appointed as a Lead for the Net Zero Banking Alliance Financing & Engagement Work Track Group

Tokyo, November 22, 2021 --- MUFG today announced that it has been selected to lead the Financing & Engagement Work Track (the Work Track) of the Net Zero Banking Alliance (NZBA), which is tasked to create a robust framework for transition finance.

The NZBA is an alliance convened by the United Nations Environment Programme Finance Initiative (UNEP FI) launched in April 2021 with 43 banks worldwide as part of the Glasgow Financial Alliance for Net Zero^[1] (GFANZ). To date, the number of member financial institutions has grown to 94.

MUFG announced its Carbon Neutrality Declaration^[2] in May 2021, and the following month became the first Japanese financial institution to join the NZBA. After joining the NZBA, MUFG was selected as one of the representative banks from Asia in the Steering Group^[3], which consists of 12 banks selected from the member financial institutions, and we, together with the other Steering Group member banks, have been responsible for the governance of the NZBA.

The NZBA aims to achieve net-zero greenhouse gas (GHG) emissions from investment and lending portfolios by 2050 by setting medium- to long-term targets for GHG emission reductions based on scientific evidence, and disclosing progress toward these targets. All participating financial institutions are committed to achieving net-zero GHG emissions in their investment and lending portfolios, but there are still issues to be addressed, such as what specific scenarios and indicators should be used and whether the action plans announced by each financial institution can be objectively compared and assessed. In order to address these challenges, the NZBA has set up several work tracks to discuss specific issues among its members. MUFG will lead the Financing & Engagement Work Track, which is tasked to create a robust framework for transition finance. The Work Track's tasks will include drafting guidelines for engaging with customers and promoting transition finance.

MUFG believes that transition finance is an important pillar for achieving carbon neutrality by 2050, and in its capacity as lead of the Work Track, MUFG can actively contribute to discussions on the creation of a global framework for banks to contribute to decarbonization.

^[1] A coalition of financial industry firms, launched by Mark Carney at the U.S. government's Leaders Summit on Climate in April 2021, that brings together sector-specific net-zero initiatives.

^[2] For details on the MUFG Carbon Neutral Declaration, please refer to the following link:
https://www.mufg.jp/dam/pressrelease/2021/pdf/news-20210517-003_en.pdf

^[3] For details on the NZBA Steering Group, please refer to the following link:

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

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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>.