

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

## **Publication of the MUFG Progress Report**

**Tokyo, April 1, 2022** --- MUFG today announced that it has released the MUFG Progress Report, which summarizes the progress of initiatives related to the MUFG Carbon Neutrality Declaration<sup>[1]</sup> announced in May 2021.

MUFG defines its purpose as being “Committed to empowering a brighter future.” Since this purpose was defined in April 2021, MUFG has made an even stronger commitment to contribute to the resolution of environmental and social issues in line with promoting our Medium-term Business Plan. In addressing climate change measures & environmental protection, one of our 10 priority issues, we took a new step forward by announcing the MUFG Carbon Neutrality Declaration in May 2021. In line with the Declaration, MUFG is launching various initiatives to achieve net zero greenhouse gas (GHG) emissions from our financed portfolio<sup>[2]</sup> by 2050 and net zero GHG emissions in our own operations through a concerted Group effort.

This report highlights the progress of MUFG’s carbon neutrality initiatives. In addition to results and targets, it also reports on our approach to achieving these goals and the philosophy upon which our efforts are based. We will strive to realize a sustainable environment and society while providing clear disclosure of MUFG’s initiatives.

Information about the MUFG Progress Report is available here:

<https://www.mufg.jp/english/csr/report/progress/>

<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> Categorized as Scope 3 under the GHG Protocol which is the standard for measuring and reporting GHG emissions developed by an international organization of the same name.

## Key Points of the Report

### 1. Net Zero GHG Emissions from our Financed Portfolio

- ① Selected Power and Oil & Gas sectors as priority sectors. Measured actual results (2019) and set interim targets for 2030. The Power sector aims to reduce GHG emission intensity from 349gCO<sub>2</sub>e/kWh to 156-192gCO<sub>2</sub>e/kWh. The Oil & Gas sector aims to reduce absolute GHG emissions from 83MtCO<sub>2</sub>e by 15~28%.

### 2. Decarbonization through Financial Services

- ① Accelerated various initiatives based on customer needs, providing diverse solutions through understanding of GHG emissions, from formulation and implementation of reduction planning to carbon offsetting. Proactively worked to establish rules and design markets.
- ② Set corporate finance target for coal-fired power generation. Set a new target of zero by FY2040.

### 3. Net Zero GHG Emissions by MUFU

- ① Measured and aggregated our GHG emissions on a Group and global basis for the first time.
- ② Completely shifted to 100% renewable energy for electricity procured domestically by the Bank, the Trust Bank, and the Securities HD. As a result, GHG emissions have been reduced approximately 60% domestically (approximately 30% of global GHG emissions).

### 4. Decarbonization through Responsible Investment

- ① Joined the Net Zero Asset Managers initiative (NZAM)<sup>[1]</sup> in November 2021 to accelerate our efforts. Plan to set and disclose interim targets for 2030 by October 2022 for the proportion of assets under management consistent with achieving net zero by 2050.

<sup>[1]</sup> Formed voluntarily in 2020 by asset management companies, this initiative calls for achieving net zero by 2050 as well as limiting the increase in global average surface temperature to 1.5°C through investments. <https://www.netzeroassetmanagers.org/>

### 5. Participation in Initiatives

- ① Appointed as Chair of the Financing & Engagement Subcommittee of the Net-Zero Banking Alliance (NZBA)<sup>[2]</sup>, which is responsible for developing a framework for transition finance. Led discussions on the creation of a global framework through participation in this initiative.

<sup>[2]</sup> Established by the United Nations Environment Programme Finance Initiative (UNEP FI) in April 2021, this

initiative commits banks to net zero GHG emissions in their finance portfolios by 2050.

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

## **6. Other Initiatives**

- ① Krungsri announced its carbon neutral vision and committed to decarbonization of its own emissions by 2030 and decarbonization of financial services by 2050.
- ② Revised policy framework to be stricter, including prohibiting financing new thermal coal mining projects for power generation.

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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>.