

Mitsubishi UFJ Trust and Banking Corporation
Mitsubishi UFJ Kokusai Asset Management Co., Ltd.
MU Investments Co., Ltd.
Mitsubishi UFJ Asset Management (UK) Ltd.

Interim Target towards Net Zero GHG Emissions for Assets under Management

Tokyo, October 31, 2022---Mitsubishi UFJ Trust and Banking Corporation (“the Trust Bank”) and its subsidiaries, Mitsubishi UFJ Kokusai Asset Management Co., Ltd. (“MUKAM”) MU Investments Co., Ltd. (“MUI”) and Mitsubishi UFJ Asset Management (UK) Ltd. (“MUAMUK”) are hereby pleased to announce that interim targets have been set for 2030 Net Zero GHG emissions towards the achievement of reduction of greenhouse-gas (GHG) emissions to net zero by 2050.

In November 2021, Mitsubishi UFJ Financial Group Asset Management (“MUFG AM”)*¹ has joined the “Net Zero Asset Managers initiative (“NZAM”)", - a global initiative for asset managers, and expressed its commitment to achieving Net Zero GHG emissions by 2050 or sooner. In line with the global commitment to keeping global warming to 1.5°C, MUFG AM aims to contribute to the goal of Net Zero GHG emissions by 2050 or sooner, and to align investment activities with Net Zero by 2050 or sooner.

We aim for Net Zero through development of products contributing to Net Zero and collaboration with asset owners, among other stakeholders while supporting investee companies’ transition through the stewardship activities such as engagement and exercise of voting rights. The above four group companies will work together as MUFG AM to more effectively take actions on these measures.

*¹ MUFG AM is the brand name of five asset management companies within the Mitsubishi UFJ Financial Group, namely the Trust Bank and its subsidiaries, MUKAM, MUI, MUAMUK, and Mitsubishi UFJ Alternative Investments. The current NZAM initiative is participated by the above four companies, excluding Mitsubishi UFJ Alternative Investments.

■ Overview of the interim targets

The interim target for 2030 covers 55 per cent (approximately 41 trillion yen) of assets under management (approximately 74 trillion yen as of the end of June 2022) to reduce 50 per cent reduction of its GHG emissions per economic intensity (absolute emissions (tCO₂e) / AUM), compared to the year of 2019. This is the interim target that is aligned with carbon neutral by 2050 or sooner. MUFG AM will further strengthen cooperation among the four group companies and promote cross-sectional efforts to achieve this target. MUFG AM will also work on developing investment products that are consistent with achieving Net Zero by 2050 or sooner at the latest, and promote investments that contribute to resolving climate issues. In addition, MUFG AM will biannually review the

interim target and consider gradually increasing the ratio of the target assets until it covers 100 per cent of the assets under management.

■ Strategic measurement

This initiative will present an opportunity to promote Net Zero measures from the following three perspectives with NZAM commitments. MUFG AM will share results of analysis of climate change risks and opportunities, and measures through responsible investment reports, etc. on a regular basis.

(1) Engagement measures

- 1,000 companies with high GHG emissions (equivalent to over 90 per cent as per portfolio) among the four companies participating in NZAM under MUFG AM will be selected, of which those with a larger invested amount will be prioritized as part of the engagement to support their transition strategy.
- For those companies that have not sufficiently responded to ESG issues, including climate change, or have shown no signs of improvement after dialogues, MUFG AM encourages them to be more responsible with exercising voting rights.

(2) Collaboration with Asset Owners, etc.

- MUFG AM will actively provide information and strengthen relationships with asset owners through organizing seminars and events on ESG investment and Net Zero, sharing reports of investment products on climate change, and dialogues on decarbonization.
- MUFG AM collaborates with asset owners and other asset managers to promote interactive and public engagement, including policy recommendations, through global initiatives such as Climate Action 100 +.

(3) Development of products contributing to Net Zero

- MUFG AM will promote the development of ESG considered products. Specifically, indexes will be developed based on EU Paris-aligned Benchmarks (EU PAB), and active investment strategy will be developed for the companies that contribute to achieving Net Zero.

As the responsible institutional investor supporting the Japanese Stewardship Code and a signatory to the Principles for Responsible Investment, MUFG AM aims to contribute to the sustainable growth of society as well as financial markets by supporting investee companies' transition and working with stakeholders to resolve ESG issues.

Recognizing the importance that addressing climate change issues plays a key role in sustainability, we, as a leading company, will make further contributions to achieving a low-carbon/decarbonized society in alignment with the ambitious goals of the Paris Agreement.