

16 September 2022

Ms. Federica Donati
Officer-in-charge
Special Procedures Branch
OHCHR

REF: AL OTH 65/2022

SUBJECT: Joint Communication from Special Procedures

Dear Ms. Donati,

We, Mitsubishi UFJ Financial Group, Inc. ("MUFG"), refer to the letter from the United Nations Human Rights Office of the High Commissioner regarding the joint communication sent by the Working Group on the issue of human rights and transnational corporations and other business enterprises and relevant Rapporteurs seeking clarification of the matters mentioned in the letter.

We are grateful for the opportunity to respond to the letter. MUFG always puts human rights protections in place and adheres to our MUFG Human Rights Policy Statement, MUFG Environmental and Social Policy Framework, as well as other relevant policies, to ensure that all possible action is taken to cease, prevent, and mitigate adverse human rights issues. We are happy to provide you with our responses to the letter, as enclosed herewith, which are in line with such policies.

Yours sincerely,

For and on behalf of
Mitsubishi UFJ Financial Group, Inc.

By: 

Yoshiaki Ueno
Managing Director, Head of Division
Corporate Planning Division
Mitsubishi UFJ Financial Group

By: 

Nobuya Kawasaki
Managing Director, Head of Division
Global Commercial Banking Planning Division
Mitsubishi UFJ Financial Group

Response to the UNHR's Letter

(16 September 2022)

1. Please provide any additional information and/or comment(s) you may have on the above-mentioned allegations.

We have been seriously concerned about this situation and allegation, however, we currently do not have additional information/or comment in addition to the information stated in the letter of Bank of Ayudhaya.

2. Please provide information about the human rights due diligence policies and processes put in place by your company to identify, prevent, mitigate, and remedy the adverse human rights impacts of your activities and operations, including the activities of Ayudaya Bank, in line with the UN Guiding Principles on Business and Human Rights.

Mitsubishi UFJ Financial Group(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"), which is a practical guide to the OECD Guidelines for Multinational Enterprises. Thus, the MUFG Environmental and Social Policy Framework was established as the basis for ceasing, preventing, and mitigating adverse environmental and social impacts, including human rights issues, in financing for corporate customers. We assure respect for human rights by conducting due diligence as prescribed in the Policy Framework when necessary in making credit decisions at MUFG Bank and Mitsubishi UFJ Trust and Banking, and in underwriting bonds and equities at Mitsubishi UFJ Securities Holdings.

3. Please provide information on whether and how your company has used and built upon its leverage to promote and enable the provision of remedies to victims of business-related human rights abuses.

When it becomes clear that an officer or employee of a Group company or a product or service provided by a Group company causes, contributes to, or is directly linked to adverse impacts on human rights, MUFG will respond appropriately and work to provide remedy to the situation.

In addition, 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 an 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.

4. Please describe the measures that your company has taken or plans to take to prevent recurrence of disasters like the Attapeu dam collapse in the future.

MUFG recognizes that while large-scale dams contribute to flood control, agricultural production and the supply of clean energy, dams can cause wide-ranging changes in river basin ecosystems and the living environment and livelihoods of residents. We will respond appropriately in accordance with the MUFG Environmental and Social Policy Framework which was established in 2018 as the basis for ceasing, preventing, and mitigating adverse environmental and social impacts, including human rights issues, in financing for corporate customers.

5. Please provide information on the steps taken by your company to establish operation-level grievance mechanisms to address the adverse human rights impacts caused by your company and its subsidiaries throughout your operation globally.

MUFG has established a system to appropriately respond to the opinions and complaints of customers and other stakeholders, including those on human rights issues. When it becomes clear that an officer or employee of a Group company or a product or service provided by a Group company causes, contributes to, or is directly linked to adverse impacts on human rights, MUFG will respond appropriately and work to provide remedy to the situation.

6. Please explain what measures have been adopted to ensure that the staff of your company as well as those of your business partners possess adequate awareness, knowledge and tools to identify and report human rights abuses, including those alleged in the present letter, throughout your operations.

MUFG's Group companies recognize respect for human rights as an important issue for management to address, and in addition to having issued the MUFG Human Rights Policy Statement, are committed to increasing awareness of human rights by helping all employees fully understand the content of our Code of Conduct and Compliance Manual to fulfill our responsibility to respect human rights in all our operations.

MUFG Bank, Mitsubishi UFJ Trust and Banking, and Mitsubishi UFJ Securities Holdings have established the following human rights awareness promotion system. In addition to conducting training and other educational activities, employees promoting and in charge of

educational activities in each division, office, and branch are implementing and promoting initiatives for respecting human rights throughout the MUFG Group. We are striving to promote correct understanding and appreciation of human rights issues among all executives and employees through means including conducting human rights awareness-raising training during the training sessions for new employees and for employees at all levels of our business.

7. Please provide information on whether your company publicly discloses how it is addressing human rights risks and impacts connected with investment activities.

From the viewpoint of confidentiality, we do not disclose information on individual transactions, but we disclose information on MUFG's response based on the opinions and complaints on the website.

(<https://www.mufg.jp/english/csr/humanrights/index.html>)

8. Please kindly provide information on how Mitsubishi UFJ Financial Group does not impact negatively the work of human rights defenders, specifically in light of the recommendations provided to Businesses in the report of the Working Group on the issue of human rights and transnational corporations and other business enterprises on the adverse impact of business activities on human rights defenders (A/HRC/47/39/Add.2), which recalls for States and businesses the normative and practical implications of the Guiding Principles on Business and Human Rights in relation to protecting and respecting the vital work of human rights defenders.

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.