

SCM Index

Stakeholder Capitalism Metrics (SCM) is a framework of non-financial information proposed in "Measuring Stakeholder Capitalism Towards Common Metrics and Consistent Reporting of Sustainable Value Creation", a report compiled by the big four global accounting firms based on the recommendations of the World Economic Forum's International Business Council.

There are two types of metrics in SCM: Core Metrics and Expanded Metrics. This index is prepared in accordance with the Core Metrics, and some of the information are referred to the Expanded Metrics.

Although the SCM metrics are designed to be used in a wide range of industries and regions, there are some metrics that do not apply to the characteristics of the banking industry or the business activities of MUFG, which is based in Japan. For these items, MUFG is striving to disclose as much information as possible in consideration of the purpose of SCM.

We will continue to expand the content of our disclosure as part of our engagement with all of our stakeholders, including customers, business partners, shareholders and investors.

● Principle of Governance

Theme	Core Metrics and Disclosures	Details and related information
Governing purpose	Setting purpose <ul style="list-style-type: none"> ● The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. ● Corporate purpose should create value for all stakeholders, including shareholders. 	MUFG's Approach to Sustainability (P.3) MUFG Report 2021 (Integrated report) (P.3) https://www.mufg.jp/dam/ir/report/annual_report/pdf/ir2021_all_en.pdf
Quality of governing body	Governance body composition Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	Promotion of Sustainability (P.11) MUFG Report 2021 (Integrated report) (P.89) https://www.mufg.jp/dam/ir/report/annual_report/pdf/ir2021_all_en.pdf
Stakeholder engagement	Material issues impacting stakeholders A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	Priority Environmental and Social Issues MUFG Must Address (P.18)
Ethical behaviour	Anti-corruption 1. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region (a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; and (b) Total number and nature of incidents of corruption confirmed during the current year, related to this year. 2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.	1. Not applicable 2. Compliance (P.121)
	Protected ethics advice and reporting mechanisms 1. A description of internal and external mechanisms for: 1. Seeking advice about ethical and lawful behaviour and organizational integrity; and 2. Reporting concerns about unethical or unlawful behaviour and lack of organizational integrity.	1. Compliance (P.121) 2. Whistle-Blowing Systems (P.123)
Risk and opportunity oversight	Integrating risk and opportunity into business process <ul style="list-style-type: none"> ● Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. ● These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship. 	Risk Management (P.119)

Theme	Expanded metrics and disclosures	Details and related information
Governing purpose	Purpose-led management How the company's stated purpose is embedded in company strategies, policies and goals.	MUG's Approach to Sustainability (P.3)
Quality of governing body	Remuneration 1. How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental and social topics, as connected to the company's stated purpose, strategy and long-term value. 2. Remuneration policies for the highest governance body and senior executives for the following types of remuneration: <ul style="list-style-type: none"> ● Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses and deferred or vested shares ● Sign-on bonuses or recruitment incentive payments ● Termination payments ● Clawbacks ● Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives and all other employees 	1. Corporate Governance (P.114) 2. MUG Report 2021 (Integrated report) (P.95) For details, please refer to our corporate governance report.
Risk and opportunity oversight	Economic, environmental and social topics in capital allocation framework How the highest governance body considers economic, environmental and social issues when overseeing major capital allocation decisions, such as expenditures, acquisitions and divestments.	Priority Environmental and Social Issues MUG Must Address (P.18)

● Planet

Theme	Core Metrics and Disclosures	Details and related information
Climate change	Greenhouse gas (GHG) emissions <ul style="list-style-type: none"> ● For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO₂e) GHG Protocol Scope 1 and Scope 2 emissions. ● Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate. 	ESG Data (Environment) (P.144)
	TCFD implementation <ul style="list-style-type: none"> ● Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). ● If necessary, disclose a timeline of at most three years for full implementation. ● Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050. 	Climate Change Measures & Environmental Protection –TCFD Report– (P.44)
Nature loss	Land use and ecological sensitivity Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).	There are no sites held within protected areas or biodiversity areas.
Freshwater availability	Water consumption and withdrawal in water-stressed areas <ul style="list-style-type: none"> ● Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool. ● Estimate and report the same information for the full value chain (upstream and downstream) where appropriate. 	ESG Data (Environment) (P.144)

Theme	Expanded metrics and disclosures	Details and related information
Climate change	Paris-aligned GHG emissions targets <ul style="list-style-type: none"> Define and report progress against time-bound science-based GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. This should include defining a date before 2050 by which you will achieve net-zero greenhouse gas emissions, and interim reduction targets based on the methodologies provided by the Science Based Targets initiative, if applicable. If an alternative approach is taken, disclose the methodology used to calculate the targets and the basis on which they deliver on the goals of the Paris Agreement. 	Climate Change Measures & Environmental Protection –TCFD Report– (P.44)
	Impact of GHG emissions <ul style="list-style-type: none"> Report wherever material along the value chain (GHG Protocol Scope 1, 2 & 3) the valued impact of greenhouse gas emissions. Disclose the estimate of the societal cost of carbon used and the source or basis for this estimate. 	ESG Data (Environment) (P.144)

● People

Theme	Core Metrics and Disclosures	Details and related information
Dignity and equality	Diversity and inclusion (%) Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).	Approach to Priority Issues _ Inclusion & Diversity (P.25) ESG Data (Social) (P.149)
	Pay equality (%) Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.	ESG Data (Social) (P.149)
	Wage level (%) 1. Ratios of standard entry level wage by gender compared to local minimum wage. 2. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.	ESG Data (Social) (P.149)
	Risk for incidents of child, forced or compulsory labour An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to: (a) type of operation (such as manufacturing plant) and type of supplier; and (b) countries or geographic areas with operations and suppliers considered at risk.	Risk Management (P.119) Human Rights Due Diligence (P.100)
Health and well-being	Health and safety (%) 1. The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. 2. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.	1. ESG Data (Social) (P.149) 2. Health and Productivity Management (P.101)
Skills for the future	Training provided <ul style="list-style-type: none"> Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees). Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees). 	Human Resource Development Program (P.82) ESG Data (Social) (P.149)

Theme	Expanded metrics and disclosures	Details and related information
Dignity and equality	Discrimination and harassment incidents (#) and the total amount of monetary losses (\$) Number of discrimination and harassment incidents, status of the incidents and actions taken, and the total amount of monetary losses as a result of legal proceedings associated with: (a) law violations; and (b) employment discrimination.	Whistle-Blowing Systems (P.123) ESG Data (Social) (P.149)
	Freedom of association and collective bargaining at risk (%) 1. Percentage of active workforce covered under collective bargaining agreements. 2. An explanation of the assessment performed on suppliers for which the right to freedom of association and collective bargaining is at risk, including measures taken by the organization to address these risks.	1. ESG Data (Social) (P.149) 2. Please refer to the following websites of each group company. MUB "Modern Slavery Act 2015 and Commonwealth Modern Slavery Act 2018" (https://www.bk.mufg.jp/global/csr/statement/sht/)
Health and well-being	Employee well-being The number of fatalities as a result of work-related ill-health, recordable work-related ill-health injuries, and the main types of work-related ill-health for all employees and workers.	ESG Data (Social) (P.149)
Skills for the future	Number of unfilled skilled positions 1. Number of unfilled skilled positions. 2. Percentage of unfilled skilled positions for which the company will hire unskilled candidates and train them	ESG Data (Social) (P.149)

● Prosperity

Theme	Core Metrics and Disclosures	Details and related information
Employment and wealth generation	Absolute number and rate of employment <ul style="list-style-type: none"> ● Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. ● Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region 	ESG Data (Social) (P.149)
	Economic contribution 1. Direct economic value generated and distributed (EVG&D), on an accruals basis, covering the basic components for the organization's global operations, ideally split out by: <ul style="list-style-type: none"> ● Revenues ● Operating costs ● Employee wages and benefits ● Payments to providers of capital ● Payments to government ● Community investment 2. Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.	1. Social Contribution Activities (P.105) 2. (Not applicable)
	Financial investment contribution <ul style="list-style-type: none"> ● Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy. ● Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders. 	Please refer to the following MUFG Report 2021 (Integrated report) (P.43) (https://www.mufg.jp/dam/ir/report/annual_report/pdf/ir2021_all_en.pdf)
Innovation of better products and services	Total R&D expenses Total costs related to research and development.	Approach to Priority Issues (P.18)
Community and social vitality	Total tax paid The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	Please refer to the following MUFG Report 2021 (Integrated report) (P.43) (https://www.mufg.jp/dam/ir/report/annual_report/pdf/ir2021_all_en.pdf)

Theme	Expanded metrics and disclosures	Details and related information
Employment and wealth generation	Infrastructure investments and services supported Qualitative disclosure to describe the below components: 1. Extent of development of significant infrastructure investments and services supported. 2. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant. 3. Whether these investments and services are commercial, in-kind or pro bono engagements.	Approach to Priority Issues (P.18)
	Social value generated 1. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts. 2. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities (e.g. national and international standards, protocols, policy agendas).	Approach to Priority Issues (P.18)
Innovation of better products and services	Social value generated Percentage of revenue from products and services designed to deliver specific social benefits or to address specific sustainability challenges.	Approach to Priority Issues (P.18)
Community and social vitality	Total Social Investment Total Social Investment (TSI) sums up a company's resources used for "S" in ESG efforts defined by CECP Valuation Guidance.	Social Contribution Activities (P.105)