

# Status of Implementation of the Principles for Responsible Banking (PRB)



MUFG is a signatory to the Principles for Responsible Banking (PRB) proposed by the United Nations Environment Programme and Finance Initiative (UNEP FI). Based on the objectives of the Principles for Responsible Banking, which were formulated to encourage banks to conduct business activities that are consistent with the goals of the international society, such as the SDGs and the Paris Agreement, MUFG will further develop its strategy from the perspective of "solving social issues" and strive to strengthen its contribution to international social goals.

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/ Link(s) to bank's full response/ relevant information
<p><b>Principle 1: Alignment</b> We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>		
<p><b>[1.1]</b> Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>Mitsubishi UFJ Financial Group ("MUFG") is a global financial services group that encompasses diversified Group companies, including MUFG Bank, Mitsubishi UFJ Trust and Banking, and Mitsubishi UFJ Morgan Stanley Securities.</p> <p>We help our customers achieve growth by employing our many strengths. MUFG's operations consist of seven business groups: Digital Service Business, Retail &amp; Commercial Banking Business, Japanese Corporate &amp; Investment Banking Business, Global Corporate &amp; Investment Banking Business, Global Commercial Banking Business, Asset Management &amp; Investor Services Business, and Global Markets Business. Together, these operations constitute a well-balanced portfolio, through which we provide a range of services to customers. Today, we are developing our business in Europe, the Middle East, Africa, the Americas, Asia, and Oceania.</p> <p>Our lending balance totalled approximately 107.5 trillion yen at the end of March 2021 of which domestic loans accounted for approximately 60% and overseas loans the remainder.</p> <p>We will help resolve issues confronting customers and society and deliver unique value that only MUFG is capable of creating as we move ahead toward our vision of becoming the world's most trusted financial group.</p>	<p>Annual Report 2021, P.17-20</p> <p>Investor Meeting Presentation – FY Ended Mar. 2021, P.11-13 (<a href="https://www.mufg.jp/english/ir/presentation/2021/">https://www.mufg.jp/english/ir/presentation/2021/</a>)</p>
<p><b>[1.2]</b> Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>	<p>With the conviction that environmental and social sustainability are essential to achieving sustainable growth for MUFG, we have defined "MUFG's Sustainability Management" as the engagement in value creation employing an integrated approach in which the execution of management strategies goes in tandem with the pursuit of solutions for social issues.</p> <p>Based on the degree of relevance of MUFG as a financial institution to global megatrends and the financial industry, as well as the opinions of outside experts, we have identified the 10 priority issues to be addressed, considering both societal expectations and affinity with MUFG's business areas. These issues are now incorporated into business strategies, with each business group pursuing its own strategic measures addressing specific environmental and social issues. Rallying the entire strength of the Group, we are thus striving to help resolve various issues society is now confronting, with the aim of embodying our Purpose and empowering our stakeholders to take the next step forward. We have set sustainable finance goals that will lead to solutions to environmental and social issues.</p> <p>In addition, we establish the MUFG Environmental Policy Statement, the MUFG Human Rights Policy, and the MUFG Environmental and Social Policy Framework, and are contributing to international goals by complying with the Equator Principles.</p> <p>In May 2021, we announced the "MUFG Carbon Neutrality Declaration" and became the first Japanese bank committing to achieve net zero emissions in our finance portfolio. In addition to aiming to achieve net zero emissions in our finance portfolio by 2050, we will set and disclose an interim target for 2030 by the end of fiscal 2022, and report on our progress on an annual basis.</p>	<p>MUFG Sustainability Report 2021, P.3, 4, 9, 10, 17-36, 50-52, 69-71 (<a href="https://www.mufg.jp/english/csr/report/">https://www.mufg.jp/english/csr/report/</a>)</p>

**Principle 2: Impact and Target Setting**

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

**[2.1] Impact Analysis:**

Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:

## a) Scope:

The bank's core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.

## b) Scale of Exposure:

In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.

## c) Context &amp; Relevance:

Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.

## d) Scale and intensity/salience of impact:

In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services.

(your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d)) Show that building on this analysis, the bank has

- Identified and disclosed its areas of most significant (potential) positive and negative impact
- Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts

With the conviction that environmental and social sustainability are essential to achieving sustainable growth for MUFG, we are engaged in value creation employing an integrated approach in which the execution of management strategies goes in tandem with the pursuit of solutions for environmental and social issues. This is MUFG's definition of sustainability management.

We have defined following 10 priority issues that must be tackled to help achieve environmental and social sustainability in light of our newly established Purpose, "Committed to empowering a brighter future." with an eye to better fulfilling society's expectations in areas where MUFG's capabilities can be brought to bear.

- Climate Change Measures & Environmental Protection
- Response to Aging Population & Low Birthrate
- Inclusion & Diversity
- Developing Social Infrastructure
- Supporting Industrial Development & Innovation
- Ensuring Equal Access to Financial Services
- Promoting Workstyle Reforms
- Response to Poverty
- Reduction of Educational Disparities
- Overcoming Threats to Health

We recognize climate change measures & environmental protection as an issue that requires special attention, in light of recent trends, the Japanese government's 2050 carbon neutral declaration, and the scale of our business exposure.

In May 2021, we announced the "MUFG Carbon Neutrality Declaration" and became the first Japanese bank committing to achieve net zero emissions in our finance portfolio.

In addition to aiming to achieve net zero emissions in our finance portfolio by 2050, we will set and disclose an interim target for 2030 by the end of fiscal 2022, and report on our progress on an annual basis.

Based on the TCFD recommendations, the amounts and percentage of carbon-related assets (credit amounts) in our credit portfolio is 15.7 trillion yen (10.3%), including 8.0 trillion yen (5.2%) in the energy sector and 7.7 trillion yen (5.0%) in the utility sector as of March 31, 2021.

Environmental and social issues are now incorporated into business strategies, with each business group pursuing its own strategic measures addressing specific environmental and social issues. Rallying the entire strength of the Group, we are thus striving to help resolve various issues society is now confronting, with the aim of embodying our Purpose and empowering our stakeholders to take the next step forward. In addition, we have set sustainable finance goals that will lead to the resolution of issues in the social field, such as "supporting industrial development & innovation" and "developing social infrastructure" and in the environmental field, such as "climate change measures & environmental protection".

MUFG Sustainability Report 2021, P.3, 4, 9, 10, 18-36, 50-52, 74 (<https://www.mufig.jp/english/csr/report/>)

Annual Report 2021, P.76 ([https://www.mufig.jp/english/ir/report/annual\\_report/](https://www.mufig.jp/english/ir/report/annual_report/))

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.

With the conviction that environmental and social sustainability are essential to achieving sustainable growth for MUFG, we are engaged in value creation employing an integrated approach in which the execution of management strategies goes in tandem with the pursuit of solutions for environmental and social issues. This is MUFG's definition of sustainability management. We have defined following 10 priority issues that must be tackled to help achieve environmental and social sustainability in light of our newly established Purpose, "Committed to empowering a brighter future." with an eye to better fulfilling society's expectations in areas where MUFG's capabilities can be brought to bear. We recognize climate change measures & environmental protection as an issue that requires special attention, in light of recent trends, the Japanese government's 2050 carbon neutral declaration, and the scale of our business exposure. In May 2021, we announced the " MUFG Carbon Neutrality Declaration" and became the first bank in Japan to publicize its commitment to achieving a net zero status in terms of GHG emissions from its investment and financing portfolio.

**[2.2] Target Setting**

Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services.

Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.

Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.

MUFG have set the following targets for our approach to sustainability.

**Sustainable Finance Goals**

MUFG aim to provide a total of 35 trillion yen in sustainable finance by fiscal 2030 (17 trillion yen in the social sector and 18 trillion yen in the environmental sector) to contribute to solving issues in the social field such as "supporting industrial development & innovation" and "developing social infrastructure" and in the environmental field, such as "climate change measures & environmental protection". The scope of our sustainable finance includes financing for the following businesses (including loans, investments in funds, project finance, syndicated loans, underwriting of stocks and bonds, and financial advisory services).

(Social area)

- Businesses contributing to the development of start-ups, job creation, and poverty alleviation
- Businesses contributing to the energizing of local communities and regional revitalization
- Fundamental service businesses, including those involved in basic infrastructure such as public transport, waterworks, and airports, and essential services such as hospitals, schools and police.

(Environment)

- Businesses contributing to the adaptation to and moderation of climate change, including renewable energy, energy efficiency improvement, and green buildings.

**CO<sub>2</sub> Reduction Targets for Renewable Energy Project Financing**

As part of the effort to quantitatively identify and disclose the environmental impact of our financing, we have set a target to reduce CO<sub>2</sub> emissions by a cumulative total of 70 million tons\*<sup>1</sup> between FY 2019 and FY 2030 through project financing for renewable energy projects. This is equivalent to the annual CO<sub>2</sub> emissions from about half the households in Japan\*<sup>2</sup>.

\*<sup>1</sup> Cumulative total of CO<sub>2</sub> reduction benefits for one year, calculated from the amount of electricity generated by renewable energy projects underwritten in each fiscal year, facility utilization rates, and emission factors. The values take into account MUFG's contribution in the underwriting phase.

\*<sup>2</sup> Prepared by MUFG based on a survey by the Ministry of the Environment entitled Statistical Survey of CO<sub>2</sub> Emissions from the Household Sector (Household CO<sub>2</sub> Statistics).

**[MUFG Carbon Neutrality Declaration]****GHG emissions from its investment and financing portfolio**

In May 2021, we announced the MUFG Carbon Neutrality Declaration and became the first bank in Japan to publicize its commitment to achieving a net zero status in terms of GHG emissions from its investment and financing portfolio. We aim to achieve net zero status in terms of GHG emissions from its investment and financing portfolio by 2050, and will set and disclose an interim target for 2030 in fiscal 2022, reporting progress on an annual basis.

**Credit amounts Related to Coal-Fired Power Generation (balance of lending)**

In order to contribute to the resolution of a priority issue "Climate Change Measures & Environmental Protection", the MUFG Environmental and Social Policy Framework stipulates that in principle we will not provide financing to new coal-fired power generation projects. We will reduce the balance of financing to project finance to coal-fired power generation, which was US\$3,580 million at the end of fiscal 2019, by 50% in fiscal 2030 compared to fiscal 2019, and to zero by fiscal 2040. We also plan to set and disclose a balance target for corporate credit for coal-fired power generation by the end of fiscal 2022.

In the MUFG Carbon Neutrality Declaration, we have committed to achieving net zero greenhouse gas emissions in our own operations by 2030.

In addition, each Group company has set medium- and long-term environmental goals that contribute to the reduction of waste and the prevention of air pollution, and is working to achieve these goals, as well as setting goals for the targets for female representation in managerial positions.

MUFG Sustainability Report 2021, P.9, 10, 37, 50-52, 71, 72, 75, 147, 152  
(<https://www.muflg.jp/english/csr/report/>)

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.

We aim to achieve a cumulative total of 35 trillion yen in sustainable finance by FY2030 to help resolve social issues, including "supporting industrial development & innovation" and "developing social infrastructure", and environmental issues, including "climate change measures & environmental protection" (increasing positive impacts). Furthermore, we have set a target balance for coal-fired power generation projects financing and have announced the "MUFG Carbon Neutrality Declaration," which commits to achieving a net zero status in terms of GHG emissions from its investment and financing portfolio to help address issues associated with "climate change measures & environmental protection" (reducing negative impacts).

**[2.3] Plans for Target Implementation and Monitoring**

Show that your bank has defined actions and milestones to meet the set targets.

Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.

As part of efforts to strengthen its sustainability promotion system, MUFG has a governance system to monitor its sustainability initiatives, including progress towards targets.

The Sustainability Committee meets at least once a year, in principle, to deliberate on MUFG's efforts to address environmental and social issues. The committee discuss and report on the content of deliberations, such as the confirmation of the status of sustainability initiatives, including the monitoring of the progress toward targets, and the integration and strengthening of the management plan, to the Board of Directors and the Executive Committee.

In May 2021, we announced the "MUFG Carbon Neutrality Declaration" and became the first Japanese bank committing to achieve net zero emissions in our finance portfolio.

In addition to aiming to achieve net zero emissions in our finance portfolio by 2050, we will set and disclose an interim target for 2030 by the end of fiscal 2022, and report on our progress on an annual basis.

We engaged two external experts in the environmental and social fields as permanent external advisors. Board members exchange views with the advisors and use advice and recommendations from their expertise in MUFG's sustainability initiatives.

In addition, we established the position of Chief Sustainability Officer (CSuO) to clarify the responsibilities related to the promotion of sustainability. For the time being, the officer in charge of corporate planning and strategy will also serve as the CSuO to enhance the promotion of sustainability, including integration with our core business.

The Sustainability Office of the Corporate Planning Division is in charge of planning for sustainability management, and is accelerating the company-wide implementation of sustainability-oriented management.

Furthermore, from the perspective of strengthening the system to support the realization of the "MUFG Carbon Neutrality Declaration" announced in May 2021, we have established a project team on a Group and global basis, including overseas partner banks, to support the Group's operating companies and bases in each region to lead the way in decarbonization while taking into account the characteristics and circumstances of each region.

MUFG Sustainability Report 2021, P.9, 10, 12, 50-54, 117, 118 (<https://www.mufg.jp/english/csr/report/>)

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.

We have a governance system to monitor our sustainability initiatives including progress towards targets, thereby strengthening our sustainability promotion system.

**Principle 3: Clients and Customers**

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

**[3.1]**

Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.

With the conviction that environmental and social sustainability are essential to achieving sustainable growth for MUFG, and we aim to operate our business in a manner that integrates the resolution of environmental and social issues with MUFG's management strategies.

We support our customers in their transition to a sustainable business model, both in terms of business opportunities and business risks.

MUFG Sustainability Report 2021, P.3, 4, 18-36, 57, 69-72 (<https://www.mufg.jp/english/csr/report/>)

	<p>MUFG considers the pursuit of sustainability to be one of its most important management issues.</p> <p>With the conviction that environmental and social sustainability are essential to achieving sustainable growth for MUFG, we are engaged in value creation employing an integrated approach in which the execution of management strategies goes in tandem with the pursuit of solutions for environmental and social issues. We have reviewed priority issues that must be tackled to help achieve environmental and social sustainability in light of our newly established Purpose, "Committed to empowering a brighter future." with an eye to better fulfilling society's expectations in areas where MUFG's capabilities can be brought to bear. As a result of this review, we have freshly defined the 10 priority issues.</p> <p>In July 2021, we established Sustainable Business Division by reorganizing and upgrading the Sustainable Business Office into an independent division, with the aim of further promoting solutions for sustainable businesses.</p> <p>The Division seeks solutions to medium-to-long-term environmental and social issues faced by our customers and provides them with information and functionality, thereby supporting their transition to enhanced energy efficiency and facilitating innovation that employs clean energy technologies.</p> <p>Regarding business risks, in 2018, we launched the MUFG Environmental Policy Statement and the MUFG Human Rights Policy Statement as our basic policies to address environmental and social issues, as well as the MUFG Environmental and Social Policy Framework which outlines more specific measures. We review processes to identify and assess environmental and social risks and impacts based on the MUFG Environmental and Social Policy Framework (standard and enhanced due diligence) and environmental and social considerations based on the Equator Principles.</p>	
<p><b>[3.2]</b> Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>	<p>MUFG uses its functions and businesses as a financial institution to provide various initiatives, products, and services to address the environmental and social issues it has determined. Examples are as follows.</p> <p><b>Sustainability Linked Loans</b></p> <p>MUFG Bank has developed a loan product called the Sustainability Linked Loan (SLL), in which terms and conditions of the loan will be adjusted based on the sustainability performance target (SPT) aligned with the customer's ESG strategy. Specifically, we set a performance target linked to the customer's sustainability targets, such as the target reduction in CO<sub>2</sub> emissions and ESG assessments, and by adjusting loan conditions according to the customer's performance in achieving the set target, we promote and support the customer's environmental and social initiatives and sustainable economic activities.</p> <p><b>ESG Management Support Loan</b></p> <p>This corporate loan product is designed to evaluate and support customers' ESG initiatives. In addition to the usual screening process, we evaluate customer initiatives and score them in cooperation with Mitsubishi UFJ Research and Consulting and Japan Credit Rating Agency to extend financing accordingly.</p>	<p>MUFG Sustainability Report 2021, P.38, 39 (<a href="https://www.mufig.jp/english/csr/report/">https://www.mufig.jp/english/csr/report/</a>)</p>
<p><b>Principle 4: Stakeholders</b> We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</p>		
<p><b>[4.1]</b> Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</p>	<p>MUFG categorizes its stakeholders involved with its business activities into the following categories: customers, business partners, employees, shareholders and investors, communities and society, and the environment. Through constructive dialogue with each stakeholder, we will gain new insights and they will deepen their understanding of MUFG, and by taking into account the interests of our stakeholders and the social issues they face, we will strive to build a relationship of trust and collaboration that will lead to the sustainable growth of MUFG and the improvement of our corporate value over the medium to long term.</p> <p>In addition, we engaged two external experts in the environmental and social fields as permanent external advisors. Board members exchange views with the advisors and use advice and recommendations from their expertise in MUFG's sustainability initiatives.</p>	<p>MUFG Sustainability Report 2021, P.13-16, 22, 54, 118, 133, 159-163 (<a href="https://www.mufig.jp/english/csr/report/">https://www.mufig.jp/english/csr/report/</a>)</p>

	<p>Following the announcement of the MUFG Carbon Neutrality Declaration in May 2021, MUFG joined the Net Zero Banking Alliance (NZBA) established by the United Nations Environment Programme Finance Initiative (UNEP FI) in June of the same year. In addition, MUFG has joined the Partnership for Carbon Accounting Financials (PCAF), an international initiative aimed at standardizing the measurement and disclosure of GHG emissions by investment and financing entities. MUFG has been selected as one of the 12 banks in the steering Group, which is responsible for coordinating decision-making and strategy in the NZBA.</p> <p>Moreover, MUFG participates in and endorses a variety of initiatives to meet its social responsibilities as a financial institution, respond to the demands of the international community and contribute to the realization of a sustainable society. In January 2021, we endorsed and committed to the Stakeholder Capitalism Metrics, a set of indicators to measure stakeholders' capitalistic level, which is proposed by the World Economic Forum.</p>	
<p><b>Principle 5: Governance &amp; Culture</b>  <b>We will implement our commitment to these Principles through effective governance and a culture of responsible banking.</b></p>		
<p><b>[5.1]</b>  Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.</p>	<p>As part of efforts to strengthen its sustainability promotion system, MUFG has a governance system to monitor its sustainability initiatives, including progress towards targets.</p> <p>The Sustainability Committee meets at least once a year, in principle, to deliberate on MUFG's efforts to address environmental and social issues. The committee discuss and report on the content of deliberations, such as the confirmation of the status of sustainability initiatives, including the monitoring of the progress toward targets, and the integration and strengthening of the management plan, to the Board of Directors and the Executive Committee.</p> <p>We engaged two external experts in the environmental and social fields as permanent external advisors. Board members exchange views with the advisors and use advice and recommendations from their expertise in MUFG's sustainability initiatives.</p> <p>In addition, we established the position of Chief Sustainability Officer (CSuO) to clarify the responsibilities related to the promotion of sustainability. For the time being, the officer in charge of corporate planning and strategy will also serve as the CSuO to enhance the promotion of sustainability, including integration with our core business.</p> <p>Under the MUFG Way, which guides all of our activities, MUFG has established the MUFG Environmental Policy Statement as a specific action guideline for practicing environmental considerations.</p> <p>The MUFG Environmental Policy Statement has been the matter to be determined in the Board of Directors since May 2021. The Policy clearly states the company's commitment to proactively disclose information on the environment, including climate change.</p> <p>To advance our sustainability management, in fiscal 2021, we revised performance-linked indices used for the determination of executive compensation. The revised indices incorporate the degree of improvement in external ESG evaluation granted to MUFG by ESG rating agencies.</p> <p>The Sustainability Office of the Corporate Planning Division is in charge of planning for sustainability management, and is accelerating the company-wide implementation of sustainability-oriented management.</p> <p>Furthermore, from the perspective of strengthening the system to support the realization of the "MUFG Carbon Neutrality Declaration" announced in May 2021, we have established a project team on a Group and global basis, including overseas partner banks, to support the Group's operating companies and bases in each region to lead the way in decarbonization while taking into account the characteristics and circumstances of each region.</p>	<p>MUFG Sustainability Report 2021, P.9, 10, 12, 50-55, 117, 118  (<a href="https://www.mufg.jp/english/csr/report/">https://www.mufg.jp/english/csr/report/</a>)</p>

<p><b>[5.2]</b> Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<p>MUFG is strongly focused on encouraging each employee's self-directed career building and, to this end, supports their growth and their ability to respond to challenges. Accordingly, we have positioned the Career Challenge System as a framework for gaining a variety of experience. We have a variety of programs within and outside the Group.</p> <p>We hold in-house education and training sessions to promote a better understanding of sustainability. Also, to advance the integration of the resolution of social issues in our management strategy, the Sustainability Office shares information, makes proposals, and exchanges opinions with related departments regarding the concept of sustainability, the external environment, and awareness of issues in the formulation of sustainability-related policies and business strategies, the promotion of various initiatives, and the preparation of the Annual and Sustainability reports.</p>	<p>MUFG Sustainability Report 2021, P.82-84 (<a href="https://www.mufig.jp/english/csr/report/">https://www.mufig.jp/english/csr/report/</a>)</p>
<p><b>[5.3] Governance Structure for Implementation of the Principles</b> Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <p>a) target-setting and actions to achieve targets set</p> <p>b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.</p>	<p>With the governance structure mentioned in 5.1, MUFG promotes initiatives based on the Principles for Responsible Banking (PRB).</p>	<p>MUFG Sustainability Report 2021, P.9, 10, 12, 50-55, 117, 118 (<a href="https://www.mufig.jp/english/csr/report/">https://www.mufig.jp/english/csr/report/</a>)</p>
<p>Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.</p>		
<p>MUFG is strengthening its sustainability promotion system in order to achieve a sustainable environment and society, as well as the sustainable growth of the group. We established the Sustainability Committee, with the aim of intensively discussing initiatives to resolve environmental and social issues. The Committee meets at least once a year, in principle, to discuss and report on the content of deliberations to the Board of Directors and the Executive Committee.</p>		
<p><b>Principle 6: Transparency &amp; Accountability</b> We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.</p>		
<p><b>[6.1] Progress on Implementing the Principles for Responsible Banking</b> Implementing the Principles for Responsible Bankin</p> <p>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).</p> <p>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</p> <p>Show that your bank has implemented/ is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.</p>	<p>To enhance transparency and accountability, we are sharing information about our sustainability initiatives through a new Sustainability Report in addition to our existing annual report and websites.</p> <p>Other than principles 1-5 mentioned above, we are also working on the following.</p> <ul style="list-style-type: none"> <li>● MUFG has built a structure for contributing to the resolution of the priority issues outside its business. We also established a new framework to contribute an amount equivalent to 1.0% of the Group's net business profits in the previous fiscal year to social contribution activities (in the form of donations, etc.).</li> <li>● We are working to tighten the MUFG Environmental and Social Policy Framework.</li> <li>● In the MUFG Carbon Neutrality Declaration, we have committed ourselves to achieving net zero greenhouse gas emissions by 2030. At the Bank, the Trust Bank and the Securities (offices in Japan), we will take the initiative in switching 100% of the electricity consumed by MUFG to renewable energies. Specifically, we aim to Stimulation of the trading market by using Non-Fossil Certificate* and promotion of the use of renewable energy, and the Bank has already switched to 100% renewable energy in practical terms in June 2021.</li> </ul> <p>*A system that extracts the non-fossil value of electricity generated from non-fossil power sources and makes it possible to buy and sell it using certificates. In September 2021, we established a new company with supporting partner companies to create a fund that invests in renewable energy. The fund will contribute to the spread of renewable energy by not only "producing" renewable energy power, but also "retailing" and "using" renewable energy power triggered by the demand for renewable energy power by MUFG, its partners and related parties.</p>	<p>MUFG Sustainability Report 2021, P.21, 69-71, 105-108 (<a href="https://www.mufig.jp/english/csr/report/">https://www.mufig.jp/english/csr/report/</a>)</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking</p>		
<p>To enhance transparency and accountability, we disclose about our sustainability initiatives through annual report, sustainability report and websites. We will implement a variety of initiatives to further strengthen our sustainability efforts.</p>		