



**MUFG**  
Human Rights Report

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**2023**

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1.

**Introduction**

## CEO Message



**Hironori  
Kamezawa**

**President & Group CEO**

While the global economy is growing with the development of globalization, there are emergence and escalation in the environmental issues of climate change and loss of biodiversity, and social issues of human rights abuses and increasing poverty and disparities. The increasing awareness of contributing to the resolution of environment and social issues was a huge tidal change happening around the globe along with digitalization prior to the COVID-19 pandemic, and today those issues have become of utmost importance that must be tackled by management.

Given this awareness of issues, two years ago, MUFG established our Purpose as being "Committed to empowering a brighter future" and made "contributing to the resolution of environmental and social issues" a major pillar of management. This includes designating and addressing ten priority issues as we carry out sustainability management through integration with our management strategy. We have enlisted the aid of experts in the relevant fields, held study sessions and trainings among executives, and conducted discussions on specific measures. I have also devoted considerable time to focusing on these issues.

Respect for human rights is a universal value shared by humankind and is closely tied to the ten environmental and social issues MUFG is prioritizing. We believe it is the foundation for realizing a sustainable environment and society. As a financial institution which engages in business with various customers, we are expected to not only uphold the human rights of our employees and others, but also to play a role in promoting respect for human rights in the businesses with which we engage.

Lately, issues such as child labor and forced labor in the supply chain, human rights abuses in conflict areas, damage to the health of residents associated with infrastructure development, and race- and gender-based discrimination have garnered attention. Last fall, the Japanese government developed guidelines on respect for human rights in the supply chain, signaling an even greater need to take effective actions going forward.

## CEO Message

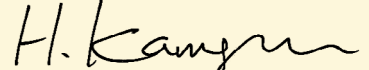
MUFG established the Human Rights Policy Statement and Environmental and Social Policy Framework in 2018, and they have been reevaluated annually to enhance measures toward respect for human rights. To further amplify our efforts, in October 2022, we also hired a CSuO from outside the company who possesses a great deal of knowledge and experience in ESG fields, including respect for human rights.

We have endeavored to promote respect for human rights among employees by preventing discrimination and harassment and practicing Diversity, Equity & Inclusion (DEI) through trainings and other measures so that employees can fully realize their potential, and are treated free of discrimination based on gender, disabilities, national origin, race, age, or sexual orientation.

Furthermore, this fiscal year, we have bolstered due diligence concerning child labor, forced labor, and human trafficking, revised our Approach to Purchasing Activity, and expanded remedial contact points by joining the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) .

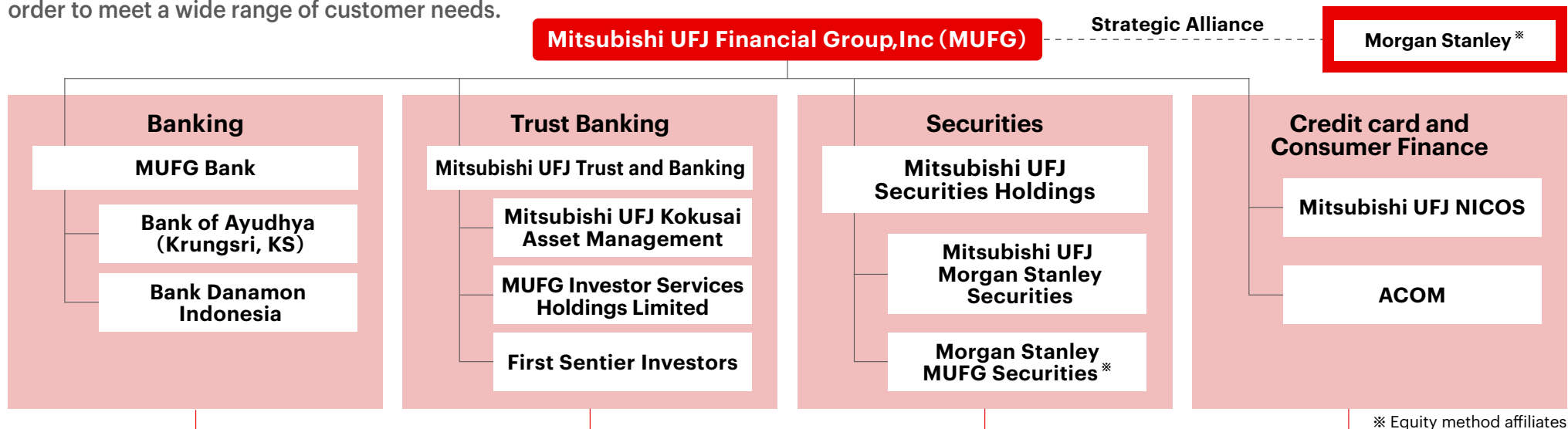
MUFG has restructured our approach and initiatives related to respect for human rights, including the aforementioned measures, and published this Human Rights Report for the first time. We believe this report is the first step in a dialogue with our stakeholders and intend to move ahead with initiatives for respect for human rights throughout the supply chain.

To demonstrate our Purpose as being "Committed to empowering a brighter future," MUFG will put our policy toward respect for human rights into practice and unite our Group companies worldwide to contribute to the realization of a sustainable environment and society.

President & Group CEO 

## MUFG's Business Description

MUFG is a comprehensive financial group that provides a variety of financial services, centering on banking, trust banking and securities companies. We have introduced a business headquarters system in which all group companies work closely together to centrally defined strategies and promote their businesses. Each business group develops strategies and manages measures that combine the strengths of each group company in order to meet a wide range of customer needs.



(Consolidated basis)

|   |                             |      |
|---|-----------------------------|------|
| <b>Market capitalization</b>                    | 10.8 trillion yen           |      |
| <b>Deposit balance (Consolidated basis)</b>     | 213.6 trillion yen          |      |
| <b>Lending outstanding (Consolidated basis)</b> | 110.4 trillion yen          |      |
| <b>Total assets</b>                             | 386.7 trillion yen          |      |
| <b>Number of bases</b>                          | <b>Japan</b>                | 436  |
|   | <b>Overseas<sup>1</sup></b> | 1610 |
| <b>Number of employees</b>                      | approx. 160 thousand        |      |
| <b>Percentage of foreign national employees</b> | 57%                         |      |

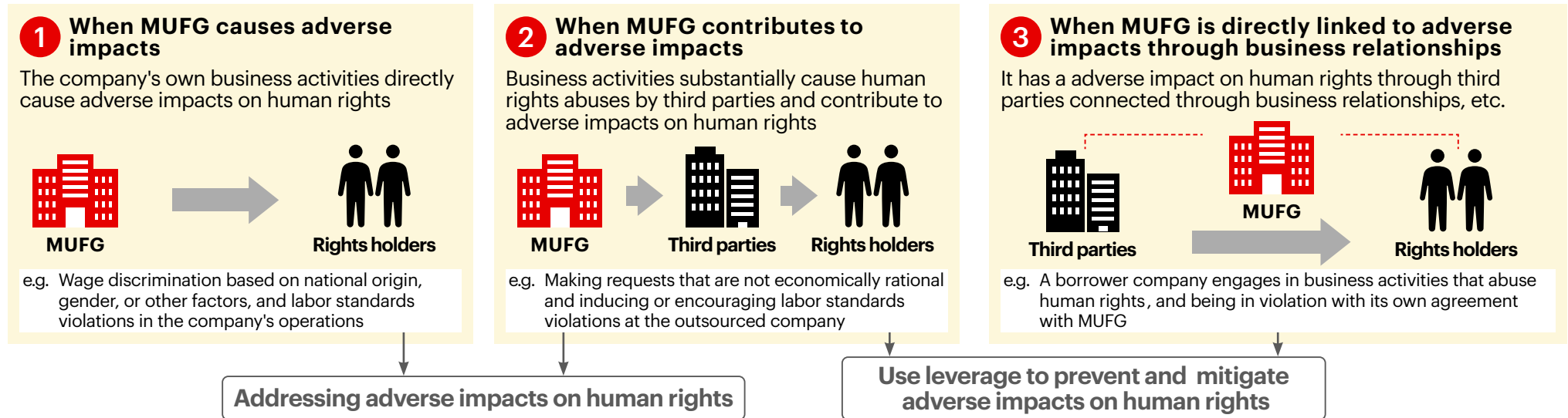
(Items not marked with an asterisk are as of the end of March, 2023)

|                        |   |  |
|------------------------|---|--|
| <b>Business Groups</b> | <b>Digital Service Business Group</b>                             | Providing digital financial services to domestic customers, mainly individuals and corporate customers for non-face-to-face transactions, and promoting digital transformation of the entire companies   |
|                        | <b>Retail &amp; Commercial Banking Business Group</b>             | Providing a wide range of financial services such as lending, fund settlement, asset management, inheritance and real estate, and business and asset succession solutions for individuals and corporate customers in Japan                                 |
|                        | <b>Japanese Corporate &amp; Investment Banking Business Group</b> | Providing solutions for major Japanese companies by leveraging the expertise of each group company, including lending, fund settlement, foreign exchange and other services, M&A, and real estate-related business   |
|                        | <b>Global Commercial Banking Business Group</b>                   | Providing financial services for companies operating in ASEAN, local SMEs, and individual customers through partner banks <sup>2</sup>   |
|                        | <b>Asset Management &amp; Investor Services Business Group</b>    | Responding to the needs of customers in Japan and overseas through consulting utilizing advanced and specialized know-how, and improving investment and product development capabilities in asset management, asset administration, and pension businesses |
|                        | <b>Global Corporate &amp; Investment Banking Business Group</b>   | Providing high value-adding solutions for large global corporate clients by integrating the Group's core commercial banking and securities functions   |
|                        | <b>Global Markets Business Group</b>                              | Mainly responsible for client-facing business centering on sales and trading of interest rates (bonds), foreign exchange, and equities, as well as the overall operation and management of MUFG's assets, liabilities, and various risks                   |

1. Includes 459 offices of Adira Finance, a subsidiary of Bank Danamon Indonesia 2. Krungsri, Bank Danamon Indonesia, VietinBank (Vietnam), Security Bank (Philippines)

# Respecting Human Rights as a Financial Institution

MUFG understands that it may cause or contribute to adverse impacts on human rights or be directly linked to them through business relationships in the course of its business activities, and that it is expected to promote and encourage responsible corporate behavior by its business partners through engagement. We will strive to prevent adverse impacts on human rights, and if adverse impacts occur, we will endeavor to address the adverse impacts in accordance with the forms of involvement described in ① through ③ below.



|                                     | Employees  | Customers  | Suppliers  | Borrowers / Investees  | Suppliers   |
|-------------------------------------|--|--|--|--|---|
| <b>Examples of negative impacts</b> | MUFG's adverse impacts on its own employees<br>e.g. Power harassment or sexual harassment in the company. Unfair treatment in employment based on personal characteristics   | MUFG's adverse impacts on customers through the provision of financial services<br>e.g. Violation of privacy rights due to inappropriate management of customers' personal information   | MUFG's adverse Impacts on suppliers<br>e.g. Requesting a large amount of work with a short delivery time, inducing long working hours for the external contractors' employees  | Adverse impacts of borrowers/ investees on their employees and surrounding residents through investments and loans provided by MUFG<br>e.g. Loans to companies that force migrant workers to work                                      | Adverse impacts of suppliers on employees and the surrounding community through MUFG's procurement operations<br>e.g. Purchase of goods produced by child labor   |
| <b>MUFG's major responses</b>       | <ul style="list-style-type: none"> <li>Preparation of power harassment/sexual harassment prevention manual</li> <li>Regular monitoring of working conditions and reduction of overtime work</li> <li>Promotion of DEI</li> </ul> | <ul style="list-style-type: none"> <li>Consideration of adverse impacts on human rights when introducing products and services</li> <li>Establishment of personal information protection rules and systems</li> <li>Universal Design Initiatives</li> <li>Money laundering prevention</li> </ul> | <ul style="list-style-type: none"> <li>Clearly stating respect for human rights of suppliers in the "Approach to Purchasing Activity"</li> <li>Description of the consultation service on the "Guidelines for Purchasing Activity" distributed to suppliers<sup>1</sup></li> </ul> | <ul style="list-style-type: none"> <li>Establishing MUFG Environmental Social Policy Framework, conducting due diligence on human rights issues related borrowers/investees</li> <li>Compliance with the Equator Principles</li> </ul> | <ul style="list-style-type: none"> <li>Respect for human rights is stipulated in the "Approach to Purchasing Activity" requirements for suppliers</li> <li>Regularly check for severe human rights abuses at key suppliers</li> </ul> |

1. Initiatives of the Bank

## MUFG's Initiatives

**2004**

- Signed UNEP FI (United Nations Environment Programme Finance Initiative)

- UNEP FI is a public-private partnership that aims to "pursue, promote, and disseminate the most environmentally and sustainably preferable business practices in the various operations of financial institutions"

**2005**

- Adopted the Equator Principles

[Click here for details of the Equator Principles](#)

**2006**

- Signed United Nations Global Compact
- Signed PRI (Principles for Responsible Investment)

- The UN Global Compact is an initiative that encourages companies and organizations around the world to support and practice international principles on human rights, labor, environment, and anti-corruption within their sphere of influence
- PRI is an initiative aimed at improving long-term investment results by incorporating environmental, social, and governance (ESG) issues, including human rights issues, into investment decision-making within the scope of fiduciary responsibility

**2011**

- Signed Principles for Financial Action for the 21st Century

- The Principles for Financial Action for the 21st Century sets forth seven items, including best efforts in financial actions toward the creation of a sustainable society, as well as business-specific guidelines for putting these principles into practice

**2015**

- Publicized Modern Slavery Act

[Click here for details of Modern Slavery Act \(The Bank · The Trust Bank · MUFG Securities EMEA\)](#)

**2018**

- Established MUFG Human Rights Policy Statement
- Established MUFG Environmental and Social Policy Framework

[Click here for details of MUFG Human Rights Policy Statement](#)  
[Click here for details of MUFG Environmental Social Policy Framework](#)

**2019**

- Signed PRB (Principles for Responsible Banking)

- PRB is an initiative by UNEP FI to encourage banks to align their business activities with the goals of the international community, including the SDGs and the Paris Agreement

**2021**

- Established MUFG Way
- Revised MUFG Human Rights Policy Statement

[Click here for details of MUFG Way](#)

**2022 ~ 2023**

- Revised MUFG Environmental and Social Policy Framework
- Revised Approach to Purchasing Activity

[Click here for details of Approach to Purchasing Activity](#)

**Publication of Human Rights Report**



## Key Points of Enhanced Measures

### Key points of enhanced measures in 2022 - 2023

|                                    |                             |   |
|------------------------------------|-----------------------------|---|
| <b>Internal system</b>             |                             | <ul style="list-style-type: none"> <li>Establishing an internal working group to regularly hold discussions on how to respect human rights</li> <li>Having discussion on respect for human rights at the Sustainability Committee and reporting to the Board of Directors</li> <li>Having Dialogues between outside experts and executives focusing on respect for human rights</li> </ul>  |
| <b>Human rights due diligence</b>  |                             | <ul style="list-style-type: none"> <li>Identifying salient human rights issues highly relevant to MUFG's business based on severity and likelihood of occurrence, and enhancing the measures</li> </ul>   |
| <b>By Stakeholder</b>              | <b>Employees</b>            | <ul style="list-style-type: none"> <li>Positioning "Health Management" as a priority issue in human capital management</li> <li>Designating November 2022 as Inclusion &amp; Diversity (I&amp;D) Month and we conducted an e-learning program as well as discussion sessions among departments and branches with the theme of psychological safety</li> <li>By investing in Mirairo Inc., further expanding employment and financial services for people with disabilities</li> </ul>   |
|                                    | <b>Customers</b>            | <ul style="list-style-type: none"> <li>Contributing to ensuring equal access to financial services in Asia through investments in DMI Finance Private Limited.<sup>1</sup> and Silvrr Technology Co., Ltd. (Akulaku<sup>2</sup>)</li> </ul>   |
|                                    | <b>Borrowers/ Investees</b> | <ul style="list-style-type: none"> <li>Enhancing human rights due diligence against child labor, forced labor, and human trafficking (Introduction of screening process using external vendor data, etc.)</li> <li>Adding businesses that cause or contribute to human rights abuses, or have direct linkage with human rights abuses in conflict areas to the list of transactions of high caution under the MUFG Environmental and Social Policy Framework</li> <li>Reinforcing policy on initiatives for specific sectors (forestry and palm oil) to request for an enhancement of supply chain management and traceability</li> </ul> |
|                                    | <b>Suppliers</b>            | <ul style="list-style-type: none"> <li>Revising "Approach to Purchasing Activity" and enhanced the description of respect for human rights and environmental considerations as requirements for suppliers</li> <li>Revising "Guidelines for Purchasing Activity" in line with "Approach to Purchasing Activity" and distributed it to suppliers to disseminate the policy</li> <li>Conducting trial screening for child labor, forced labor, and human trafficking using external vendor data</li> </ul>  |
| <b>Disclosure of Information</b>   |                             | <ul style="list-style-type: none"> <li>Publishing of a human rights report based on the "UN Guiding Principles Reporting Framework" for the first time</li> </ul>   |
| <b>Grievance Mechanism/ Remedy</b> |                             | <ul style="list-style-type: none"> <li>Joining the Engagement and Remedy Platform (JaCER<sup>3</sup>)</li> <li>Establishing a remedy for adverse human rights impacts throughout the value chain, including on employees of borrowers/ investees and suppliers, as well as on communities and local residents</li> </ul>  |

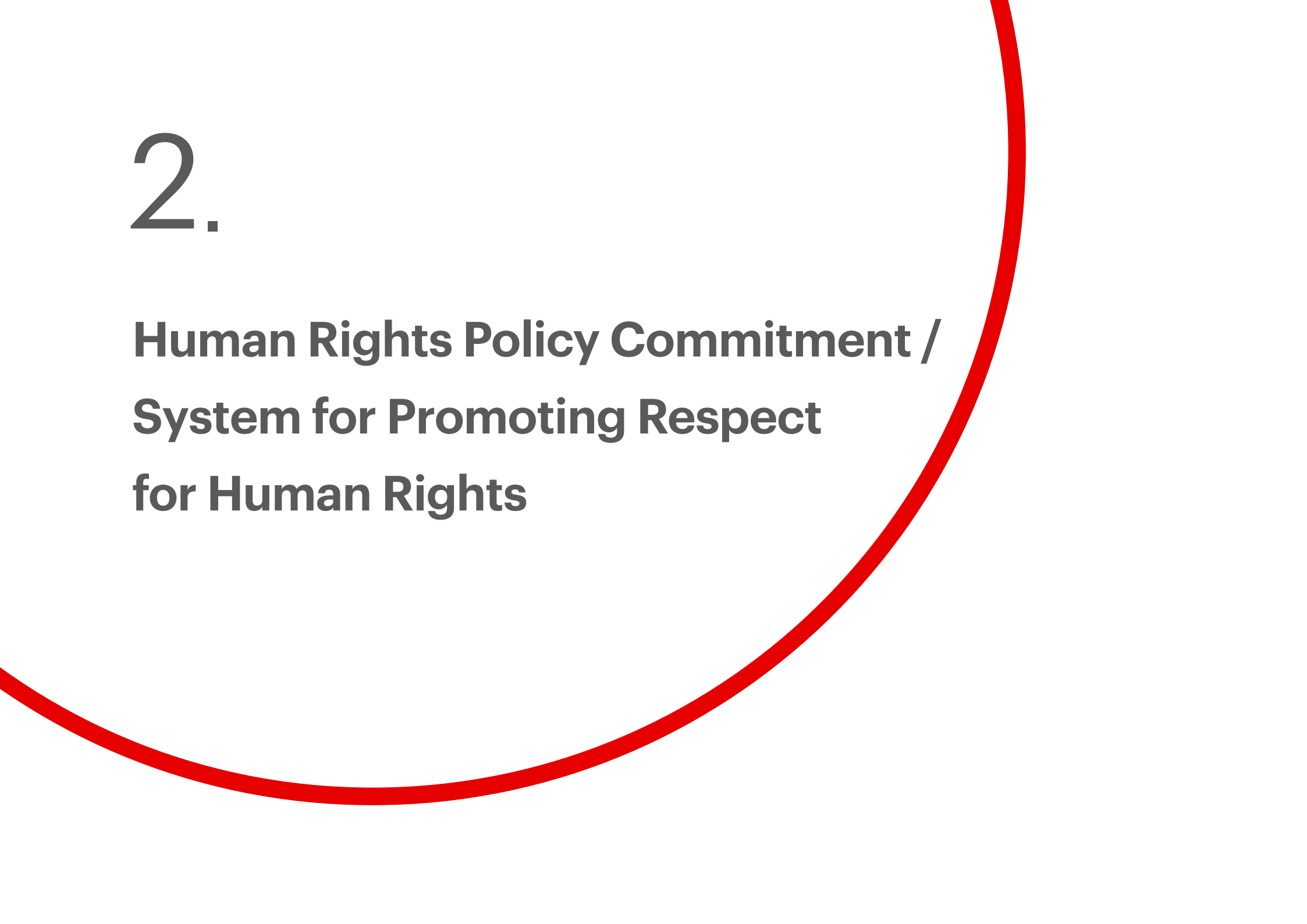
1. A non-bank entity offering digital financial services in India

2. A Fintech business owner providing digital financial services such as postpaid payment services mainly in Indonesia

3. Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) providing a "Engagement and Remedy Platform," a non-judicial grievance platform in compliance with the UN Guiding Principles on Business and Human Rights

**2.**

**Human Rights Policy Commitment /  
System for Promoting Respect  
for Human Rights**



## Policy commitment and Rules on Respect for Human Rights

Under the "MUFG Way" which articulates the values that guide all we do, "Committed to empowering a brighter future." is our Purpose set forth, and we are working to provide solutions to our respective customers, the society, and all other stakeholders. MUFG Human Rights Policy Statement is based on MUFG Group Code of Conduct, established under the MUFG Way, and pledges to respect human rights in our business activities. Under MUFG Human Rights Policy Statement, we have established various guidelines, policies and rules to respect for human rights.

### MUFG Way

Our purpose "Committed to empowering a brighter future."

The basic policy in conducting our business activities and provides guidelines for all group activities.

The standards on how executives and employees should make decisions and act in day-to-day business activities under the MUFG Way.

### MUFG Group Code of Conduct

### MUFG Human Rights Policy Statement

The policy stipulates to respect international principles for human rights, and our executives and employees to strive to respect human rights of all people, and encouraging our customers and suppliers to respect human rights as well.

#### Customers

|   |  |
|---|--|
| <b>Information Management</b>               | Personal Information Protection Policy               |
| <b>Prevention of Money Laundering, etc.</b> | Global Financial Crimes Policy Statement             |
| <b>Financing Facilitation</b>               | Basic Policy for Financing Facilitation <sup>1</sup> |

#### Borrowers/Investees

|                             |  |
|-----------------------------|--|
| <b>borrowers/ investees</b> | MUFG Environmental and Social Policy Framework |
|                             | The Equator Principles <sup>1</sup>            |

#### Suppliers

|                              |                                 |
|------------------------------|---------------------------------|
| <b>Purchasing Activities</b> | Approach to Purchasing Activity |
|------------------------------|---------------------------------|

#### Employees

|                                  |   |
|----------------------------------|---|
| <b>Workplace Environment DEI</b> | MUFG Human Resources Principles   |
|                                  | MUFG's vision on DEI  |
| <b>Harassment Prevention</b>     | Manual for Sexual Harassment Prevention <sup>1</sup>  |
|                                  | Manual for Power Harassment Prevention <sup>1</sup>   |
|                                  | Manual for Prevention of Harassment Related to Pregnancy, Childbirth, Childcare Leave, Family Care Leave, etc. <sup>1</sup> |

1. Initiatives of the Bank

## Human Rights Policy Development Process / MUFG Human Rights Policy Statement

### Human Rights Policy Statement Development Process (Established in 2018, Revised in 2021)

#### Environmental/peers research and analysis

- We researched and analyzed international guidance such as the "Guiding Principles on Business and Human Rights" and ILO Standards, human rights policies and environmental/societal risk management policies of other leading financial institutions.

#### Identifying human rights issues

- We ascertained human rights issues highly relevant to MUFG by referencing international principles for human rights and disclosures of other leading financial institutions.
- We discussed with the business and human rights experts, and held dialogues about human rights issues that should be stated in our human rights policy.

#### Affirming and organizing initiatives, draw up a human rights policy draft

- After affirming and organizing initiatives at hand on various human rights issues with the relevant departments, we compared them with international principles for human rights and initiatives of leading companies for gaps.
- We drafted the human rights policy based on the organized human rights issues that MUFG should address and the direction to be aimed at. We stipulated that not only should MUFG promote respect for human rights, but also encourage our customers and suppliers to respect human rights.

#### Establishing a human rights policy and development of a system

- We prepared a final draft policy based on the opinions of experts and the relevant departments of the Group in Japan and overseas, discussed it at the Sustainability Committee and resolved it at the Management Committee (and resolved to revise it at the Board of Directors meeting in 2021), established the MUFG Environmental and Social Policy Framework as a subordinate regulation, and prepared a management system.

### MUFG Human Rights Policy Statement

#### 1. Commitment to Respect Human Rights

Mitsubishi UFJ Financial Group (hereinafter referred to as "MUFG") recognizes respect for human rights as an important issue to be addressed in the management of our business for the realization of our Purpose of "Committed to empowering a brighter future." defined under the MUFG Way. We are committed to endeavor to fulfill our responsibility to respect human rights across all of our operations.

#### 2. Human Rights Principles

MUFG is guided by the following international principles for human rights:

1. Universal Declaration of Human Rights
2. Declaration on Fundamental Principles and Rights at Work (International Labour Organization (ILO))
3. Guiding Principles on Business and Human Rights

In addition, MUFG supports and promotes the international initiatives in Reference.

While national governments are primarily responsible for protecting the human rights of their citizens, MUFG supports and respects internationally recognized human rights standards, regardless of whether the national legislation of the relevant country contains such protections or not. In countries where local legislation conflicts with internationally recognized human rights standards, MUFG seeks to respect international standards.

#### 3. Positioning of the Human Rights Policy Statement

Under the "MUFG Way", which articulates the values that guide all we do, "Committed to empowering a brighter future." is our Purpose set forth, and we are working to provide solutions for our respective customers, the society, and all other stakeholders. With this Human Rights Policy Statement, which is approved by the Board of Directors, we pledge to respect human rights throughout our business activities on the basis of the "MUFG Group Code of Conduct" under the MUFG Way.

## Human Rights Policy Development Process / MUFG Human Rights Policy Statement

### 4. Applicability & Scope

In compliance with this MUFG Human Rights Policy Statement, executives and employees of each group company strive to respect human rights.

Additionally, MUFG urges clients and suppliers of each group company to respect human rights. MUFG also works to respond in an appropriate manner to known cases of human rights violation by our clients or suppliers

### 5. Executives and Employees

MUFG is committed to eliminating all kinds of employment and workplace discrimination from our business operations. We will not tolerate any type of human rights violation including, but not limited to, discrimination on the basis of race, national origin, belief, religion, disabilities, family origin, gender, sexual orientation, gender identity, age or health status as well as sexual, power and other types of harassment, forced labor, and child labor. All MUFG executives and employees are required to comply with this commitment. MUFG also respects the freedom of association and collective bargaining rights. In addition, each group company provides consultation or support services for human rights infringements in the workplace. We show no tolerance for human rights infringements and have established this system to prevent such incidents. Human rights awareness-raising trainings are also provided for executives and employees at all levels of our business as part of MUFG's efforts to promote the correct understanding and appreciation of human rights issues among all executives and employees.

### 6. Clients

MUFG expects its clients to respect human rights and avoid any human rights violations. MUFG promotes the respect of human rights by responding in an appropriate manner in situations where our products and services are directly connected to violations of human rights and urging clients to implement the appropriate responses.

MUFG has introduced MUFG Environmental Social Policy Framework, which incorporates environmental and social due diligence requirements, to assess and manage transaction related environmental and social impacts associated with the business conducted with our clients.

### 7. Suppliers

MUFG expects suppliers to respect human rights and avoid human rights violations. MUFG promotes the respect for human rights by responding in an appropriate manner to known cases where human rights are negatively affected by our suppliers.

### 8. Remedial Actions

In cases when executives or employees of each group company, or financial products or services provided by them, are confirmed as conducting or being involved in activities which adversely affects human rights, MUFG responds in an appropriate manner and implements remedial actions.

### 9. Governance and Management System

This MUFG Human Rights Policy Statement is approved by the Board of Directors. The need to update this MUFG Human Rights Policy Statement will be reviewed regularly and amendments will be made as necessary. Our human rights-related initiatives will be regularly deliberated at the Sustainability Committee, the outcomes of which will be further deliberated at the Executive Committee and ultimately reported to the Board of Directors.

We will make every effort to ensure transparency by disclosing our human rights-related activities appropriately and proactively.

### 10. Stakeholder Engagement

MUFG is committed to progressing and improving actions to ensure human rights are respected through dialog and consultations on our Human Rights Policy Statement with relevant stakeholders.

#### Reference

- The OECD Guidelines for Multinational Enterprises
- The United Nations Global Compact
- Children's Rights and Business Principles
- Principles for Responsible Banking (PRB)
- Principles for Responsible Investment (PRI)
- The Equator Principles
- United Nations Environment Programme Finance Initiative (UNEP FI)
- Principles for Financial Action for the 21st Century
- Stakeholder Capitalism Metrics

## Dissemination of Human Rights Policy and Human Rights Awareness-Raising Activities

Based on its Human Rights Policy, MUFG is working to disseminate the policy to each stakeholder in order to fulfill its responsibility to respect human rights in all business activities. We believe that it is important for all employees to mutually share the importance of respecting human rights with each stakeholder by understanding the content of our human rights policy and putting it into action. We will continuously make our efforts to disseminate our human rights policy and to work on human rights awareness-raising activities.

### For Employees

#### • Raising human rights awareness through the Code of Conduct

MUFG Group established a code of conduct that sets forth the standards on how executives and employees should make decisions and act in day-to-day business activities under the MUFG Way. The Code of Conduct states that we will contribute to the realization of a sustainable society through our efforts to resolve environmental and social issues, including respect for human rights, and we are making our employees aware of the importance of respect for human rights and fostering their awareness.

[Click here for details](#)

#### • Human rights awareness-raising activities

The Bank, the Trust Bank and the Securities have established a human rights awareness promotion system indicated on the right, and in addition to conducting trainings and other awareness-raising activities, promotion staff assigned to each department, office and branch, and persons responsible for awareness-raising activities promote and develop MUFG Group-wide efforts to respect human rights. We strive to deepen each employee's correct understanding and awareness of human rights policies and issues by providing human rights awareness-raising trainings to all employees through trainings for new recruits and trainings for each hierarchy of employees, etc.

### For Borrowers / Investees

We conduct trainings for corporate staff of business divisions of our major subsidiaries to deepen their understanding of the MUFG Environmental and Social Policy Framework, which is based on our Environmental Policy and Human Rights Policy, as well as our efforts to address global environmental and social issues.

### For Suppliers

Based on the idea of the Environmental Policy and Human Rights Policy, MUFG establishes "Approach to Purchasing Activity" and encourages suppliers to respect human rights. In accordance with the "Approach to Purchasing Activity," the Bank, the Trust Bank and the Securities hand deliver and explain the "Guidelines for Purchasing Activity" to their suppliers<sup>1</sup>, seeking their understanding of MUFG's policy.

1. The Bank : suppliers with ongoing transactions ; The Trust Bank and the Securities : major suppliers

|                                      | The Bank  | The Trust Bank  | The Securities  |
|--------------------------------------|---|---|---|
| Awareness-raising activities         | <ul style="list-style-type: none"> <li>• Training programs for all employees</li> <li>• Training programs for each hierarchy</li> <li>• Calling for making human rights slogans</li> <li>• Distribution of Human Rights Newsletter</li> </ul>                                 | <ul style="list-style-type: none"> <li>• Human rights promotion training program</li> <li>• Calling for making human rights slogans</li> <li>• Posting posters for human rights week</li> </ul> | <ul style="list-style-type: none"> <li>• Training program on power harassment</li> <li>• Human rights promotion training program</li> </ul> |
| Eligible persons                     | <ul style="list-style-type: none"> <li>• All employees (including contract employees, temporary employees)</li> <li>• Hierarchical training (officers, newly appointed Branch Manager, newly appointed Deputy Manager, new employees, career bank employees, etc.)</li> </ul> | All employees   | All employees   |
| No. of attendees to training 'FY2022 | About 32,000  | About 7,000   | About 5,000   |

#### ■ Examples of Major Initiatives

##### Business and Human Rights Training

Under Human Rights Policy, we conduct trainings provided through e-learning, etc. to ensure that each employee understands and practices the importance of "fulfilling our responsibility to respect human rights" as a company. In addition to the content of the " Guiding Principles on Business and Human Rights", the training also covers the initiatives and contents of the Human Rights Policy, MUFG Environmental and Social Policy Framework, etc.

##### Training for managers in dealing with harassment

Ongoing training on the definition of harassment, key points to keep in mind, handling of reports, etc., is provided through e-learning and other means.

##### Sharing human rights awareness slogans

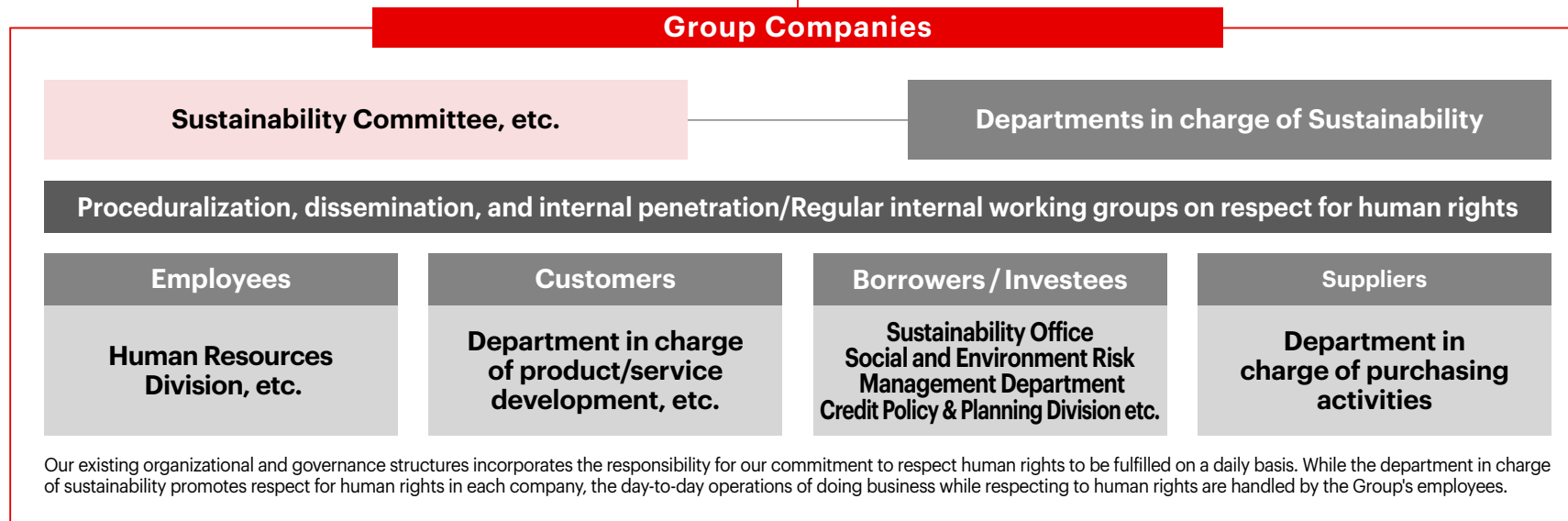
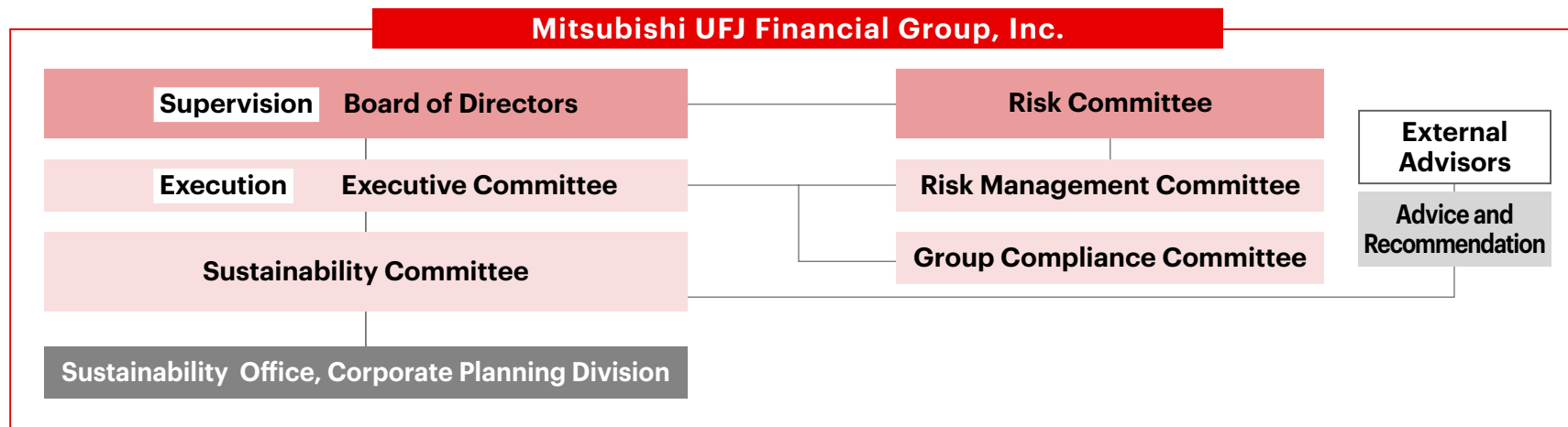
As part of its human rights awareness activities, the Bank and Trust Bank solicit human rights awareness slogans from employees and their families every year. Winning works are selected from the human rights awareness slogans submitted from all over Japan, and the winners are publicized internally by posting them in the company newsletter and on the company's portal site.

## System for Promoting Respect for Human Rights

The Sustainability Committee, chaired by the Group CSuO (Chief Sustainability Officer), deliberates on measures and policies related to respect for human rights based on the MUFG Human Rights Policy and other important matters related to human rights. The results of the Sustainability Committee's deliberations are reported to and supervised by the Board of Directors.

Based on the discussions of the Board of Directors and the Sustainability Committee, the resources necessary to ensure effective respect for and protection of human rights are appropriately allocated to the relevant departments.

The MUFG Human Rights Policy, MUFG's basic policy on human rights, is established and reviewed by the Board of Directors.



## System for Promoting Respect for Human Rights

Initiatives to respect human rights are deliberated by the Risk Management Committee and Group Compliance Committee, as well as the Sustainability Committee and the Executive Committee, and are supervised by the Board of Directors and the Risk Committee. The Bank, the Trust Bank, and the Securities have established a Human Rights Enlightenment Committee to deliberate on matters related to the promotion of human rights awareness-raising activities. MUFG plans to add human rights targets in the evaluation of the performance (qualitative evaluation) for executives bonus such as the president, from fiscal year 2023.

### Meeting bodies and its roles relating to respect for human rights, etc. in supervision and execution function

\*Constitution as of the end of March, 2023

| Supervision  |  | Execution  |   |
|--|--|--|---|
| <b>Board of Directors</b>  | <ul style="list-style-type: none"> <li>• <b>Chair : Chairman</b><br/>9 Outside Directors, 2 Internal Non-Executive Directors, 5 Executive Directors</li> </ul> | <b>Executive Committee</b>   | <ul style="list-style-type: none"> <li>• <b>Chairman : President and Chief Executive Officer</b><br/>President and CEO of the Bank, the Trust bank and the Securities, CSO, CFO, CRO, etc.</li> </ul> |
| <ul style="list-style-type: none"> <li>• Resolution to revise Human Rights Policy</li> <li>• Oversees the status of initiatives to respect human rights, receiving reports from execution function at least once a year, etc.</li> </ul>   |  | <ul style="list-style-type: none"> <li>• Deliberation on policies and plans regarding respect for human rights<br/>-Human rights policy -Environmental and Social Policy Framework</li> </ul>  |   |
| <b>Risk Committee</b>  | <ul style="list-style-type: none"> <li>• <b>Chair : Outside Directors</b><br/>4 Outside Directors, 3 Outside Experts, Group CSO</li> </ul>                     | <b>Sustainability Committee</b>  | <ul style="list-style-type: none"> <li>• <b>Chair : Group CSuO</b><br/>President and CEO of the Bank, the Trust bank and the Securities, CSO, CFO, CRO, etc.</li> </ul>                               |
| <ul style="list-style-type: none"> <li>• Deliberate and make recommendations to the Board of Directors on important matters related to overall risk management for the entire Group, including human rights risks (including risk appetite), risks that have a significant impact on the Group's management, newly emerged risks, and risks that are on the rise.</li> </ul> |  | <ul style="list-style-type: none"> <li>• Deliberation on sustainability matters, including respect for human rights<br/><b>Discussion in January 2023</b> -Discussion of human rights issues related to the company and the improvement and advancement of human rights due diligence</li> </ul> |   |
|  |  | <b>Group Compliance Committee</b>  | <ul style="list-style-type: none"> <li>• <b>Chair : Group CCO</b></li> <li>• <b>Outside Experts</b> (Gathering opinions as an advisor)</li> </ul>   |
|  |  | <ul style="list-style-type: none"> <li>• Deliberation on important matters related to the development of policies and systems to promote compliance throughout the Group</li> </ul>  |   |
|  |  | <b>Risk Management Committee</b>   | <ul style="list-style-type: none"> <li>• <b>Chair : President and Chief Executive Officer</b></li> <li>• <b>Vice Chair : Group CRO</b></li> </ul>   |
|  |  | <ul style="list-style-type: none"> <li>• Deliberation on important matters related to the development of policies and systems to promote integrated risk management throughout the Group, including human rights risks</li> </ul>  |   |
|  |  | <b>Human Rights Enlightenment Committee (The Bank, the Trust Bank, and the Securities)</b>   | <ul style="list-style-type: none"> <li>• <b>Chair : CHRO of the Bank, the Trust Bank, and the Securities</b><br/>CSO, CFO, CCO, etc.</li> </ul>   |
|  |  | <ul style="list-style-type: none"> <li>• Deliberation on matters related to the promotion of human rights awareness-raising activities such as human rights awareness-raising training</li> </ul>  |   |



I intend to further enhance MUFG's initiatives for respect for human rights utilizing the knowledge I gained as a member of the Japanese government's working group to create NAP and subsequent member of the promotion team.

As a responsible financial institution, MUFG recognizes that we have a significant role to play in society not only through our own actions, but through dialogues and collaboration with our customers and suppliers to build and improve the effectiveness of value chains that respect human rights.

**Miyuki Zeniya** Group Chief Sustainability Officer



## Dialogues with Outside Experts

In order to appropriately understand the role required by society and stakeholders, and to promote respect for human rights, we invited outside experts in the field of business and human rights and held a dialogue on respect for human rights with the executives. From the perspectives of international organizations, NGOs, and lawyers, we discussed on how financial institutions should respect human rights.

### Participants

#### Outside Participants

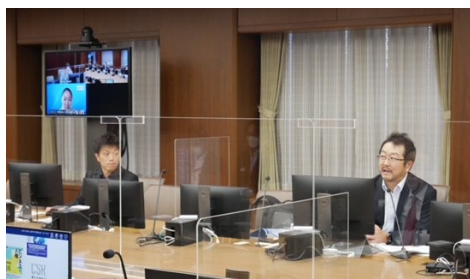
- Mr. Ryusuke Tanaka (Programme Officer at ILO Office for Japan)
- Ms. Akiko Sato (Liaison Officer, Business and Human Rights, at UNDP)
- Mr. Yusuke Yukawa (Partner, Nishimura & Asahi)

#### Major Participants from MUFG

- |       |                         |                               |   |
|-------|-------------------------|-------------------------------|---|
| • CEO | • President of the Bank | • President of the Trust Bank | • President of the Securities                     |
| • CFO | • CLO                   | • CCO                         | • CSO   |
| • CRO | • CHRO                  | • CSuO                        | • Chief Executive of each business division, etc. |

### Major Agenda

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Background of the focus on business and human rights</li> <li>• Progress and Impact of Legislation</li> <li>• Human rights due diligence in financial institutions</li> </ul> | <ul style="list-style-type: none"> <li>• Roles required of financial institutions</li> <li>• Civil society's expectations for financial institutions</li> <li>• Key themes to be addressed (climate change and human rights, enhancing due diligence in conflict areas)</li> </ul> |
|--|--|



### Discussions with Outside Experts

|                |  |
|----------------|--|
| <b>MUFG</b>    | There is an idea of supporting transitions from brown to green in climate change, but is there any approach other than making "yes or no" decisions in dealing with respect for human rights in investment and financing?  |
| <b>Experts</b> | Legal responsibility and social responsibility need to be considered separately. While the former often requires a "yes or no" decision, the latter can be approached through dialogues with borrowers/investees and stakeholders to assess the status of improvement, taking into account the seriousness of the situation.   |
| <b>MUFG</b>    | There is a wide variety of borrowers/investees. What is the appropriate depth of the human rights due diligence to be conducted for each company?  |
| <b>Experts</b> | There is no right answer, but we should start with high-priority risks by checking countries and sectors with high human rights risks and the track records of companies.  |
| <b>MUFG</b>    | We understand that it is important for the government, operating companies, and financial institutions to work together as a trinity, but how should we think about where the responsibility lies?   |
| <b>Experts</b> | There are issues to be resolved by the government through the establishment of a legal system and therefore, the government has a primary obligation. However, companies and financial institutions may be held responsible socially and legally due to stakeholders' increasing expectations of corporate responsibility and the influence of financial institutions. |

### Other major comments from experts

- It is important for financial institutions to increase their sensitivity to serious risks such as forced labor and racial discrimination in borrowers/investees, and to identify and address these risks through dialogues
- Many companies in Japan disclose their initiatives when they are completely prepared, however, human rights risks cannot be reduced to zero. It is important for the company to gradually build up a system and disclose initiatives as it builds up.

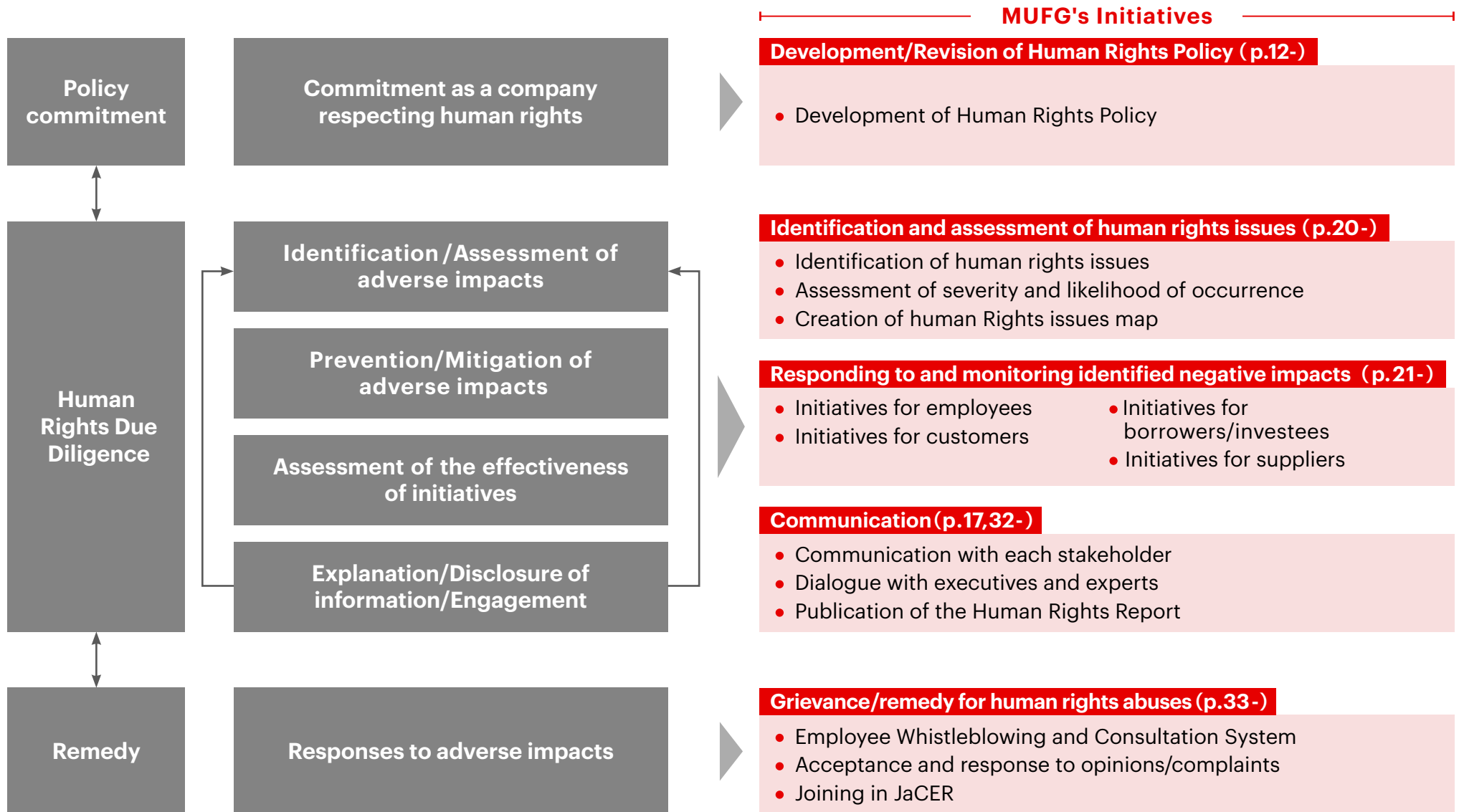
3.

## **Due Diligence Process**



## Due Diligence Process

MUFG engages in human rights due diligence by respecting the United Nations Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct (hereinafter "OECD Guidance"). We also continuously review our human rights policies and initiatives based on lessons learned through communication with stakeholders and remedy efforts.



## Identification of Human Rights Issues and Assessment Methods

We identified salient human rights issues highly relevant to MUFG, assessed their severity and likelihood of occurrence, and created a human rights issues map. Based on the results, the Sustainability Committee discussed future policies for addressing salient human rights issues. This map of human rights issues will be reviewed on an ongoing basis in light of changes in the business environment and the results of stakeholder engagement.

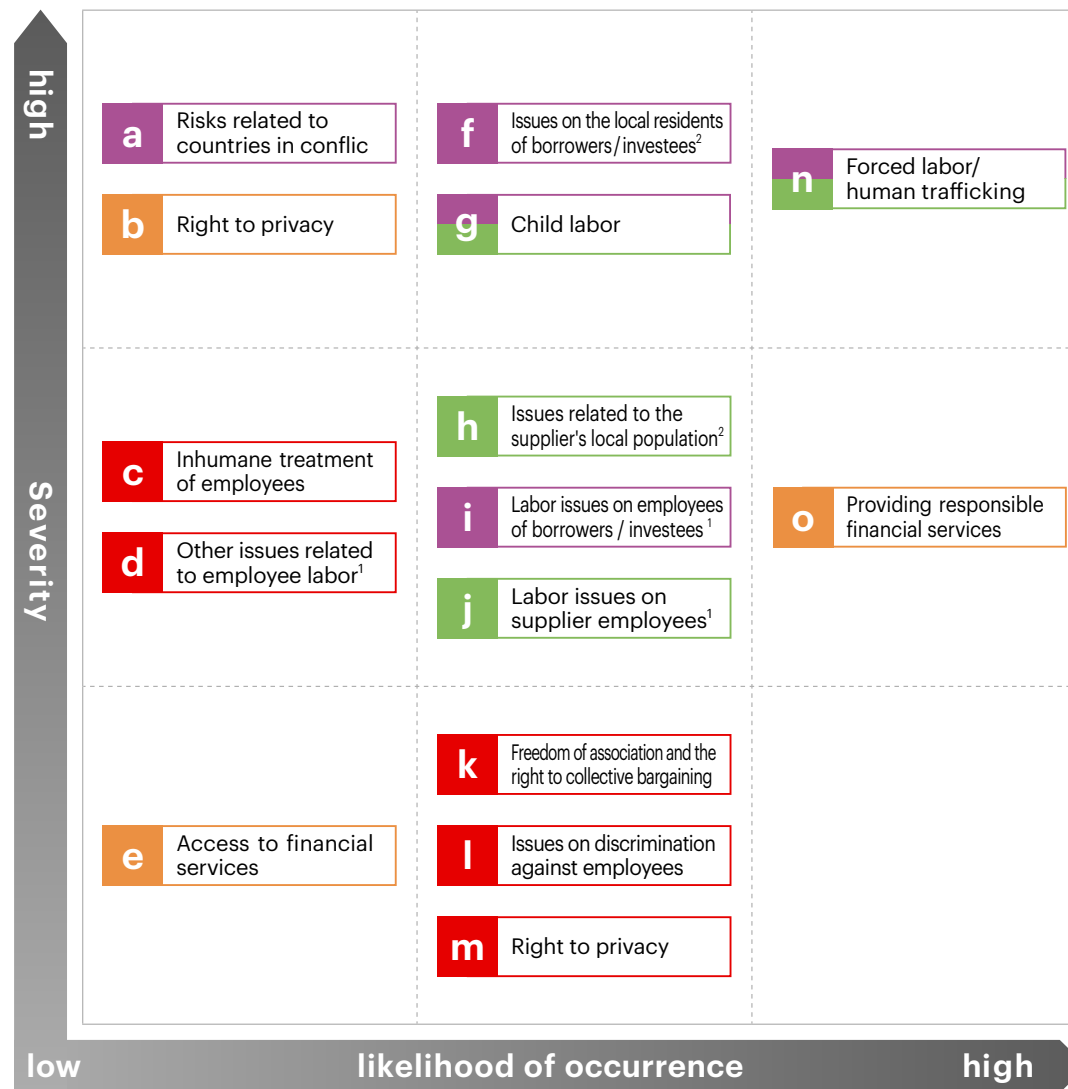
| Methodology for Creation of human rights issues map |   |
|---|---|
| <b>Identification of human rights issues</b>        | <ul style="list-style-type: none"> <li>Referring to international principles for human rights such as the International Bill of Human Rights and the ILO Declaration, as well as issues at other financial organizations, we ascertained salient human rights issues highly relevant to MUFG</li> </ul>   |
| <b>Assessment of severity</b>                       | <ul style="list-style-type: none"> <li>We assessed the severity of each human rights issue based on the following three criteria : 1) Severity of adverse impact (e.g. the degree to which human rights abuses affect lives), 2) Extent of adverse impact (e.g. the number of people affected), and 3) Difficulty of remedy (e.g. the possibility of remedy through compensation)</li> <li>Based on UNDP guidance, we make use of outside consultants' knowledge</li> </ul> |
| <b>Assessment of likelihood of occurrence</b>       | <ul style="list-style-type: none"> <li>Scoring risks by country and industry based on external data</li> <li>Combining data on MUFG's number of employees by country, amount of credit per country/sector, etc. with the above scores to assess the likelihood of occurrence</li> </ul>   |
| <b>Creation of Human Rights Issues Map</b>          | <ul style="list-style-type: none"> <li>Mapping of each salient human rights issue for MUFG, with severity on the vertical axis and likelihood of occurrence on the horizontal axis</li> </ul>   |

■ **Issues on Employees**  
(⇒ p.21-)

■ **Issues on Customers**  
(Issues on ours in providing financial service)  
(⇒ p.23-)

■ **Issues on Borrowers/Investees**  
(⇒ p.26-)

■ **Issues on Suppliers**  
(⇒ p.31-)



1. Data published by the World Bank, United Nations, etc. (e.g., Global Slavery Index, etc.) and data from the Business and Human Rights Resource Center

1. Working hours, wages, industrial safety and health, treatment of migrant workers, etc.  
2. Health of nearby residents, land issues, etc.

## (1) Initiatives for Employees①

We are committed to eliminating all forms of employment and workplace discrimination, and we do not tolerate discrimination, sexual harassment, power harassment or any other forms of harassment, and ensure employees comply with this commitment. We promote initiatives to respect freedom of association and collective bargaining rights, and to achieve a workplace where employees can work vigorously in a healthy working environment.

### Prevention of Discrimination and Harassment

MUFG recognizes respect for human rights as an important issue for management to address, and has established rules and standards such as Code of Conduct and Compliance Manual.

In addition, we have established consultation desks for sexual harassment and power harassment within each company to provide consultation services through various means, including meetings, telephone calls, e-mails etc., in order to create a positive, safe and comfortable work environment.

The Bank has established the Harassment Prevention Manual which presents types of harassment, precautions and guidelines as how to respond when harassment occurs, to deepen each employee's correct understanding and awareness. Furthermore, the Bank conducts ongoing trainings to prevent harassment.

### Respect for Freedom of Association and Collective Bargaining Rights

MUFG is committed to respecting workers' freedom of association and collective bargaining rights in accordance with its Human Rights Policy Statement, and ensures its compliance through awareness-raising activities. In the Bank, the Trust Bank, and the Securities, employee unions are organized in each company, and the company and the union regularly discuss various topics while respecting each other's perspective and view.

### Working Conditions (Working Hours/Wages, etc.)

MUFG strives to improve the working environment and working hours as well as compliance with laws and regulations in each country and region where it operates through regularly monitoring of working conditions by each company. Monitoring items are any violation of the Article 36 of the Labor Standards Act and minimum wage, the number of work-related accidents and other issues.

In addition, overtime hours and the number of employees working long hours are monitored on a regular basis, and the entire group strives to improve the working environment. In daily work management, the log-in and log-off times of PCs are recorded to grasp the actual working conditions. Also, the upper limits for the working hours are set, and employees are required to have a certain interval time between the previous work hours and the next work hours.

1. Awareness surveys to check employees' satisfaction with their work and the company, as well as their mental health, in real time

### Our Approach to Health Management

We place the utmost importance on the mental and physical health of our employees face and resolve the challenges faced by the stakeholders such as the society and our respective customers. Based on each company's Health Management Declaration, the Bank, the Trust Bank, and the Securities are promoting health management as one of their management missions. Industrial physicians and occupational health staff working at MUFG Group companies, health insurance societies, etc. cooperate to manage employees' mental and physical health through regular health checkups, stress checks, and various health counseling programs, etc.

[Click here for details](#)

### Protection of Employees' Personal Information

At MUFG, each company is committed to the appropriate protection and use of employees' personal information in accordance with the "Act on the Protection of Personal Information" and the "Act on the Use of Number to Identify Specific Individuals in Administrative Procedures", and other relevant laws and regulations.

The Bank, the Trust Bank, and the Securities established policies and regulations regarding handling and protection of employee information at each company, and are making efforts to continuously raise awareness among employees regarding handling of employee information and other related matters.

### Group Awareness and Engagement Survey

Through the "MUFG Group Awareness and Engagement Survey", we identify employees' perceptions regarding DEI and workplace integrity and analyze the survey result to take actions to improve work environment.

The Bank requests employees to complete a simple survey that asks about their day-to-day motivation, health and working environment via company's portal site. The Trust Bank and the Securities also conducts organizational diagnosis through weekly pulse surveys<sup>1</sup>. The results are shared with employees to help identify and resolve problems at the early stage to promote the creation of a healthy and open-minded working environment.

## (1) Initiatives for Employees②

MUFG is committed to creating an organization that is free from discrimination based on gender, disabilities, national origin, race, age, sexual orientation, etc., and where individuals can fully realize their potential and are given adequate opportunities for growth. Moreover, we have positioned "Inclusion and Diversity (I&D)" as one of our ten priority issues and are implementing various initiatives to address it.

[Human Resource Report](#)

### MUFG's Vision on Diversity, Equity & Inclusion (DEI)

At MUFG, our vision for promoting DEI is identified as "Enlighten, Encourage, Empower - Work together as a Group to exceed customer expectations."

認める。活かす。高めあう。

グループ全体の力で、お客様ごとの期待を超えるために

A chemical reaction occurs as diverse employees respect each other's differences, make the most of each other's characteristics, and grow with each other. New ideas and behavioral patterns born from this chemical reaction will help us create a free and vigorous culture and value that exceed the expectations of society and customers.

In order for MUFG to be committed to empowering a brighter future, we believe that investment in DEI is essential.

### The Organizational Structure to promote DEI

In 2006, MUFG established a dedicated department to promote DEI as a corporate management strategy under the commitment of the top management. In 2018, the Group started the integrated operation of the corporate center function. Three companies, the Bank, the Trust Bank and the Securities, have gathered and worked together to promote DEI within the Group since then.

We also have a group-wide global collaboration system through HR exchange meetings where people from HR departments of about 40 domestic and overseas companies gather annually, assigning staff in charge of promoting DEI as group-wide and global initiatives.

In FY2022, a new forum on DEI has been established for department and branch managers to foster awareness among top management.

### Major Indicators

| Item   | Target value                       | Actual result  |
|--|------------------------------------|--|
| Percentage of female managers                      | 22% (March 2024)                   | 19.6% (March 2023)   |
| Employment of people with disabilities             | -<br>(*Legal employment rate 2.3%) | Approx. 1,400 (June 2022)<br>(Gr employment rate : 2.47%)                        |
| Percentage of male employees taking parental leave | 100%                               | The Bank : 90% /<br>The Trust Bank : 100% /<br>The Securities : 91% (March 2023) |
| Percentage of foreign national employees           | -                                  | 57% (March 2023)   |

### Major initiatives

#### ● I&D Month

We designated November 2022 as I&D Month. During this month, we conducted an e-learning program as well as discussion sessions among departments and branches with the theme of "psychological safety", as we believe this is essential for creating an inclusive workplace where people embraces diverse values and opinions. In addition, We also conducted a variety of DEI initiatives which were proposed by group employees themselves to further increase awareness of DEI.

#### ● PRIDE Project

The "PRIDE Project," an employee-participatory project, was implemented jointly with Mizuho Financial Group and Sumitomo Mitsui Financial Group, for the purpose of "promoting understanding of LGBTQ" and "creating an inclusive workplace culture, where people embrace diversity." As part of the PRIDE Project, we created "Mosaic art" in collaboration with group employees and their families to celebrate each individual's authentic self. We also held a LGBTQ awareness seminar for employees and their families.



#### ● MUFG Happy TRY Festival

MUFG held the "MUFG Happy TRY Festival" from March 2 to 4, 2023, in honor of the International Women's Day designated by the United Nations. Under the theme of "Three Days of Fun and Happiness," the festival featured a seminar in which participants listened to a specialist talk about cancer specific to women, public viewing of a rugby game that embodied the spirit of DEI, talk sessions by female executives, and more.

#### ● Initiatives for People with Disabilities

We are expanding opportunities for employees with disabilities to play an active role at MUFG through the establishment of special subsidiaries and the development of a workplace environment, where job assignments are given with careful considerations to their characteristics of disabilities. In addition, we support career development not only by improving the working environment, but also by selecting and redesigning jobs according to the characteristics of disabilities as well as their skills. In May 2023, we invested in Mirairo Inc., a frontrunner in the employment of people with disabilities, to further promote and improve the opportunity and quality of employment, and expand financial services for people with disabilities.

## (2) Initiatives for Customers①

MUFG believes it is the Group's social responsibility to handle customer's personal information properly and we are committed to protecting and respecting the privacy of our customers. In addition, we are promoting various initiatives to provide financial services that take human rights into consideration.

### Information Management of Our Customers

Since MUFG believes it is the Group's social responsibility to handle customers' personal information properly, it established and published the Personal Information Protection Policy.

In addition, in order to realize a unified management system within the Group companies, MUFG has established the "MUFG Personal Information Protection Principle" (the "Principle") and each Group company has established its own "Personal Information Protection Procedure", etc. based on the Principle. The management methods for organizational, human, technical, and physical safety control measures are clarified in the relevant principles and procedures of each company, and regular education and training are provided to employees.

We strive to protect and respect the privacy of our customers by continuously strengthening our information management system while keeping abreast of the ever-changing external environment and continuously reviewing related regulations and training programs. In addition to internal information management, we have prepared a system to check whether the information is managed by outside contractors in accordance with the Personal Information Protection Law and other relevant laws.

### Identifying human rights impacts in the planning and development of products and services and the publication of advertising materials

Group companies constantly check whether sufficient measures have been taken at the planning and development stages of products and services from the "customer's perspective," and risk assessments are conducted for new products and services, including customer protection and the customer's viewpoint.

When publishing advertising materials, we check for problematic expressions from the perspective of respect for human rights. We give full consideration to diversity and strive to ensure that our expressions are inclusive.

### Combating Financial Crimes

MUFG is committed to supporting the financial system and combating financial crimes, including money laundering and financing of terrorism, economic sanctions and bribery and corruption. To that end, MUFG maintains compliance and risk management frameworks incorporating processes for the identification, assessment, treatment, and monitoring of customers for financial crimes risks, including criminal or unethical activities, such as human rights abuses.

[Click here for details](#)

### Initiatives for Financial Facilitation

The Bank has established a basic policy for financial facilitation and has positioned financial facilitation as "one of its most important social roles", and is working to realize this policy. We are working to strengthen financial facilitation by establishing a system to respond to consultations from customers, including the establishment of a Financing Facilitation Promotion Office and the assignment of a "person in charge of financial facilitation" to each branch.

### Initiatives for Financial and Economic Education

MUFG provides financial and economic education as part of its community service activities. The bank is providing financial and economic education to elementary, junior high, and high school students in local communities through a workplace experience, primarily at local branches, retail banking customer service centers, and schools where employees conduct classes. During FY 2021, lectures were given at eight universities, two high schools, and one other organization with about 700 participants in total.



## (2) Initiatives for Customers②

MUFG is committed to introducing universal design in both software and hardware aspects to ensure that all customers can use our services with peace of mind, including customer service that takes all customers into consideration (hospitality) and safe and secure branch facilities (facilities).

### Creating Universal Branches (Initiatives in Hardware Aspects)

#### Pictogram

The Bank and the Trust Bank homepages feature information related to barrier-free access about their respective branches so that customers can confirm the kinds of facilities available.



#### Assistance Dog Stickers and Ear Marks

The Bank and the Trust Bank display "assistance dog stickers" to indicate that customers can bring their assistance dogs and "earmark stickers" to indicate that they have a system in place to provide necessary assistance to customers who are hearing-impaired.



#### ATMs for the Visually Impaired

Domestic branches and unmanned ATM corners (with some exceptions) are equipped with handsets (telephone receivers with voice guidance). By using the handset and following verbal instructions, customers can make withdrawals and deposits, check balances, and record and renew their passbooks.



#### Communication Board

To accommodate customers with hearing and speech impairments, in addition to tools like writing pads and communication boards, the Bank branches are equipped with tablet devices with applications which support communication by using videophones to connect customers to sign language operators, and handwriting and speech recognition systems.



#### Telephone Relay Service (public infrastructure)

The Bank, the Trust Bank, the Securities, and NICOS have adopted the Telephone Relay Service. The Service is provided by the Nippon Foundation Telecommunication Relay Service as public infrastructure to enable mutual communication over the phone through an interpreter operator between sign language or text and spoken language.

\* Available features of the Service may vary by company.

### Providing Universal Services (Initiatives in Software Aspects)

#### Application of ATM Transfer Fees

We have applied over-the-counter transaction fees to the same level as ATM transfer fees for customers who have visual disabilities or use wheelchairs.

#### Simplification of Administration by Proxy

In cases where a customer finds it difficult to fill out or stamp a document due to visual or other physical disabilities, it may be possible for an accompanying family member to serve as a proxy, depending on the type of transaction.

#### Simplification of procedures to allow payment by proxy when the intent of the depositor cannot be verified

When the intent of the depositor cannot be verified, it may be possible to arrange for a family member or other proxy to make necessary payments on their behalf for hospitalization/treatment fees, care facility fees, or tax/social insurance fees on request.

#### Handling Braille Cards and Notification Forms

To meet the needs of customers with visual disabilities, the Bank provides cards with customer name and other information indicated in Braille, and Braille is used on notification forms to indicate balance information. From July 2016, the Bank began providing ordinary deposit statement notifications in Braille, in addition to monthly account balances.

#### Enhancing Reception to Respond to the Elderly and People with Disabilities

The Bank and the Trust Bank are working to enhance their response to the elderly and people with disabilities by learning through fundamental case studies about providing in-facility guidance, explanations tailored to various physical characteristics, etc.

#### LGBT Response Handbook

The Bank and the Securities have compiled the "LGBT Response Handbook" containing basic know-how and key points when dealing with LGBT, and we aim to provide service and respond in a manner that makes customers feel comfortable.



## (2) Initiatives for Customers<sup>3</sup>

### Initiatives to Ensure Equal Access to Financial Services

In the Asian region, ensuring equal access to financial services is a challenge due to the lack of bank branches and ATMs in remote and rural areas, low financial literacy and ignorance of the existence and use of available services. MUFG contributes to ensuring equal access to financial services in Asia by providing opportunities to access financial services and working to improve financial literacy.



#### Collaboration with Grab

Grab is the leading super-app in Southeast Asia, providing everyday services that matter most to consumers. We plan to provide customers with next-generation financial services by combining Grab's advanced technologies and data management expertise with our financial knowledge and know-how. For example, it contributes to financial inclusion by providing deposit and loan products to previously underserved segments such as drivers and small food franchisees.

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#### Investment in DMI Finance, Inc.

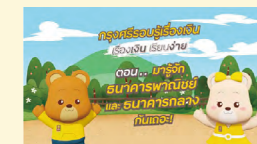
DMI Finance Private Limited, a non-bank operator offering digital financial services in India, is positioned as an important non-bank in the country's financial system, providing POS loans<sup>1</sup> and personal loans. The company is strong in serving the financially underserved and has extended credit to a cumulative total of 11 million customers. MUFG is contributing to financial inclusion in India through its investment in the company.

[Click here for details](#)

### Initiatives to improve financial literacy

#### Initiatives in Thailand

Krungsri (Bank of Ayudhya) in Thailand has initiated "Krungsri Financial Literacy : Simple to Learn" Project since 2015 to promote basic financial knowledge and saving habits among primary school students in grades four to six throughout the country.



#### Initiatives in Indonesia

To improve the quality of life in communities, Bank Danamon in Indonesia supports the Government's financial literacy program. There were 91 episodes covering various topics such as personal and business financial management, investment products and selection methods, all aired through the Bank Danamon YouTube channel.



#### Investment in Akulaku

Akulaku provides digital financial services such as "Buy Now Pay Later," a payment service that allows customers to pay for products at a later date, primarily in Indonesia. In Indonesia, where financial penetration is low, the company's services are becoming an important part of the financial infrastructure for those who lack access to financial services to make purchases in stores and online.

Through its investment in the company, MUFG is providing access to financial services to those who otherwise would not have access to them in Indonesia.

[Click here for details](#)

1. Point of Sales Loans. Installment loans provided by dealers for the purchase of products such as cell phones and home appliances

### (3) Initiatives for Borrowers/Investees ①

MUFG recognizes that the environmental and social risks arising from the business activities of each group company are important management issue to be addressed appropriately. Based on this recognition, we established the MUFG Environmental and Social Policy Framework in 2018 as a framework to cease, prevent, and mitigate adverse impacts on environment and society, including human rights issues, in the process of providing financing for corporate customers.

MUFG Environmental and Social Policy Framework is regularly deliberated at the Sustainability Committee for its revision, and is revised as necessary based on changes in business activities, business environment, and dialogue with stakeholders.

In addition, large-scale infrastructure development, resource development, etc. may have adverse impacts on the project sites and the surrounding communities and natural environment. In accordance with the Equator Principles, the Bank identifies risks and impacts on the environment and society, including the status of human rights considerations in the business of the borrowers and confirms the mitigation measures taken by them.

#### Overview of the MUFG Environmental and Social Policy Framework

|   |  |   |
|---|--|---|
| <b>Applicable Products and Services</b> | Extension of credit and underwriting of bonds and stocks (hereinafter, financing)  |   |
|   | Financing in all countries and regions for the corporate customers of the Bank, the Trust Bank and the Securities  |   |
| <b>Applicable Transactions</b>          | <b>Prohibited Transactions</b>   | <b>Transactions of High Caution</b>   |
|   | <ul style="list-style-type: none"> <li>• Illegal transactions and transactions for illegal purposes</li> <li>• Transactions which violate public order and good morals</li> <li>• Transactions that adversely impact wetlands designated under the Ramsar Convention</li> <li>• Transactions that adversely impact UNESCO designated World Heritage Sites</li> <li>• Transactions violating the Convention on International Trade in Endangered Species of Wild Fauna and Flora (Washington Convention)</li> <li>• Transactions involving the use of child labor, forced labor or human trafficking</li> <li>• Cluster Munitions and Inhumane Weapons Manufacturing</li> </ul> | <p><b>Cross-sector guidelines</b></p> <ul style="list-style-type: none"> <li>• Adverse impact on Indigenous Peoples Communities</li> <li>• Land expropriation leading to involuntary resettlement</li> <li>• Adverse impact on High Conservation Value areas</li> <li>• Cause of or contribution to violation of human rights, or direct linkage with violation of human rights in conflict areas</li> </ul> <p><b>Sector specific guidelines</b></p> <ul style="list-style-type: none"> <li>• Coal Fired Power Generation</li> <li>• Mining (Coal)</li> <li>• Oil and Gas</li> <li>• Large Hydropower</li> <li>• Forestry</li> <li>• Palm Oil</li> </ul> |

[Click here for details](#)

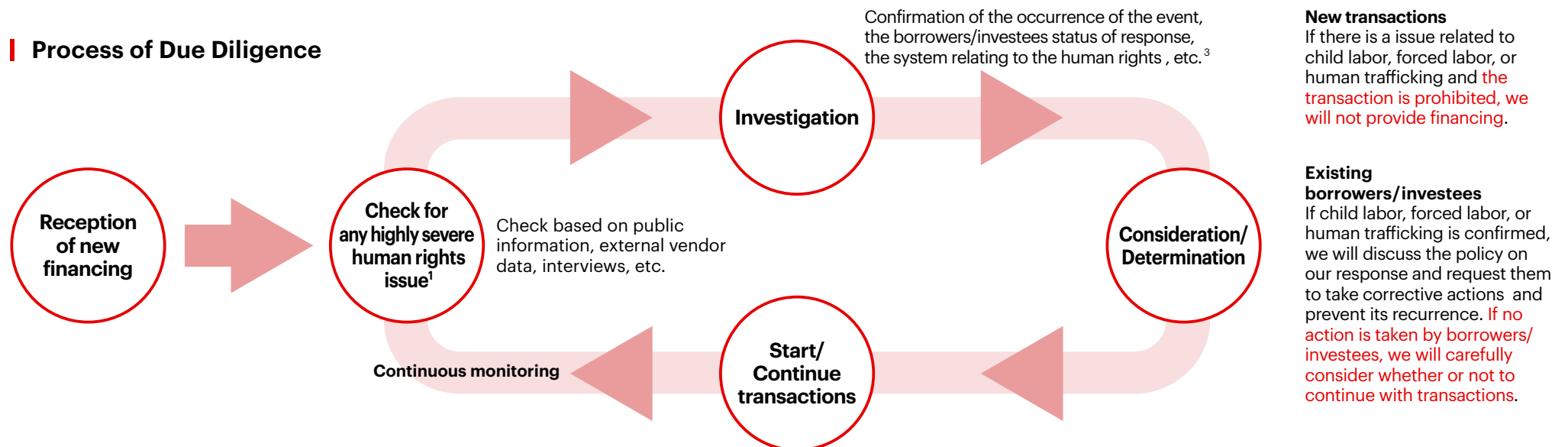
### (3) Initiatives for Borrowers/Investees ②

#### Initiatives for the Prohibited Transactions (child labor, forced labor, and human trafficking) designated in the MUFG Environmental and Social Policy Framework

MUFG recognizes child labor, forced labor, and human trafficking as highly severe human rights issues and has designated them as prohibited transactions in the MUFG Environmental and Social Policy Framework. MUFG conducts due diligence when considering financing, and makes the credit decision after confirming whether or not the transactions fall under prohibited ones. In addition, MUFG will perform regular screening on its borrowers/investees for any issue related to child labor, forced labor, and human trafficking, and if such highly severe human rights issue is identified, MUFG will request borrowers/investees to take corrective actions and prevent its recurrence.

|  |  |
|--|--|
| <p><b>Considering new transactions</b></p>             | <ul style="list-style-type: none"> <li>• Branches or departments considering a new transaction check whether or not the borrowers/investees have highly severe human rights issue<sup>1</sup> and determine whether the transaction falls under the prohibited transaction category based on available public information, information provided by the borrowers/investees, and external vendor data<sup>2</sup>, etc.</li> <li>• If highly severe human rights issue<sup>1</sup> of borrowers/investees is detected, MUFG confirms the detected issues and the status of their response.<sup>3</sup></li> <li>• If child labor, forced labor, or human trafficking is confirmed, MUFG will not provide financing.</li> </ul>                |
| <p><b>Management during the transaction period</b></p> | <ul style="list-style-type: none"> <li>• Using external vendor data, we perform regular screening for highly severe human rights issue<sup>1</sup> of borrowers/investees.</li> <li>• If highly severe human rights issue<sup>1</sup> of borrowers/investees is detected in external vendor data or by external observations etc., we confirm the occurrence of the event and the status of the response to them.</li> <li>• If child labor, forced labor, or human trafficking is confirmed, we will request borrowers/investees to take corrective actions and prevent its recurrence.</li> <li>• If no action is taken by the borrowers/investees, we will carefully consider whether or not to continue with the transaction.</li> </ul> |

#### Process of Due Diligence



1. Human rights issue related to child labor, forced labor, or human trafficking  
2. Referring to external data, etc., on the violation status of ten principles under the UN Global Compact Principles.

3. Checks are conducted at each site. Consult with the departments in the headquarters (in case of the Bank, Sustainability Office and Social and Environment Risk Management Department) as necessary.

### (3) Initiatives for Borrowers/Investees ③

#### Initiatives for the Transactions of High Caution Specified in the MUFG Environmental and Social Policy Framework

A transaction categorized as "Transactions of High Caution" is subject to enhanced due diligence which will be conducted by the department which manages the environmental and social risk of each core subsidiary (Social and Environment Risk Management Department of Solution Products Department, etc.) as necessary, in addition to the standard due diligence. If the environmental and social considerations of the borrowers/investees are not considered sufficient relative to the level of the potential risks and impacts, financing will not be provided.

##### Adverse impact on Indigenous Peoples Communities

There are cases where indigenous people's rights to their ancestral lands, territories and natural resources may be adversely impacted due to large-scale development projects such as mining and infrastructure projects. We assess its risk and impact through interviews, assessments by independent consultants, and on-site inspections which we confirm its consistency with the international standards such as IFC Performance Standards.

###### Key Points to Assess Risks/Impacts

- Relationship between the affected indigenous people and the business operations
- Consultation and communication processes with affected indigenous peoples (e.g. use of grievance mechanisms, free, prior and informed consent)
- Profit sharing and development opportunities for indigenous peoples

##### Land expropriation leading to involuntary resettlement

In some cases, investments involving the acquisition of land use rights, such as investments in agribusiness and plantations, lead to "land exploitation."

We assess its risk and impact through interviews, assessments by independent consultants, and on-site inspections which we confirm its consistency with the international standards such as IFC Performance Standards.

###### Key Points to Assess Risks/Impacts

- Whether or not the design and the timing minimize the adverse impact
- Effectiveness of the involuntary transfer procedures taken
- Development status of the resettlement and livelihood restoration plans to mitigate adverse impacts

##### Transactions in Conflict Areas<sup>1</sup>

There is a concern that conflict areas with weak governance may have higher human rights risks, including those in the five areas<sup>2</sup> included in the ILO's Core Labor Standards. We confirm and assess whether the transaction has an adverse impact on the human rights through interviews, external information, and assessments by independent consultants and others.

###### Key Points to Assess Risks/Impacts

- Whether the transaction is in the region identified from the Conflict Areas and High Risk Areas (CAHRAs)
- Whether there is any risk of adverse impact on the human rights due to the product or service handled or sold being used for other than its purpose
- Whether the transaction involves any dealing with the government, public institution, state-owned enterprise, national military organization, etc.

##### Forestry/Palm Oil

Forestry/palm oil businesses are considered to have a significant environmental and social impacts, including human rights issues such as child labor and forced labor in the production process, and environmental destruction and impacts on biodiversity due to deforestation.

We check the status of certification that confirms that environmental and social considerations have been implemented, as well as compliance with NDPE. Moreover, we request for an enhancement of supply chain management and traceability, or we confirm that appropriate measures are taken to address social issues such as respect for human rights, etc. during the transaction period.

###### Key Points to Assess Risks/Impacts

- Acquisition or acquisition plan of FSC, PEFC certification, etc. (Forestry)
- RSPO certified or planning to be certified and compliance with NDPE policy (Palm oil)

1. Conflict areas in the 24 countries extracted from the CAHRAs list (as of June 2023)

2. Forced labor and human trafficking, child labor, discrimination, freedom of association and the right to collective bargaining, industrial safety and health

### (3) Initiatives for Borrowers/Investees ④

#### Adoption of and Adherence to the Equator Principles

MUFG has been contributing to the realization of a sustainable environment and society by adopting and adhering to the Equator Principles, a risk management framework for determining, assessing and managing environmental and social risks and impacts for large-scale projects such as development of natural resources. During the preparation for the fourth iteration of the Equator Principles, which came into effect in July 2020, the Bank, as a Co-Lead of the Social Risk Working Group of the Equator Principles Association at the time, co-led the work on updating requirements related to human rights.

#### Environmental and social risk management in accordance with the Equator Principles

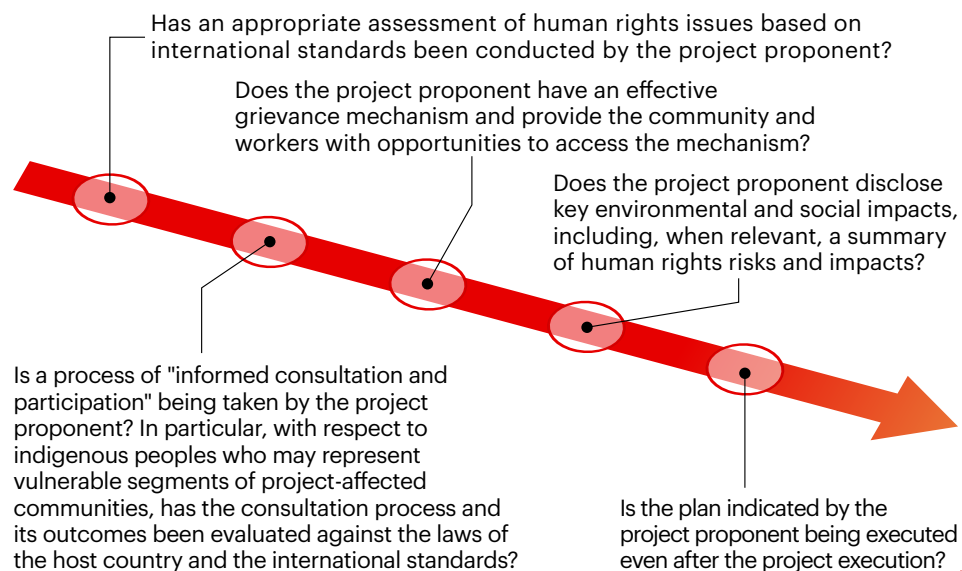
The Bank confirms the environmental and social considerations conducted by the project proponent for the large-scale developments in accordance with the Equator Principles.

Specifically, prior to making a decision to finance a project, the Bank identifies the environmental and social risks and impacts, including the status of human rights considerations in client's business, and confirms the measures to be taken by the client, based on the laws and regulations of the host country and international standards, including those of the World Bank. After executing the loan, the Bank monitors the project to see if any environmental or social risks have materialized. The Equator Principles was applied to 84 Project Finance transactions and 4 Project-Related Corporate Loans which reached financial close in FY2021.

[Click here for details](#)

#### Responding to human rights requirements under the Equator Principles

The Bank confirms the status of human rights considerations by project proponent through the environmental and social impact review, including the following items required by the Equator Principles.



#### Confirmation of human rights considerations through the review per the Equator Principles

Under the Equator Principles, it is expected that assessments pertaining to potential adverse impacts on human rights are included as part of the assessments undertaken by the project proponent.

As an example, in a renewable energy project in Asia reviewed by the Bank, the safety of workers (including contractors) and local communities were identified as key risks as a result of human rights impact screening based on international standards conducted by the client. The Bank confirmed that the client is proactively addressing human rights issues such as by adopting a human rights policy and introducing a Health, Safety, and Environment (HSE) plan.

The Bank also continuously monitors occurrence of adverse impacts on the environment and local communities through our monthly monitoring program.

#### Key Points in Risk Assessment of a Renewable Energy Project in Asia

|  | Potential risks/impacts expected due to project implementation  | Mitigation and Management Measures taken by the project  |
|--|---|--|
| <b>Labor and working conditions</b>                    | Potential risk of violating migrant workers' rights   | <ul style="list-style-type: none"> <li>Implementation of project's human rights policy and corporate ethics/code of business conduct</li> </ul>  |
| <b>Health and safety</b>                               | Potential risk of threatening health and safety of construction workers and the community through construction activities | <ul style="list-style-type: none"> <li>Implementation of HSE plans for contractors</li> </ul>  |
| <b>Livelihoods</b>                                     | Potential impacts on livelihood of fishermen as a result of project construction and operation                            | <ul style="list-style-type: none"> <li>Development and implementation of livelihood restoration plan</li> <li>Development and implementation of stakeholder engagement plan</li> </ul> |
| <b>Security</b>  | Potential risk of violating human rights of local communities by security personnel hired for the project                 | <ul style="list-style-type: none"> <li>Extension of the application of the project's HSE requirements to the security personnel</li> </ul>   |
| <b>Workers' participation and grievance management</b> | Potential risk of not raising awareness of workers' rights and/or responding inappropriately to their grievances          | <ul style="list-style-type: none"> <li>Development and implementation of stakeholder engagement plan</li> <li>Implementation of HSE plans for contractors</li> </ul>                   |
| <b>Supply chain</b>                                    | Potential risk of human rights violations in the supply chain   | <ul style="list-style-type: none"> <li>Implementation of human rights policy and supplier code of conduct</li> </ul>   |

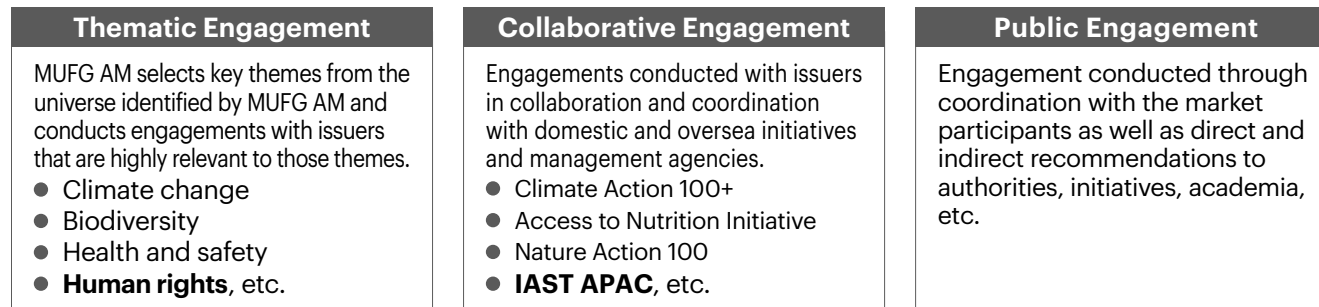
## Initiatives for Respecting Human Rights through Sustainable Investment

MUFG AM (Asset Management) has identified human rights issues as a priority theme based on the "Guidelines on Respecting Human Rights in Responsible Supply Chains, etc." established by the Japanese government, and as an asset manager, is committed to enhancing corporate understanding through engagement with investee companies, requesting to develop and publicize human rights policies, conduct human rights due diligence, and remedies.

### Engagement in Human Rights

#### MUFG AM's Engagement Approach

We are promoting more effective engagement through a combination of focused thematic engagement on specific themes, collaborative engagement, and public engagement.



#### Thematic Engagement for Human Rights

Engagement on the theme of "human rights," focusing on critical issues such as modern-day slavery

- As our human rights initiatives in the supply chain, we recognize "modern slavery" as a priority issue because of the high likelihood of significant physical and emotional impact
- Through engagement, we request companies to develop and publish human rights policies, conduct human rights due diligence, and remedies when human rights issues occur, in order to enhance corporate understanding and make improvements.

#### Collaborative engagement on human rights

Participating in IAST-APAC and other initiatives to promote advanced collaborative engagement

#### **Case** Collaborative initiative to address the issues of modern slavery

We participate in the Investor Initiative on Modern Slavery (IAST-APAC) as we believe that "modern slavery," among other issues, is a priority for our human rights initiatives in the supply chain. We engage with our investee companies in the Asia-Pacific region with the aim of encouraging them to appropriately address the issue of modern slavery in their operations and supply chains.



### Promoting Sustainable Investment in MUFG AM

#### Establishment of Sustainable Investment Policy

- MUFG AM Sustainable Investment Policy was established to strengthen sustainable investment initiatives under the new sustainable investment philosophy, "Investing for our Sustainable Future."

#### Strengthening the system

- Sustainable Investment Department was established on April 1, 2023 and started the initiatives to lead the sustainable investments in the five MUFG AM companies.
- In addition to bringing together the professional personnel and knowledge of MUFG AM, we plan to strengthen our expertise and capability at the global level by appointing external personnel.

#### Enhancement of engagement and full-fledged initiative activities

- Contribution to improving the economic benefits of investee companies and solving social issues through engagement backed by corporate analysis.
- Aiming to accumulate in-depth knowledge on human rights, etc. in the field of sustainability through participation in international initiatives, and to enhance the quality of our engagement.

## (4) Initiatives for Suppliers

MUFG's business activities are supported by a diverse range of suppliers, and we recognize that there is a risk that our procurement activities may have an adverse impact on the employees of our suppliers, the environment, and society. We are committed to respecting human rights in our supply chain through the revision of "Approach to Purchasing Activity" and the implementation of human rights due diligence.

### Revision of "Approach to Purchasing Activity"

"Approach to Purchasing Activity" defines MUFG's approach and expectations of its suppliers.

In June 2023, we revised our "Approach to Purchasing Activity" to clarify our expectations, including respect for human rights and environmental considerations.

| Respect for human rights  | Environmental considerations  |
|---|---|
| <ul style="list-style-type: none"> <li>• Due consideration to avoid involvement in any child labor, forced labor, or human trafficking in business activities or in the supply chain</li> <li>• Provision to employees of a environment and safe and adequate working conditions</li> <li>• Compliance with laws and regulations applicable to wages and working hours</li> <li>• Respect for the freedom of association and right to collective bargaining based on laws and regulations</li> <li>• Prevention of discrimination and harassment</li> </ul> | <ul style="list-style-type: none"> <li>• Reduction of the use of resources and energy</li> <li>• Adoption of low-carbon or decarbonized energy and reduction of greenhouse gases</li> <li>• Waste reduction and effective utilization of resources</li> <li>• Reduction of use and emissions of substances with an adverse impact on the environment and the human body</li> <li>• Sustainable utilization of natural resources such as forests</li> <li>• Consideration of the impacts on biodiversity and ecosystems</li> </ul> |

[Click here for details](#)

Domestic offices of the Bank, the Trust Bank, and the Securities explain the "Guidelines for Purchasing Activity" based on the "Approach to Purchasing Activity" to suppliers<sup>1</sup> to seek their understanding of MUFG's policy.

In addition, from the perspective of preventing customer harassment, including abuse of a superior bargaining position and human rights abuse against suppliers, the Bank's domestic offices have established a consultation service for suppliers, with contact information provided in the "Guidelines for Purchasing Activities".

### Implementation of Human Rights Due Diligence

Major suppliers<sup>2</sup> were screened for highly severe human rights issues (child labor, forced labor, and human trafficking) using external vendor data. We did not identify any suppliers with violation/abuse in the trial run. There is room for improvement in the coverage of targets on a group and global basis and in the development of screening systems, etc., and we will continue to address these issues.

#### Risk identification and assessment

##### New transactions

- Check for risks related to human rights with respect to important external contractors<sup>3</sup>
- Check through adverse media screening<sup>4</sup>

##### Existing transactions

- Regular checks of major suppliers<sup>2</sup> are conducted at headquarters to determine if there are any highly severe human rights issues (child labor, forced labor, and human trafficking)

#### Responses when risks are detected

##### Information confirmation

Confirmation of detected issue, the status of supplier's responses and system related to human rights

##### Consideration of responses

##### At the start of a new transaction

Based on what we have confirmed, if it is clear that there is human rights abuse, we will not execute the contract.

##### Existing suppliers

Based on the information confirmed, if it is clear that there is a human rights abuse, we will request the company to respond and take corrective actions for the human rights issue, follow up on the status of response as necessary, and consider suspending new contracts or terminating transactions if corrective action is not taken.

1. The Bank : suppliers with ongoing transactions; The Trust Bank and the Securities : major suppliers 2. Major suppliers of the Bank, the Trust Bank and the Securities  
3. Implemented by the Bank and the Trust Bank 4. Implemented at the Bank's European and Americas offices, etc.

## Communication with Stakeholders

MUFG actively promotes a constructive dialogue with various stakeholders in order to deepen mutual understanding towards respect for human rights. In particular, we believe that a dialogue with stakeholders which may have human rights impacts through MUFG's business is an important element in achieving respect for human rights. We will strive to build a relationship of trust and collaboration with stakeholders by responding appropriately to their concerns, issues, and opinions, which will lead to MUFG's sustainable growth and improvement of corporate value over the medium to long term.



Employees

Employees may be subject to adverse human rights impacts caused by MUFG, such as discrimination and harassment.

MUFG is working to identify, assess, prevent, and mitigate potential adverse impacts on employees by the group awareness and engagement surveys, the establishment of an employee hotline to receive complaints and consultations, and communication through DEI promotion measures, etc.



Customers

Customers may be subject to adverse human rights impacts caused by MUFG through the merchantability, convenience, and presentation of products and services provided by MUFG.

MUFG is working to identify, assess, prevent, and mitigate potential adverse impacts on customers by responding to opinions and complaints about our products, services, and customer service, etc., and by communicating with customers through sales and other activities.



Borrowers/  
Investees and  
Suppliers

MUFG may contribute to human rights abuses or be associated with adverse human rights impacts through business relationships in the course of financing and purchasing activities, etc.

When adverse human rights impacts are identified in the course of the business relationships, MUFG takes appropriate actions and encourages borrowers/investees and suppliers to take appropriate actions through a dialogue, thereby preventing or mitigating adverse impacts.



Human Rights  
Organizations

We participate in organizations such as the Industrial Federation for Human Rights, Tokyo, the Industrial Federation for Human Rights, Aichi, Osaka City Corporate Human Rights Promotion Council, and the working committee on equal rights of the Japanese Bankers Association. Through participation in training programs and information exchange with other companies, we are accumulating knowledge and promoting human rights awareness initiatives.



NPO/NGO

If we become aware that there is a likelihood of human rights issues, such as labor problems related to borrowers/investees, through dialogues with NPOs/NGOs such as environmental groups and human rights groups, we will confirm the facts and consider the review of transaction policy, as necessary. The information obtained from such stakeholders is also used as a reference when reviewing the MUFG Environmental and Social Policy Framework.

### < Case Study >

Members of the Sustainability Office of Corporate Planning Division engaged in dialogues with members of NGOs working globally and NGO in Indonesia.

Through the discussion, NGOs raised the issues relating to the exploitative labor practices in the palm oil business operated by MUFG's borrowers/investees and provided opinions on enhancing the "MUFG Environmental and Social Policy Framework." In addition to those dialogues and discussions, the discussions held with the NGOs and NPOs are also considered when holding dialogues with borrowers/investees and referenced when reviewing the MUFG Environmental and Social Policy Framework.

### < Revisions based on the exchange of opinions >

- In 2022, the Palm oil policy was tightened by limiting the customer certification requirement to accept only the RSPO, the international certification.
- In 2023, the Palm oil and Forestry policy was revised to require enhancement of supply chain management and traceability.



Shareholders/  
Investors

We check and continuously improve the status of our response through exchanges of opinions with institutional investors and analysts regarding our response to human rights, based on the recognition that responding to respect for human rights is an essential requirement for the company's sustainable growth and enhancement of corporate value over the medium to long term.



**4.**

**Grievance Mechanism /  
Remedy for  
Human Rights Violations**



## (1) Initiatives for Employees

"Compliance Helpline" and consultation service for issues such as sexual and power harassment are established at each Group company to ensure a pleasant and positive working environment. It responds to reports submitted in-person or via phone, email, etc., while considering the individual's anonymity and privacy.

### | MUFG Compliance Helpline

We consider the whistle-blowing system an important governance tool. Each Group company develops such a system to ensure their self-cleansing ability in order to identify compliance issues and remediate them quickly. Moreover, we have established "MUFG Compliance Helpline", which is always available for all Group companies on a global basis.

#### Protection of Whistle-blowers

- We observe strict adherence that the identities of whistle-blowers and the content of the reports must be strictly confidential in the course of handling reported issues so that whistle-blowers will not be subjected to retaliation.
- We are therefore ensuring thorough protection for whistle-blowers even as we perform investigations into issues being reported and conduct corrective measures, including follow-up inspections.

#### Reception Results

- In FY2022, a total of 411 reports were accepted at MUFG and main Group companies.
- Major contents of whistle-blowing report : Violation of laws, company rules, etc.
- Response to whistle-blowing reports : Depending on the content of the whistle-blowing report, the appropriate department conducts fact-finding and other investigations. If content of the report is true, remediation or disciplinary action shall be taken.

#### Initiatives to improve the credibility level

- We aim to ensure that employees can access this helpline without hesitation whenever they are suspicious of matters regarding compliance issues. We are striving to improve the credibility of the system by disclosing not only the contact point, but also the number of whistle-blowing reports to the public, and sharing cases in a manner that protects the anonymity of individual whistle-blowers.

#### Responding to changes in the law

- In accordance with the revised Whistleblower Protection Act, which became effective from June 2022, we have upgraded whistle-blowing systems in place at MUFG as well as Group company's subsidiaries and affiliates, so that employees are well protected when using the systems.

### | Employee Consultation Desk

At the Employee Consultation Desk, consulting staff members provide consultation on various issues such as workplace relationships, harassment, and personal problems. While ensuring the privacy of the consulters and the confidentiality of their consultations, we consider the appropriate measures through a dialogue with them, and then work with the relevant departments to resolve their problems and concerns.

The Bank has appointed "employee counselors" at each of its offices to serve as familiar consultation counsellors in the workplace, providing consultation on various concerns of front-line workers and actively working to improve the working environment in cooperation with the Employee Consultation Desk.

### | DEI Consultation Desk

Under the MUFG Human Resources Principles, we promote DEI and provide an inclusive workplace and growth opportunities where all employees engage in their work with enthusiasm and job satisfaction, and the DEI Office has established a contact point to receive inquiries and provide consultation regarding DEI from employees.

#### Examples of Consultation

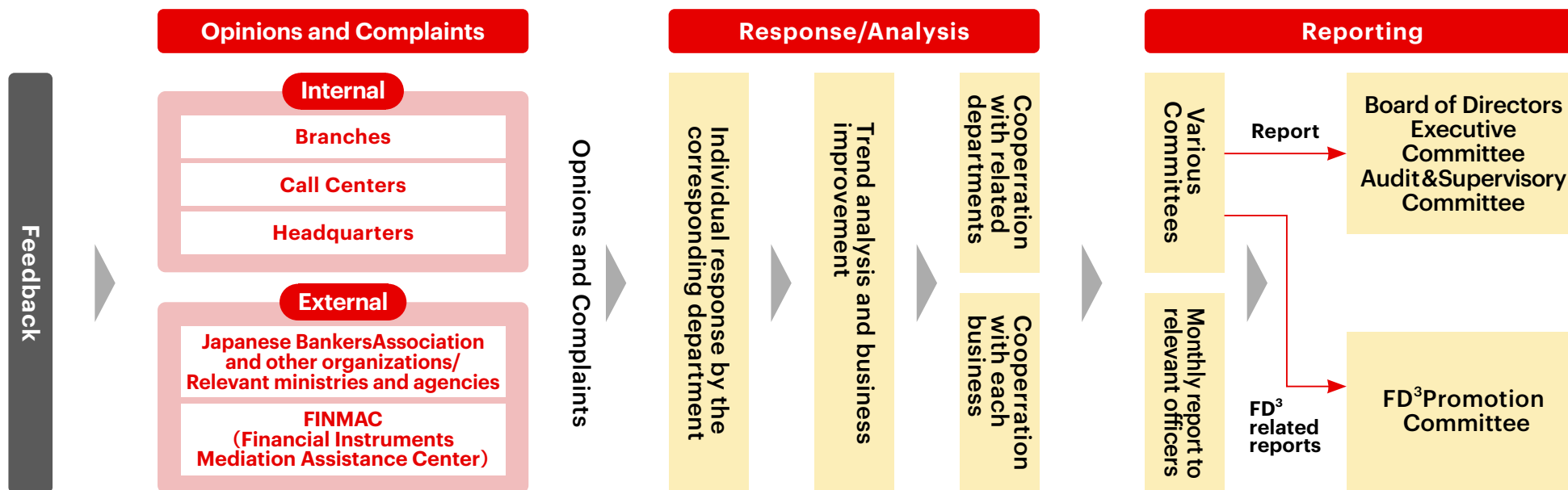
- Consultation on balancing work with childcare, nursing care, infertility treatment, etc.
- Consultation on work-life balance (e.g. taking childcare leave regardless of gender, efficient work styles, etc.)
- Consultation for persons with disabilities
- Sexual orientation and gender identity (LGBTQ) counseling, etc.

## (2) Initiatives for Customers

MUFG has established a system to appropriately respond to opinions and complaints, including human rights issues, from customers and other stakeholders. If it becomes clear that employees of group companies, or the products or services we provide, are causing, contributing to, or directly linked to adverse human rights impacts, we will work to remediate the situation.

In FY2021, there were 165 cases in which services were improved based on feedback and requests received from customers of the five group companies<sup>1</sup>.

### Grievance Mechanism<sup>2</sup>



| Opinions/Complaints   |
|---|
| Insufficient and lengthy guidance on filling out documents related to OTC transactions for foreign customers  |
| As cognitive functions deteriorate due to dementia, etc., bank transactions, including deposit and withdrawal transactions necessary for daily life, become more difficult. |

| MUFG's Response  |
|--|
| Improved response to facilitate smooth OTC transactions by posting sample forms in multiple languages on the website   |
| Introduction of a "reserved agent" service that allows customers to designate a proxy in advance in case they are unable to perform transactions or procedures in person due to cognitive or judgmental decline. |

1. The Bank/The Trust Bank/The Securities/NICOS/ACOM 2. Examples of banks 3. Fiduciary duty

### (3) Initiatives throughout the Value Chain

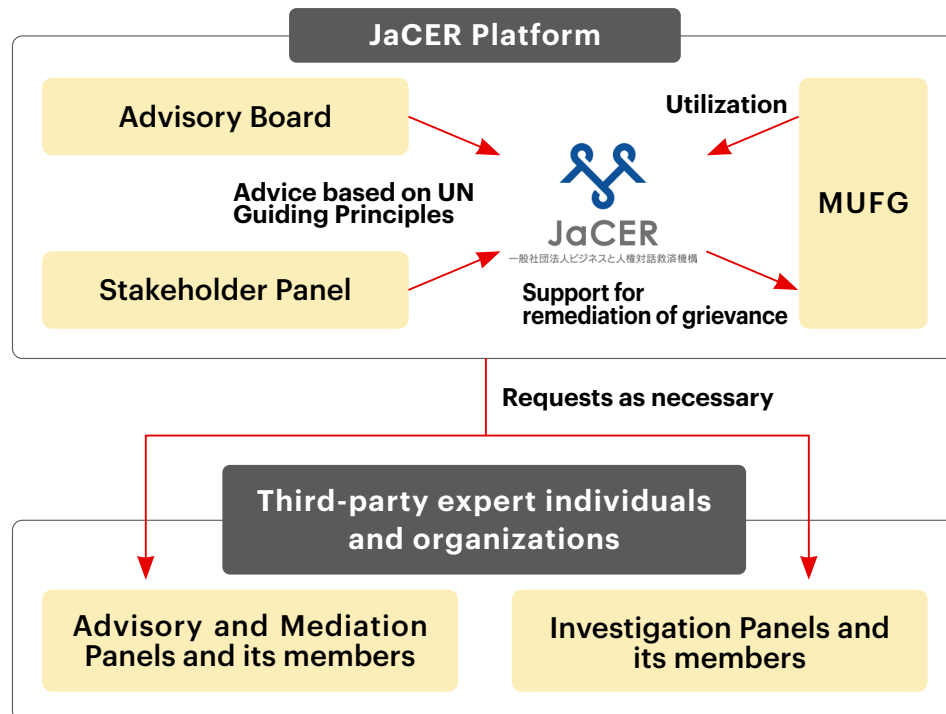
In 2023, MUFG had joined in the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER). JaCER is an organization that receives reports of grievances related to human rights through the "Engagement and Remedy Platform" and aims to act in a professional capacity to support and promote remediation of grievances by member companies. JaCER platform has a fair dialogue and remedy process in place, which ensures the anonymity of whistle-blowers and confidentiality of the content of their reports, and also allows whistle-blowers to report in multiple languages.

By utilizing JaCER platform, MUFG established a remedial contact points for adverse human rights impacts that occur throughout the value chain, including employees of borrowers/investees and suppliers, as well as community and neighborhood residents, and making an effort to improve our grievance mechanisms.

[JaCER's Whistle-blowing Form](#)

#### Structure of JaCER

JaCER established a system which allows the use of the Advisory and Mediation Panels, etc., which are comprised of third-party expert individuals and organizations, as necessary. In addition, JaCER operates in accordance with the internal rules based on international principles on human rights such as the UN Guiding Principles.



#### Operation Process

Whistle-blower (The rights holder or their representative)

#### Reception

JaCER Engagement and Remedy Platform  
(received at JaCER or our website)

#### Initial investigation<sup>1</sup>

- Confirmation of content reported
- Determine its applicability as a grievance case
- Consideration of response to the grievance

#### Response

- Discussion on its remediation measures in cooperation with the relevant departments
- Utilization of JaCER's knowledge, as necessary

1. To be conducted in collaboration with JaCER for about 2 weeks

5.

**Conclusion**



## Future Prospects

Recognizing that fulfilling the responsibility to respect human rights in the business operations is an important management issue for the companies, MUFG has been enhancing its measures and it has led to a publication of this human rights report for the first time.

On the other hand, we recognize that our efforts regarding respect for human rights are intermediary and therefore, we need to continue to consider promoting awareness of human rights among employees, effective operation of due diligence, communication with stakeholders, enhancement of grievance/remedy measures, addressing human rights issues with increasing risk areas such as "climate change and human rights" and "AI and human rights ,etc."

### ■ Promoting Awareness of human rights among employees

- It is important for all employees to appropriately understand the basic concept of "Business and Human Rights" and the area of enhanced measures, and to put them into practice in their daily actions. We will promote its awareness among employees through the enhancement of human rights awareness training contents, etc.

### ■ Effective operation of due diligence

- We newly introduced checking and regular screening processes for child labor, forced labor, and human trafficking. On the other hand, response to the human rights issues cannot be completed by utilizing external vendor data, establishing the checking process, etc. since the measures in response to those issues need to be considered based on the nature of individual issue. As such, we will promote accumulation of knowledge and enhancement of the system within the company, while utilizing external expertise as necessary.

### ■ Communication with stakeholders

- We have been conducting ongoing communication with our stakeholders, including employees, customers, and NGOs/NPOs. Through the publication of this report, we will further deepen our dialogues with our stakeholders, to deepen our mutual understanding of respect for human rights, and also to collaborate with the stakeholders and address adverse impacts on human rights when they emerge.

### ■ Grievance Mechanism/Remedy

- We recognize that we still don't have sufficient knowledge and experience in responding to remedies to human rights issues that arise in the value chain, especially for borrowers/investees and suppliers. Through collaboration with JaCER, we will strive to accumulate knowledge and continue to consider the enhancement of our response.

### ■ Human rights issues with increasing risk areas

- In light of recent international developments, we have enhanced our due diligence when making investments and loans on "human rights issues in conflict areas". On the other hand, we will also consider addressing human rights issues with increasing risk areas, such as "climate change and human rights" and "AI and human rights."

## Reference to UN Guiding Principles Reporting Framework

|  |   | Item   |   | Corresponding pages   |
|--|---|--|---|---|
| <b>Part A</b><br>Governance of Respect for Human Rights    | <b>Policy Commitment</b>                  | A1.1   | How has the public commitment been developed?   | p.12  |
|  |   | A1.2   | Whose human rights does the public commitment address?  | P.12-13   |
|  |   | A1.3   | How is the public commitment disseminated?  | p.14  |
|  | <b>Embedding Respect for Human Rights</b> | A2.1   | How is day-to-day responsibility for human rights performance organized within the company and why?   | p.15-16   |
|  |   | A2.2   | What kinds of human rights issues are discussed by senior management and by the Board, and why?   | p.16-17   |
|  |   | A2.3   | How are employees and contract workers made aware of the ways in which respect for human rights should inform their decisions and actions?  | p.14,26-29,31   |
| A2.4   |   | How does the company make clear in its business relationships the importance it places on respect for human rights?                          | p.12,13,26-29,31  |   |
| A2.5   |   | What lessons has the company learned during the reporting period about achieving respect for human rights, and what has changed as a result? | p.38  |   |
| <b>Part B</b><br>Defining a Focus of Reporting             | <b>Statement of Salient Issues</b>        | B1   | Statement of Salient Issues : State the salient human rights issues associated with the company's activities and business relationships during the reporting period   | p.20  |
|  | <b>Determination of Salient Issues</b>    | B2   | Determination of Salient Issues : Describe how the salient human rights issues were determined, including any input from stake holders.   | p.17,20,32  |
|  | <b>Choice of Focal Geographies</b>        | B3   | Choice of Focal Geographies : If reporting on the salient human rights issues focuses on particular geographies, explain how that choice was made.  | p.28  |
|  | <b>Additional Severe Impacts</b>          | B4   | Additional Severe Impacts : Identify any severe impacts on human rights that occurred or were still being addressed during the reporting period, but which fall outside of the salient human rights issues, and explain how they have been addressed. | -   |
| <b>Part C</b><br>Management of Salient Human Rights Issues | <b>Specific Policies</b>                  | C1.1   | How does the company make clear that relevance and significance of such policies to those who need to implement them?   | p.14,26-29,31   |
|  |   | C2.1   | How does the company identify which stakeholders to engage with in relation to each salient issue, and when and how to do so?   | p.32,34-36  |
|  | <b>Stakeholder Engagement</b>             | C2.2   | During the reporting period, which stakeholders has the company engaged with regarding each salient issue, and why?   | p.17,32   |
|  |   | C2.3   | During the reporting period, how have the views of stakeholders influenced the company's understanding on each salient issue and/ or its approach to addressing it?   | p.32,34,35  |
|  |   | C3.1   | During the reporting period, were there any notable trends or patterns in impacts related to a salient issue and, if so, what were they?  | p.20,32,34,35   |
|  | <b>Assessing Impacts</b>                  | C3.2   | During the reporting period, did any severe impacts occur that were related to a salient issue and, if so, what were they?  | p.26-29,31,32,34,35   |
|  |   | <b>Integrating Findings and Taking Action</b>  | C4.1  | How are those parts of the company whose decisions and actions can affect the management of salient issues, involved in finding and implementing solutions? |
|  | C4.2                                      |  | When tensions arise between the prevention or mitigation of impacts related to a salient issue and other business objectives, how are there tensions addressed?   | p.23,26-29,31   |
|  | C4.3                                      |  | During the reporting period, what action has the company taken to prevent or mitigate potential impacts related to each salient issue?  | p.19-36   |
|  | <b>Tracing Performance</b>                | C5.1   | What specific examples from the reporting period illustrate if each salient issue is being managed effectively?   | p.21,29,31,34-35  |
|  | <b>Remediation</b>                        | C6.1   | Through what means can the company receive complaints or concerns related to each salient issue?  | p.34-36   |
|  |   | C6.2   | How does the company know if people feel able and empowered to raise complaints or concerns?  | p.34-36   |
|  |   | C6.3   | How does the company process complaints and assess the effectiveness of outcomes?   | p.34-36   |
|  |   | C6.4   | During the reporting period, what were the trends and patterns in complaints or concerns and their outcomes regarding each salient issue, and what lessons has the company learned?   | p.34-36   |
|  |   | C6.5   | During the reporting period, did the company provide or enable remedy for any actual impacts related to a salient issue and, if so, what are typical or significant examples?   | p.34-36   |

## Glossary

| Term  | Explanation   |
|---|---|
| <b>The Ten Principles of The UN Global Compact</b>  | Ten principles established by the UN Global Compact encourage companies to support and practice international principles on human rights, labor, environment, and anti-corruption. They include protection and respect for internationally proclaimed human rights and the abolition of forced labor and child labor.   |
| <b>International Bill of Human Rights</b>   | The collective name for the Universal Declaration of Human Rights, which sets forth common norms to be achieved by all people and nations to respect and ensure human rights and freedoms, and the two international human rights covenants (the Covenant on Social and Civil Liberties), which are legally binding as international treaties, and the First and Second Optional Protocols to the International Covenant on Civil and Political Rights. |
| <b>United Nations Development Programme (UNDP)</b><br>( <u>United Nations Development Programme</u> )     | UNDP is the UN's principal development assistance agency promoting sustainable development. It is uniquely placed to help implement the Sustainable Development Goals (SDGs) through our work on the ground. It provides comprehensive support to countries around the world to integrate the SDGs into national development plans and policies.  |
| <b>UN Guiding Principles Reporting Framework</b>  | Comprehensive guidance for companies to report on human rights issues in line with their responsibility to respect human rights as set out in the Guiding Principles on Business and Human Rights.  |
| <b>OECD Due Diligence Guidance for Responsible Business Conduct</b>                                       | Guidance from the Organization for Economic Cooperation and Development (OECD) that provides practical guidance on how to conduct due diligence on human rights issues, etc.  |
| <b>Guidelines on Respecting Human Rights in Responsible Supply Chains</b>                                 | Guidelines issued by the Japanese government in September 2022 to promote respect for human rights by Japanese companies, based on international standards.   |
| <b>Declaration of the United Nations Conference on the Human Environment</b>                              | Declaration adopted at the United Nations Conference on the Human Environment held in Stockholm in 1972, outlining principles for environmental conservation.   |
| <b>Guiding Principles on Business and Human Rights</b>  | A global standard to be respected by all nations and corporations, approved by the UN Human Rights Council in 2011. It consists of three components: (1) the obligation of states to protect human rights, (2) the responsibility of companies to respect human rights, and (3) access to remedies.   |
| <b>Money laundering</b>   | Attempting to evade detection and arrest by law enforcement agencies, etc., by keeping the source or true owner of proceeds obtained from a crime unknown.  |
| <b>Conflict-Affected and High-Risk Areas (CAHRAs)</b><br>( <u>Conflict-Affected and High-Risk Areas</u> ) | A list identifying areas that are in a state of armed conflict or post-conflict fragile states, areas where governance and security are weak or non-existent, such as failed states, and areas where there are widespread and systematic violations of international law, including human rights abuses, in order to regulate conflict minerals. It was created by the EU.  |
| <b>FSC Certification</b><br>( <u>Forest Stewardship Council</u> )   | An international system for certifying "appropriate forest management" that was created for the purpose of sustainable forest utilization and conservation. Products produced from certified forests are certified based on one common standard worldwide and bear the FSC logo mark.   |
| <b>IFC Performance Standards</b><br>( <u>International Finance Corporation</u> )                          | IFC (International Finance Corporation) standards to prevent pollution, protect the natural environment, and protect the human rights of local residents and workers affected by the project.   |
| <b>ILO Declaration</b><br>( <u>International Labour Organization</u> )                                    | It provides recommendations and guidelines on how companies should apply and how states should promote the basic principles of labor derived from the international labor standards adopted by the International Labour Conference (ILO General Conference) in 1998   |



## Glossary

| Term   | Explanation   |
|--|---|
| <b>LGBTQ</b>   | The acronym stands for Lesbian, Gay, Bisexual, Transgender, Queer/Questioning, and Sexual Minority  |
| <b>NDPE (No Deforestation, No Peat and No Exploitation)</b>                              | No Deforestation, No Peatland development and No Exploitation   |
| <b>OECD Guidelines for Multinational Enterprises</b>                                     | Guidelines compiled by the OECD (Organization for Economic Cooperation and Development) on the responsible behavior expected of multinational corporations, given the important role they play in the development of the global economy   |
| <b>PEFC Certification (Programme for the Endorsement of Forest Certification Scheme)</b> | An organization that mutually approves forest certification standards developed in various countries and regions. A system for mutual recognition of national and regional forest certification systems established in various countries, mainly in Europe and the United States  |
| <b>RSPO (Roundtable on Sustainable Palm Oil)</b>   | Officially known as the Roundtable for Sustainable Palm Oil, a non-profit organization composed of stakeholders involved in palm oil. It promotes the production, purchase, financing, and use of sustainable palm oil products; develops, implements, verifies, and assures international standards; and conducts periodic reviews |

### ■ Job Title Abbreviation

| Abbreviation | Official Name                 |
|--------------|-------------------------------|
| <b>CEO</b>   | Chief Executive Officer       |
| <b>CSO</b>   | Chief Strategy Officer        |
| <b>CFO</b>   | Chief Financial Officer       |
| <b>CRO</b>   | Chief Risk Officer            |
| <b>CHRO</b>  | Chief Human Resources Officer |
| <b>CCO</b>   | Chief Compliance Officer      |
| <b>CLO</b>   | Chief Legal Officer           |
| <b>CSuO</b>  | Chief Sustainability Officer  |