

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

## **Net-Zero Banking Alliance Publishes Discussion Paper on Developing Metrics for Transition Finance**

**Tokyo, December 4, 2023** --- MUFG today announced the publication of “Developing Metrics for Transition Finance – NZBA Discussion Paper” (the Report) by the Net-Zero Banking Alliance (NZBA), whose Steering Group<sup>[1]</sup> MUFG is a member of.

### **1. NZBA and MUFG’s activities**

The NZBA, launched in April 2021, is an industry-led alliance convened by the United Nations Environment Programme Finance Initiative (UNEP FI). Its goal is to align lending and investment portfolios among the alliance’s member banks in order to achieve net-zero greenhouse gas emissions by 2050. The alliance started with 43 member banks but has since expanded to 138 banks worldwide, as of November 30, 2023.

MUFG announced its Carbon Neutrality Declaration<sup>[2]</sup> in May 2021, and the following month became the first Japanese financial institution to join the NZBA. MUFG was appointed to its Steering Group, which consists of 12 banks selected from the member banks in each region, as the only representative bank from Japan. Together with the other Steering Group member banks, MUFG has been responsible for the governance of the NZBA.

As the chair of the Transition Finance Work Track<sup>[3]</sup> (the Work Track), which NZBA established in January 2022, MUFG has led discussions in the Work Track through monthly meetings to expand transition finance. The Work Track has also published the NZBA Transition Finance Guide<sup>[4]</sup> in October 2022.

### **2. NZBA Discussion Paper on Developing Metrics for Transition Finance**

With the aim of scaling up transition finance, the Report proposes that financial institutions quantify, grasp, and disclose the impact of transition finance to complement financed emissions metrics<sup>[5]</sup>.

The Report can be accessed at the following link:

<https://www.unepfi.org/industries/banking/developing-metrics-for-transition-finance/>

MUFG believes that transition finance is a key enabler for achieving carbon neutrality by 2050. MUFG will continue to support our clients’ transitions with the knowledge and networks cultivated through activities in the NZBA and the Work Track.

- [1] For details on the NZBA Steering Group, please refer to the following link:  
<https://www.unepfi.org/net-zero-banking/members/governance/>
- [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](https://www.mufg.jp/dam/pressrelease/2021/pdf/news-20210517-003_en.pdf)
- [3] Renamed from the Financing & Engagement Work Track
- [4] For details on the NZBA Transition Finance Guide, please refer to the following link:  
<https://www.unepfi.org/industries/banking/net-zero-banking-alliance-transition-finance-guide/>
- [5] Scope 3 emissions (borrowers' and investees' emissions attributed to financial institutions)

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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 2,000 locations in more than 50 countries. The Group has about 160,000 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>.