



# MUFG

## New Zealand

# Climate Report

For the year ended 31 March 2025

# Contents

---

Important Information	03
About This Report	04
1. About MUFG	05
2. Governance	07
3. Strategy	09
4. Risk Management	12
5. Metrics and Targets	19
Index	23
Appendix	24
KPMG Independent Assurance Report	27



# Important Information

---

MUFG Bank, Ltd. (Auckland Branch), is a climate reporting entity under the Financial Markets Conduct Act 2013.

Reference to 'MUFG New Zealand', 'we' and 'our' mean MUFG Bank, Ltd. (Auckland Branch), and 'MUFG Oceania' means MUFG Bank, Ltd.'s group of branches located in Australia and New Zealand (consisting of Auckland, Sydney, Melbourne and Perth Branches), which are managed collectively. 'this Climate Report' refers specifically to this MUFG New Zealand Climate Report.

Any reference to 'MUFG', 'MUFG Group' and 'Group' mean Mitsubishi UFJ Financial Group, Inc. Also, in the section describing MUFG Group's information, the terms 'we' and 'our' refer to Mitsubishi UFJ Financial Group, Inc.

## Disclaimer

This Climate Report includes forward-looking statements, strategy and metrics, which are not and should not be considered guarantees, predictions or forecasts of future climate-related outcomes or financial performance, and are not intended to be advice to existing or potential investors, lenders or other creditors. These forward-looking statements are based on information currently available to MUFG New Zealand and MUFG Group and are stated in this document on the basis of the outlook at the time that this document was produced. In producing these forward-looking statements, certain assumptions (premises) have been utilised that are subjective and may prove to be incorrect. Should any underlying assumption prove to be incorrect, actual results in the future may vary materially from some of the forward-looking statements in this document. MUFG New Zealand and MUFG Group have no obligation or intent to update any forward-looking statements contained in this document. In addition, information on companies and other entities outside MUFG Group that are included in this document have been obtained from publicly available information and other sources. The accuracy and appropriateness of that information has not been verified by MUFG New Zealand and MUFG Group and cannot be guaranteed.

Statements in this Climate Report are subject to known and unknown risks, challenges, significant uncertainty and other factors. Readers are cautioned not to place reliance on such statements as these are subject to significant risks, uncertainties, and/or assumptions many of which are outside of our control.

## Other Information

Please refer to our global website, along with MUFG New Zealand latest Disclosure Statements and MUFG Report 2024 (JGAAP) for more information on our sustainable value creation mechanism and financial data.

# About This Report

---

## Our Approach

MUFG Group recognises climate change as one of the most serious issues facing the world, and as one of the most important risks facing the organisation. MUFG Group has defined its Purpose as “Committed to Empowering a Brighter Future”.

MUFG Bank, Ltd. (Auckland Branch) is a branch under MUFG Group. MUFG New Zealand Climate Report refers to MUFG Group’s commitments, strategies, processes, and targets to manage climate change impacts and supporting the transition to a low-carbon economy. MUFG New Zealand is committed to supporting Group sustainability and risk management initiatives in tackling the impact of climate change and is developing its strategy, governance structures and risk management processes accordingly, as articulated in this Climate Report.

Reflecting MUFG New Zealand’s alignment with MUFG Group’s broader corporate strategy and objectives, this Climate Report incorporates information from MUFG Group’s disclosure. For more comprehensive understanding and details of MUFG Group’s global operations, please visit MUFG Group's website.

This Climate Report is compiled to provide stakeholders with a better understanding of MUFG Group and MUFG New Zealand’s sustainability initiatives, aimed at realising a sustainable environment and society.

## Statement of Compliance

This Climate Report complies with the Aotearoa New Zealand Climate Standards (NZ CS) issued by the External Reporting Board.

In preparing this Climate Report, MUFG New Zealand has elected to use the following second-year adoption provisions available under NZ CS 2:

- Adoption provision 2: Anticipated financial impacts, paragraphs 12, 13 and 14;
- Adoption provision 4: Scope 3 GHG emissions, paragraph 17;
- Adoption provision 5: Comparatives for Scope 3 GHG emissions, paragraphs 18 and 19;
- Adoption provision 6: Comparatives for metrics, paragraph 21;
- Adoption provision 7: Analysis of trends, paragraph 23; and
- Adoption provision 8: Scope 3 GHG emissions assurance.

## Period Subject to Reporting

FY2024 (April 1, 2024 to March 31, 2025)

# 1. About MUFG



Mitsubishi UFJ Financial Group, Inc. (MUFG Group) is one of the world's leading financial groups. Headquartered in Tokyo and with over 360 years of history, MUFG Group has a global network with over 2,000 offices in more than 40 markets. The Group offers services including commercial banking, trust banking, securities, credit cards, consumer finance, asset management, and leasing.

The Group aims to “be the world’s most trusted financial group” through close collaboration among our operating companies and by flexibly responding to all of the financial needs of our customers, serving society, and fostering shared and sustainable growth for a better world.

As part of MUFG’s ongoing mission towards partnering with our clients and the community to achieve sustainable growth, it has raised its commitment in sustainability-related financing from 2019-2030 from JPY35 trillion to JPY100 trillion<sup>1</sup>. MUFG also announced its commitment to achieve net-zero emissions in its finance portfolio by 2050 and operations by 2030.

MUFG is also a founding member of the World Bank’s Private Sector Investment Lab, tasked with mobilising capital and private finance towards emerging markets, including the development of renewable energy and energy infrastructure.

MUFG has published whitepapers about Asia’s energy transition<sup>2</sup>, from Japan’s climate strategy to insights on the decarbonisation of the region’s power sector. It has also launched MUFG NOW (Net Zero World), a thought leadership showcase to proactively engage with key stakeholders on the challenges and opportunities related to sustainable development in Asia.

## MUFG Oceania

MUFG Oceania is ranked as a top tier international bank based on the relationship strength index, overall customer satisfaction survey and domestic banking penetration in Australia and New Zealand<sup>3</sup>.

MUFG Oceania forms part of the broader Asia Pacific (APAC) region, with APAC being one of three key regions (outside of Japan) of the MUFG Group, along with the Americas and EMEA.

MUFG New Zealand forms part of MUFG Oceania along with the Sydney, Melbourne and Perth Branches.

All back-office operations, including risk and compliance functions, are based in Sydney Branch, which support all the branches within MUFG Oceania.



1. MUFG Carbon Neutrality Declaration

2. Transition Whitepaper 2024

3. Peter Lee and Associates 2024 Survey



## MUFG New Zealand

We have had a banking presence in New Zealand for over 30 years and became a registered branch in 1996.

As the only Japanese bank with a New Zealand branch presence, we place a particular focus on expanding our business with major domestic companies as well as providing support to Japanese companies operating in New Zealand.

In New Zealand, we are a key provider of banking services to a wide variety of domestic and Japanese Corporate and Institutional clients across a range of sectors and have invested heavily in building out our coverage capability and capacity over the past 10 years.

MUFG New Zealand focusses on providing finance to key industry sectors, including utilities, infrastructure, diversified industrials, financial institutions, and also supports MUFG Group's Japanese Corporate and Global Subsidiary Banking businesses.

MUFG New Zealand is aligned to MUFG Group's global climate change and sustainability strategy and commitment to net zero greenhouse gas (GHG) emissions from its financed portfolio by 2050.

## Message from New Zealand Management



### Takahiro Iino – Managing Director, Head of Oceania

MUFG is Japan's largest financial institution with a balance sheet of circa US\$3 trillion and a comprehensive footprint that spans Asia-Pacific, Americas, and EMEA. Our presence in Oceania is substantial and is marked by over 100+ years of dedication and commitment. With great bilateral relations, strong trade ties and a shared appreciation for the natural environment, MUFG is devoted to understanding the energy transition needs of its New Zealand clients and facilitating finance for strategies that support these. We look forward to continued mutual success as we build a sustainable future together.

A handwritten signature in dark ink, reading 'Takahiro Iino'.

Managing Director, Head of Oceania  
Co-Head of Sydney Branch  
Dated (Sydney): 30 July 2025



### Nick Congdon - Managing Director, Head of New Zealand

MUFG New Zealand has been a material capital provider to a wide range of Corporate and Institutional clients for over 30 years in New Zealand. Over the past 12 months MUFG New Zealand has worked with the number of clients across a range of sectors supporting their decarbonation journeys. MUFG maintains a long term commitment to our New Zealand client base and supporting their future decarbonisation goals and driving a brighter future for New Zealand.

A handwritten signature in dark ink, reading 'Nick Congdon'.

Managing Director, Head of Auckland Branch  
(New Zealand Chief Executive Officer)  
Dated (Auckland): 30 July 2025

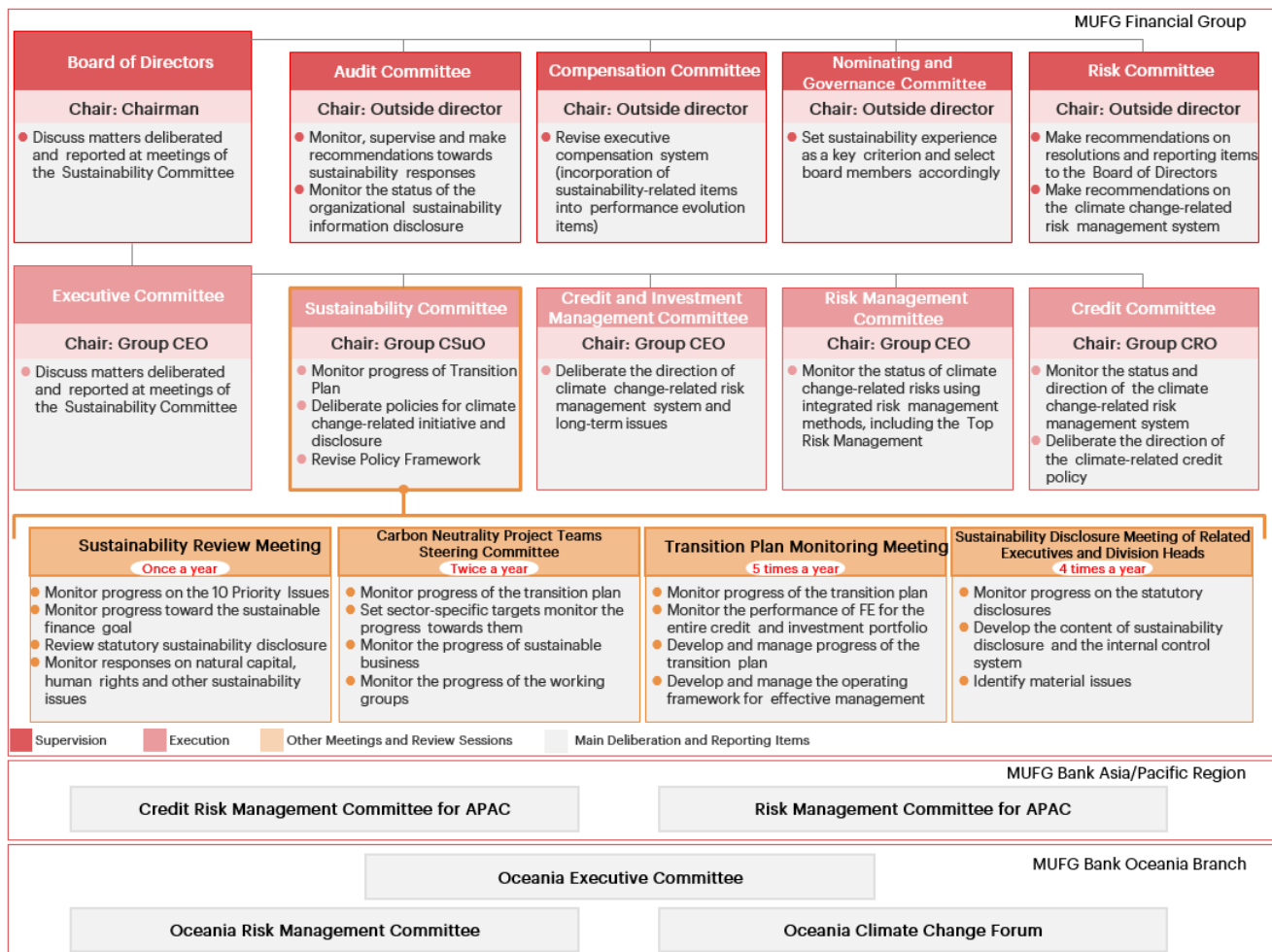
## 2. Governance

### 2.1. MUFG Group Governance

At MUFG Group, the Sustainability Committee under the Executive Committee discuss a wide range of opportunities and risks related to environmental and social issues, including climate change<sup>4</sup>. For decisions related to MUFG Group's climate change response, the Sustainability Committee convenes the Steering Committee and the Transition Plan Monitoring Meeting to discuss strategies and policies, ensuring timely decision-making. Furthermore, each initiative is reviewed and reported to governance bodies, including the Board of Directors. This has informed the inclusion of the topic 'achievement of a carbon neutral society' as one of the priority issues of MUFG's medium term business plan (MTBP).

Additionally, MUFG Group has positioned climate change-related risk as a Top Risk, and is closely managed as discussed in detail in Section 4.2. Accordingly, these risks are discussed by the Sustainability Committee, Credit & Investment Management Committee, the Credit Committee and the Risk Management Committee, all under the direct supervision of the Executive Committee.

Figure 1: Overview of the committee structure for sustainability management



4. For further details on the governance structure, please refer to [MUFG Climate Report 2025](#)

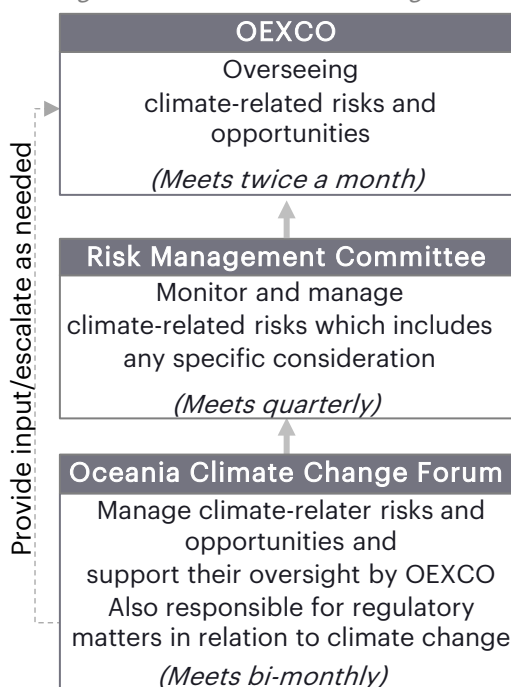
Under the Sustainability Committee, the Steering Committee is responsible for the setting and monitoring of progress towards MUFG Group's sector-specific financed emissions targets, while the Sustainability Review Meeting monitors the sustainable finance target, and progress of the Transition Plan is monitored at all meetings and review sessions.

At the MUFG Group level, an "ESG Assessment" system has been established, which integrates sustainability-related factors, such as reductions of GHG emissions from own operations, into medium- to long-term performance-based stock compensations. In addition, the qualitative evaluation of individual execution of duties for bonuses for the CEO and relevant officers incorporates "contribution to solution of social and environmental issues" as a target. In the executive compensation system from FY2025 onwards, we will continue to emphasize contributions to sustainability and solution of social and environmental issues, including climate change<sup>5</sup>.

## 2.2. MUFG Oceania Governance

While the overall target setting is incorporated on a Group Level, local governance is operated at the Oceania level to have oversight and management of its climate-related risks across all branches in Oceania, including MUFG New Zealand branch.

Figure 2: Overview of Oceania governance structure for climate-related management



The top governing body in Oceania is the Oceania Executive Committee (OEXCO) which consists of senior management and is chaired by the Head of Oceania, and is primarily responsible for the safety and soundness of the MUFG Oceania branches, including MUFG New Zealand. This includes ensuring MUFG Oceania's response to climate change aligns with MUFG Group policies and initiatives on climate change and sustainability as well as local regulatory and legal requirements.

MUFG Oceania has established a Climate Change Forum to support OEXCO in relation to its responsibilities for climate-related risks and opportunities. The Climate Change Forum has a cross departmental membership with a primary responsibility for climate-related risk and opportunity management and compliance with related local regulatory and legal requirements (e.g., NZ CS requirements).

At MUFG Oceania, to enhance its understanding of climate-related risks and opportunities, training is being delivered to OEXCO members and the MUFG Oceania Senior Leadership Team on an annual basis, by both internal and external subject matter experts in these fields.

MUFG New Zealand's Management has KPIs aligned to sustainable business development that are incorporated into remuneration.

As the importance of climate-related risks and opportunities increases, MUFG Oceania's governance structure for climate change continues to evolve.

5. Further details are available in the "Governance: Compensation system" section of [MUFG Climate Report 2025](#)



# 3. Strategy

## 3.1. Committed to empowering a brighter future

### Sustainable Society - Achievement of Carbon Neutral Society

MUFG Group's purpose is "Committed to empowering a brighter future". As part of this purpose, MUFG Group announced in May 2021 its "MUFG Carbon Neutrality Declaration", as a commitment to achieve net zero emissions in its finance portfolio by 2050 and its own operations by 2030. In line with the target to achieve carbon neutrality by 2050, MUFG Group has three climate change commitments:

#### MUFG's three unwavering climate change commitments

- 1 Helping achieve the 1.5°C target of the Paris Agreement by achieving carbon neutrality by 2050 
- 2 Supporting a smooth transition to a decarbonized society through our financial services 
- 3 Proactively contributing to creating a sustainable society by fostering a virtuous cycle between the environment and the economy 

- In support of these commitments, MUFG Group's three-year MTBP<sup>6</sup>, which launched in FY2024, includes "Drive Social & Environmental Progress" as one of three pillars, with the "achievement of a carbon neutral society" being one of the 10 set priority issues.
- Based on the "Transition Plan Guidance" published by GFANZ, a coalition of financial institutions aiming for net zero, in November 2022, MUFG has developed its own transition plan.
- We published the "MUFG Climate Report 2024" in April 2024 to showcase the progress and achievements of MUFG's wide-ranging efforts toward decarbonization, including the content of our transition plan and our decarbonization approach, to our investors and various stakeholders. The following describes our key stance underlying MUFG's actions to address climate change.

- ➔ Carbon neutrality cannot be achieved by financial institutions alone; it is enabled through the carbon neutrality of clients, which means decarbonizing the real economy. To this end, it is crucial to realize steady progress in decarbonizing carbon intensive industries and regions through client engagement and support, including transition finance.
- ➔ Decarbonization pathways depend on regional characteristics, such as geographic conditions and industrial structure. Asia, in particular, is in the midst of economic development, and its increasing energy demand is expected to continue. It is therefore important to strike a balance between decarbonization and economic development.
- ➔ To both support clients and achieve MUFG's interim target for 2030, proper management for transition support and target achievement are necessary, and it is important to establish an effective framework to support these activities.

The key strategies for MUFG to achieve carbon neutrality are: 1) reducing emissions from own operations, 2) engagement and support, 3) reducing emissions from our financed portfolio, and 4) risk management and governance.

## Key points in each strategy

### 1 Reducing emissions from own operations

- Roadmap to net zero emissions by 2030 and measures to achieve the interim target for FY2026
- Initiatives in the four areas of mobility, office buildings, energy, and resources to reduce environmental impact
- Achieving business co-creation through partnership with
- clients, including through the use of MUFG branches and facilities

### 3 Reducing emissions from our financed portfolio

- Setting 2030 interim targets for the automotive, aviation, and coal sectors to meet commitments under Net Zero Banking Alliance (NZBA)<sup>8</sup> guidelines
- Developing an operating framework for effective management (transition assessment framework, transaction screening process, escalation process, financed emissions monitoring, transition plan monitoring, etc.)
- FY2022 performance for sectors with interim targets and approach to achieve 2030 targets

### 2 Engagement and support

- Promoting engagement in line with our approach to support decarbonization
- Establishing Green Transformation (GX)<sup>7</sup> value chain support as a main strategy in the new medium term business plan and raising the sustainable finance target to 100 trillion yen
- Building frameworks for transition finance, promoting transition support through the Transition Whitepaper and Asia Transition White Paper, and making policy suggestions

### 4 Risk management and governance

- Establishing a system to properly manage climate change related risks based on the Risk Appetite Framework and the Top Risk Management
- Establishing a governance structure that enables appropriate decision making through various meetings aimed at achieving carbon neutrality under the supervision of the Board of Directors.
- Conducting capability building for sales teams to strengthen client engagement

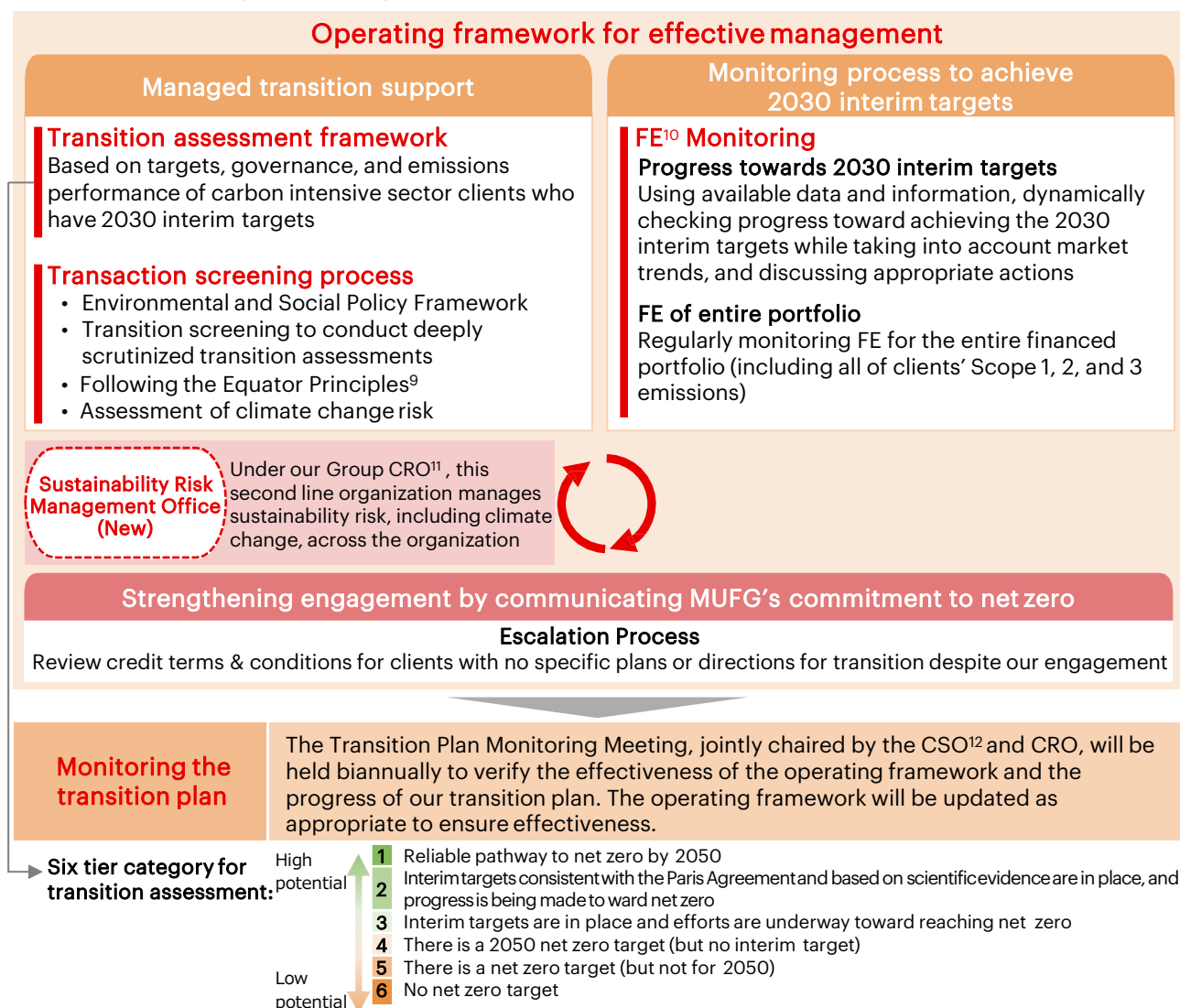
7. Green Transformation: Transformation of the entire economic and social system to achieve emission reductions and increase industrial competitiveness by viewing efforts to achieve 2050 carbon neutrality and 2030 national GHG emission reduction targets as an opportunity for economic growth. 8. Net-Zero Banking Alliance: Established by the United Nations Environment Programme Finance Initiative (UNEP FI) in April 2021, this initiative commits banks to net zero GHG emissions in their financed portfolios by 2050.

## 3.2. Transition Planning

As MUFG Group works to meet its commitments and achieve carbon neutrality, MUFG Group produced a Transition Plan in April 2024 in accordance with the transition plan guidance framework by the Glasgow Financial Alliance for Net Zero (GFANZ). The transition plan has four main strategies as described in Section 3.1. The Sustainability Committee under the Executive Committee reviews the effectiveness of the operation framework and transition plan progress, with updates made as needed to maintain effectiveness.

MUFG considers the strategies of its transition plan in its capital deployment and funding decision-making processes as described in Section 4.4.3.

MUFG New Zealand operates within MUFG Group's overall business framework, and as such has no New Zealand specific transition plan. However, MUFG New Zealand is required to follow the Group policies and actions, and therefore reports information and progress locally, which then feeds into the Group transition plan.



9. Framework to identify, assess, and manage environmental and social risks and impacts associated with large scale projects

10. Financed Emission: emissions attributable to financial institutions through financing

11. Chief Risk Officer 12. Chief Strategy Officer

## 4. Risk Management

### 4.1. Identifying, assessing and managing climate-related risks

MUFG New Zealand undertakes an annual climate-related risk review and assessment process.

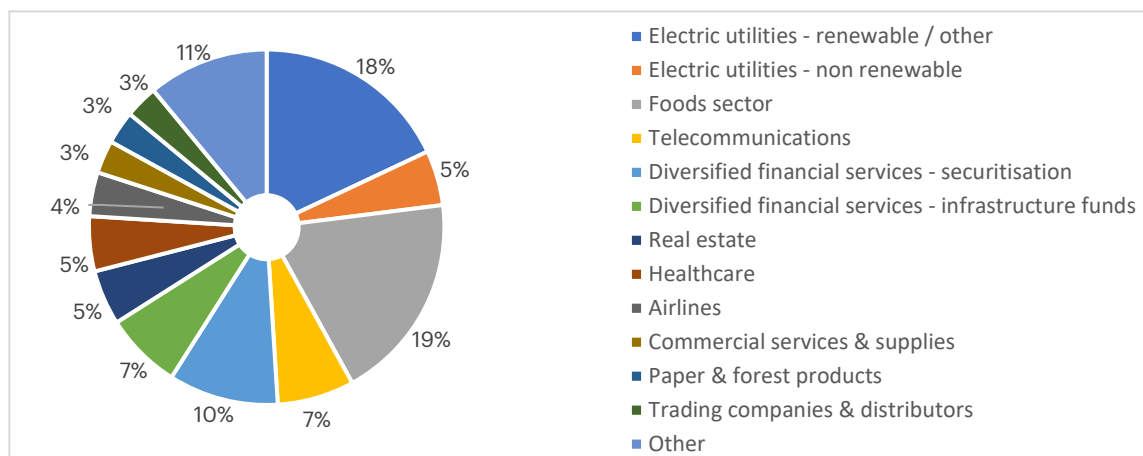
This assessment is based on the scenario analysis undertaken for FY2023 and updated for FY2024. (see Appendix A)

Anticipated climate-related risks, have been identified based on these Scenarios and the impact assessed using a “low”, “moderate” and “high” risk rating approach taking into consideration the likelihood of the risk occurring, and the consequences for MUFG New Zealand’s business, using the matrix in Appendix B.

Inherent and residual (after considering mitigations) credit and operational risks for short-, medium- and long-term time horizons were assessed in terms of the three climate scenarios; Orderly (1.5°C), Too Little, Too Late (2.7°C) and Hot House (4.4°C). Refer to Appendix A for further details on time horizons and climate-related scenarios considered.

In conducting the credit risk assessment, materiality was considered and industry groups making up less than 3% of the Portfolio were excluded, resulting in 88% of the Portfolio being assessed. The sectors assessed are detailed in Figure 3 below.

Figure 3: Sector Exposure of MUFG New Zealand’s Lending Portfolio (%)<sup>13</sup>



To assess and manage Transition Risk on the Bank’s Portfolio, MUFG Group has adopted a top down process (“Climate Change Outlook”). The evaluation is based on a customer’s interim and net zero emissions targets and, climate-related governance structures, transition plans and historical emission reductions. An engagement process is then undertaken with customers assessed to have high transition risk.

More broadly, the Group has an Environmental and Social Policy which includes Prohibited Industries and “Industries of High Caution” where enhanced due diligence and assessment is required as part of the credit decisioning process.

In line with the developing understanding of the impacts of climate related risks globally, MUFG Group’s approach to assessing and managing these risks is continuously evolving, and as quantitative capabilities are developed, these will be adopted by MUFG New Zealand as part of our overall climate risk management process and included in MUFG New Zealand’s annual risk assessment process.

13. As of 31 March 2025

## 4.2. Integration with Risk Management Processes

As noted in Section 2.1. above, climate-related risk has been identified at the global level as one of the Top Risks facing MUFG Group and is managed at the Executive level via various delegated Group Risk Committees and included in MUFG Group's Risk Appetite Framework.

MUFG Group recognises that transition and physical risks arising from climate change are risk drivers, rather than risks in themselves, that can impact key risk categories such as credit, operational and reputation risk. As such, climate risk is managed through existing risk management frameworks, policies and processes, e.g., through the Groups credit assessment process.

MUFG New Zealand is subject to MUFG Group Risk Policies and Procedures, including those on climate-related risk, which are implemented through existing processes and structures. Where climate-related risks are deemed material, they would be subject to these processes.

## 4.3. Current climate-related impacts

MUFG Group recognises that climate-related impacts are the effects of climate change occurring as a result of:

- Physical impacts of climate change, being event driven risks such as floods or droughts (acute), or related to longer term shifts in the climate patterns such as temperature change or sea level rise (chronic); and
- Transition impacts related to the transition to a low-emissions economy.

MUFG New Zealand has not observed any material current impacts (and therefore current financial impacts) from climate-related physical and transition risks on our portfolio or ability to operate our business for the year ended 31 March 2025.





## 4.4. Climate-related risks and opportunities

### 4.4.1. Climate-related risks and reasonably anticipated impacts

Climate-related risks and opportunities were identified through scenario analysis (as per Appendix A) and we are considered to have two reasonably anticipated impacts, which are outlined in Table 1.

*Table 1: Two key anticipated impacts of climate-related risks*

Anticipated Climate Impact	Description
Credit Impacts	Physical and transition impacts from climate change may affect customers' businesses and ability to meet obligations, through disruption from extreme weather events and/or increased costs to meet climate-related societal and policies expectations. This may lead to reduced customer creditworthiness, higher default risk, increased expected credit losses, and a greater risk of stranded assets for MUFG New Zealand.
Operational Impacts	Physical and transition impacts from climate change directly affect MUFG New Zealand's capital and operational costs due to our physical footprint and the increased expectations of society and Government to manage our climate-related impacts (e.g., increased operational costs to meet climate policies, ensure operational resilience to the impact of climate events, or insure buildings from extreme weather events) and therefore also impact our financial returns.

**Credit Impacts:** Anticipated credit impacts as a result of physical and transition climate-related risks are described in Tables 2 and 3 respectively. A sector-based approach is taken, where risks are assessed in the context of lending structures to each industry included in the assessment (exclusions are defined as in Section 4.1.). Physical credit risks for the sectors were all assessed with moderate risk on an inherent basis and a low risk on a residual basis across all three time horizons. No change in the physical risk ratings were noted over time and Table 2 therefore presents one risk rating, applicable to all three time horizons. Transition credit risks have currently been assessed on an inherent basis only, with some risk ratings increasing in the longer term.

**Operational Impacts:** We have concluded that in the short-term, the operational impacts of climate-related risks are low and do not materially impede our ability to operate due to mitigation measures in place. In the medium and long term, while some operational risks were assessed as moderate, they remain low overall when mitigating actions were considered. Additionally, whilst operational risks that may be influenced by external factors such as consumer preference, stakeholder activism and litigation risk were assessed as having moderate impacts, mitigating actions reduce the impact on MUFG's operational ability to low. These mitigating actions include emissions targets, maintaining adequate business continuity arrangements, and ensuring that our New Zealand corporate premises are sufficiently structurally sound.

MUFG New Zealand does not intend to exclude any parts of its value chain when conducting risk assessment. However, climate-related risk assessment is evolving, therefore, the assessment and management of climate-related risks will also continue to evolve.

## Physical credit risk heatmap

Table 2: Physical credit risk heatmap over the short, medium and long-term

Physical risk terminology	
Extreme weather	Acute physical risks, being events of severe climatic events such as floods, hurricanes and fire.
Drought	A specific acute physical risk.
Long-term temperature change	A chronic physical risk, being the long-term increase in average global temperatures.

Key<sup>14</sup>:

High	
Moderate	
Low	

Sector	Physical risk description	Too Little too Late >2°C		
		Inherent risk rating	Risk treatment	Residual risk rating
Electric utilities - renewable/other	Extreme weather Drought		Individual assets are vulnerable to physical climate events, however, lending in this sector is to a geographically diverse portfolio, with limited exposure to physical risk events, and is against corporate balance sheets as opposed to specific assets, mitigating risk of significant impact.	
Electric utilities – non renewable	Extreme weather			
Food sector	Extreme weather Drought Long-term temperature change			
Telecommunications	Extreme weather			
Diversified financials – securitisation	-			
Diversified financials – infrastructure funds	Extreme weather Long-term temperature change		Whilst individual infrastructure assets or borrowers may be vulnerable to physical events, the nature of this lending is to portfolios, which mitigates the risk.	
Real estate	Extreme weather		Whilst individual assets or borrowers may be vulnerable to physical events, lending in these sectors is to a diversified portfolio of borrowers with limited individual exposure to physical risk events, which mitigates risk and results in low overall impact to our portfolio.	
Healthcare	Extreme weather			
Commercial services & supplies	Extreme weather			
Paper & forest products	Extreme weather Drought Long-term temperature change			
Trading companies & distributors	Extreme weather			
Airlines	Extreme weather		Whilst the short-term impact on individual assets or borrowers could be high, given our limited exposure of lending in this category, the impact on the banks portfolio will be minimal.	

14. Definitions for high, medium and low can be found in Appendix B

## Transition credit risk heatmap

Table 3: Transition credit risk heatmap.

Transition risk terminology	
Policy and legal	Risks arising from changes in regulations, laws and government policies which can lead to increased compliance costs and legal liabilities.
Technology	Risks arising from the emergence of new, low emissions technologies which may disrupt existing business models or require significant investment to remain competitive.
Market	Risks associated with shifts in supply and demand dynamics, including changes in consumer and customer preferences and the emergence.
Reputation	Risks arising from public perception and stakeholder and investor expectations regarding a company's environmental practices and climate-related actions.

Key<sup>14</sup>:

High	
Moderate	
Low	

Sector	Transition risk category	Too Little, Too Late >2°C	
		Short/Medium term	Long term
Electric utilities - renewable/other	-		
Electric utilities - non renewable	Market Policy & legal Technology		
Food sector	Market Technology		
Telecommunications	-		
Diversified financials – securitisation	-		
Diversified financials - infra funds	Market Policy & legal Technology		
Real estate	Market Policy & legal Technology		
Healthcare	-		
Commercial services & supplies	Policy & legal Technology		
Paper & forest products	Market Technology		
Trading companies & distributors	Market Policy & legal Technology		
Airlines	Market Policy & legal Technology		

MUFG New Zealand has calculated the percentage of business activities vulnerable to physical and transition risks as its lending exposure to industries that are assessed as having 'moderate' or 'high' inherent risk in the long-term in the Too Little, Too Late scenario. See Table 4 (page 17).

14. Definitions for high, medium and low can be found in Appendix B

Table 4: Summary of additional climate-related metrics.

Metric	Value
Portfolio exposure vulnerable to transition risks	29%
Portfolio exposure vulnerable to physical risks	67%

Climate change also impacts other risks facing MUFG New Zealand. These include reputational risk, compliance risk and liquidity/funding risk. These risks are recognised and managed through our existing processes.

#### 4.4.2. Climate-related opportunities

MUFG New Zealand has reviewed key climate-related opportunities in the following sectors – Energy, Transport and Shipping, and Agriculture, which comprise 49% of our total portfolio exposure in the New Zealand business. We have identified the drivers of these opportunities and are actively looking towards investments, partnerships and projects to contribute towards the decarbonisation of our portfolio, as summarised in Table 5.

Table 5: Summary of MUFG New Zealand's climate-related opportunities and their impacts.

Sector	Climate Opportunity Driver	Description and Potential Impact
<b>Energy</b>	<ul style="list-style-type: none"> <li>• Increase in New Zealand's renewable and low-carbon energy sources</li> <li>• Resilience &amp; reliability of energy distribution</li> </ul>	Banking and financing related opportunities <ul style="list-style-type: none"> <li>• expanding renewable and low-carbon energy</li> <li>• transmission and distribution networks</li> </ul>
<b>Transport and Shipping</b>	<ul style="list-style-type: none"> <li>• Decarbonation of New Zealand's transport fleet</li> </ul>	Banking and financing related opportunities <ul style="list-style-type: none"> <li>• low / zero emission fuels and associated infrastructure (such as hydrogen, ammonia, methanol and biofuels)</li> <li>• EV and associated infrastructure (such as zero emissions buses, charging station)</li> </ul>
<b>Agriculture</b>	<ul style="list-style-type: none"> <li>• Reduction in biogenic methane</li> </ul>	Banking and financing related opportunities <ul style="list-style-type: none"> <li>• Agriculture and clean technology to drive biogenic methane reduction</li> <li>• Investments into decarbonising the farming ecosystem</li> <li>• Financing of specific carbon sequestration projects</li> </ul>

We cannot currently quantify the amount or percentage of assets which are aligned with specific climate-related opportunities. However, MUFG Group aims to provide 100 trillion Yen (circa NZ\$1.17 trillion) in sustainable finance by 2030, with 50 trillion Yen (circa NZ\$586 billion<sup>15</sup>) allocated to environmental areas. As of the first half of FY2024, MUFG Group has delivered approximately 15 trillion Yen (circa NZ\$176 billion<sup>15</sup>), reaching nearly 30% of the FY2030 target. While no specific targets have been set for MUFG New Zealand, our business activities continue to support the achievement of the Group's ambition. Through the expansion of sustainable financing (such as renewable energy project financing), the Group will not only generate positive environmental impacts, such as CO<sub>2</sub> reduction, but also create broader environmental and social impacts.

15. Exchange rate applied is JPY85.26/NZD

#### 4.4.3. How climate-related risks and opportunities input into internal capital and funding decisions

Climate-related risks and opportunities are considered in internal capital deployment and funding decision-making processes through MUFG Group's Risk Appetite Framework. In this framework, latent risks, including climate-related, are converted into required capital, which is then allocated across group companies and risk categories based on business strategy and profit plan. Additionally, through the Group level business planning processes, capital is deployed to activities and processes that support our climate strategies (see Section 3 above) and targets (see Section 5).

We note that specific funding decisions and capital deployment are undertaken in accordance with the MUFG Group strategies and procedures including climate-related targets (refer to Section 5.2).





# 5. Metrics and Targets

## 5.1. Reducing emissions from own operations

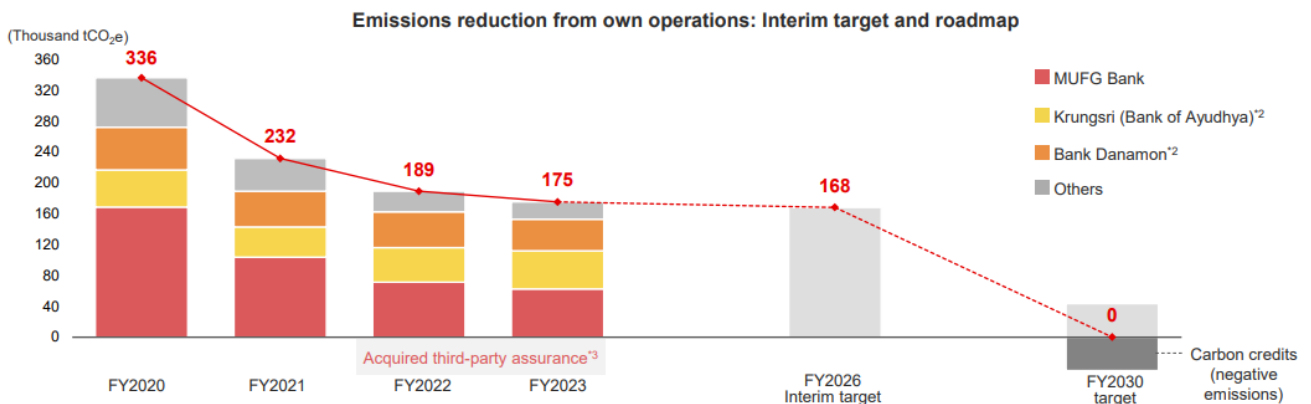
### MUFG Group

Based on the MUFG Group Carbon Neutral Declaration released in May 2021, as discussed in Section 3.1, the Group has a target to align with the goals of the Paris Agreement and to reduce GHG emissions from our own operations to net zero by 2030, with an FY2026 interim target and an FY2020 baseline, by steadily reducing emissions and environmental impact through promoting energy efficiency and conservation, renewable energy, and advancing initiatives in its own value chain (see Figure 4 below).

Actual GHG emissions reduction against the interim targets are presented below. In FY2023, Group emissions were 175,000 tCO<sub>2</sub>e, which represents a reduction of 14,000 tCO<sub>2</sub>e (c.7%) from 189,000 tCO<sub>2</sub>e in FY2022. We will continue to reduce GHG emissions, aiming to achieve our targets through energy efficiency and conservation (EE&C), transition to renewable energy, and procurement of non-fossil fuel certificates.

In addition, we will further contribute to the reduction of environmental impacts by advancing the procurement of “additional”<sup>16</sup> renewable power.

Figure 4 Summary of MUFG Group's emissions reduction from own operations.



### MUFG New Zealand

As discussed in Section 3.2., MUFG New Zealand, as part of MUFG Group, views its climate targets as integral to supporting global efforts to limit warming to 1.5°C in line with the Paris Agreement. To support achieving the 1.5°C target, part of MUFG's ambition to achieve carbon neutrality by 2050, MUFG New Zealand aims to achieve the absolute emissions target of net zero from our own operations by 2030 and align financed emissions net zero by 2050. These actions are considered critical to contributing meaningfully to the 1.5°C target through both operational reductions and financed emissions.

MUFG New Zealand has set its own Scope 1 and 2 emissions reduction targets and the current progress towards the 2030 Target are detailed in Table 6 (page 20). See Appendix C for Greenhouse Gas Emissions Calculation Method and definitions.

16. “Additionality” refers to the effect of encouraging an increase in new renewable energy facilities.

Table 6: Summary of MUFG New Zealand's emissions from own operations.

		Base year of reduction target				
Metric	Target	FY2020 (tCO <sub>2e</sub> )	FY2021 <sup>17</sup> (tCO <sub>2e</sub> )	FY2022 (tCO <sub>2e</sub> )	FY2023 (tCO <sub>2e</sub> )	FY2024 (tCO <sub>2e</sub> )
Scope 1 Emissions	Net zero by 2030	0.276	0.041	0.208	0.253	-
Scope 2 Emissions <sup>18</sup>	Net zero by 2030 <sup>19</sup>	3.410	0.918	0.439	0.452	0.423
Total		3.686	0.959	0.646	0.705	0.423
GHG emission intensity GHG tonnes CO <sub>2e</sub> per FTE		0.205	0.056	0.040	0.039	0.020

KPMG New Zealand has provided independent limited assurance over our Scope 1 and Scope 2 (location-based) emissions for FY2024. Refer to the statement in KPMG Independent Assurance Report.

## 5.2. Reducing emissions from our financed portfolio

Included within MUFG Group's carbon neutrality declaration is a net zero by 2050 target, for emissions from the financed portfolio (Scope 3, Category 15 Emissions), which refers to the emissions attributable to financial institutions from the companies that make up its lending portfolio. This is the main source of emissions for MUFG Group. In an effort to reduce such emissions, MUFG Group has set:

1. Interim targets by sector (see Table 7),
2. Controls to achieve interim targets, and
3. Sector-specific approaches to achieve interim targets.

Although MUFG withdrew from Net Zero Banking Alliance (NZBA) in March 2025, the targets below were set in accordance with the NZBA guidelines in April 2024, the targets are still in place as at 31 March 2025. These have been set to support the 1.5°C temperature goal using 1.5°C aligned reference scenarios. A detailed approach to target setting can be found in MUFG Group's Climate Report. Despite withdrawing from NZBA, MUFG's commitment to a net zero future remain unchanged.

Broadly, to support our Net Zero 2050 Target, MUFG Group is working on a wide range of initiatives contributing to resource conservation and recycling through partnerships with MUFG Group clients, including sustainable investment strategies (with a target of 100 trillion yen in sustainable finance – see Section 4.4.2.) and investing in start-up companies in the sustainable sector.

17. Potential impact from external factors such as COVID










18. Scope 2 emissions were calculated based on electricity consumption data from invoices issued by an external provider

19. 100% switch to renewable energy

## MUFG Group interim targets by sector

MUFG Group has set interim targets in carbon intensive sectors, based on three criteria: transition risk, materiality in the portfolio, and feasibility of target setting. Table 7 outlines the sector-specific interim targets, and performance against them. For the power and oil & gas sectors, which represent the bulk of emissions from the underwriting of bonds, equities, and syndicated loans, facilitated emissions have been incorporated into the measurements. As these targets are set for Group operations, including MUFG New Zealand, we therefore report information to MUFG Group which is included in the progress to these targets.

Table 7: Summary of MUFG Group's financed emissions targets and progress to targets.

Sector	Target	Emissions scope	Target financing <sup>20</sup>	Indicators	Reference scenarios	Target (FY2030)	Performance (FY2023)	Coverage of emissions in scope <sup>21</sup>	PCAF score <sup>22</sup>
 Power	Power generation companies	Scope 1	Corporate loans Project finance Underwriting bonds, equities, syndicated loans	Emission intensity	Well below IEA SDS level and IEA NZE range	156-192 gCO <sub>2</sub> e/kWh	288 gCO <sub>2</sub> e/kWh	89%	1.8
 Oil & Gas	Upstream producers	Scope 1-3	Corporate loans Project finance Underwriting bonds, equities, syndicated loans	Absolute Emissions	Well below IEA SDS level and IEA NZE range	-15% ~ -28%	-22%	84%	2.0
 Steel	Steel manufacturers	Scope 1,2	Corporate loans	Absolute Emissions	Targets of clients Aiming for Carbon Neutrality	-22%	-28%	88%	1.5
 Commercial Real Estate	Developers/ REITs/SPVs <sup>23</sup>	Scope 1,2, 3-13	Corporate loans Non-recourse loans	Emission intensity	Well below CRREM <sup>24</sup> 2.0°C level and CRREM 1.5°C range	44-47 kgCO <sub>2</sub> e/m <sup>2</sup>	52 kgCO <sub>2</sub> e/m <sup>2</sup>	73%	2.3
 Residential Real Estate	Mortgage debtors	Scope 1,2	Mortgages	Emission intensity	CRREM 1.5°C	23 kgCO <sub>2</sub> e/m <sup>2</sup>	25 kgCO <sub>2</sub> e/m <sup>2</sup>		5.0
 Automotive	Automotive manufacturers	Scope 3-11	Corporate loans	Emission intensity	JAMA <sup>25</sup> 1.5°C and IEA NZE range	-23% ~ -46%	-.7%	97%	2.1
 Shipping	Maritime operators	Scope 1	Ship finance	Portfolio climate alignment (PCA <sup>26</sup> ) score	Poseidon Principles <sup>27</sup> Reference Scenario	PCA ≤ 0	Striving 22.7% Minimum 17.0%	87%	-
 Aviation	Airline companies Aircraft lessors	Scope 1 Scope 3-13	Corporate loans Aviation finance	Emission intensity	IEA NZE	71 gCO <sub>2</sub> /RPK <sup>28</sup>	83 gCO <sub>2</sub> /RPK	90%	2.5
 Coal	Mining operators <sup>29</sup>	Scope 1-3	Corporate loans	Credit balance	-	Zero (2040 for non-OECD countries)	JPY 1.4 billion (JPY 5.6 billion for non-OECD countries)	-	-

20. Including undrawn-committed amounts 21. Ratio of financing amounts for which actual results are measured to total financing amounts subject to measurement 22. PCAF's own five-point scale scoring system that indicates the quality of the disclosed data. Scores are determined according to the degree of estimation, with Score 1 as the highest rank. 23. Special Purpose Vehicle for real estate securitization 24. Carbon Risk Real Estate Monitor 25. Japan Automobile Manufacturers Association 26. Portfolio Climate Alignment 27. The Poseidon Principles define the role of financial institutions in promoting the decarbonization of the shipping sector through finance and provide a framework for financial institutions to measure, evaluate, and disclose the GHG emissions of their ship finance portfolios to achieve the GHG emission reduction targets of the International Maritime Organization (IMO). The scope includes ship finance linked to ships under the jurisdiction of the IMO. 28. Revenue Passenger Kilometers 29. Business operators primarily engaged in mining thermal coal for power generation

## 5.3. Other Climate-related Metrics

MUFG New Zealand has disclosed climate-related metrics throughout this Climate Report, summarised in Table 8.

*Table 8: Summary of additional climate-related metrics.*

Metric		Relevant Section
Portfolio exposure vulnerable to transition risks	29%	Section 4.4.1.
Portfolio exposure vulnerable to physical risks	67%	Section 4.4.1
Business activities aligned with climate-related opportunities	MUFG New Zealand contributes towards the Group' sustainability targets and risk management initiatives, and MUFG New Zealand's contributions are evaluated and monitored at the Group level.	Section 4.4.2.
Capital deployed towards climate-related risks and opportunities	Climate-related risks and opportunities are considered in internal capital deployment and funding decision-making processes through MUFG Group's Risk Appetite Framework.	Section 4.4.3.
Management remuneration linked to climate-related risks and opportunities in the current period	MUFG New Zealand's Senior Management team have KPIs aligned to sustainable business development that are incorporated into remuneration.	Section 2.

## Internal Emission Price

Under MUFG Group's Sustainable Business Investment Strategy, MUFG Group invests in funds that contribute to solving environmental and social issues. Through the Investment Strategy, the Group seeks to acquire knowledge and explore new business opportunities. In addition, MUFG Group aims to solve issues through our fund investment activities by creating positive impacts and innovation, and nurturing of new industries.

The internal carbon pricing<sup>30</sup> used in MUFG Group investment decisions was US\$40/tCO<sub>2</sub> (as of FY2023). Going forward, the Group will assess investment opportunities based on the international impact measurement methods while considering their updates in a timely manner. MUFG New Zealand applies the policies and procedures of MUFG Group.

30. This concept is used by organisations to independently price their own CO<sub>2</sub> emissions and to reduce the carbon footprint of their corporate activities. It is used mainly by business corporations for investment decisions.

# Index

Disclosure	Disclosure objectives	Disclosure location	
<b>Governance</b>	To enable primary users to understand both the role an entity's governance body plays in overseeing climate-related risks and climate-related opportunities, and the role management plays in assessing and managing those climate-related risks and opportunities.	Page 7-8	2. Governance
<b>Strategy</b>	To enable primary users to understand how climate change is currently impacting an entity and how it may do so in the future. This includes the scenario analysis an entity has undertaken, the climate-related risks and opportunities an entity has identified, the anticipated impacts and financial impacts of these, and how an entity will position itself as the global and domestic economy transitions towards a low-emissions, climate-resilient future.	Page 9-11 Page 12 Page 13 Page 14-18 Page 24 Page 25	3. Strategy 4.1. Identifying, assessing and managing climate-related risks 4.3. Current climate-related impacts 4.4. Climate-related risks and opportunities Appendix A Appendix B
<b>Risk Management</b>	To enable primary users to understand how an entity's climate-related risks are identified, assessed, and managed and how those processes are integrated into existing risk management processes.	Page 12-18 Page 24	4. Risk Management Appendix A
<b>Metrics and Targets</b>	To enable primary users to understand how an entity measures and manages its climate-related risks and opportunities. Metrics and targets also provide a basis upon which primary users can compare entities within a sector or industry.	Page 7-8 Page 9-10 Page 14-18 Page 19-22 Page 24-25 Page 27-29	2. Governance 3.1. Committed to empowering a brighter future 4.4. Climate-related risks and opportunities 5. Metrics and Targets Appendix A, B, and C KPMG Independent Assurance Report

*The Group, including MUFG New Zealand, does not currently fully disclose the proportion of assets, capital deployment or other business activities aligned with climate-related opportunities. MUFG New Zealand is disclosing certain elements in relation to sustainable finance.*



# Appendix

## Appendix A: Scenario Analysis

### Scenario parameters

The scenarios MUFG New Zealand considered in its scenario analysis are as in Table 9.

*Table 9: Parameters of scenarios considered in scenario analysis.*

Scenario	Orderly	Too Little, Too Late	Hot House
<b>Overarching narrative</b>	Collective action against climate change will see a steady and transformative response to limit average temperature to 1.5°C and achieving net- zero.	Domestic efforts to achieve emissions reductions efforts will be swift, but a delayed global response will lead to New Zealand suffering widespread physical impacts.	Limited progress in policies and technologies, will lead to high physical risks from extreme weather and sea level rise as global warming exceeds 2.5°C by 2050, which will disrupt social, political, and economic systems.
<b>Global average temperature by 2100</b>	1.5°C	2.7°C	4.4°C
<b>Physical climate risk</b>	Low	Moderate	High
<b>Transition risk</b>	Moderate	High	Low
<b>Technology change response</b>	Immediate and advanced	Delayed and costly	Limited and insignificant
<b>Domestic policy response</b>	Fast and coordinated	Delayed	None
<b>Climate scenarios and data sources used to underpin each scenario</b>			
<b>Intergovernmental Panel on Climate Change Shared Socioeconomic Pathways</b>	SSP1-1.9	SSP2-4.5	SSP5-8.5
<b>NIWA Representative Concentration Pathways</b>	RCP2.6	RCP4.5	RCP8.5
<b>Climate Change Commissions' Transition Pathway Parameters</b>	Tailwinds	Headwinds	Current Policy Reference
<b>Network for Greening the Financial System (NGFS)</b>	Net Zero 2050	Nationally Determined Contributions (NDC's)	Current Policies
<b>IEA Global Energy Pathways</b>	IEA Net Zero Emissions by 2050 (NZE)	IEA Announced Pledges Scenario (APS)	IEA Stated Policies Scenario (STEPS)

### Time horizons

The time horizons MUFG New Zealand considered in the scenario development and climate-related risks and opportunity identification are as in Table 10.

*Table 10: Time horizons considered in scenario analysis.*

Time horizon	Short-term	Medium-term	Long-term
<b>Year end point</b>	2026	2030	2050
<b>Period (relative to 2024)</b>	~3 years	~10 years	~30 years
<b>Reasoning</b>	MUFG New Zealand defines its immediate term for its investment portfolio as 3 years, this time horizon allows MUFG New Zealand to stress test active investments and provide a current state assessment.	Aligned with MUFG Group's interim GHG emissions reductions targets. Broadly aligned with average maturity profile of business loans.	Aligned with MUFG Group's long-term GHG emissions reduction targets.

# Appendix

## Appendix B: Risk Rating

Risk assessment takes into consideration the likelihood of the risk occurring, and the consequences for MUFG New Zealand's business through a "low", "moderate" and "high" risk rating approach as in Table 11.

*Table 11: Identification of risk ratings utilised in scenario analysis, through assigned likelihood and consequence ratings.*

		Consequence		
		Low	Moderate	High
Likelihood	High	Moderate	Moderate	High
	Moderate	Low	Moderate	Moderate
	Low	Low	Low	Moderate

## Appendix C: Greenhouse gas emissions calculation method

Promoting Carbon neutrality and setting target based on SBTi Corporate Net Zero Standard

Calculation Method:

- Scope 1: GHG emissions have been calculated in accordance with the Greenhouse Gas Protocol.
- Scope 2: Electricity is calculated according to emissions factors based on the Act on the Promotion of Global Warming Countermeasures and laws and regulations of each country.
- Market-based: Adjusted emission factor of emission factors by electric power utility.
- Location-based: Alternative value of emission factors by electric power utility. (Emission factors by country specified by the International Energy Agency)

Emission factors:

- Scope 1: EPA, "Emission Factors for Greenhouse Gas Inventories," Table 1 Stationary Combustion Emission Factors, March 9, 2018
- Scope 2: Emission factors by country specified by the International Energy Agency

Global warming Potential (GWP) is applied to HFCs to calculate CO<sub>2</sub> equivalent emission quantities, using GWP from the 4th Assessment of the Intergovernmental Panel on Climate Change ('IPCC').

The Scope 1 reduction target was achieved in FY2024, there are no actual results from FY2024 onwards.

The operational control consolidation approach was used to account for GHG emissions.

There are no estimations or known uncertainties relating to Scope 1 and 2 emissions.

KPMG have provided limited assurance over FY2024 operational emissions, refer to KPMG Independent Assurance Report for their assurance opinion.

# Appendix

## Appendix D: Glossary, Abbreviations, Links

Glossary	
APAC	MUFG Bank Asia-Pacific region, Asia-Pacific branches (excluding Japan)
Baseline	Clear definition of baseline time period against which progress will be tracked, with a consistent base year across GHG emissions targets
Branch	MUFG Oceania branches (Auckland, Sydney, Melbourne, and Perth Branch)
Carbon Neutrality Declaration	MUFG Carbon Neutrality Declaration
Executive	Mitsubishi UFJ Financial Group, Inc. Board of Directors
FY2024	Financial year ended 31 March 2025
GHG emission intensity	The amount of CO <sub>2</sub> emitted per unit of economic output or activity
Interim Target	Refers to a short-term milestone between the organisation's medium- or long-term target and current period
Internal Carbon Price	Refers to a monetary value on GHG emissions an organisation uses internally to guide its decision-making process in relation to climate change impacts, risks, and opportunities
MUFG Bank	MUFG Bank, Ltd
MUFG Bank New Zealand	MUFG Bank, Ltd. (Auckland Branch)
MUFG Group	Mitsubishi UFJ Financial Group, Inc.
MUFG Oceania	MUFG Bank, Ltd. Oceania Region (Consist of Sydney Branch, Auckland Branch, Melbourne Branch, Perth Branch)
Net Zero	A state in which GHG emissions are reduced to a net value of zero when combining captured and removed emissions
NZ CS requirements / NZ CS	Aotearoa New Zealand Climate Standards
OEXCO	Oceania Executive Committee, overarching governance committee in MUFG Oceania
Region	Regional Offices in Singapore
Scope 1	GHG Emissions (direct GHG emissions by business operators)
Scope 2	GHG emissions (indirect emissions associated with the use of electricity, heat, and steam supplied by other companies) in the GHG protocol
Scope 3	Indirect GHG emissions other than Scope 1 and Scope 2 (emissions by other companies related to the own business activities)

Abbreviations			
CO <sub>2</sub> e	CO <sub>2</sub> equivalent	NIWA	National Institute of Water and Atmospheric Research
COP	Conference of the Parties	NZBA	Net-Zero Banking Alliance
EMEA	Europe Middle East & Africa	PCA	Portfolio Climate Alignment
ESG	Environmental, Social, and Governance	PCAF	Partnership for Carbon Accounting Financials
FTE	Full Time Equivalent	PCAF score	PCAF Data Quality Score
GHG	Greenhouse Gas	SBTi	Science Based Targets initiative
GWP	Global Warming Potential		
GX	Green Transformation		
IEA	International Energy Agency		
IPCC	Intergovernmental Panel on Climate Change		
JGAAP	Generally accepted accounting principles as used in Japan	CEO	Chief Executive Officer
KPI	Key Performance Indicator	CSO	Chief Strategy Officer
NDC	Nationally Determined Contribution	CFO	Chief Financial Officer
NGFS	Network for Greening the Financial System	CSuO	Chief Sustainability Officer
		CRO	Chief Risk Officer

Link to MUFG Sustainability Initiatives / Report	
Carbon Neutrality Declaration	<a href="#">MUFG: MUFG Carbon Neutrality Declaration   Mitsubishi UFJ Financial Group</a>
MUFG Sustainability	<a href="#">MUFG: Sustainability   Mitsubishi UFJ Financial Group</a>
TCFD Report	<a href="https://www.mufg.jp/english/csr/report/tcfd/index.html">https://www.mufg.jp/english/csr/report/tcfd/index.html</a>
MUFG Climate Report / MUFG Progress Report	<a href="https://www.mufg.jp/english/csr/report/progress/index.html">https://www.mufg.jp/english/csr/report/progress/index.html</a>
MUFG Transition White Paper	<a href="#">MUFG: Transition Whitepaper   Mitsubishi UFJ Financial Group</a>
MUFG Annual Report	<a href="#">MUFG: Annual Reports   Mitsubishi UFJ Financial Group</a>
MUFG Group Risk Management	<a href="#">MUFG: Risk Management   Mitsubishi UFJ Financial Group</a>
MUFG Various Reports/Data/Index	<a href="#">MUFG: Various Reports/Data/Index   Mitsubishi UFJ Financial Group</a>
MUFG Group site	
MUFG Financial Group	<a href="#">Mitsubishi UFJ Financial Group (mufg.jp)</a>
MUFG Bank	<a href="#">MUFG: MUFG Bank; Japan's largest bank.</a>
MUFG Bank, Ltd. (Auckland Branch) Disclosure Statement	<a href="#">MUFG: MUFG Bank, Ltd.</a>

# KPMG Independent Assurance Report



## Independent Limited Assurance Report to MUFG Bank, Ltd. Auckland Branch

### Conclusion

Our limited assurance conclusion has been formed on the basis of the matters outlined in this report.

Based on our limited assurance engagement, which is not a reasonable assurance engagement or an audit, nothing has come to our attention that would lead us to believe that, in all material respects, the scope 1 and 2 gross greenhouse gas emissions, additional required disclosures of scope 1 and 2 gross greenhouse gas emissions and scope 1 and 2 gross greenhouse gas emissions methods, assumptions and estimation uncertainty disclosures included in the climate statement on pages 20 & 25 (**GHG disclosures**) are not fairly presented and prepared in accordance with the Aotearoa New Zealand Climate Standards (NZ CSs) issued by the External Reporting Board (**the criteria**) for the period 1 April 2024 to 31 March 2025.

### Information subject to assurance

We have performed an engagement to provide limited assurance in relation to MUFG Bank, Ltd. Auckland Branch's GHG disclosures for the period 1 April 2024 to 31 March 2025.

- FY24 Scope 1 and FY24 scope 2 emissions (location-based) included in Table 6 on page 20;
- FY24 GHG emission intensity GHG tonnes CO<sub>2</sub>e per FTE included in Table 6 on page 20, and
- Scope 1 and 2 emissions included in Appendix C: Greenhouse gas emissions calculation method

Our conclusion on the GHG disclosures does not extend to other information that accompanies or contains the GHG disclosures and our report any other information included, or referred to, in the climate related disclosures or other information that accompanies or contains the climate related disclosures and our assurance report (other information). We have not performed any procedures with respect to the other information.

### Criteria

The criteria used as the basis of reporting are the Aotearoa New Zealand Climate Standards: NZCS 1 Climate Related Disclosures (NZCS1), NZCS 2 Adoption of Aotearoa New Zealand Climate Standards (NZCS2) and NZCS 3 General Requirements for Climate-related Disclosures (NZCS3), collectively the Aotearoa New Zealand Climate Standards' (NZ CSs) issued by the External Reporting Board (XRB).

As permitted by the NZCS1 para. 24(a), the standard that greenhouse gas emissions are measured in accordance with are the World Resources Institute and World Business Council for Sustainable Development's Greenhouse Gas Protocol standards and guidance (collectively, the GHG Protocol):

- Scope 1 emissions have been measured in accordance with The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition)
- Scope 2 emissions have been measured in accordance with The Greenhouse Gas Protocol: GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard

# KPMG Independent Assurance Report



## Standards we followed

We conducted our limited assurance engagement in accordance with New Zealand Standard on Assurance Engagements 1 (**NZ SAE 1**) Assurance Engagements over Greenhouse Gas Emissions Disclosures and International Standard on Assurance Engagements (New Zealand) 3410 Assurance Engagements on Greenhouse Gas Statements (**ISAE (NZ) 3410**) issued by the New Zealand Auditing and Assurance Standards Board (**Standard**). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our responsibilities under the Standard are further described in the 'Our responsibility' section of our report.

## Other Matter –

### Prior year comparatives not assured

The GHG disclosures for the period 1 April 2023 to 31 March 2024 was not subject to our limited assurance engagement and, accordingly, we do not express a conclusion, or provide any assurance on such information. Our conclusion is not modified in respect of this matter.

## How to interpret limited assurance and material misstatement

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Misstatements, including omissions, within the GHG disclosures are considered material if, individually or in the aggregate, they could reasonably be expected to influence the relevant decisions of the intended users taken on the basis of the GHG disclosures.

## Inherent limitations

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gases.

## Use of this assurance report

Our report is made solely for MUFG Bank, Ltd. Auckland Branch. Our assurance work has been undertaken so that we might state to MUFG Bank, Ltd. Auckland Branch those matters we are required to state to them in the assurance report and for no other purpose.

Our report should not be regarded as suitable to be used or relied on by anyone other than MUFG Bank, Ltd. Auckland Branch for any purpose or in any context. Any other person who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk.

To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees accept or assume any responsibility and deny all liability to anyone other than MUFG Bank, Ltd. Auckland Branch for our work, for this independent assurance report, and/ or for the opinions or conclusions we have reached.

Our conclusion is not modified in respect of this matter.

## MUFG Bank, Ltd. Auckland Branch's responsibility for the GHG disclosures

The Directors of MUFG Bank, Ltd. Auckland Branch are responsible for the preparation and fair presentation of the GHG disclosures in accordance with the criteria. This responsibility includes the design, implementation and maintenance of such internal control as The Directors determine is relevant to enable the preparation of the GHG disclosures that are free from material misstatement whether due to fraud or error.

The Directors of MUFG Bank, Ltd. Auckland Branch are also responsible for selecting or developing suitable criteria for preparing the GHG disclosures and appropriately referring to or describing the criteria used.

## Our responsibility

We have responsibility for:

- planning and performing the engagement to obtain limited assurance about whether the GHG disclosures are free from material misstatement, whether due to fraud or error;
- forming an independent conclusion based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to MUFG Bank, Ltd. Auckland Branch.

# KPMG Independent Assurance Report



## Summary of the work we performed as the basis for our conclusion

A limited assurance engagement performed in accordance with the Standard involves assessing the suitability in the circumstances of MUFG Bank, Ltd. Auckland Branch's use of the criteria as the basis for the preparation of the GHG disclosures, assessing the risks of material misstatement of the GHG disclosures whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG disclosures.

We exercised professional judgment and maintained professional scepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the GHG disclosures that is sufficient and appropriate to provide a basis for our conclusion.

Our procedures selected depended on the understanding of the GHG disclosures that is sufficient and appropriate to provide a basis for our conclusion. The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

In undertaking limited assurance on the GHG disclosures the procedures we primarily performed were:

- obtained, through inquiries, an understanding of the client's control environment, processes and information systems relevant to the preparation of the GHG disclosures. We did not evaluate the design of particular control activities, or obtain evidence about their implementation;
- vouched all Scope 2 emissions activity data to relevant documentation, evaluated emission factors against relevant sources and verified the mathematical accuracy of the Scope 2 emissions calculation;
- confirmed there is no activity data associated with scope 1 emissions in the current period;
- considered the presentation and disclosure of the GHG disclosures.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

## Our independence and quality management

This assurance engagement was undertaken in accordance with NZ SAE 1. NZ SAE 1 is founded on the fundamental principles of independence, integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) (**PES 1**) issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (**PES 3**), which requires the firm to design, implement and operate a system of quality control including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have also complied with Professional and Ethical Standard 4 *Engagement Quality Reviews* (**PES 4**) which deals with the appointment and eligibility of the engagement quality reviewer and the engagement quality reviewer's responsibilities relating to the performance and documentation of an engagement quality review.

Other than in our capacity as assurance provider, we have no relationship with, or interest in, MUFG Bank, Ltd. Auckland Branch.

As we are engaged to form an independent conclusion on the GHG disclosures prepared by MUFG Bank, Ltd. Auckland Branch, we are not permitted to be involved in the preparation of the GHG disclosures as doing so may compromise our independence.

The engagement partner on the assurance engagement resulting in this independent assurance report is Ian Proudfoot

A handwritten version of the KPMG logo in blue ink, with the letters 'KPMG' and a stylized graphic of four vertical bars.

KPMG

Auckland Office

30 July 2025



