

Site: <http://www.bk.mufg.jp/english/society/eco.html>  
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### **Section on EP at website**

In December 2005, we adopted the "Equator Principles", which are common standards for private financial institutions to assess and manage the social & environmental risks in project financing.

In September 2006, we launched the "Social & Environmental Risk Assessment Office" to work exclusively on social & environmental considerations in project financing.

### **What are the Equator Principles?**

The Equator Principles are common standards that extend the social & environmental policies and guidelines of World Bank group to private financial institutions. Each financial institution that adopts the Equator Principles should undertake to consult with a borrower in order to comply with the Principles, and will not provide financing to the project where the borrower will not or is unable to comply with its respective policies and procedures. On July 6th, 2006, according to revisions of the social & environmental guidelines of the World Bank group, the Equator Principles were revised and we readopted them. As of December 2008, 64 financial institutions in 26 countries have adopted the Equator Principles in their new form.

Details are provided at the Equator Principles Official Web-site ([www.equator-principles.com](http://www.equator-principles.com)).



### **Implementation of social & environmental considerations**

#### **☐ Internal Guideline**

We developed our internal guideline in accordance with the Equator Principles and started the implementation in January 2006. In July 2006, the internal guideline was revised to reflect the revisions of the Equator Principles.

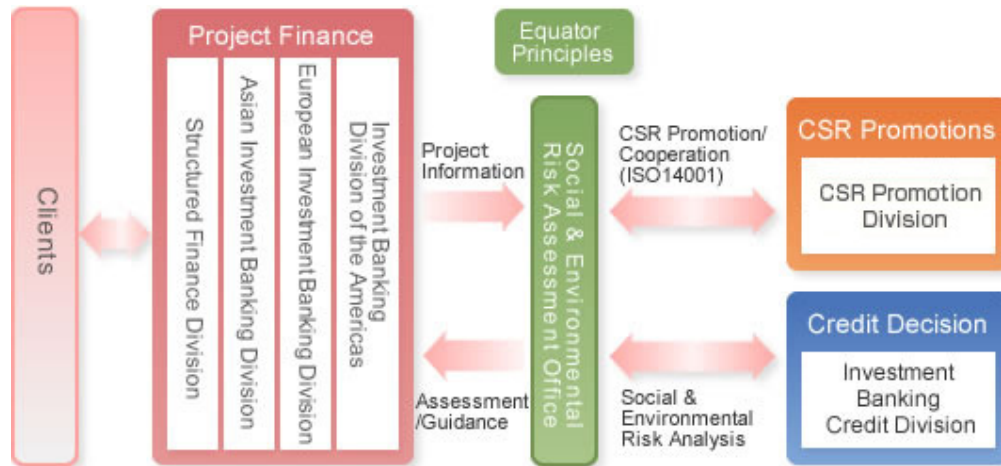
According to the ongoing revision of EHS guideline by IFC, now we are revising "Internal Guidelines for Equator Principles".

#### **☐ Launch of the "Social & Environmental Risk Assessment Office"**

In September 2006, we launched the "Social & Environmental Risk Assessment Office.

The office is in charge of assessment, administration and related works concerning the social & environmental consideration in project financing.

< Organizational Structure >



"CSR": Corporate Social Responsibility.

□oe **Governance**

In April 2005, we acquired the ISO14001 certification for environmental management systems (in Tokyo Headquarters and Otemachi main building). Our activities related to the social & environmental consideration are monitored under the ISO14001 program which requires a periodic internal monitoring and an annual audit by a certified third-party organization.



□oe **Training**

We have been implementing training courses to deepen our understanding of social & environmental considerations in our businesses and the concepts and procedures of the Equator Principles. Since January 2006, training courses have been conducted 7 times, which were attended by 160 employees in total, including officers of project finance and CSR promotion. We also circulated internal bulletins to spread social & environmental considerations throughout the bank.

Training Course



□oe **Dialogue with Stakeholders**

Through dialogues with stakeholders including NGOs, we have been provided and proposed a wide range of information about social and environmental approach. We are taking such information and proposals into consideration.

## Implementation Results

### ☐œ Category Classification Results

Implementation results under the “Internal Guidelines for Equator Principles” are as below.

#### By Category

	Definition	To date since 2006.1	Year to date since 2008.1
Category A	Projects with potential significant adverse social or environmental impacts which are diverse, irreversible or unprecedented.	7	4
Category B	Projects with potential limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.	80	38
Category C	Projects with minimal or no social or environmental impacts.	10	7
Total	☐@	97	49

#### By Sector

Category	Infrastructure	Mining	Oil & Gas	Petrochemicals	Other	Total
,`	2	1	3	1		7
,a	49	2	20	8	1	80
,b	10					10
Total	61	3	23	9	1	97

#### By area

Category	Europe, Middle East, Africa	Asia, Oceania	Americas	Total
,`	4	2	1	7
,a	37	24	19	80
,b	3	7		10
Total	44	33	20	97

### ☐œ On-site Surveys

Officers of Social & Environmental Risk Assessment Office will conduct on-site surveys to assess the social and environmental considerations as appropriate.

Pictures of on-site surveys  
(Europe and CIS)

(Latin America)



(Southeastern Asia)



(Africa)



Observing a sea turtle rehabilitation center run by the local fisheries department (Southeastern Asia).



**Financial Advisory Services**

In case of providing financial advisory services to clients that seek project financing, as appropriate, the Social & Environmental Risk Assessment Office supports such clients in an early stage of project so that the project would comply with the requirements of the Equator Principles.

**Future Objectives**

- E We will continue to educate our staff to deepen their understanding of the Equator Principles.
- E We will make efforts to update and improve our internal procedures regarding social and environmental review under ISO14001 to manage complicated social & environmental issues.
- E We will encourage our clients to follow the social and environmental consideration of global standard from an early stage of development.
- E We will continuously contribute to support the sustainable environment and society

through our banking functions and spread the social and environmental consideration in accordance with global standard widely.