Mizuho Financial Group, Inc. - Climate Change 2021

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

The Mizuho Financial Group is one of the largest financial institutions in the world, offering a broad range of services including banking, trust and securities, and other business related to financial services through its group companies. The group has approximately 54,492 staff working in approximately 870 offices inside and outside Japan, and total assets of over US$2.04trillion.

The group was created in September 2000 through the establishment of a holding company of our three predecessor banks, The Dai-Ichi Kangyo Bank (DKB), The Fuji Bank (Fuji) and The Industrial Bank of Japan (IBJ). Under the umbrella of the holding company Mizuho Financial Group, our major group companies include Mizuho Bank (MHBK), Mizuho Trust & Banking (MHTB) and Mizuho Securities (MHSC).

MHBK marked a new beginning by merging with Mizuho Corporate Bank on July 1, 2013. The new MHBK will strive to respond to the varying needs of all individual and corporate customers more precisely and expeditiously than ever before by making optimal use of the strengths and advantages that the two banks have cultivated to date.

MHTB is a trust bank with strengths in both the corporate and individual sectors. MHSC is a global full-line securities company that primarily serves individuals, corporations, financial institutions, public sector entities and institutional investors.

Unless otherwise noted these responses cover Mizuho Financial Group, Inc. (MHFG) and the principal banking subsidiaries and certain other core group companies of the Mizuno Financial Group in Japan (Mizuho Bank (MHBK) , Mizuho Trust & Banking (MHTB) , Mizuho Securities (MHSC) , Asset Management One (AMO) , Mizuho Research Institute (MHRI) , Mizuho Information & Research Institute (MHIR) and Mizuho Private Wealth Management).

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	April 1 2020	March 31 2021	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Australia
Cambodia
Canada
China
France
Germany
India
Italy
Japan
Malaysia
Myanmar
Philippines
Republic of Korea
Singapore
South Africa
Taiwan, Greater China
Thailand
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United States of America
Viet Nam

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

JPY

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-FS0.7

(C-FS0.7) Which organizational activities does your organization undertake?

Bank lending (Bank)

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	MHFG positions climate-related issues as a critical matter, and the Board of Directors has ultimate responsibility for sustainability issues, which include climate change. The Environmental Policy established by Mizuho Financial Group in April 2020 states clearly that the Board of Directors provides oversight regarding matters including the status of environmental initiatives. Specifically, its responsibilities include determining strategies, primary action plans, risk management policy and business plans, formulating performance targets, and monitoring implementation and performance. When these are reviewed and instructions are given, climate change is among the considerations, so the responsibilities of the Board of Directors can be said to be linked to climate-related issues. In April 2020, The Board of Directors approved and established the Environmental Policy, which clarifies our stance on climate change as we work toward transitioning to a low-carbon society. During FY2020, based on our Environmental Policy, the Executive Management committee deliberates and reports on the setting of indicators and targets, on periodic progress assessment and review related to our environmental initiatives, on the status of TCFD responses, and on revisions to the Environmental and Social Management Policy for Financing and Investment Activity and the Environmental Policy to clarify our contribution to achieving a low-carbon society (net-zero greenhouse gas emissions) by 2050, our support for the objective of the Paris Agreement, and our phased transformation to a portfolio aligned with the targets in the Paris Agreement. It was then approved and reported to the Board of Directors.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives	Climate-related risks and opportunities to our own operations Climate-related risks and opportunities to our bank lending activities Climate-related risks and opportunities to our other products and services we provide to our clients The impact of our own operations on the climate The impact of our bank lending activities on the climate	As our various climate change initiatives are deeply interrelated with sustainability promotion, risk management, etc., following discussions at the business execution line, e.g. the Risk Management Committee and Executive Management Committee, and reporting to the Board of Directors, oversight is provided by the Risk Committee and Board of Directors in accordance with the structure for advancing and managing each initiative. The main roles of the Board of Directors are making decisions on business execution such as basic management policy and supervising the execution of duties by directors and executive officers. In order to fulfill these roles, the Board of Directors appropriately establishes and supervises the operation of the internal control systems (regarding matters such as risk management, compliance, and internal auditing) and risk governance systems of Mizuho. In addition, the Board of Directors resolves the basic matters relating to Mizuho Financial Group's sustainability, and the Environmental Policy established by Mizuho Financial Group in April 2020 states clearly that the Board of Directors provides oversight regarding matters including the status of environmental initiatives. Based on the Environmental Policy, the business execution line periodically reports on environmental initiatives, including the status of responses to TCFD Recommendations, to the Board of Directors, which provides oversight. In order to further strengthen its control environment centering on climate change, Mizuho deliberated at Executive Management Committee and the Risk Committee, and the Board of Directors approved and supervised the following issues. - In 2020, Revision of our Environmental Policy was approved in Board of directors and clarified our contribution to achieving a low-carbon society (net-zero GHG emissions) by 2050, our support for the objective of the Paris Agreement, and our phased transformation to a portfolio aligned with the targets in the Paris Agreement. Under our management of "top risks", which are risks recognized by management as having major potential impact on the group, we position the rapid advancement of social change occurring due to climate change as a "top risk". Through discussions with management as part of the risk designation process, we determine related indicators which require monitoring as well as risk control measures. Reports on the status of our response are made to the Board of Directors and other bodies. Strengthened risk management by improving risk control in carbon-related sectors, revising our Environmental and Social Management Policy for Financing and Investment Activity In addition, MHFG set KPI and targets in line with the key sustainability areas, and the Board of Directors conducts progress management in accordance with the KPI and targets and, as necessary, has Group companies and related departments make revisions to strategies and business plans, etc.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our bank lending activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

- Chief Executive Officer (CEO)

The CEO heads the Executive Management Committee, which is the highest decision-making body at the executive level, and at the same time has ultimate responsibility for climate change-related issues as the chief officer at the executive level for the Group's sustainability promotion system.

Specifically, the Executive Management Committee , CEO deliberates on important business execution matters include Mizuho's business policies and strategies, annual and medium- to long-term business plans, risk governance, and risk management.

Regarding climate change initiatives, based on our Environmental Policy, the committee deliberates, monitors and reports on setting indicators and targets and on periodic progress assessment and review related to our environmental initiatives. It then reports to the Board of Directors.

Following deliberations by the Executive Management Committee, in fiscal 2018, a response policy (action plan) for TCFD Recommendations was formulated, and since 2019, we have formulated an action plan every year. In FY 2020, the committee has deliberated on climate change initiatives such as revision of our Environmental Policy and clarified our contribution to achieving a low-carbon society (net-zero greenhouse gas emissions) by 2050, our support for the objective of the Paris Agreement, and our phased transformation to a portfolio aligned with the targets in the Paris Agreement. Sustainability initiatives related to the Group that include climate change are compiled by the Strategic Planning Department and regularly reported to the Executive Management Committee, and the committee manages sustainability risks and opportunities, including for climate change. In fiscal 2019, a FY2020 action plan for TCFD Recommendations was formulated after deliberations by the Executive Management Committee.

In fiscal 2020, Mizuho's Board of Directors specified key sustainability areas, including response to climate change, as a part of its medium-term business plan, and created a system for promoting sustainability integrated with strategy going forward. In addition, an action plan for accommodating TCFD Recommendations was formulated, discussed by the Executive Management Committee and reported to the Board of Directors and Audit Committee. We will manage its progress and make regular reports to the Board of Directors. Based on the Environmental Policy, the business execution line periodically reports on environmental initiatives, including the status of responses to TCFD Recommendations, to the Board of Directors, which provides oversight.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Chief Executive Officer (CEO)	Monetary reward	Emissions reduction project	the Compensation Committee places weight on Consolidated Net Business Profits + Net Gains (Losses) related to ETFs and other factors when deliberating and deciding performance-based compensation (variable compensation) amounts, and comprehensively evaluates results that reflect Consolidated ROE, Expense Ratio, Consolidated Gross Profits RORA, Common Equity Tier 1 (CET1) capital ratio, reduction of cross-shareholdings, etc. The committee's evaluation also includes the business performance of organizations (in-house companies/units) that officers manage as compared to business plans, past years, and other companies, in addition to medium- to long-term initiatives and other measures that include such sustainability matters as climate change. In the event that climate change and other such factors have a negative impact on business results or reputation, they would become factors impacting remuneration.
Director on board	Monetary reward	Emissions reduction project	The Compensation Committee places weight on Consolidated Net Business Profits + Net Gains (Losses) related to ETFs and other factors when deliberating and deciding performance-based compensation (variable compensation) amounts, and comprehensively evaluates results that reflect Consolidated ROE, Expense Ratio, Consolidated Gross Profits RORA, Common Equity Tier 1 (CET1) capital ratio, reduction of cross-shareholdings, etc. The committee's evaluation also includes the business performance of organizations (in-house companies/units) that officers manage as compared to business plans, past years, and other companies, in addition to medium- to long-term initiatives and other measures that include such sustainability matters as climate change. In the event that climate change and other such factors have a negative impact on business results or reputation, they would become factors impacting remuneration.
Business unit manager	Monetary reward	Other (please specify) (Please see comment field in detail.)	Achievement of environment-related businesses (measures to address climate change), including increased loan balances and new product development, large contract.
Facilities manager	Monetary reward	Emissions reduction target	Development of initiatives to reduce GHG emissions, including achievement of emissions reduction targets.
All employees	Non-monetary reward	Other (please specify) (Please see comment field in detail.)	Noteworthy business achievements such as environment-related businesses or reducing environmental impact and noteworthy achievements related to social contribution activities, which include environmental preservation activities.

C-FS1.4

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG principles, including climate change?

	We offer an employment-based retirement scheme that incorporates ESG principles, including climate change.	Comment
Row 1	Yes, as an investment option for some plans offered	Of retirement pay system's products provided to employees, those of asset management companies that incorporates ESG principles, including climate change, as their investment policies, are adopted in the management products of defined benefit pension plans. Because the pension plan manages the assets of all members of the plan in a lump sum, the same product is automatically selected for all members.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	Mizuho sets a fiscal business plan annually. In formulating our FY2020 business plan (resolved by the Board of Directors), we have analyzed opportunities and risks related to social issues, including climate change, and planned out initiatives, and we continue to monitor and manage our progress on a regular basis.
Medium-term	1	5	Mizuho Financial Group defined climate-related risks and opportunities for each in-house company, unit and group when creating its business plan. Mizuho has identified key sustainability areas including Climate Change as well as included them in our 5–year Business Plan and business plans for specific areas, and we are advancing sustainability initiatives as a unified group. Mizuho set a Medium–term target that Mizuho Financial Group and principal companies reduce CO2 emissions basic unit (CO2 emissions / total floor area) stemming from electricity usage in the domestic facilities by 10.5% as of FY2020 compared to FY2009 In addition, Scope 1 and Scope 2 CO2 emissions and energy usage, environmental impact (CO2 emissions) and environmental benefits (CO2 reductions) related to new large-scale power projects, and amount of green finance and sustainable finance have been set as KPI.
Long-term	5	30	In FY2020, Revision of our a long–term target was approved in Board of directors. - Mizuho Financial Group and principal companies reduce CO2 emissions basic unit (CO2 emissions / total floor area) stemming from electricity usage in the domestic facilities by 35% as of FY2030 compared to FY2009. While not in the reporting year, Mizuho set above long–term target in April 2021. Mizuho set long-term targets pertaining to key opportunities and risks presented by climate change, based on our Environmental Policy. - Sustainable finance & Environmental finance targets FY2019 – FY2030 total: 25 trillion yen (of which the target for environmental finance is 12 trillion yen). - Target to reduce the outstanding credit balance for coal-fired power generation facilities based on our Environmental and Social Management Policy for Financing and Investment Activity Reduce the FY2019 amount by 50% by FY2030, and achieve an outstanding credit balance of zero by FY2040. Our outstanding credit balance as of the end of FY2020 was 189.1 billion yen.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

1. A definition of 'substantive financial or strategic impact' when identifying or assessing climate-related risks

We have in place a “top risk management” system to designate risks with major potential impact on the group. In this top risk management system, we gather wide-ranging information on potential risk events which may harm our corporate value in light of our particular vulnerabilities, the external business environment, and other factors. With this information, we assess risk contagion channels, probabilities, impacts, and similar to identify critical potential risk events. We then designate top risks with consideration to the difficulty of risk control and based on discussions at the executive management level. Through this system we are deepening our risk communication across the Mizuho group, integrating our perspectives on risk awareness, and ensuring consistent risk recognition in each of our risk management frameworks. For designated top risks, we confirm the status of our controls and design additional control measures as needed. In addition, the Risk Committee and Board of Directors receive reports on these top risks, allowing for multifaceted confirmation of appropriateness and status of controls from external experts and outside directors as well.

Probability and impact are assessed based on quantitative and qualitative criteria. It is difficult to provide a quantitative indicator used to define "substantive financial or strategic impact", but if the share price were to decline by 1% due to reputational risk related to climate change, it could result in a market value loss of approximately JPY 40 billion in our company. This can be described as a substantive financial impact.

In regard to climate change risks, we have defined related indicators which require monitoring throughout the top risk designation process, as well as risk control measures. We have designated the rapid advancement of social change occurring due to climate change as a top risk, and we are enhancing our monitoring. This elevates its positioning as a matter that must be addressed urgently and reflects our awareness that, with both policy and corporate initiatives rapidly gaining momentum, there is a risk that delaying our response and not taking adequate initiative would have a significant impact on our business.

・Climate-related risks for Mizuho

- We are taking into account both physical risks and transition risks.

- Our transition risks include credit risk related to financing and investment clients who are impacted by more stringent carbon taxes, fuel efficiency regulations, or other policies or by delays in shifting to low-carbon and other environmental technologies. Our transition risks also include operational risk related to reputational damage from financing fossil fuel projects.

- Our physical risks include operational risk related to the possibility of extreme weather causing damage to our assets (such as data centers) and similar risk of damage to customer assets (such as real estate collateral), with both of these being acute risks. Our physical risks also include credit risk arising from deterioration in the macro economy due to increased instances of infectious disease, heatstroke, and similar, which is a chronic risk.

2. A description of the quantifiable indicators

(Targets)

- Sustainable finance & Environmental finance targets:FY2019 – FY2030 total: 25 trillion yen (of which the target for environmental finance is 12 trillion yen)

- Target to reduce the outstanding credit balance for coal-fired power generation facilities based on our Environmental and Social Management Policy for Financing and Investment Activity:Reduce the FY2019 amount by 50% by FY2030, and achieve an outstanding credit balance of zero by FY2040

- Target to reduce our own environmental footprint: (New) Reduce the FY2019 amount of worldwide Scope 1 and Scope 2 greenhouse gas emissions from the eight group companies by 35% by FY2030, and aim to become carbon neutral by FY2050. (until FY2020) CO2 emissions basic unit of electricity used at our offices in Japan (CO2 emissions / total floor area) By FY2020 achieve a 10.5% reduction and by FY2030 achieve a 19.0% reduction compared to FY2009 levels

(Monitoring indicators)

- Scope 1 and Scope 2: CO2 emissions and energy usage

- Scope 3: Environmental footprint from business trip-related CO2 emissions and large-scale power generation projects for which we have newly concluded financing or investment contracts (amount of contribution to CO2 emissions)

- Environmental conservation associated with large-scale power generation projects for which we have newly concluded financing or investment contracts (amount of contribution to CO2 emission reductions)

- Exposure to high-risk areas within transition risk sectors

- GHG emission intensity (basic units) in relation to project finance for power generation projects, based on the guidance of SBT and PCAF

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
i) ii) iii)Process for identifying and managing risks and opportunities We have defined key sustainability areas in our 5-Year Business Plan in line with the expectations and requirements of stakeholders and based on the importance and affinity of such initiatives with our strategy, as well as on the medium- to long-term impact on our corporate value. Based on this, each in-house company, unit, and group will establish a strategy incorporating sustainability initiatives. Additionally, we have set targets/KPIs based on our key sustainability areas. The key sustainability areas and other items are revised each fiscal year and reflected into our business plan. At Mizuho, we have positioned addressing climate change as a key part of our corporate strategy, and are ascertaining risks and opportunities as we advance initiatives. Specifically, we have identified in our business plan the climate change risks and opportunities each in-house company, unit, and group has defined and reflected them into our key sustainability areas. “Risks” We have in place a “top risk management” system to designate risks of direct operations and downstream with major potential impact on the group. In this top risk management system, we gather wide-ranging information on potential risk events which may harm our corporate value in light of our particular vulnerabilities, the external business environment, and other factors. With this information, we assess risk contagion channels, probabilities, impacts, and similar to identify critical potential risk events. We then designate top risks with consideration to the difficulty of risk control and based on discussions at the executive management level. For designated top risks, the Risk Committee and Board of Directors receive reports and evaluate on these top risks on a quarterly basis, allowing for multifaceted confirmation of appropriateness and status of controls from external experts and outside directors as well. In regard to climate change risks, we have defined related indicators which require monitoring throughout the top risk designation process, as well as risk control measures. We have designated climate change as a top risk, and we are enhancing our monitoring. Under the process of our scenario analysis, we conducted qualitative evaluation and analysis of transition risks and physical risks by sector and determined targets for transition risks and physical risks. Focusing on the sectors recommended by TCFD, we qualitatively evaluated climate change risks as they will unfold over short, medium, and long-term time frames and categorized each risk as high, medium, or low risk. “Opportunities” We have identified climate-related risks and opportunities for each in-house company, unit, and group and incorporated them into our business plan. We have conducted a qualitative evaluation of climate change-related opportunities, transition risks, and physical risks in each sector, as they will unfold over short, medium, and long-term time frames. The results of this evaluation are used to strengthen risk management and capture business opportunities. Regarding climate change initiatives, based on our Environmental Policy, the Executive Management committee deliberates and reports on the setting of indicators and targets for environemental finance, on periodic progress assessment and review related to our environmental initiatives, on the status of TCFD responses, etc. It then reports to the Board of Directors. vi) Case on Transition risks (Direct operations, downstream) 1)2) Based on the results of our FY2019 scenario analysis, we strengthened engagement with clients (undertook engagement with approximately 900 clients from the perspective of responsible financing and investment and, among these, in-depth engagement with approximately 70 large credit and similar clients) in FY2020. Strengthened risk management by improving risk control in carbon-related sectors, revising our Environmental and Social Management Policy for Financing and Investment Activity (enhanced it to further address climate change, biodiversity, and human rights), practicing due diligence in line with the Equator Principles, and other actions. 3)Engagement with clients：In light of our FY2019 scenario analysis results and other factors, since FY2020 we have been further strengthening our constructive dialogue (engagement) with our clients concerning their efforts to address climate change. Providing solutions based on a deep understanding of our clients’ challenges and needs allows us to capture business opportunities and strengthen risk management. ・Risk control in carbon-related sectors：Taking into account our scenario analysis results and the details of engagement, we have assessed risk along two axes—our clients’ sectors and our clients’ measures to address transition risk—in order to identify high-risk areas. 4) These efforts have improved our reputation from stakeholder In regard to high-risk areas, we are more thoroughly engaging with clients to support them in formulating effective strategies for transition risks, in disclosing their progress, and in embarking on business structure transformation towards a lower risk sector at an early stage. In undertaking such engagement with our clients, if a client does not make progress on addressing their transition risks even after a certain period of time, we carefully consider our transactions with the client. In this way, we are enhancing our risk control and reducing our exposure in high-risk areas over the medium to long term. In addition, through engagement, we will support our clients in elevating their responses to transition risk to a high level over the medium to long term. In doing so, we will improve climate change resilience for both our clients and Mizuho. v) Case on Physical risks (Direct operations) 1,2)With the intensification of abnormal weather events such as typhoons and heavy rains caused by climate change, stores, offices, computer centers, and other facilities in Japan and overseas may constantly suffer damage from disasters such as earthquakes and typhoons. 3)Regarding tangible assets risks, disasters subject to assessment are selected based on which disasters, including climate change, will most affect the Group's operations. Criteria have been established related to management methods and measurement methods for those risks. We decide the facilities for assessment according to disaster kind and assess the risk of buildings, attached equipment and system devices. In order to swiftly take measures to mitigate the risks in the event of an emergency, Mizuho develops appropriate and effective countermeasures and a framework for business continuity management. We established Crisis Management Offices in MHFG, MHBK, MHTB and MHSC that are responsible for responses in the event of emergency and business continuity management. 4) As a result, we are able to control the occurrence of damage.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Under the Mizuho's risk management system, "Current regulations" are always taken into account when identifying and assessing climate-related risks. For example, in Tokyo, where the headquarters of MHFG and many of its bases are located, the Tokyo Metropolitan Government's "Cap & Trade" system is in place. Therefore, if regulations become stricter as climate change progresses, there is a risk that response costs, such as costs for energy conservation measures and the purchase of emission credits, will increase.
Emerging regulation	Relevant, sometimes included	Under the Mizuho's risk management system, "emerging regulations" are always taken into account when identifying and assessing climate-related risks. For example, there is a possibility that costs related to addressing further tightening of laws and ordinances related to environmental pollution and GHG emissions could increase. In addition, the Ministry of the Environment's Council has been discussing the introduction of a new carbon tax, but there is a risk that the costs of responding to such new regulations and changes in legislation will increase.
Technology	Relevant, sometimes included	Under the Mizuho's risk management system, "Technology" is always taken into account when identifying and assessing climate-related risks. As specific examples, when examining investment and financing for the construction of new power generation facilities, the impact of environmental and social risks is identified and evaluated in light of the group's policies on specific industrial sectors and Equator Principles, as well as technical trends such as emission control measures. In the event that tabs are not kept on technological innovation to help relieve or adapt to climate change or appropriate financial products and services are not provided, there is a possibility of lost opportunities.
Legal	Relevant, sometimes included	Under the Mizuho's risk management system, "Legal" is always taken into account when identifying and assessing climate-related risks. As environmental regulations are tightened and ESG investment expands, the Mizuho Group recognizes the risk of lawsuit and penalties arising from climate change due to the delay in responding to these regulations. In support of the TCFD recommendations, MHFG has formulated an action plan based on the recommendations and is working to reduce the risk by actively promoting Information disclosure.
Market	Relevant, sometimes included	Under the Mizuho's risk management system, "Market" is always taken into account when identifying and assessing climate-related risks. In the event of a drastic change in energy costs or a change in investor preferences due to the strengthening of regulations in response to climate change, there is a risk that credit risk will increase due to a decline in the value of fossil fuel assets. There is a possibility that those risks could result in damage depending on the scale, causing economic decline or worsening of management conditions at many companies, bringing about a negative impact on the Group's business results and financial standing.
Reputation	Relevant, always included	Under the Mizuho's risk management system, "Reputation" is always taken into account when identifying and assessing climate-related risks. In the event of delay in making changes to systems related to addressing climate change or appropriate action is not taken with respect to demands of the public concerning climate change, there is a risk that the Group could incur damages as a result of decline in reputation. In support of the TCFD recommendations, MHFG has formulated an action plan based on the recommendations and is working to reduce the risk by actively promoting Information disclosure. MHFG will also properly implement its policies for specific sectors and the Equator Principles.
Acute physical	Relevant, sometimes included	Under the Mizuho's risk management system, "Acute physical" is always taken into account when identifying and assessing climate-related risks. There is a possibility that natural disasters arising from worsening climate change could result in damage to branches, computer centers and other facilities in Japan and other countries depending on the scale.
Chronic physical	Relevant, sometimes included	Under the Mizuho's risk management system, "Chronic physical" is always taken into account when identifying and assessing climate-related risks. Higher average temperatures could increase response costs such as more efficient data center air conditioning equipment and increased energy consumption.

C-FS2.2b

(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?

	We assess the portfolio's exposure	Please explain
Bank lending (Bank)	Yes	Focusing on the sectors advised by the TCFD Recommendations, we quntitively considerd credit exposure and qualitatively evaluated climate change risks as they will unfold over short-, medium-, and long-term time frames and categorized each risk as high risk, medium risk, or low risk. The qualitative assessment was based on 111 documents, including reports by international organizations such as the IEA and intergovernmental organizations, government reports by countries such as the Ministry of the Environment, academic papers, reports by industry organizations, media reports and reports by NGOs, and reports by individual companies in each sector. -We identified the electric utilities and oil, gas & coal sectors as sectors facing high transition risks. -We identified the agriculture, food & forestry sector as a sector facing high levels of physical risks -We identified the electric utilities and automobile sectors as sectors with high levels of opportunities. Under the definition of carbon-related assets from the TCFD Recommendations, our credit exposure (EXP) in carbon-related sectors came to 5.5% of our total credit exposure as of March 31, 2021. We identified the electric utilities and oil, gas & coal sectors, all of which are carbon-related sectors, as sectors facing high transition risks in our qualitative evaluation. Our credit exposure is total of Mizuho Bank and Mizuho Trust & Banking's loans, foreign exchange assets, acceptances and guarantees, and committed lines of credit as of March 31, 2021. Carbon-related sectors are from the industries listed under "Type of industry" in "Types of Industries in Survey of Loans and Bills Discounted by Type of Industry" (Attachment 1 of the Bank of Japan Research and Statistics Department's "Guidelines for Completing the Financial Statistics Survey" (provisional translation)), "petroleum refining", "mining and quarrying of stone and gravel" (coal, oil, and gas mining within this industry), and "electricity, gas, heat supply, and water" (excluding water supply, nuclear power generation, and renewable energy power generation businesses)..
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	

C-FS2.2c

(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.

	Portfolio coverage	Assessment type	Description
Bank lending (Bank)	Minority of the portfolio	Qualitative and quantitative	1. How 'Portfolio coverage' is defined Focusing on the sectors advised by the TCFD Recommendations, we quantitively considered credit exposure and qualitatively evaluated climate change risks as they will unfold over short-, medium-, and long-term time frames and categorized each risk and opportunity as high risk, medium risk, or low risk. The qualitative assessment was based on 111 documents, including reports by international organizations such as the IEA and intergovernmental organizations, government reports by countries such as the Ministry of the Environment, academic papers, reports by industry organizations, media reports and reports by NGOs, and reports by individual companies in each sector. - We identified the electric utilities and oil, gas & coal sectors as sectors facing high transition risks. - We identified the agriculture, food & forestry sector as a sector facing high levels of physical risks. - We identified the electric utilities and automobile sectors as sectors with high levels of opportunities. At Mizuho, in line with the TCFD Recommendations, we have been measuring and disclosing the percentage of our credit exposure in carbon-related sectors. Taking into account our FY2019 scenario analysis results and the details of engagement given above, we have assessed risk along two axes—our clients' sectors and our clients' measures to address transition risk—in order to identify high-risk areas. Under the definition of carbon-related assets from the TCFD Recommendations, our credit exposure (EXP) in carbon-related sectors came to 12.8 trillion JPY and 5.5% of our total credit exposure as of March 31, 2021. We identified the electric utilities and oil, gas & coal sectors, all of which are carbon-related sectors, as sectors facing high transition risks in our qualitative evaluation. As of March 31, 2021, exposure in high-risk areas: 1.8 trillion yen (to be managed as a monitoring indicator going forward) In FY2020, as part of our efforts towards risk management and responsible financing and investment, we undertook engagement with approximately 900 clients and, among these, in-depth engagement with approximately 70 large credit and similar clients. Our in-depth engagement incorporated discussions on plans for responding to transition risk (e.g. business structure transformation strategies), awareness of risks and opportunities, and plans for capital raising. Our credit exposure is total of Mizuho Bank and Mizuho Trust & Banking's loans, foreign exchange assets, acceptances and guarantees, and committed lines of credit as of March 31, 2021. Carbon-related sectors are from the industries listed under "Type of industry" in "Types of Industries in Survey of Loans and Bills Discounted by Type of Industry" (Attachment 1 of the Bank of Japan Research and Statistics Department's "Guidelines for Completing the Financial Statistics Survey" (provisional translation)), "petroleum refining", "mining and quarrying of stone and gravel" (coal, oil, and gas mining within this industry), and "electricity, gas, heat supply, and water" (excluding water supply, nuclear power generation, and renewable energy power generation businesses). 2. The tools used to assess the portfolio's exposure to climate-related risks and opportunities ・ The qualitative assessment was based on 111 documents, including reports by international organizations such as the IEA and intergovernmental organizations, government reports by countries such as the Ministry of the Environment, academic papers, reports by industry organizations, media reports and reports by NGOs, and reports by individual companies in each sector. ・ Carbon-related sectors are from the industries listed under "Type of industry" in "Types of Industries in Survey of Loans and Bills Discounted by Type of Industry" (Attachment 1 of the Bank of Japan Research and Statistics Department's "Guidelines for Completing the Financial Statistics Survey" (provisional translation))
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS2.2d

(C-FS2.2d) Do you assess your portfolio's exposure to water-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	Yes	Minority of the portfolio	With the Intergovernmental Panel on Climate Change (IPCC)'s Fifth Assessment Report as a base, we collaborated with a general insurance consulting firm to calculate through a Monte Carlo simulation the rates at which typhoons and heavy rains cause wind and water-related building loss or damage. We then analyzed the potential impacts on Mizuho's credit costs from the loss or damage of real estate collateral (including mortgaged real estate) in Japan. For certain sectors, where there is a particularly high possibility of contributing to adverse environmental or social impacts, our decisions regarding whether to engage in business transactions take into consideration any applicable international standards or guidelines, whether the client or project has received relevant certifications, and whether there are any potential conflicts with local communities. We identified the palm oil, lumber, and pulp sectors and Large-scale agriculture (soybeans and similar) sector as certain sectors. We determine whether to engage in transactions with clients/projects in subject sectors, accounting for the degree to which the client has taken steps to avoid or mitigate risk and other due diligence as appropriate, based on the characteristics of the services we are providing. In addition, based on this policy, our primary subsidiaries participate in engagement (constructive dialogue) with specific clients in each sector with the aim of sharing a medium- to long-term perspective on opportunities and risks accompanying environmental, social, and governance (ESG) issues and climate change.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable>	

C-FS2.2e

(C-FS2.2e) Do you assess your portfolio's exposure to forests-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	Yes	Unknown	For certain sectors, where there is a particularly high possibility of contributing to adverse environmental or social impacts, our decisions regarding whether to engage in business transactions take into consideration any applicable international standards or guidelines, whether the client or project has received relevant certifications, and whether there are any potential conflicts with local communities. We identified the palm oil, lumber, and pulp sectors and Large-scale agriculture (soybeans and similar) sector as certain sectors. We have also added the large-scale agriculture and large-scale hydropower sectors to the policy and reinforced the due diligence on the palm oil sector in the policy from a standpoint of protecting forests, biodiversity, and human rights. We determine whether to engage in transactions with clients/projects in subject sectors, accounting for the degree to which the client has taken steps to avoid or mitigate risk and other due diligence as appropriate, based on the characteristics of the services we are providing. In addition, based on this policy, our primary subsidiaries participate in engagement (constructive dialogue) with specific clients in each sector with the aim of sharing a medium- to long-term perspective on opportunities and risks accompanying environmental, social, and governance (ESG) issues and climate change. Released in 2019, the fourth update to the Equator Principles ("EP4") added a requirement for financial institutions to have clients conduct climate change risk assessments as part of due diligence. Aside from this, it also strengthened various other measures to address climate change. Mizuho Bank was an early adopter of the Equator Principles, and we continue to apply them to project finance involving large-scale development or construction, working with clients to identify, assess, and manage environmental and social risks and impacts.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable>	

C-FS2.2f

(C-FS2.2f) Do you request climate-related information from your clients/investees as part of your due diligence and/or risk assessment practices?

	We request climate-related information	Please explain
Bank lending (Bank)	Yes, for some	Mizuho Bank recognizes that large scale development projects may have adverse impacts on the environment and local communities. To minimize and/or mitigate the environmental and social risks associated with such large scale developments, Mizuho Bank, in collaboration with the project proponents (customers), conducts appropriate environmental and social risks assessment/due–diligence as required under Equator Principles. In the process, we request customers to provide necessary information and to conduct climate change risk assessments related projects based on TCFD recommendation. In addition, based on Specific Measures of our Environmental and Social Management Policy for Financing and Investment Activity, our primary subsidiaries participate in engagement (constructive dialogue) with specific clients in each sector with the aim of sharing a medium- to long-term perspective on opportunities and risks accompanying environmental, social, and governance (ESG) issues and climate change.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Please select	

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation	Enhanced emissions-reporting obligations

Primary potential financial impact
Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification
Operational risk

Company-specific description
The Tokyo Metropolitan Basic Environment Ordinance mandates emissions reductions of 8% in the first period (FY2010-14) and 17% in the second period (FY2015-19) and even more 27%in the third period (FY2020-24) against the reference value, and it applies to a total of six offices and information centers at MHBK and MHIR, so in order to meet this requirement, costs will be incurred to invest in facilities, etc., purchase emissions credits and conduct third-party verification of emissions levels.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
104369664

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
In the second period (FY2015-19) of the Tokyo Cap-and-Trafe Program, mandatory emissions reductions at applicable business sites total 18637 tons per year. Within the framework of this scheme, purchasing the equivalent in emissions credits would cost 104 million yen. Because 5,600 yen/ton ×18637 tons. The value of 5,600yen is the price of the Renewable energy credit in December 2020 under the Tokyo Cap-and-Trafe Program. 104 million yen is equivalent to 0.004% of fiscal 2020 ordinary costs. Therefore, the potential impact in our company is small.

Cost of response to risk
10133509

Description of response and explanation of cost calculation
1.2) The Tokyo Metropolitan Basic Environment Ordinance mandates emissions reductions of 17% in the second period (FY2015-19) and even more 27%in the third period (FY2020-24) against the reference value, and it applies to a total of six offices and information centers at MHBK and MHIR, so in order to meet this requirement, costs will be incurred to invest in facilities or purchase emissions credits. 3) The Strategic Planning Department of MHFG periodically monitors compliance with obligations by checking the core group companies' reports and the like, and the results are reported to MHFG's Chief Sustainability Officer. Also, it instructs related companies to carry out simulations, etc. On reduction obligations and receives reports from them. In addition, it deliberates policies including effective countermeasures for reducing CO2 emissions in coordination with related companies. Moreover, in order to make mandatory reductions under the Tokyo Metropolitan Government's environmental ordinance, MHBK and MHIR have formulated plans for increasing efficiency through operations such as management of air conditioning temperature settings and reduction of number of air conditioning units used, and capital investment such as a renovation of equipment to introduce high–efficiency equipment, primarily in large-scale projects, and they confirm progress and inspect plans on an annual basis. Conducted by MHFG's Sustainability Office and existing members of Group companies' building management departments. And in order to correspond to reduction duty, we expect about 10.1 billion yen for investments (0.92 million yen/year × 11 years) and 6.4 million yen for third-party verification of emissions levels from FY2010 to FY2020 (0.64 million yen/year × 11 years). 4) As a result, CO2 emissions in fiscal 2020 decreased and costs were reduced.

Comment

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Current regulation	Carbon pricing mechanisms

Primary potential financial impact
Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification
Operational risk

Company-specific description
A feed-in tariff scheme for renewable energies was started in 2012 in accordance with the Act on Special Measures Concerning the Procurement of Renewable Electric Energy by Operators of Electric Utilities, which adds a surcharge for the promotion of renewable energies onto regular power rates. In addition, a global warming tax is now levied on gasoline, kerosene, electricity and city gas in the form of a tax rate that will be phased in and tacked onto the petroleum and coal tax. For us, this will result in increased energy costs of 18million yen annually.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
1169199000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
For electricity, gasoline, kerosene and city gas, the rate is proportional to amounts used, so unless energy savings activities are conducted it is not possible to keep operating costs from rising. If there is no change in the amount of electricity used in FY2009, it is equivalent to costs increasing by 1.2billion yen in FY2020, which accounts for 0.04% of fiscal 2020 ordinary cost. Electricity price per 1kWh in FY2020(A)= 5,176billions yen (B)/307millions Wh (C)=16.86 yen/kWh(A) 16.86 yen/kWh(A)×461million Wh(D)=7.78 billion yen (E) 7.78 billion yen (E) – 6,61 billion (F) = 1.2 billion yen (B): Electricity price in FY2020、(C): Amount of electricity in FY2020、(D): Amount of electricity in FY2009, (E): Value calculated by the electricity cost in FY2020 for the amountof electricity in FY2009, (F): Cost increased in FY2020 if there is no change in the amount of electricity used in FY2009. Therefore, the potential impact in our company is small.

Cost of response to risk
0

Description of response and explanation of cost calculation
1,2) For electricity, gasoline, kerosene and city gas, the rate is proportional to amounts used, so unless energy savings activities are conducted it is not possible to keep operating costs from rising. 2) If there is no change in the amount of electricity used in FY2009, it is equivalent to costs increasing by 1.2billion yen in FY2020, which accounts for 0.04% of fiscal 2020 ordinary cost. 3) To achieve the targets set by MHFG (regarding the reduction of CO2 emission), each group company promotes initiatives to reduce the use of resources and energy based on the group's environmental policies. The CSR Promotion Office receives reports from the group companies on a regular basis and monitors their progress. In addition, to reduce costs, we continue to work to conserve energy by turning off rows of florescent lights, installing LED lighting, and putting restrictions on air conditioning use in the summer and winter, among other measures. MHBK and MHTB regularly post electricity consumption figures for all branches on the bank intranet, which helps motivate the branches to conserve more. Also, to curb gasoline use, we have policies on reducing vehicles and encouraging employees to turn their engines off while at a stop. 4) As a result, CO2 emissions in fiscal 2020 decreased and costs were reduced. From a personnel standpoint, measures are conducted with existing personnel in charge of building management for the core Group companies, and measures are primarily consist of operational initiatives, so additional costs are not incurred.

Comment

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Other, please specify (Increase in credit costs for sectors with high levels of GHG emissions, as a result of the shift to low carbon due to policy, leagal. tecgnological and market resks.)

Primary potential financial impact
Increased credit risk

Climate risk type mapped to traditional financial services industry risk classification
Credit risk

Company-specific description
• There are risks such as increase in credit costs for sectors with high levels of GHG emissions, as a result of the shift to low carbon and compliance with regulatory changes reflecting increasing international demand for more drastic responses to climate change. • Under the definition of carbon-related assets from the TCFD Recommendations, we calcutated our credit exposure (EXP) in carbon-related sectors, it came to 5.5% of our total credit exposure as of March 31, 2021. • In our analysis for impacts on our clients' business, we employed two scenarios: a static scenario which assumes that no attempt is made to transform the present business structure, and a dynamic scenario under which the business structure is transformed using International Energy Agency's Sustainable Development Scenario and New Policies Scenario. Through this analysis, we estimated our credit costs through 2050.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
620000000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Based on international Energy Agency (IEA)'s Sustainable Development Scenario (SDS) / Stated Policies Scenario (STEPS), in our analysis for impacts on our clients' business of "electric utilities", "oil, gas & coal" and "Automobile" sectors of worldwide, we employed two scenarios: a static scenario which assumes that no attempt is made to transform the present business structure, and a dynamic scenario under which the business structure is transformed. We estimate the sample companies' future BS/PL and evaluate business continuity under the scenario. Then we expand its evaluation to each of the sector's subsectors, divided by region and other categories, and estimate credit costs for the entire sector. While the IEA scenario is until 2040, the period for this analysis is until 2050. Through this analysis and under the assumption that our credit exposure will remain the same from March 31, 2021 to 2050, we estimated that our credit costs will increase by approx. 620 billion JPY by 2050.

Cost of response to risk
4600000

Description of response and explanation of cost calculation
1,2) There are risks such as increase in credit costs for sectors with high levels of GHG emissions, as a result of the shift to low carbon and compliance with regulatory changes reflecting increasing international demand for more drastic responses to climate change. Under the definition of carbon-related assets from the TCFD Recommendations, we calcutated our credit exposure (EXP) in carbon-related sectors, it came to 5.5% of our total credit exposure as of March 31, 2021. 3) Based on the above, in April 2020, we revised our policy to be comprehensive in prohibiting investment and financing in such initiatives regardless of sector, as well as points of caution and based on this policy we set a quantitative target to reduce our outstanding credit balance for coal-fired power generation facilities. In light of our FY2019 scenario analysis results and other factors, since FY2020 we have been further strengthening our constructive dialogue (engagement) with our clients concerning their efforts to address climate change. In FY2020, as part of our efforts towards risk management and responsible financing and investment, we undertook engagement with approximately 900 clients and, among these, in-depth engagement with approximately 70 large credit and similar clients. Our in-depth engagement incorporated discussions on plans for responding to transition risk (e.g. business structure transformation strategies), awareness of risks and opportunities, and plans for capital raising. We managed relevant risks through conducting due diligence based on the Equator Principles, and through engagement with clients. The acquisition and management of risk information and the education of executive officers and employees are quite important in promoting engagement as described above to achieve the aforementioned goals. In addition, in order to proactively confirm the environmental and social resks in the project, information from risk information providers is utilized for training related employees and risk management. The main content of risk response expenses (4.6 million JPY) = expenses related to the Equator Principles (membership fees, third-party verification, etc.: 2.4 million JPY) + expenses for risk information providers etc.(2.2million). In FY 2020, training costs for EP and sustainability businesses were substantially 0 JPY because they were conducted online due to COVID-19. 4) As a result of above initiatives, we are able to control the occurrence of damage.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
With reduction targets being set in all countries and regions since the Paris Agreement, Japan has also formulated reduction targets for 2030 and drafted a long-term strategy for 2050. In particular, policies have been put forth for the adoption of renewable energy, utilization of hydrogen, and promotion of the carbon recycle based on carbon capture and storage technologies, and business opportunities are increasing for MHIR, which has strengths in these areas. An increasing number of companies are reconstructing their business strategies in connection with the actualization of these decarbonization policies, and with our strength in environmental strategy consulting for companies, our business opportunities are expanding. Additionally, since the release of the final proposal of the TCFD, which recommends to companies the disclosure of financial information related to climate risk, our corporate clients have begun to conduct so-called scenario analysis in which climate risk resilience is considered and to disclose the results in their financial reports. We have a track record in scenario analysis and disclosure of non-financial information and occupy a leading position in Japan in this field, which is providing us with many business opportunities.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
1600000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
In FY 2020, MHIR received orders for the environment and energy sector increased by approximately 1.6 billion JPY compared to the amount received before the Paris Agreement came into effect (FY2015). For government offices (Central government ministries, national research institutes, the independent administrative institution, the local government, and other public institutions) approx. 1.13 billion JPY + private companies approx. 0.47 billion JPY = approx. 1.6 billion JPY.

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
1,2)With reduction targets being set in all countries and regions since the Paris Agreement, Japan has also formulated reduction targets for 2030 and drafted a long-term strategy for 2050. In particular, policies have been put forth for the adoption of renewable energy, utilization of hydrogen, and promotion of the carbon recycle based on carbon capture and storage technologies, and business opportunities are increasing for MHIR, which has strengths in these areas. An increasing number of companies are reconstructing their business strategies in connection with the actualization of these decarbonization policies, and with our strength in environmental strategy consulting for companies, our business opportunities are expanding. 3) Strategy to realize opportunity The Environment and Energy Division1&2 and Global Innovation & Energy Division in MHIR's consulting group is staffed with approximately 130 researchers and consultants to capture business opportunities by utilizing the institute's extensive track record in research and consulting in the field of the environment and energy. The department works to strengthen contract survey and research work for the government. In the Research & Consulting Unit, to support Mizuho in responding as a united group to clients' varied sustainable business needs, beginning with the SDGs and ESG issues, in 2020 we launched the Sustainability Promotion Project. In terms of research collaboration, we are focusing on output usable in consulting and coordination among in-house companies, and we have formed a Task Force on Climate Change Research. The Task Force on Climate Change Research is composed of 12 consultants and researchers from Mizuho Research Institute and Mizuho Bank's Industry Research Department and is researching climate change impacts from macroeconomic and industrial perspectives. The task force's work is furthering initiatives that support Mizuho's management and business. Operational costs are incurred to assign dedicated personnel, conduct research to precisely identify business opportunities, but these costs are recognized as normal business management costs, so additional costs are not incurred from the perspective of accommodating needs associated with the problem of climate change. 4) As a result of these efforts, MHIR has received more orders in the environmental and energy sectors than it did before the Paris Agreement came into effect (FY 2015).

Comment

Identifier
Opp2

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
Mizuho's opportunities include capturing increased business opportunities to provide financing for renewable energy projects or solutions for clients' efforts to transition to a low-carbon society as well as enhancing our reputation in capital markets and society at large through appropriate initiatives and disclosures. In order to actively engage in "Promoting action to address climate change and supporting the transition to a low carbon society," one of our key sustainability areas, and capture expanding business opportunities, including support of customer innovation and risk reduction, Mizuho established and strengthened promotion organizations related to its sustainability business and is working to coordinate across the Group -Sustainable finance & Environmental finance targets: FY2019 – FY2030 total: 25 trillion yen (of which the target for environmental finance is 12 trillion yen).

Time horizon
Long-term

Likelihood
Very likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
2600000000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
2.6 trillion yen was the total results defined as environmental finance from FY2019 to FY2020. The applicable business areas of our environmental finance are loans, underwriting, investments, and asset management and the applicable finance areas are "finance for clients where the intended use of funds is environmental projects" and "financing to support and facilitate clients' response to ESG/SDG-related areas, including financing requiring clients to meet certain related conditions, and providing consulting and assessment of clients' response to ESG/SDGs-related areas". Project Fiance for Renewable Energy (Loan: 0.7 trillion yen) + Green Bond (underwrite: 0.9 trillion yen) + Mizuho Eco Finance (Loan: 0.6 trillion yen) + Other Environmental Finance (Loan and Investment: 0.5 trillion yen) = approx. 2.6 trillion yen

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
1,2) Mizuho's opportunities include capturing increased business opportunities to provide financing for renewable energy projects or solutions for clients' efforts to transition to a low-carbon society as well as enhancing our reputation in capital markets and society at large through appropriate initiatives and disclosures. 3) In order to actively engage in "Promoting action to address climate change and supporting the transition to a low carbon society," one of our key sustainability areas, and capture expanding

business opportunities, including support of customer innovation and risk reduction, in April 2020, Mizuho established and strengthened promotion organizations related to its sustainability business and is working to coordinate across the Group. At Mizuho, in addition to carrying out sustainability training for all group employees, we are particularly focusing our efforts on enhancing group-wide knowledge, such as by providing relationship managers with internal training to enable them to accumulate expertise on sustainability and strengthen their ability to identify issues and propose solutions to clients. At present, approximately 1,000 employees participate in each of the learning sessions we regularly hold on transition finance and other topics garnering a high level of interest from clients. As a result, in March 2021, we arranged the first transition loan to be executed in Japan. Leveraging the industry insight, research knowledge, and consulting expertise that we have cultivated over many years, we are also providing support and information for clients' ESG and SDG-related challenges. We provided sustainability-related consulting in approximately 440 cases in FY2020. 4) Strategy to realize opportunity and explanation of cost calculation As a result of the above efforts, our transactions of environmental finance have expanded compared to those before the Paris Agreement came into effect. Operational costs are incurred to assign dedicated personnel, conduct research to precisely identify business opportunities, develop educational tool for sales reps and sales tool for customers, and provide information related to environmental businesses, but these costs are recognized as normal business management costs, so additional costs are not incurred from the perspective of accommodating needs associated with the problem of climate change.

Comment

Identifier
Opp3

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
Mizuho Securities, one of the Mizuho Financial Group, underwrites and sells ESG bonds, such as green bonds and social bonds, which are issued to help developing countries and address environmental and social issues such as climate change. Through these efforts, we will contribute to the sustainable development of society and promote efforts to expand the ESG bond market. In addition, the demand for green bonds is expected to increase in line with an increase in the number of companies that promote climate change initiatives.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
614600000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The sustainable finance market in Japan is growing rapidly, and the amount of SDGs bonds issued in fiscal 2020 was 2.3 trillion yen, nearly 1.7 times the amount issued in fiscal 2019. Regarding green bonds, for local governments (4 cases, 40.5 billion yen) + for independent administrative institution (5 cases, 145 billion yen) + for private companies (32 cases, 429.1 billion yen) = 614.6 billion yen.

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
In order to contribute to the sustainable development of society and Mizuho, financial institutions has been Mizuho Securities actively promoting initiatives to which it should contribute. In order to collect specialized information on SDG bonds in the capital market and to support customers' structuring of SDG bonds, we established the Sustainable Finance Desk in 2017 and the Sustainable Finance Office in 2019. In addition, while not in the reporting year, the Sustainability Promotion Department was established in 2021 in order to further strengthen and expand these initiatives after internal discussions in FY 2020. Mizuho Securities has been registered as a "Registered Issuance Supporter" in the "Green Bond Issuance Promotion Platform" of the "FY 2020 Green Bond Issuance Promotion System Development Support Project" promoted by the Green Finance Promotion Organization of Japan, which was commissioned by Ministry of the Environment. 4) As a result, it has been well received by customers. Such new product development and employee training incurs substantial costs, but such costs are recognized as normal business management costs, so additional costs are not incurred from the perspective of accommodating needs related to the problem of climate change.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes

C3.1b

(C3.1b) Does your organization intend to publish a low-carbon transition plan in the next two years?

	Intention to publish a low-carbon transition plan	Intention to include the transition plan as a scheduled resolution item at Annual General Meetings (AGMs)	Comment
Row 1	No, we do not intend to publish a low-carbon transition plan in the next two years	<Not Applicable>	

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
IEA Sustainable development scenario	1. How the selected scenario were identified In order to further strengthen our response to climate change, we revised our Environmental Policy after internal discussions in FY 2020, clarifying our contribution to achieving a low-carbon society by 2050, our support for the objective of the Paris Agreement, and our transformation to a portfolio aligned with the targets in the Paris Agreement. Based on this Policy, we are implementing initiatives responding to climate change, including supporting our clients' efforts to transition to a low-carbon society, and are disclosing information in line with the TCFD Recommendations. For this reason, we have adopted the SDS, a scenario for achieving sustainable energy targets, including the Paris Agreement. 2. Time horizon In response to the environmental policy mentioned above and the carbon neutral target by 2050 announced by the Japanese government in October 2020, the target period for the analysis was set at 2050. 3. Areas as part of the scenario analysis Focusing on the sectors advised by the TCFD Recommendations, we qualitatively evaluated climate change risks as they will unfold over short, medium, and long-term time frames and categorized each risk as high, medium or low. we also categorized the level of climate change opportunities as high, medium, or low. We identified the electric utilities and oil, gas & coal as sectors facing high transition risks, and the electric utilities and automobile as sectors with high levels of opportunities. 4. Results The increase in credit costs for the electric utilities; oil, gas & coal; and automobiles sectors combined is estimated to be around 620 billion yen through 2050 (with March 31, 2021 as the base point). Electric utilities and oil, gas & coal sectors; the increase in our credit costs over the medium to long term was limited. Automobile sector: while the uncertainty surrounding future fuel efficiency regulations and other factors means these findings are subject to change, they do indicate that the increase in credit costs will be limited. 5. How the results have informed our business We confirmed the importance of advancing business structure transformation over the medium to long term in order to transition to a low-carbon society. Further strengthening engagement with clients and responding with a deep understanding of their challenges and needs will allow us to capture business opportunities and strengthen risk management. 6. How the results have influenced our business In light of our FY2019 scenario analysis results and other factors, since FY2020 we have been further strengthening our constructive dialogue (engagement) with our clients concerning their efforts to address climate change. Providing solutions based on a deep understanding of our clients' challenges and needs allows us to capture business opportunities and strengthen risk management. In FY2020, as part of our efforts towards risk management and responsible financing and investment, we undertook engagement with approximately 900 clients and, among these, in-depth engagement with approximately 70 large credit and similar clients. Our in-depth engagement incorporated discussions on plans for responding to transition risk (e.g. business structure transformation strategies), awareness of risks and opportunities, and plans for capital raising. Taking into account our scenario analysis results and the details of engagement given above, we have identified high-risk areas. In regard to high-risk areas, we are more thoroughly engaging with clients to support them in formulating effective strategies for transition risks, in disclosing their progress, and in embarking on business structure transformation towards a lower risk sector at an early stage. In undertaking such engagement with our clients, if a client does not make progress on addressing their transition risks even after a certain period of time, we carefully consider our transactions with the client.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	"Products and services" have impacted as opportunities for our business and its term is from short to long. 1) We recognize that Climate change creates the following opportunities for Mizuho: ・Utilizing engagement with clients as a starting point, expand business opportunities to support clients' transition to a low-carbon society and their climate change responses. - Provide sustainable finance, transition finance, and environmental finance. - Provide financial and non-financial solutions that meet the diverse needs of clients. - Increase medium- to long-term business opportunities for Mizuho by supporting clients' continuous growth. 2) For this reason, it is necessary to gain a deep understanding of the issues and needs of each customer, and to accumulate relationship managers' knowledge on sustainability. 3) Since FY2020 we have been further strengthening our constructive dialogue (engagement) with our clients concerning their efforts to address climate change. Providing solutions based on a deep understanding of our clients' challenges and needs allows us to capture business opportunities and strengthen risk management. In FY2020, as part of our efforts towards risk management and responsible financing and investment, we undertook engagement with approximately 900 clients. We are particularly strengthening our transition finance initiatives to support the transition of clients in sectors with high levels of carbon emissions. In addition to carrying out sustainability training for all group employees, we are particularly focusing our efforts on enhancing group-wide knowledge, such as by providing relationship managers with internal training to enable them to accumulate expertise on sustainability and strengthen their ability to identify issues and propose solutions to clients. Approx. 1,000 employees participate in each of the learning sessions we regularly hold on transition finance and other topics garnering a high level of interest from clients. 4) As a result of these efforts, we have contributed to support clients' transitions through client engagement, in which we confirm the status of clients' response to transition risk and provide financing and investment. We are making strong progress, as our result for environmental finance FY2019 to FY2020 was was 2.6 trillion yen. In March 2021, we arranged the first transition loan to be executed in Japan.
Supply chain and/or value chain	Yes	Supply chain and/or value chain has impacted as risks for our business and its term is long. 1) Risks concerning the continued medium to long-term feasibility of business models for industries and companies facing high levels of transition risk may increase if these industries and companies are slow to address the transition or if their response is not sufficient. 2) For this reason, it is necessary to gain a deep understanding of the issues and needs of each customer through valu chanin and risk management by development of our policies for financing and investment in the transition risk sector. 3) - Revising our Environmental and Social Management Policy. In an effort to enhance our responses to climate change risks, we have gathered companies whose primary businesses are in coal-fired power generation, oil-fired power generation, gas-fired power generation, coal mining, or other oil and gas operations—companies highly likely to be exposed to transition risk—under the heading of "transition risk sectors". - Strengthened risk management by improving risk control in carbon-related sector. Since FY2020 we have been further strengthening our constructive dialogue (engagement) with our clients concerning their efforts to address climate change. In FY2020, as part of our efforts towards risk management and responsible financing and investment, we undertook engagement with approximately 900 clients. We have assessed risk along two axes—our clients' sectors and our clients' measures to address transition risk—in order to identify high-risk areas. In regard to high-risk areas, we are more thoroughly engaging with clients to support them in formulating effective strategies for transition risks, in disclosing their progress, and in embarking on business structure transformation towards a lower risk sector at an early stage. In undertaking such engagement with our clients, if a client does not make progress on addressing their transition risks even after a certain period of time, we carefully consider our transactions with the client. In this way, we are enhancing our risk control and reducing our exposure in high-risk areas over the medium to long term. 4) As a result of the above efforts, we could control business damage and we are steadily advancing our targets to reduce the outstanding credit balance for coal-fired power generation facilities.
Investment in R&D	Yes	Investment in R&D has impacted as opportunities for our business and its tern is from short to long. 1,2) Research on climate change-related orders is increasing year by year. Long-term strategies related to fostering industries in line with societal changes by Climate Change Adaptation and Mitigation will be impacted. Changes in the business environment surrounding energy—technological innovation, deregulation and the spread of next-generation automobiles and IoT will cause structural changes in related industries, and our business strategies will be affected as a result. Led by the Research & Consulting Unit, we strategically work to make policy proposals and foster industries that take into account these structural changes. 3) While not in the reporting year, to support Mizuho in responding as a united group to clients' varied sustainable business needs, beginning with the SDGs and ESG issues, in 2020 we launched the Sustainability Promotion Project. By the collaboration within the research function of the mizuho group, we have formed a Task Force on Climate Change Research. This Task Force is composed of employees from Mizuho Research Institute and Mizuho Bank's Industry Research Department and is researching climate change impacts from macroeconomic and industrial perspectives. We also participated in the UNEPFI's pilot project for scenario analysis, SBT road test in FY2020, and PCAF in June 2021, while not in the reporting year, and are conducting research on the calculation of Scope 3. 4) As a result of these efforts, we have expanded our business.
Operations	Yes	"Operations" have impacted as risks and opportunities for our business and its term is short. 1,2) Climate change is closely tied to various economic and social issues, and Mizuho recognizes it as a significant challenge that must be addressed from a medium- to long-term standpoint. It is necessary to develop environmental policies and investment and financing policies and promotion systems in order to steadily promote initiatives and operations. 3) In FY2020, The Board of Directors approved and established the Environmental Policy, which clarifies our stance on climate change as we work toward transitioning to a low-carbon society. After the internal discussion during FY2020, we revised our Environmental Policy in April 2021 and clarified our contribution to achieving a low-carbon society (net-zero greenhouse gas emissions) by 2050, our support for the objective of the Paris Agreement, and our phased transformation to a portfolio aligned with the targets in the Paris Agreement. Strengthened risk management by revising our Environmental and Social Management Policy for Financing and Investment Activity (enhanced it to further address climate change, biodiversity, and human rights), practicing due diligence in line with the Equator Principles and other actions. To capture business opportunities, in addition to appointing employees in charge of advancing sustainable business in each in-house company and unit, we regularly hold the Sustainable Business Strategy Meeting with working-level staff members involved in the group's sustainable business. Through these meetings, we are establishing our group-wide support of sustainable business by sharing information related to changes in the business environment and the status of group initiatives, and by holding discussions toward strengthening our business. 4) As a result of the above efforts, we could control business damage.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues	1,2) With reduction targets being set in all countries and regions since the Paris Agreement, Japan has also formulated a long term strategy for 2050. An increasing number of companies are reconstructing their business strategies in connection with the actualization of these decarbonization policies, and business opportunities are increasing for environmental finances and MHIR which has strengths in these areas. 3) To capture such business opportunities, we are establishing our group-wide support of sustainable business. Mizuho develops and provides financial and non-financial solutions in order to support clients' initiatives toward environmental, social, and governance (ESG) and Sustainable Development Goals (SDG)-related challenges, such as the transition to a low-carbon society. We have been pursuing the long-term target we set for sustainable finance and environmental finance in April 2020 (FY2019 - FY2030: 25 trillion yen, of which 12 trillion yen for environmental finance). While promoting finance aimed at increasing the adoption of renewable energy, we are also supporting clients in setting goals and advancing initiatives toward ESG and SDG-related measures, including for climate change, through the provision of various forms of sustainable finance. In addition, we are proactively developing and providing new financial products and have expanded our product offerings in order to meet the diversifying needs of clients related to SDGs and ESG. We are particularly strengthening our transition finance initiatives to support the transition of clients in sectors with high levels of carbon emissions. Leveraging the industry insight, research knowledge, and consulting expertise that we have cultivated over many years, we are also providing support and information for clients' ESG and SDG-related challenges. 4) As a result of the above efforts, we are making strong progress, as our overall result for FY2019 to FY2020 was 7.1 trillion yen (of which the result for environmental finance was 2.6 trillion yen). We provided sustainability-related consulting in approximately 440 cases in FY2020. In March 2021, we arranged the first transition loan to be executed in Japan.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C-FS3.6

(C-FS3.6) Are climate-related issues considered in the policy framework of your organization?

Yes, both of the above

C-FS3.6a

(C-FS3.6a) In which policies are climate-related issues integrated?

	Type of policy	Portfolio coverage of policy	Description
Bank lending (Bank)	Credit policy	Minority of the portfolio	From a standpoint of managing credit and reputational risk, we apply both our Environmental and Social Management Policy for Financing and Investment Activity and the Equator Principles to each of our transactions. Considering the expectations and perspectives of our stakeholders, for the purpose of strengthening our environmental and societal considerations in making investment and financing decisions, we previously established a policy on initiatives involving sectors which have a high possibility of contributing to adverse environmental and social impacts. After establishment in FY2019, to more thoroughly reflect the tenets of our Human Rights Policy and Environmental Policy, we revised annualy the policy to be comprehensive in prohibiting investment and financing in such initiatives regardless of sector, as well as points of caution (“Environmental and Social Management Policy for Financing and Investment Activity”) We conducted revisions in April 2021 aftre the deliberation through the Board of Directors, Executive Management Committee, Risk Management Committee and Risk Committee during FY2020. By revision during FY2020, in an effort to enhance our responses to climate change risks, we have gathered companies whose primary businesses are in coal-fired power generation, oil-fired power generation, gas-fired power generation, coal mining, or other oil and gas operations—companies highly likely to be exposed to transition risk—under the heading of “transition risk sectors”. We have also stated our risk awareness and policies in regard to these transition risk sectors, becoming the first Japanese bank to do so. Going forward, we will implement risk control through engagement. In addition, we have tightened the policy by adding the following. First, we will not provide financing or investment which will be used for new thermal coal mining projects. Second, when providing financing or investment for oil or gas extraction projects in the Arctic Circle or for oil sands, shale oil, or shale gas projects, we will conduct appropriate assessments of environmental and social risks with reference to standards such as the Equator Principles. This will enable us to request greater consideration for the environment, human rights, and similar issues from our clients. Further, based on the policy, we have revised our target year for reducing our outstanding credit balance for coal-fired power generation facilities. For certain sectors where there is a particularly high possibility of contributing to adverse environmental or social impacts, our decisions regarding whether to engage in business transactions take into consideration any applicable international standards or guidelines, whether the client or project has received relevant certifications, and whether there are any potential conflicts with local communities. Regarding the climate change-linked sectors of coal-fired power generation; coal mining; oil and gas; the large-scale agriculture, large-scale hydropower and palm oil, lumber, and pulp, we have established the following policies. In this document, Financing and Investment Transactions Prohibited Regardless of Sector lists projects for which we prohibit any financing or investment. Financing and Investment Transactions which Require Additional Due Diligence Regardless of Sector and Policies on Specific Industrial Sectors describe our practices for determining whether to engage in transactions with clients/projects in subject sectors, accounting for the degree to which the client has taken steps to avoid or mitigate risk and other due diligence as appropriate, based on the characteristics of the services we are providing. In addition, based on this policy, our primary subsidiaries participate in engagement (constructive dialogue) with specific clients in each sector with the aim of sharing a medium- to long-term perspective on opportunities and risks accompanying environmental, social, and governance (ESG) issues and climate change.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Please select	Please select	

C-FS3.6b

(C-FS3.6b) Describe your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.

Type of exclusion policy	Portfolio	Application	Description
Coal	Bank lending	Other, please specify (All of above)	We recognize that mining of thermal coal, when not managed properly, entails risk of adverse environmental and social impacts, which may include damage to ecosystems from hazardous waste produced in coal mines, as well as deaths or injuries resulting from mining accidents. Further, mined coal may also increase greenhouse gas emissions when burned for power generation or other purposes in the future. In light of this fact and in line with our policy on transition risk sectors, we do not provide financing or investment which will be used for new thermal coal mining projects. When an existing thermal coal mining project contributes to the stable energy supply of a country which has announced policies aligned with the Paris Agreement, we may provide financing or investment for the project, based on careful consideration, only in these cases. In addition, our decisions regarding financing and investment for companies whose businesses include thermal coal mining involve a thorough examination of their responses to the above risks. This policy was established in fiscal 2020.
Oil & gas	Bank lending	Other, please specify (All of above)	We recognize that oil and gas extraction and pipeline construction entail risk of adverse environmental and social impacts, which may include pollution of oceans and waterways from oil spills and gas leaks, as well as violations of the human rights of indigenous peoples. Accordingly, our decisions regarding financing and investment for oil and gas projects involve a thorough examination of the impacts on the environment and of the potential for conflicts with indigenous peoples or local communities. Further, in light of the fact that oil, gas, and other fossil fuels contribute to emissions of greenhouse gases, we undertake engagement with clients to confirm their measures for addressing transition risk accompanying climate change. In particular, we recognize that the Arctic Circle (the region with latitude 66°33′ north of the Equator) requires consideration for the conservation of endangered species and the lives of indigenous peoples. We also recognize that oil sands, shale oil, and shale gas development causes significant environmental degradation and may violate the human rights of indigenous peoples, among other risks. Because of this, when providing financing or investment for oil or gas extraction projects in the Arctic Circle or oil sands, shale oil, or shale gas projects, we conduct appropriate assessments of environmental and social risks. This policy was established in fiscal 2018.
Other, please specify (Coal fired power plant)	Bank lending	Other, please specify (All of above)	Climate change is closely tied to various economic and social issues, and we recognize that addressing climate change is an important issue in the medium to long term. As a financial services group, we are dedicated to holding dialogue with clients and other stakeholders and fulfilling our consulting role, and will proactively address climate change and support the shift to a low-carbon society. These initiatives will also be promoted for the purpose of securing stable energy supplies in countries around the world. Compared to other forms of power generation, coal-fired power generation produces more greenhouse gases, in addition to producing harmful substances such as sulfur oxide and nitrogen oxide. Therefore, it presents a higher risk of contributing to climate change, air pollution, and other environmental impacts. In light of this, we do not provide financing or investment which will be used for new construction of coal-fired power plants. (This excludes business to which Mizuho is already committed as of the start of this policy.) However, when a proposed coal-fired power plant is essential to the relevant country's stable energy supply and will contribute to reduction of greenhouse gas emissions by replacing an existing power plant, we may provide financing or investment for the project, based on careful consideration. We will also continue to support development of innovative, clean, and efficient next-generation technology that will contribute to the expansion of sustainable energy, as well as other initiatives for the transition to a low-carbon society. This policy was established in fiscal 2018.
Other, please specify (Palm oil, lumber, pulp)	Bank lending	Other, please specify (All of above)	While we recognize that palm oil, lumber, pulp, and other forest products are essential commodities for maintaining our lifestyles and infrastructure, we are also aware of the potential human rights abuses within the production process, such as the violation of indigenous people's rights or the use of child labor, in addition to environmental issues such as deforestation (including forest burning) and damage to biodiversity. In order to avoid becoming involved in such projects which may inflict human rights abuses or environmental destruction, our business decisions involve a thorough examination of whether there are any potential conflicts involving indigenous people or local communities, and we take into consideration whether the client/project has received certification for the production of sustainable palm oil or whether they have been certified for responsible forest management. In the event that we identify any unlawful act during the term of a transaction, we urge the client to take immediate remedial measures. In the event that the client has not taken appropriate measures to address social issues, we undertake engagement with the client to promote remedial measures and, if the client's remedial measures are unsatisfactory, we suspend new financing and investment. Further, we urge our clients in these sectors to formulate sustainable environmental policy, such as No Deforestation, No Peat, and No Exploitation (NDPE), and to respect Free, Prior, and Informed Consent (FPIC) in relation to local communities. This policy was established in fiscal 2018.
Other, please specify (Transition risk sectors)	Bank lending	Other, please specify (All of above)	Climate change is closely tied to various economic and social issues, and we recognize that addressing climate change is an important issue in the medium to long term. Companies whose primary businesses are in coal-fired power generation, oil-fired power generation, gas-fired power generation, coal mining, or other oil and gas operations may be exposed to transition risk if they do not take appropriate measures for the transition to a low-carbon society. At Mizuho, we are undertaking engagement with clients to ensure they make progress on addressing transition risks associated with climate change. In undertaking such engagement with our clients, if a client does not make progress on addressing their transition risks even after a certain period of time, we carefully consider our transactions with the client. Further, in our engagement and decision-making, we also take into account the role of the client in national energy policies aligned with the Paris Agreement. This policy was established in fiscal 2021 after internal discussion during FY2020.
Other, please specify (Large-scale hydropower)	Bank lending	Other, please specify (All of above)	We recognize that large-scale hydropower construction (an output of 25MW or more and a dam wall of 15m or more) entails risk of adverse environmental and social impacts, which may include disturbance of river basin ecosystems and destruction of biodiversity, as well as violation of the human rights of indigenous peoples and local communities due to resettlement. Accordingly, our decisions regarding financing and investment for large-scale hydropower projects involve a thorough examination of the impacts on the environment and of the potential for conflicts with indigenous peoples or local communities. Further, when providing financing or investment for large-scale hydropower projects, we recommend the client perform an environmental and social impact assessment based on the Hydropower Sustainability Assessment Protocol. This policy was established in fiscal 2021 after internal discussion during FY2020.
Other, please specify (Large-scale agriculture (soybeans and similar))	Bank lending	Other, please specify (All of above)	We recognize that development of large-scale agriculture of soybeans and similar crops (agriculture covering 10,000 ha or more) may entail environmental issues such as deforestation (including forest burning) and damage to biodiversity, in addition to potential human rights abuses such as the violation of indigenous peoples' rights or the use of child labor. Accordingly, our decisions regarding financing and investment for such agriculture involve a thorough examination of the client's measures to address environmental and social issues. Further, we urge our clients in these sectors to formulate sustainable environmental and human rights policy, such as No Deforestation, No Peat, and No Exploitation (NDPE), and to respect Free, Prior, and Informed Consent (FPIC) in relation to local communities. This policy was established in fiscal 2021 after internal discussion during FY2020.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Both absolute and intensity targets

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2021

Target coverage

Company-wide

Scope(s) (or Scope 3 category)
Scope 1+2 (location-based)

Base year
2019

Covered emissions in base year (metric tons CO2e)
182316.9

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
99.48

Target year
2030

Targeted reduction from base year (%)
35

Covered emissions in target year (metric tons CO2e) [auto-calculated]
118505.985

Covered emissions in reporting year (metric tons CO2e)
168484.73

% of target achieved [auto-calculated]
21.6768087403228

Target status in reporting year
New

Is this a science-based target?
Yes, we consider this a science-based target, but it has not been approved by the Science-Based Targets initiative

Target ambition
Other, please specify (Over the Well-below 2 degree)

Please explain (including target coverage)
After the interal discussion during FY2020, we revised our Environmental Policy in April 2021 and clarified our contribution to achieving a low-carbon society (net-zero greenhouse gas emissions) by 2050, our support for the objective of the Paris Agreement, and our phased transformation to a portfolio aligned with the targets in the Paris Agreement. Based on this, we set the following target with a reduction rate (-3.2%) above the Wellbelow 2 degree target (-2.5%/year). Reduce the FY2019 amount of worldwide Scope 1 and Scope 2 greenhouse gas emissions from the eight group companies by 35% by FY2030, and aim to become carbon neutral by FY2050

Target reference number
Abs 2

Year target was set
2021

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 1+2 (location-based)

Base year
2019

Covered emissions in base year (metric tons CO2e)
182316.9

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
99.48

Target year
2050

Targeted reduction from base year (%)
100

Covered emissions in target year (metric tons CO2e) [auto-calculated]
0

Covered emissions in reporting year (metric tons CO2e)
168484.73

% of target achieved [auto-calculated]
7.586883059113

Target status in reporting year
New

Is this a science-based target?
Yes, we consider this a science-based target, but it has not been approved by the Science-Based Targets initiative

Target ambition
Other, please specify (Over the Well-below 2 degree)

Please explain (including target coverage)
After the interal discussion during FY2020, we revised our Environmental Policy in April 2021 and clarified our contribution to achieving a low-carbon society (net-zero greenhouse gas emissions) by 2050, our support for the objective of the Paris Agreement, and our phased transformation to a portfolio aligned with the targets in the Paris Agreement. Based on this, we set the following target with a reduction rate (-3.2%) above the Wellbelow 2 degree target (-2.5%/year). Reduce the FY2019 amount of

worldwide Scope 1 and Scope 2 greenhouse gas emissions from the eight group companies by 35% by FY2030, and aim to become carbon neutral by FY2050

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number
Int 1

Year target was set
2013

Target coverage
Country/region

Scope(s) (or Scope 3 category)
Scope 2 (location-based)

Intensity metric
Metric tons CO2e per square meter

Base year
2009

Intensity figure in base year (metric tons CO2e per unit of activity)
144.64

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure
88.77

Target year
2020

Targeted reduction from base year (%)
10.5

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]
129.4528

% change anticipated in absolute Scope 1+2 emissions
-9.02

% change anticipated in absolute Scope 3 emissions
0

Intensity figure in reporting year (metric tons CO2e per unit of activity)
94.29

% of target achieved [auto-calculated]
331.529182469448

Target status in reporting year
Achieved

Is this a science-based target?
No, and we do not anticipate setting one in the next 2 years

Target ambition
<Not Applicable>

Please explain (including target coverage)
We do not assume expanding of the total floor area sharply from FY2019. In FY2020, the amount of electricity usage decreased by 33.56% compared to the base year. We foresee that the CO2 emissions in FY2021 become the same level as FY2020 by continuing energy-saving measures. The scope is Japan.

Target reference number
Int 2

Year target was set
2016

Target coverage
Country/region

Scope(s) (or Scope 3 category)
Scope 2 (location-based)

Intensity metric
Metric tons CO2e per square meter

Base year
2009

Intensity figure in base year (metric tons CO2e per unit of activity)
144.64

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure
88.77

Target year
2030

Targeted reduction from base year (%)
19

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]
117.1584

% change anticipated in absolute Scope 1+2 emissions
-16.31

% change anticipated in absolute Scope 3 emissions
0

Intensity figure in reporting year (metric tons CO2e per unit of activity)
94.29

% of target achieved [auto-calculated]
183.213495575221

Target status in reporting year
Achieved

Is this a science-based target?
No, and we do not anticipate setting one in the next 2 years

Target ambition
<Not Applicable>

Please explain (including target coverage)
We do not assume expanding of the total floor area sharply from FY2019. In FY2020, the amount of electricity usage decreased by 33.56% compared to the base year. We foresee that the CO2 emissions in FY2021 become the same level as FY2020 by continuing energy-saving measures. The scope is Japan.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Net-zero target(s)
Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number
Oth 1

Year target was set
2020

Target coverage
Business activity

Target type: absolute or intensity
Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Green finance	Other, please specify (Applicable business areas of the target is Loans, underwriting, investments, and asset management. Please see commnent on Applicable finance areas.)

Target denominator (intensity targets only)
<Not Applicable>

Base year
2019

Figure or percentage in base year
1.1

Target year
2030

Figure or percentage in target year
12

Figure or percentage in reporting year
2.6

% of target achieved [auto-calculated]
13.7614678899083

Target status in reporting year
Underway

Is this target part of an emissions target?
No

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain (including target coverage)
Unit of the base year, target year, and reporting year is trillion yen. Our target is as follow and the progress rate of FY2020 is 21.67%. "Environmental finance targets during FY2019 – FY2030 is 12 trillion yen." and our FY2020 results for environmental finance was 2.6 trillion yen. Applicable business areas of the target is Loans, underwriting, investments, and asset management. Applicable finance areas is “finance for clients where the intended use of funds is environmental and/or social projects” and “financing to support and facilitate clients’ response to ESG/SDG-related areas, including financing requiring clients to meet certain related conditions, and providing consulting and assessment of clients’ response to ESG/SDGs-related areas” for promoting action to address climate change and supporting the transition to a low carbon society.

Target reference number
Oth 2

Year target was set
2020

Target coverage
Business activity

Target type: absolute or intensity
Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Other, please specify	Other, please specify (Target to reduce the outstanding credit balance for coal-fired power generation facilities based on our Environmental and Social Management Policy for Financing and Investment Activity)

Target denominator (intensity targets only)
<Not Applicable>

Base year
2019

Figure or percentage in base year
299500000000

Target year
2040

Figure or percentage in target year
0

Figure or percentage in reporting year
289100000000

% of target achieved [auto-calculated]
3.47245409015025

Target status in reporting year
Revised

Is this target part of an emissions target?
No

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain (including target coverage)
Unit of the base year, target year, and reporting year is yen. Our target is as follow. We moved up the target year from 2050 to 2040. Target to reduce the outstanding credit balance for coal-fired power generation facilities based on our Environmental and Social Management Policy for Financing and Investment Activity is “Reduce the FY2019 amount by 50% by FY2030, and achieve an outstanding credit balance of zero by FY2040”. Our outstanding credit balance as of the end of FY2020 was 289.1 billion yen.

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number
NZ1

Target coverage
Company-wide

Absolute/intensity emission target(s) linked to this net-zero target
Abs2

Target year for achieving net zero
2050

Is this a science-based target?
Yes, but we have not committed to seek validation of this target by the Science Based Targets initiative in the next 2 years

Please explain (including target coverage)
After the interal discussion during FY2020, we revised our Environmental Policy in April 2021 and clarified our contribution to achieving a low-carbon society (net-zero greenhouse gas emissions) by 2050, our support for the objective of the Paris Agreement, and our phased transformation to a portfolio aligned with the targets in the Paris Agreement. Based on this, we set the following target with a reduction rate (-3.2%) above the Wellbelow 2 degree target (-2.5%/year). Reduce the FY2019 amount of worldwide Scope 1 and Scope 2 greenhouse gas emissions from the eight group companies by 35% by FY2030, and aim to become carbon neutral by FY2050

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	2	174
Implementation commenced*	0	0
Implemented*	2	3276
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Maintenance program

Estimated annual CO2e savings (metric tonnes CO2e)
489

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Mandatory

Annual monetary savings (unit currency – as specified in C0.4)
22000000

Investment required (unit currency – as specified in C0.4)
0

Payback period
<1 year

Estimated lifetime of the initiative
3-5 years

Comment
We have conducted these activities on an ongoing basis since 2011. Efforts are redoubled particularly when power demand goes up between July and September and between December and March. MHBK, MHTB and MHSC conducted electricity conservation initiatives in line with targets set for each power company service area based on the government's electricity reduction request. In order to avoid large-scale power outages caused by excess power demand and reduce peak afternoon power output, we have taken a variety of measures to reduce electricity consumption, which have included setting appropriate temperatures on air conditioners and using minimal lighting, even at offices not subject to the aforementioned law. At computer centers used by MHBK and MHIR, we have identified operations capable of being shifted to nighttime hours to equalize power consumption throughout the work day, and are reducing power consumption caused by daytime operations in order to help level our power use and reduce costs. These conservation activities were strengthened from July to September and from December to March based on the government request, but we continued them on a voluntary basis throughout the year to conform with societal demand for reduced electricity use.

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify (Introduction of such energy–conserving equipment as air conditioning equipment, LED lighting fixtures, and motion–sensor switches)

Estimated annual CO2e savings (metric tonnes CO2e)
3276

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Mandatory

Annual monetary savings (unit currency – as specified in C0.4)
145000000

Investment required (unit currency – as specified in C0.4)
84000000

Payback period
11-15 years

Estimated lifetime of the initiative
11-15 years

Comment
We have conducted this initiative on an ongoing basis since 2002 .Since FY2010 in particular, when reductions became mandatory, it has been continually and systematically promoted. Installation of energy-efficient cooling machine, lighting and other facilities at large-scale buildings with crude oil equivalent usage of over 1,500 kiloliters annually. Some of buildings that conduct reduction activities are subject to reductions under the Tokyo Metropolitan Government's environmental protection ordinance. We are working continuously in order to attain our voluntary target and the reduction duty of Tokyo.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	Efforts are made to reduce greenhouse gas emissions while complying with the revised Energy Savings Act, the Tokyo Metropolitan Government's environmental protection ordinance and other local ordinances and regulations. Under the revised Energy Savings Act, which applies to all business locations of the six group companies, we will track and report energy use and target reductions to energy use at a rate of 1% each year. The Tokyo Metropolitan Government's environmental protection ordinance applies to seven business locations affiliated with two Group companies. As It requires using average emissions for a consecutive three-year period between FY 2002 and FY2007 as the baseline value and reducing CO2 emissions by 8% on average from FY2010 to FY2014 at the first target reriod, and by 17% from FY2015 to FY2019 at the second plan period. Further, the mandatory reduction rate during the third plan period (fiscal 2020-2024) is expected to be raised to 27%. So, to fulfill this requirement and achieve the target, we are conducting facilities investment and operational initiatives. If it is estimated that we will not fulfill the requirement, we offset the difference by purchasing green power certificates, etc. each fiscal year. For facilities investment, we determine investment priorities while considering facilities upgrade items listed in the guidelines to the Tokyo Metropolitan Government's environmental ordinance and the timing of upgrades for facilities in use, among other factors, and make decisions on equipment to install by considering the investment recovery period, which is based on effective service life, energy-saving benefits and the investment amount.
Dedicated budget for other emissions reduction activities	After the interal discussion during FY2020, we revised our Environmental Policy in April 2021 and clarified our contribution to achieving a low-carbon society (net-zero greenhouse gas emissions) by 2050, our support for the objective of the Paris Agreement, and our phased transformation to a portfolio aligned with the targets in the Paris Agreement. Based on this, we set the new target for GHG emissions reduction by 2050. In order to achieve the target, we need to save electricity and procure renewable energy mainly for electricity consumption, which accounts for more than 80% of CO2 emissions. MHBK is conducting the project to expand environmentally conscious branches by applying the Mizuho Environmental Standards when constructing or renovating sales branches. This reduction activity is voluntary, and it was initially conducted on a trial basis with a view to expanding the scope of target setting in the future. Investment benefits have since been verified and reduction benefits confirmed to be as expected, so the standards were formally adopted in FY2011 and LED lighting is used in principle for new lighting installed since fiscal 2014. Moreover, MHTB is planning to convert to LED lighting and implement other measures when some branches of the head office are relocated. The establishment of a roadmap for the achievement of medium- to long-term goals shall be discussed and reported by the Executive Management Committee, and followed by the Board of Directors meeting. We will proceed with the study of renewable energy procurement together with related department.
Employee engagement	With respect to electricity savings related to computer use, MHTB verified the costs and electricity savings when computer settings are changed, and it was found that no cost benefits can be anticipated, so we have chosen to continue to conserve electricity through efforts to raise employee awareness.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Company-wide

Description of product/Group of products

After the interal discussion during FY2020, we revised our Environmental Policy in April 2021 and clarified our contribution to achieving a low-carbon society (net-zero greenhouse gas emissions) by 2050, our support for the objective of the Paris Agreement, and our phased transformation to a portfolio aligned with the targets in the Paris Agreement. We have been pursuing the long-term target we set for sustainable finance and environmental finance in April 2020 (FY2019 - FY2030: 25 trillion yen, of which 12 trillion yen for environmental finance). We have established key sustainability areas (materiality) and key performance indicators (monitoring indicators) to promote sustainable business, and we have set sustainable finance and environmental finance definitions to proactively fulfill our role in directing capital towards environmental protection and the achievement of the SDGs. - The primary Key Sustainability Areas referenced are as follows: - Environmental considerations: Promoting action to address climate change and supporting the transition to a low carbon society - Sound economic growth: Strengthening capital markets functions - Industrial development & innovation: (1) Smooth business succession (2) Accelerating innovation (3) Creating resilient social infrastructure Applicable finance areas: ・Finance for clients where the intended use of funds is environmental and/or social projects ・Financing to support and facilitate clients' response to ESG/SDG-related areas, including financing requiring clients to meet certain related conditions, and providing consulting and assessment of clients' response to ESG/SDGs-related areas Applicable business areas:・Loans, underwriting, investments, asset management Outline of sustainable finance and environmental finance: ・Project finance for renewable energy : Arranging of project financing for wind, solar, geothermal, and small hydro power. ・Green bonds : Underwriting of green bonds complying with principles and guidelines in and outside Japan. ・Green loans : Arranging of green loans complying with principles and guidelines in and outside Japan. ・Other green finance : -Arranging of Mizuho Eco Finance, renewable energy-related asset-based lending., Mizuho ESG loans and private placement bonds -Investment in green projects, green projects(including mezzanine finance), -Loans for green building

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (Adressing the Avoided Emissions through providing financial servicies regarding renewable energy)

% revenue from low carbon product(s) in the reporting year

3.11

% of total portfolio value

3.11

Asset classes/ product types

Bank lending	Corporate Loans

Comment

Applicable business areas of our sustainable finance and environmental finance are loans, underwriting, investments, asset management.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
April 1 2010

Base year end
March 31 2011

Base year emissions (metric tons CO2e)
17119.12

Comment

Scope 2 (location-based)

Base year start
April 1 2010

Base year end
March 31 2011

Base year emissions (metric tons CO2e)
290536.88

Comment

Scope 2 (market-based)

Base year start
April 1 2010

Base year end
March 31 2011

Base year emissions (metric tons CO2e)
207932.85

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Act on the Rational Use of Energy
Japan Ministry of the Environment, Law Concerning the Promotion of the Measures to Cope with Global Warming, Superceded by Revision of the Act on Promotion of Global Warming Countermeasures (2005 Amendment)
The Tokyo Cap-and Trade Program
Other, please specify (Please see C5.2a in detail.)

C5.2a

(C5.2a) Provide details of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

<Greenhouse gas emissions associated with fuel use by vehicles>

"Guidelines for creating a "Tokyo automobile environmental management plan" based on Tokyo's environmental protection ordinance

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
14053

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
Start date 2020/4/1 End date 2021/3/31

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment
Start date 2020/4/1 End date 2021/3/31

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
161717.89

Scope 2, market-based (if applicable)
155184.23

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
Start date 2020/4/1 End date 2021/3/31

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source
Greenhouse gases except from gasoline and electricity energy sources at overseas sites

Relevance of Scope 1 emissions from this source
Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source
Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)
Please select

Explain why this source is excluded
Minimal usage. It is less than 1% of the sum of Scope1 and Scope2.

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Metric tonnes CO2e
3883.57

Emissions calculation methodology
Calculated for paper used in large quantities by financial institutions (i) Types and sources of data： Paper volume purchased by main Group companies in fiscal 2020; emissions unit of 1.83t-CO2/t (Source: "General Guidelines on Supply Chain GHG Emission Accounting Ver 2.3" issued by the Ministry of the Environment and Ministry of Economy, Trade and Industry (Dec 2017)) (ii) Data quality : Good. Activities data: 100% use of actual figures during reporting period. Emissions factors: Data for Japan (as the main area of activity); environmental impact unit via inter-industry tables calculated based on basic data from 2005 (iii) Methodologies: Paper purchase volume (2122 t) multiplied by the emissions unit (1.83t-CO2/ t)

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Capital goods

Evaluation status
Relevant, calculated

Metric tonnes CO2e
154.19

Emissions calculation methodology
(i) Types and sources of data： Activities data: The amount of capital investment. Emission factor： Emissions unit for capital investment amount by financial sector(Source: "General Guidelines on Supply Chain GHG Emission Accounting Ver 2.3" issued by the Ministry of the Environment and Ministry of Economy, Trade and Industry (Dec 2017)) (ii) Data quality : Good. Activities data: 100% use of actual figures during reporting period. Emissions factors: Data for Japan (as the main area of activity); environmental impact unit via inter-industry tables calculated based on basic data from 2005 (iii) Methodologies: The amount of capital investment in FY2020 multiplied by emission factor (1.84tCO2/million yen)

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Metric tonnes CO2e
14159.46

Emissions calculation methodology
Calculated about Japan. (i) Types and sources of data： Activities data: usage for each energy source. Emission factor： Emission unit data used in Japan's carbon footprint scheme(Source: "General Guidelines on Supply Chain GHG Emission Accounting Ver 2.3" issued by the Ministry of the Environment and Ministry of Economy, Trade and Industry (Dec 2017)). Electricity （Japan）：0.0354kg-CO2e/kWh. Steam：0.0319kg-CO2e/MJ. Heat：0.0319kg-CO2e/MJ. Cooling：0.0319kg-CO2e/MJ. Clean water：0.348 kg-CO2e/m3. Sewage water：0.479 kg-CO2e/m3. (ii) Data quality : Good. Activities data: 100% use of actual figures during reporting period. Emissions factors: Data for Japan (as the main area of activity); values formulated by the administrative office for a trial carbon footprint scheme that was run under the leadership of the Ministry of Economy, Trade and Industry and others from fiscal 2008 to fiscal 2011; values verified by the CO2 Conversion Unit Data Verification Committee, which is comprised of independent experts. (iii) Methodologies: Total of the product of use and emissions unit for each energy source

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Upstream transportation and distribution

Evaluation status
Relevant, calculated

Metric tonnes CO2e
179.97

Emissions calculation methodology
Mizuho delivers documents every day within the Group. Of this, the calculation is on mail cars used by MHBK with Tokyo's 23 wards. (i) Types and sources of data： Distance travelled by mail cars and ratios of fuels used in the reporting year (obtained from vendor). Fuel efficiencies are 10.8 km/l for diesel and 9.8 km/l for LP gas (source: list of vehicle fuel efficiencies from Ministry of Land, Infrastructure, Transport and Tourism).Emissions factor is 2.58 kg CO2/l for diesel and 1.71 kg CO2/l for liquefied petroleum gas. (Standards in the Tokyo Metropolitan Government's Automobile Environment Management Plan) (ii) Data quality : Good Activities data uses actual figures during reporting period provided by vendor and fuel efficiency statistics; emissions factors conform to the region and period. (iii) Methodologies: -Calculating fuel usage based on distance travelled and ratios of fuels used -The fuel usage multiplying by the emissions factor

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Waste generated in operations

Evaluation status
Relevant, calculated

Metric tonnes CO2e
119.3

Emissions calculation methodology
Calculated for waste from 15main offices, which accounts for 47.5% of number of employees of main group companies. (i) Types and sources of data： Activities data: The amount of waste by type from main offices Emission factor： ・Paper (burned, recycled): Units for waste types and disposal methods (Source: “General Guidelines on Supply Chain GHG Emission Accounting Ver 2.3” issued by the Ministry of the Environment and Ministry of Economy, Trade and Industry (Dec 2017)) ・Regular waste categories are “burn” and “land fill”（Source: Emission unit data used in Japan’s carbon footprint scheme (ii) Data quality : Very Good. Activities data: 100% use of actual figures during reporting period. Emissions factors: Data for Japan (as the main area of activity); values formulated by the administrative office for a trial carbon footprint scheme that was run under the leadership of the Ministry of Economy, Trade and Industry and others from fiscal 2008 to fiscal 2011; values verified by the CO2 Conversion Unit Data Verification Committee, which is comprised of independent experts. (iii) Methodologies: Totaled by multiplying the amount of waste by the emissions factor for each category: recycled paper, burned paper, regular waste (burn) and regular waste (landfill). The amount of recycled paper(t)×0.0472tCO2/t. The amount of burned paper(t)×0.0837tCO2/t. The amount of regular waste (burn) (kg)×0.0334kg-CO2e/kg. The amount of regular waste (landfill) (kg)×0.0379kg-CO2e/kg

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
1374.67

Emissions calculation methodology
Calculated about centrally managed domestic and overseas business trips between January and December 2020 in which air travel was used. (i) Types and sources of data： Activities data: Distance between airports on centrally managed business trips that used air travel; compiled using ticket purchase data for business trips and inter-airport distances based on IATA standards. Emissions factors: 0.11 for domestic flights and 0.083 for international flights (Source: “General Guidelines on Supply Chain GHG Emission Accounting Ver 2.3” issued by the Ministry of the Environment and Ministry of Economy, Trade and Industry (Dec 2017)) (ii) Data quality: Good. Activities data: 100% use of actual figures in 2020. Emissions factors use data based on statistics for Japan, the main aircraft departure point. (iii) Methodologies: Totals for domestic and overseas portions calculated by multiplying travel distance by emissions factors

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Employee commuting

Evaluation status
Relevant, calculated

Metric tonnes CO2e
12458.38

Emissions calculation methodology
Calculated for employee commuting. (i) Types and sources of data： Activities data: Transport stipends for rail and bus of four Group companies（MHFG、MHBK、MHTB、MHIR）. Emissions factors: Emissions per unit of transport stipend amount. Bus 0.00242ｋｇCO2/JPY, Rail 0.00137ｋｇCO2/JPY (Source: “General Guidelines on Supply Chain GHG Emission Accounting Ver 2.3” issued by the Ministry of the Environment and Ministry of Economy, Trade and Industry (Dec 2017)) (ii) Data quality : Good. Activities data: Uses actual amount of stipends paid during the reporting period (accounts for 82.04% of total number of employees). Emissions factor: appropriate or better for region, period, reliability, technologies and completeness (iii) Methodologies: Total calculated by multiplying rail and bus stipends by the respective emission units; total divided by total number of employees to calculate overall total for main group companies.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
82.04

Please explain

Upstream leased assets

Evaluation status
Relevant, calculated

Metric tonnes CO2e
2468.55

Emissions calculation methodology
Among MHBK ATM machines, about 40% are leased (including maintenance), and CO2 emissions associated with their use are calculated (remaining about 60% are owned and already reported in Scope 2). Leased assets also include buildings, vehicles, copy machines, etc., but have already been reported in Scope 1 and 2. (i) Types and sources of data： Activities data: -Sum of operating hours of leased ATMs. - ATM’s electricity used per hour (Data provided by the ATM Maker). Emission factor: Emission factor for electricity used in Scope 2 calculations (ii) Data quality : Good. Activities data: It is proper about technology, term, and the geographical location. Emission factor: It is proper about technology, term, and completeness. (iii) Methodologies: “Sum of operating hours of leased ATMs” ×”Electricity consumption per hour ” × “Emission factor for electricity”

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We believe there is nothing applicable in this category because documents sent to customers, etc. fall under the category of Transport and delivery (upstream).

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Mizuho does not sell manufactured products.

Use of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Mizuho does not sell manufactured products.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Mizuho does not sell manufactured products.

Downstream leased assets

Evaluation status
Relevant, calculated

Metric tonnes CO2e
17910

Emissions calculation methodology
Calculated for 12 lease assets (contracted land trust properties) in Tokyo owned by MHTB, which owns rental real estate (i) Types and sources of data：CO2 emissions reported by the management companies of land trust properties (ii) Data quality : Good Reported CO2 emissions conform in terms of reporting period, region and technology (iii) Methodologies: Calculated by the property management companies by multiplying energy use by emission factors along the reporting method of the General Guidelines on Specified GHG Emission Accounting and the Tokyo Carbon Reduction Reporting Program stipulated by the Tokyo Metropolitan Government revised environmental protection ordinance.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Mizuho does not have franchises.

Other (upstream)

Evaluation status
Not evaluated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Other (downstream)

Evaluation status
Not evaluated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.051

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
169237

Metric denominator
unit total revenue

Metric denominator: Unit total
3337392

Scope 2 figure used
Market-based

% change from previous year
3.23

Direction of change
Increased

Reason for change
Gross earnings decreased 10.55% although CO2 emissions fell 7.66% due to reduction efforts. For this reason, CO2 emissions per unit of revenue increased from 0.049 the previous fiscal year to 0.051.

Intensity figure
3.7

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
169237

Metric denominator
full time equivalent (FTE) employee

Metric denominator: Unit total
45685

Scope 2 figure used
Market-based

% change from previous year
6.13

Direction of change
Decreased

Reason for change
The number of employees decreased by 1.63%, and CO2 emissions decreased in conjunction with further reduction efforts, so CO2 emissions per employee decreased from 3.95 the previous fiscal year to3.70.

Intensity figure
0.088

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
169237

Metric denominator
square meter

Metric denominator: Unit total
1913346.12

Scope 2 figure used
Market-based

% change from previous year
14.03

Direction of change
Decreased

Reason for change
Since the total floor area in domestic and overseas offices increased by 7.40% due to consolidation of demostic offices, whereas the total CO2 emission decreased by 7.66%. As a result, our CO2 emissions per m2 decreased from 0.103 of the previous fiscal year to 0.088.

C7. Emissions breakdowns

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?
Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	857	Decreased	0.47	In FY2020, renewable energy are used 856 totally at the branches in UK, India and Cambodia. Scope2 857/18378×100=0.47%
Other emissions reduction activities	6329	Decreased	3.45	Continuing on from the previous fiscal year, we worked to reduce emissions through power-saving and energy conservation measures that included installation and appropriate operation of high-efficiency devices, among other measures. FY2020 CO2 emissions reduction： Scope2 6329t. FY2019 CO2 emissions： Scope1+Scope2=183278. So the reduction rate is as below: Scope2 6329/18378×100=3.45%
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology	8105	Decreased	4.42	FY2020 total CO2 emissions from electricity calcurated by 2019's Actual emissions factors is 137762. FY2019 CO2 emissions calcurated by 2019's Actual emissions factors is 149651. So (137762-149651)/ 183278×100=-4.42% This is equivalent to the reduction in the emission factors of many electric power companies, especially Tokyo Electric Power, which accounts for most of the domestic power consumption.
Change in boundary	1968	Increased	1.08	The increase in the number of headquarters in Japan (3016 tons) and the decrease due to the consolidation of domestic and overseas bases (-1048 tons) resulted in an increase of 1968 tons. So, 1968 / 183278×100=1.08%
Change in physical operating conditions	641	Decreased	0.35	Due to the influence of COVID-19, increased remote work has resulted in reduced use of sales vehicles at Mizuho branches around the world. Also in Japan, the number of people using company cafeterias has decreased. As a result, CO2 emissions were reduced by 641 tons. 173 tons of gas from the cafeteria and 468 tons of gasoline from automobiles. So, 641/ 183278×100=-0.35%
Unidentified	78	Decreased	0.04	
Other		<Not Applicable>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?
Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?
More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	68287.17	68287.17
Consumption of purchased or acquired electricity	<Not Applicable>	0	333743.36	333743.36
Consumption of purchased or acquired heat	<Not Applicable>	0	6760.52	6760.52
Consumption of purchased or acquired steam	<Not Applicable>	0	6035.25	6035.25
Consumption of purchased or acquired cooling	<Not Applicable>	0	15863.42	15863.42
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	3.7	<Not Applicable>	3.7
Total energy consumption	<Not Applicable>	3.7	430689.72	430686.02

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Underway but not complete for reporting year – previous statement of process attached

Type of verification or assurance
Third party verification/assurance underway

Attach the statement
Scope1_2_1-6Verification Report on Tokyo Emission Trading Scheme (BK_MHIR 6 buildings).pdf

Page/ section reference
Please find following page of each verification report on Tokyo Emission Trading Scheme. i) GHG emissions: p1-1, 2-1, 3-1, 4-1, 5-1, 6-1 ii) Scope: p1-1, 1-11 to 1-12, 2-1, 2-10, 2-11, 3-1, 3-9, 4-1, 4-6, 4-7, 5-1, 5-9, 6-1, 6-11 iii) Reporting year: p1-1, 2-1, 3-1, 4-1, 5-1, 6-1 iv) verification standard use: p1-2 to 1-12, 2-3 to 2-11, 3-2 to 3-9, 4-2 to 4-7, 5-2 to 5-9, 6-3 to 6-11 v) verification opinion: p1-1, 2-1, 3-1, 4-1, 5-1, 6-1

Relevant standard
Tokyo cap-and-trade guideline for verification

Proportion of reported emissions verified (%)
14

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Underway but not complete for reporting year – previous statement of process attached

Type of verification or assurance
Third party verification/assurance underway

Attach the statement
Scope1_2_1-6Verification Report on Tokyo Emission Trading Scheme (BK_MHIR 6 buildings).pdf

Page/ section reference
Please find following page of each verification report on Tokyo Emission Trading Scheme. i) GHG emissions: p1-1, 2-1, 3-1, 4-1, 5-1, 6-1 ii) Scope: p1-1, 1-11 to 1-12, 2-1, 2-10, 2-11, 3-1, 3-9, 4-1, 4-6, 4-7, 5-1, 5-9, 6-1, 6-11 iii) Reporting year: p1-1, 2-1, 3-1, 4-1, 5-1, 6-1 iv) verification standard use: p1-2 to 1-12, 2-3 to 2-11, 3-2 to 3-9, 4-2 to 4-7, 5-2 to 5-9, 6-3 to 6-11 v) verification opinion: p1-1, 2-1, 3-1, 4-1, 5-1, 6-1

Relevant standard
Tokyo cap-and-trade guideline for verification

Proportion of reported emissions verified (%)
31

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Business travel

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Underway but not complete for current reporting year – first year it has taken place

Type of verification or assurance
Limited assurance

Attach the statement
Scope3−categoly6_verification prereport.pdf

Page/section reference
P3 Please refer on page 3 of verification pre-report. Since it was our first time to take verification on Scope3 and the report is currently being prepared by the verification institution, we attached a pre report.

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C2. Risks and opportunities	Other, please specify (As part of our risk management, we have taken a third-party verification for the number of projects applied Equator Principles.)	ISAE3000	As part of our risk management, we have taken a third-party verification for the number of projects applied Equator Principles.

Equator principles_kpmg_2020.pdf

C11. Carbon pricing

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price

Navigate GHG regulations
Stakeholder expectations
Drive energy efficiency

GHG Scope

Scope 2

Application

Mizuho is proactively working to reduce CO2 emissions from our business site around the world. In setting a new GHG reduction target, carbon pricing was used as a reference to examine the impact of the reduction. Our company will also use its internal carbon pricing as a power purchasing decision tool when purchasing electricity from renewable sources to meet its GHG reduction targets at its major operations.

Actual price(s) used (Currency /metric ton)

5600

Variance of price(s) used

In FY 2020, in order to reduce the environmental impact of our business activities and further reduce our CO2 emissions, Mizuho's board of directors adopted resolutions on its existing emission reduction targets in review, and on its group-wide targets that newly align with the Paris Agreement. In setting targets for Scope1 and Scope2 to reduce greenhouse gas emissions by 35% by FY 2030 and net zero in FY 2050 (compared to FY 2019 levels), we considered the purchase price of renewable energy as a means of measuring the impact of procuring renewable energy based on the reduction rate of targets, as well as the figure of 4800 -6400 JPY/ton announced by the Tokyo Metropolitan Government as a reference value for emissions trading. Carbon prices also vary by region (differentiated price), time of purchase, and volume of purchase. In Japan, where there are more than 400 headquarters and branch offices and energy consumption is relatively high, carbon prices is generally approx. 4,000 -8,000 JPY/ton.

Type of internal carbon price

Implicit price

Impact & implication

In fiscal 2020, the Board of Directors of Mizuho adopted a resolution to set medium- to long-term targets for reducing CO2 emissions by 2030 and 2050, in order to proactively work on targets consistent with the Paris Agreement. As our company develops its roadmap for achieving its targets, it will consider calculating its internal carbon price each year from the cost of purchasing electricity from renewable energy sources and estimates of GHG emissions reductions from such purchases. Internal carbon pricing helps to understand the impact of investments on reductions and ensures our commitment to achieve reductions by the target year. If the headquarters building, which accounts for approx. 5% of GHG emissions in FY 2020, is offset by the purchase of renewable energy, scope 2 emissions will be reduced by approx. 8200 tons.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our customers
Yes, other partners in the value chain

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement
Engagement & incentivization (changing customer behavior)

Details of engagement
Engage with customers on measuring exposure to climate-related risk

% of customers by number
3

% of customer - related Scope 3 emissions as reported in C6.5

Portfolio coverage (total or outstanding)
Minority of the portfolio

Please explain the rationale for selecting this group of customers and scope of engagement
In light of our FY2019 scenario analysis results and other factors, since FY2020 we have been further strengthening our constructive dialogue (engagement) with our clients concerning their efforts to address climate change. Providing solutions based on a deep understanding of our clients' challenges and needs allows us to capture business opportunities and strengthen risk management. 1) the rationale for selecting this group of customers Targets are clients in sectors subject to our Environmental and Social Management Policy for Financing and Investment Activity (oil and gas, coal-fired power generation, coal mining, palm oil, lumber, and pulp) From a standpoint of managing credit and reputational risk, we apply its policy mentioned abov to each of our transactions. We have since revised the policy to enhance our handling of climate change, biodiversity, and human rights and our initiatives thereof. Specifically, in an effort to enhance our responses to climate change risks, we have gathered companies whose primary businesses are in coal-fired power generation, oil-fired power generation, gas-fired power generation, coal mining, or other oil and gas operations—companies highly likely to be exposed to transition risk—under the heading of "transition risk sectors". We have also stated our risk awareness and policies in regard to these transition risk sectors, becoming the first Japanese bank to do so. 2) Scope of engagement In FY2020, as part of our efforts towards risk management and responsible financing and investment, we undertook engagement with approximately 900 clients and, among these, in-depth engagement with approximately 70 large credit and similar clients. Our in-depth engagement incorporated discussions on plans for responding to transition risk (e.g. business structure transformation strategies), awareness of risks and opportunities, and plans for capital raising. Engagement with clients (approximately 900): Expanded the scope of clients with which to engage by revising the standards for the oil and gas sector (expanding from clients with a credit balance of USD 50 million or more to all credit clients), adding the coal mining sector, and making other changes. In FY2020, we engaged with all credit clients in fossil fuel-related sectors, as well as all credit clients in the palm oil sector.

Impact of engagement, including measures of success
i) Measures of success 1) Risk assessment in carbon-related sectors Taking into account our scenario analysis results and the details of engagement, we have assessed risk along two axes -our clients' sectors and our clients' measures to address transition risk- in order to identify high-risk areas. - Sector: Companies are divided into sectors based on the largest component in the sales/energy mix of their business activities. - Transition risk response: Based on disclosures, interviews, and other sources of information on the status of our clients' measures to address transition risk. Accounts for the adequacy of targets in terms of quantitative rigor, alignment with the Paris Agreement, and similar; the specificity of methods and progress on achieving targets; performance and objectivity; and other factors. - As of Mar. 31, 2021, EXP in high-risk areas: 1.8 trillion JPY 2) Response policy for high-risk areas In regard to high-risk areas, we are more thoroughly engaging with clients to support them in formulating effective strategies for transition risks, in disclosing their progress, and in embarking on business structure transformation towards a lower risk sector at an early stage. In undertaking such engagement with our clients, if a client does not make progress on addressing their transition risks even after a certain period of time, we carefully consider our transactions with the client. In this way, we are enhancing our risk control and reducing our exposure in high-risk areas over the medium to long term. 3) Distribution of client progress We assessed the distribution of our clients' progress on addressing transition risk, as confirmed through disclosures, interviews, and other sources of information. ii) The impact of climate-related engagement strategy Institutional investors, shareholders, NGOs, etc. have a strong interest in environmental and social risk, and we are able to connect this to the management of credit risk and reputational risk. Going forward, we will further strengthen engagement with our clients and respond with a deep understanding of their challenges and needs. In doing so, we will capture business opportunities by providing solutions supporting our clients' initiatives and also strengthen risk management. As results of our initiatives, we have reciebed positive reputation from our stakeholders.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

i) A clear explanation of who other partners in the value chain constitutes:

Private financial institutions, government organizations and private businesses, both in Japan and overseas.

Mizuho Bank has been promoting the understanding of the Equator Principles including response to climate change by conducting several outreach events such as proactively holding seminars not only for private financial institutions but also for other stakeholders, including government organizations and private businesses, both in Japan and overseas. In addition, Mizuho Bank conducts regular training sessions for its employees on environmental and social risks assessment and Equator Principles requirements involved in large–scale project financing.

ii) A case study of your climate-related engagement strategy with other partners in the value chain:

Mizuho Bank has been conducting environmental and social risks assessments based on the Equator Principles, and has also been proactively undertaking initiatives to promote them, and raise awareness regarding environmental and social risks impacts such as climate change issues among businesses and other related parties, including the borrowers. These activities have enabled Mizuho Bank to contribute to balanced economic development via financing and environmental preservation, thus fulfilling its social responsibility as a financial institution.

Presence of Asian banks in the world has been increasing with the economic growth. For example, Chinese banks have greatly increased their global influence. In recent years, banks in Singapore, Thailand, Malaysia, and other countries have also placed priority on project finance overseas.

However, the number of Asian financial institutions have adopted the Equator Principles (9 financial institutionsfrom Japan, 7 financial institutions from China, 8 financial institutions from Taiwan, 2 banks from Korea and 1 bank from India) is still small compared to those in Europe.

In recent years, Asian financial institutions have increased their participation in large scale project finance transactions globally. Consequently, Asian banks are anticipated to become more interested in adopting the Principles. To facilitate this, as a Regional Representative of the Equator Principles Associationin Asia-Oceania region,, Mizuho Bank has been proactively conducting meetings in collaboration with multilateral institutions such as IFC, to enhance the understanding of the Equator Principles requirements among banks in Asia. Mizuho Bank has also been actively engaging with stakeholders including non–financial institutions by holding several outreach seminars in the region.

More than 1,300 participants attended such promotional events undertaken by Mizuho Bank in fiscal years 2016 to 2020 both in Japan and overseas.

In FY 2020, Mizuho bank has held seminars for incorporated administrative agency and private financial institutionss, university professors/students and 48 participants attended in Japan. Regular training sessions were attended by more than 6,500 employees in 28 countries including Japan.

iii) As a result of those effort such as traning and engagement, we have been able to raise awareness and conduct appropriate operation of Equator principles.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers
Trade associations
Funding research organizations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Climate finance	Support	FroFrom August 2017 to February 2020, the Head of the Responsible Investment Department, Asset Management One's Investment Division participates in the Study Committee on Environmental Information and Corporate Value established by the Ministry of the Environment. The committee engages in discussions on improving the practical abilities of investors with respect to autonomous initiatives related to the environmental component of ESG investment through promoting a better understanding of environmental information by investors, and in February 2019 formulated and published the Report on Environmental Information and Approaches to its Utilization in Corporate Value. In February 2019, we created and published the Report on Environmental Information and Approaches to its Utilization for Corporate Value. In addition, since May 2019, as a member of the TCFD Consortium Planning Committee and as a Green Investment Guidance (GIG) Supporter, we have participated in selection and deliberation, etc. on climate-related information disclosure items to be referenced domestically and internationally, and contributed to their issuance in July 2020.	In formulating the report, we made recommendations on the process of connecting environmental information to raising corporate value and on its materiality.
Climate finance	Support	MHBK participated as a member of the Transition Finance Environment Study Working Group established by Ministry of Economy, Trade and Industry, Ministry of the Environment, and Financial Services Agency to formulate basic domestic guidelines for the implementation of funding through transition bonds, loans, etc. (First Meeting in January 2021, Second Meeting in March 2021, Third Meeting in May 2021.) The purpose of the Study Working Group was to provide guidelines for business companies, securities companies, banks, evaluation institutions, etc. that are required to implement funding with transition bonds or loans for low-carbon technologies necessary for the transition stage toward steady decarbonization and decarbonization. MHBK exchanged views from the viewpoint of banks toward the formulation of the Basic Guidelines for Transition Finance based on international principles such as ICMA.	From the standpoint of financial institutions and loan arrangers, MHBK made recommendations to both borrowers and lenders on the design of systems for the effective use of transition finance. . (First Meeting in January 2021, Second Meeting in March 2021, Third Meeting in May 2021.) These recommendations were specifically reflected in the following areas of the Basic Guidelines for Climate Transition Finance (Financial Services Agency, Ministry of Economy, Trade and Industry, and Ministry of the Environment) developed by disclosure in May 2021. Basic Guidelines for Climate Transition Finance, "2.Specific measures for each disclosure element. (4)Element 4: Transparency in Implementation" ● Matters related to disclosure and Supplementary information k) When utilizing loans, although there are differences in business practices, for instance, loans are traditionally transactions based on the bilateral relationship between borrowers and lenders, in order to ensure transparency and reliability in transition finance, it is desirable to use disclosure in relation to the above matters as much as possible. However, when it is generally difficult to disclosure from the viewpoint of confidentiality and competition, information may not be generally reported to disclosure, but only to lenders and external evaluation bodies. l) Similarly, if Implementers of the funding are small and medium-sized companies and it is generally difficult to report the same contents as those reported to funding providers and external evaluation organizations, disclosure may simplify the contents of disclosure by limiting the summary of descriptions of h) through j) in this clause.
Climate finance	Support	MHRT manages Project of transition finance model business in the Ministry of Economy, Trade and Industry's and serves as its secretariat. To promote transition finance, Ministry of Economy, Trade and Industry established the "Study Working Group on the Road Map for Promotion of Transition Finance in the Economic and Industrial Fields" (Roadmap review Working Group) to formulate a transition strategy and provide a roadmap for each sector that can be referenced to determine eligibility. As part of this project, transition's good practices have begun accepting model cases to be shown to the public. MHRT was commissioned to operate the project as its secretariat. In addition, as part of this project, the secretariat has launched an open call for model cases to show Transition's positive examples/cases. MHRT was commissioned to operate the project as its secretariat.	The MHRT has been commissioned by the Ministry of Economy, Trade and Industry (METI) to develop transition strategies for companies considering transition financing and to develop a roadmap for each sector that can be referenced to determine the adequacy of the strategy. In addition, the secretariat began soliciting applications for model projects for cases of financing in accordance with the Basic Guidelines for Climate Transition Finance. The MHRT contributed to the spread of transition finance by providing information and establishing a perspective for companies to tackle transition finance through its secretariat.
Climate finance	Support	Asset Management One participated as a member of the Circular Economy and Plastic Resource Recycling Finance Study Group, which was established by Ministry of Economy, Trade and Industry in May 2020. The purpose of this study group is to enable Japanese companies that are making efforts to contribute to the circular economy and the recycling of plastic resources to receive appropriate evaluations from domestic and foreign investors and financial institutions, and to attract investment and financing. Asset Management One exchanged views as a member of the Study Group. (From May 2020 to December 2020, he participated in a total of 5 study groups.)	Asset Management One contributed to the formulation of the "disclosure Dialogue Guidance for Promoting Sustainable Finance in Circular Economy" in January 2021 by proposing ideal financial market participants, including companies in the circular economy and plastic resource recycling fields.
Clean energy generation	Support	Commissioned by the Ministry of Economy, Trade and Industry and Ministry of the Environment to provide J-Credit scheme certification program operational services	Contributed to expanded adoption of renewable energy power generation equipment at small and medium-sized enterprises and households through the operation of a program certifying the CO2 reduction effect and renewable energy value of introducing renewable energy power generation equipment as tradeable J-Credits
Energy efficiency	Support	Commissioned by the Agency for Natural Resources and Energy of the Ministry of Economy, Trade and Industry for a survey on the status of energy conservation-related programs addressing changes in energy demand brought about by technological innovation	Supported a quantitative evaluation of the impact of technological innovation such as the digitization and enhancement of distribution on energy demand in Japan and a review of the impact on energy conservation-related programs in Japan
Mandatory carbon reporting	Support	Asset management One (AMO), MHRT (former MHIR) participated in the Ministry of the Environment's "FY2020 Environmental Information Infrastructure Development Project" as a financial institution that reviews such information.	Through a questionnaire, MHTB, AMO, MHRT conveyed information on viewpoints, etc. related to disclose and use of environmental information necessary for expanding the project, from the standpoint of institutional investors, and provided recommendations on utilizing the functions of environmental reporting systems.
Please select	Please select		

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association
Japanese Bankers Association

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
MHBK submitted our opinions as one of industr**y opinions to the following public consultations in FY 2020 through Japanese Bankers Association. 1.The TCFD "Public consultations paper on forward-looking climate-related indicators for financial institutions. " - Through the Public consultations paper, the TCFD solicited suggestions and comments on the usefulness and challenges of standards on how to increase comparability, transparency and rigor in order to understand the evolution of forward-looking climate-related metrics used and used by asset owners, asset managers, banks and insurance companies in disclosure. We submitted our comments and suggestions through Japanese Bankers Association. 2. Public consultations paper on Sustainability Reporting by the IFRS Foundation 3. Financial Services Agency Social Bond Green Bond Guidelines - In March 2021, Financial Services Agency established the "Social Bond Review Committee" under the Advisory Council on Sustainable Finance to review practical guidelines that companies can refer to when issuing social bonds. In response to these guidelines, Japanese Bankers Association has compiled opinions from the industry.

How have you influenced, or are you attempting to influence their position?
MHBK submitted the following opinions to Japanese Bankers Association and encouraged Japanese Bankers Association in issuing the industry opinion from. 1. Clarification and improvement proposals were made from the viewpoint of the effectiveness of risk management and the effectiveness of information on business partners based on the actual situation of disclosure. 2. Submitted opinions to raise the disclosure level of companies and promote voluntary actions by companies through initiatives and securing the flexibility of disclosure. 3. In the guidelines for social bonds, we submitted our opinions that it is necessary to judge social nature in accordance with social issues specific to each country.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?
No

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

For promotion of integrated Group Sustainability initiatives, our Environmental Policy states that we believes in constructive dialogue with our stakeholders through collaboration and cooperation with diverse stakeholders including customers, suppliers, local communities and government organizations. At Mizuho, we have positioned addressing climate change as a key part of our corporate strategy, and are ascertaining risks and opportunities as we advance initiatives.

Mizuho will develop and offer financial products and services that encourage society to promote low carbon society with environmental considerations. On this basis, we are promoting environmental measures through the environmental businesses of Group companies.

MHBK have industrial research divisions that leverage their industry and sector expertise to create reports that include industry prospects and recommendations as well as other information based on the perspectives of major structural changes, business model changes and new key businesses.

Additionally, The Environment and Energy Division1&2 and Global Innovation & Energy Division in MHIR are commissioned by the Ministry of the Environment, Ministry of Economy, Trade and Industry and other ministries and agencies for specialized surveys and research related to the environment and energy and provide support for policy considerations. We also promote the implementation of various policies in society by providing consulting services for private-sector companies (including consulting on developing business strategies and plans that incorporate environmental and climate-related issues, climate finance, and SBT and TCFD).

In order to strengthen sustainability solutions in the non-financial sector, we have gathered knowledge in the research and consulting field and launched the “SX Initiatives” in November 2020 to promote cross-entity cooperation. Through this initiative, we provide information and support for customers to solve SDGs and ESG issues. We provided sustainability-related consulting in approximately 440 cases in FY2020. (New projects handled by Mizuho Research & Technologies in FY2020)

While not in the reporting year, we launched a sustainability promotion project in 2020 to consolidate all the specialized expertise dispersed throughout the Mizuho Group, in the areas of the environment and climate change particularly, in order to accommodate the diverse sustainable business needs of customers on a unified Mizuho basis. The project will strengthen and promote sustainable business initiatives, such as enhancing the scope of our response to customers, by deepening intra-unit coordination in research and consulting. Regarding research coordination, we promote initiatives with an awareness of output to consulting and of company coordination, and have launched the Task Force on Climate Change Research. The task force is made up of members of Mizuho Research Institute, Mizuho Bank’s Industry Research Division, and other organizations, and it researches the impacts of climate change based on the perspectives of the macro economy and industry, etc. and conducts initiatives that contribute to Mizuho’s management and business. In June 2020, we issued a One Think Tank Report, “Climate Change Problem Essence and Outlook: Unprecedented Change in Business Environment from Interactions between Actors,” which comprehensively discusses the current state of climate change and related business opportunities.

We believe the information and recommendations provided by MHBK will lead indirectly to increased business opportunities for the Group as Japanese industry is revitalized, etc. Also, MHIR’s activities related to government policy and MHBK’s utilization of interest subsidy programs are themselves businesses. These activities fit with our strategy for promoting reductions to society’s environmental impact through business. MHFG’s Sustainability Office of Strategic Planning Department acquires information from MHIR, which has the most up-to-date information, and considers response measures to promote compliance with reduction obligations as well as reductions to the Group’s environmental impact.

C12.4

(C12.4) Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports

Status
Complete

Attach the document
Securities report 2020_MizuhoFG_ excerpt.pdf

Page/Section reference

Content elements
Governance
Strategy
Risks & opportunities

Comment
Mentioned “Climate Risks” as “Risks related to business”

Publication
In voluntary communications

Status
Complete

Attach the document
TCFD Report 2021.pdf

Page/Section reference
All pages of TCFD Report.

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment

Publication
In voluntary communications

Status
Complete

Attach the document
Integrated Report 2020_-p53-66.pdf

Page/Section reference
Integreated Report, p53-66.

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment

Publication
In voluntary communications

Status
Underway – previous year attached

Attach the document
MizuhoFG Website on climate change.pdf

Page/Section reference
We refer to climate change issues on our below website https://www.mizuho-fg.com/csr/index.html?rt_bn=fg_top_gn3 Please refer to the attached file for details.

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment

Publication
In voluntary communications

Status
Underway – previous year attached

Attach the document

Page/Section reference
Fostering Industries with the Aim of Generating Business:

Content elements
Other, please specify (Integrated Report website_Fostering Industries with the Aim of Generating Business)

Comment
The report and the website in English that include initiatives of fiscal 2020 are scheduled to be issued and updated in November 2021.

C-FS12.5

(C-FS12.5) Are you a signatory of any climate-related collaborative industry frameworks, initiatives and/or commitments?

	Industry collaboration	Comment
Reporting framework	Equator Principles Partnership for Carbon Accounting Financials (PCAF) Principles for Responsible Investment (PRI) Task Force on Climate-related Financial Disclosures (TCFD) UNEP FI Principles for Responsible Banking	We studied regarding PCAF in FY 2020 and participated in FY 2021, not the reporting year.
Industry initiative	Principles for Responsible Investment (PRI) UNEP FI Principles for Responsible Banking Climate Action 100+ UNEP FI UNEP FI TCFD Pilot Other, please specify (Japan Climate Initiative, TCFD consortium)	
Commitment	Montreal Pledge	

C14. Portfolio Impact

C-FS14.1

(C-FS14.1) Do you conduct analysis to understand how your portfolio impacts the climate? (Scope 3 portfolio impact)

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Comment
Bank lending (Bank)	Yes	Category 15 "Investment" total absolute emissions Alternative carbon footprinting and/or exposure metrics (as defined by TCFD	
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable>	

C-FS14.1a

(C-FS14.1a) What are your organization’s Scope 3 portfolio emissions? (Category 15 “Investments” total emissions)

Category 15 (Investments)

Evaluation status

Relevant, calculated

Scope 3 portfolio emissions (metric tons CO2e)

1873483.11

Portfolio coverage

More than 0% but less than or equal to 10%

Percentage calculated using data obtained from client/investees

100

Emissions calculation methodology

(i) Types and sources of data: Number of shares held and number of shares outstanding as of March 31, 2021, and CO2 emissions data for FY2019 announced by companies for which issues are held. CO2 emissions data for the companies collected from the Bloomberg’s database . (*FY2020 portion difficult to obtain data until the end of June due to timing of earnings announcements and CO2 data release, so FY2019 data used.) (ii) Data quality : Good CO2 emissions data: From annual reports, CSR reports, environmental reports, etc. of the 30 companies available at Bloomberg (iii) Methodologies: Totaled by calculating FY2019 CO2 emissions per stock issuing company multiplied by the quotient of MHBK held issues divided by number of issues outstanding, for each issue

Please explain

Calculated for top 30 issues on the balance sheet of MHBK, which stated the largest amount of investment stock in fiscal 2020 among the consolidated subsidiaries, for investment stock held for purposes other than pure investment as of March 31, 2021, also disclosed their GHG emissions. It is accounted for about 2.92% of the amount of investment stock stated on the consolidated balance sheet.

C-FS14.1b

(C-FS14.1b) What is your organization's Scope 3 portfolio impact? (Category 15 "Investments" alternative carbon footprinting and/or exposure metrics)

Metric type
Exposure to carbon-related assets

Metric unit
Percentage portfolio value

Scope 3 portfolio metric
5.5

Portfolio coverage
More than 0% but less than or equal to 10%

Percentage calculated using data obtained from clients/investees
100

Calculation methodology
Under the definition from the TCFD Recommendations, our credit exposure (EXP) in carbon-related sectors comes to 5.5% of our total credit exposure. Exposure amount of Carbon-related sectors as of March 31, 2021 is 12.8 trillion JPY. Exposure amount of all sector is 231.7 trillion JPY. 12.8 trillion JPY/231.7 trillion JPY=5.5%. -From the industries listed under "Type of industry" in "Types of Industries in Survey of Loans and Bills Discounted by Type of Industry" (Attachment 1 of the Bank of Japan Research and Statistics Department's "Guidelines for Completing the Financial Statistics Survey" (provisional translation)), "petroleum refining", "mining and quarrying of stone and gravel" (coal, oil, and gas mining within this industry), and "electricity, gas, heat supply, and water" (excluding water supply, nuclear power generation, and renewable energy power generation businesses). -Total of Mizuho Bank and Mizuho Trust & Banking's loans, foreign exchange assets, acceptances and guarantees, and committed lines of credit as of March 31, 2020.

Please explain
In the TCFD Recommendations, as the recommended item for disclosure in the Banking Sector is "Concentration of carbon-related sector credit exposures (EXP) such as utility and energy in total EXP value", we measured and disclosure it.

C-FS14.2

(C-FS14.2) Are you able to provide a breakdown of your organization's Scope 3 portfolio impact?

	Scope 3 breakdown	Comment
Row 1	Yes, by industry	

C-FS14.2b

(C-FS14.2b) Break down your organization's Scope 3 portfolio impact by industry.

Industry	Metric type	Metric unit	Scope 3 portfolio emissions or alternative metric	Please explain
Energy	Exposure to carbon-related assets	Percentage portfolio value	3.3	Exposure amount of Resources (energy) as of March 31, 2021 is 7.7 trillion JPY. Exposure amount of all sector is 231.7 trillion JPY. 7.7 trillion JPY/231.7 trillion JPY=3.3%. In the energy and resources sector, thermal coal was 0.1 trillion JPY (0.0%), metallurgical coal was 0.0 trillion JPY (0.0%), and oil and gas was 7.5 trillion JPY (3.3%). Under the definition from the TCFD Recommendations, our credit exposure (EXP) in carbon-related sectors comes to 5.5% of our total credit exposure. -Total of Mizuho Bank and Mizuho Trust & Banking's loans, foreign exchange assets, acceptances and guarantees, and committed lines of credit as of March 31, 2021. -From the industries listed under "Type of industry" in "Types of Industries in Survey of Loans and Bills Discounted by Type of Industry" (Attachment 1 of the Bank of Japan Research and Statistics Department's "Guidelines for Completing the Financial Statistics Survey" (provisional translation)), "petroleum refining", "mining and quarrying of stone and gravel" (coal, oil, and gas mining within this industry), and "electricity, gas, heat supply, and water" (excluding water supply, nuclear power generation, and renewable energy power generation businesses).
Utilities	Exposure to carbon-related assets	Percentage portfolio value	2.2	Exposure amount of Electric Utilities as of March 31, 2021 is 5.1 trillion JPY. Exposure amount of all sector is 231.7 trillion JPY. 5.1 trillion JPY/231.7 trillion JPY=2.2%. In the electric utilities sector, Power generation (main business: coal-fired power generation) was 1.7 trillion JPY (0.8%), Power generation (main business: gas and others) was 2.6 trillion JPY (1.1%), and Power transmission was 0.7 trillion JPY (0.3%). Under the definition from the TCFD Recommendations, our credit exposure (EXP) in carbon-related sectors comes to 5.5% of our total credit exposure. -Total of Mizuho Bank and Mizuho Trust & Banking's loans, foreign exchange assets, acceptances and guarantees, and committed lines of credit as of March 31, 2021. -From the industries listed under "Type of industry" in "Types of Industries in Survey of Loans and Bills Discounted by Type of Industry" (Attachment 1 of the Bank of Japan Research and Statistics Department's "Guidelines for Completing the Financial Statistics Survey" (provisional translation)), "petroleum refining", "mining and quarrying of stone and gravel" (coal, oil, and gas mining within this industry), and "electricity, gas, heat supply, and water" (excluding water supply, nuclear power generation, and renewable energy power generation businesses).

C-FS14.3

(C-FS14.3) Are you taking actions to align your portfolio to a well below 2-degree world?

	We are taking actions to align our portfolio to a well below 2-degree world	Please explain
Bank lending (Bank)	Yes	1．Engagement In light of our FY2019 scenario analysis results and other factors, since FY2020 we have been further strengthening our constructive dialogue (engagement) with our clients concerning their efforts to address climate change. Providing solutions based on a deep understanding of our clients' challenges and needs allows us to capture business opportunities and strengthen risk management. In FY2020, as part of our efforts towards risk management and responsible financing and investment, we undertook engagement with approximately 900 clients and, among these, in-depth engagement with approximately 70 large credit and similar clients. Our in-depth engagement incorporated discussions on plans for responding to transition risk (e.g. business structure transformation strategies), awareness of risks and opportunities, and plans for capital raising. -Target clients of engagement: Clients in sectors subject to the Environmental and Social Management Policy for Financing and Investment Activity (oil and gas, coal-fired power generation, coal mining, palm oil, lumber, and pulp) - Examples of engagement topics: ・Approaches to and response plans for transition risks ・CO2 emissions and reduction plans etc. 2. Risk assessment in carbon-related sectors Taking into account our FY2019 scenario analysis results and the details of engagement, we have assessed risk along two axes—our clients' sectors and our clients' measures to address transition risk—in order to identify high-risk areas. 3. Response policy for high-risk areas In regard to high-risk areas, we are more thoroughly engaging with clients to support them in formulating effective strategies for transition risks, in disclosing their progress, and in embarking on business structure transformation towards a lower risk sector at an early stage. In undertaking such engagement with our clients, if a client does not make progress on addressing their transition risks even after a certain period of time, we carefully consider our transactions with the client. In this way, we are enhancing our risk control and reducing our exposure in high-risk areas over the medium to long term. Through engagement, we will support our clients in elevating their responses to transition risk to a high level over the medium to long term. In doing so, we will improve climate change resilience for both our clients and Mizuho.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	

C-FS14.3a

(C-FS14.3a) Do you assess if your clients/investees' business strategies are aligned to a well below 2-degree world?

	We assess alignment	Please explain
Bank lending (Bank)	Yes, for some	To promote the shift to a low–carbon society alongside our clients, in June 2019 Mizuho Bank and Mizuho Information & Research Institute launched Mizuho Eco Finance (Mizuho Environmentally Conscious Finance). This service evaluates the climate change initiatives of clients, allowing us to provide further support via financing and consulting to companies who are actively engaged in combating climate change. Using an environmental assessment model developed by Mizuho Information & Research Institute featuring a globally accepted environmental verification and evaluation program, Mizuho Bank will provide financing to clients who meet a certain minimum score, and through monitoring by Mizuho Information & Research Institute, we will provide strategic advice to clients to improve and maintain their scores. 10 deals totaling 176.5 billion yen in financing executed as of the end of June 2020. Mizuho is deepening our understanding of methodologies such as SBT and PCAF. As a first step towards measuring our Scope 3 emissions, we have estimated GHG emission intensity (basic units) in relation to project finance for power generation projects (worldwide; approx. 320 projects). In our calculations, our GHG emission intensity from project finance for power generation projects (CO2 emissions per unit of power generated) came to 364.51 gCO2/kWh as of March 31, 2020. We found that this figure was lower than each avarage of the global (508.47) and Japan (456.34) from the 2019 figures reported in the IEA's World Energy Outlook 2020. Regarding our measurement of Scope 3 emissions / GHG emissions from financing and investment, which is a prerequisite for setting targets, we have now estimated our emissions from project finance for power generation projects. Going forward, we will strive to expand the range of target assets and sectors. There are three main challenges for us to consider in relation to such measurement. 1) Assets subject to measurement: Consider several potential assets to measure alongside project finance and assign priorities to each. 2) Sectors subject to measurement: Consider energy, automobiles, and other options as potential sectors to measure and assign priorities to each. 3) Data collection: Consolidate methodology for data collection and promote greater disclosure of data through engagement with clients.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	<Not Applicable>	<Not Applicable>

C-FS14.3b

(C-FS14.3b) Do you encourage your clients/investees to set a science-based target?

	We encourage clients/investees to set a science-based target	Please explain
Bank lending (Bank)	No	Based on our application of the Equator Principles and our Environmental and Social Management Policy for Financing and Investment Activity (Policies on Specific Industrial Sectors), we have been participating in dialogue (engagement) with some of our clients in the energy and utility sectors since fiscal year 2018, making us among the first to do this in Japan. In FY2020, as part of our efforts towards risk management and responsible financing and investment, we undertook engagement with approximately 900 clients and, among these, in-depth engagement with approximately 70 large credit and similar clients. Our in-depth engagement incorporated discussions on plans for responding to transition risk (e.g. business structure transformation strategies), awareness of risks and opportunities, and plans for capital raising. Taking into account our FY2019 scenario analysis results and the details of engagement given above, we have assessed risk along two axes—our clients' sectors and our clients' measures to address transition risk—in order to identify high-risk areas. In regard to high-risk areas, we are more thoroughly engaging with clients to support them in formulating effective strategies for transition risks, in disclosing their progress, and in embarking on business structure transformation towards a lower risk sector at an early stage. In undertaking such engagement with our clients, if a client does not make progress on addressing their transition risks even after a certain period of time, we carefully consider our transactions with the client. In this way, we are enhancing our risk control and reducing our exposure in high-risk areas over the medium to long term. In April 2021, we clarified our contribution to achieving a low-carbon society (achieving net zero) by 2050 and our transformation to a portfolio aligned with the targets in the Paris Agreement by revising our Environmental Policy. Under this policy, we will establish and release medium- to long-term targets for Scope 3 emissions by the end of FY2022, in order to develop a specific pathway toward these long-term goals. To achieve the goal, engagement may be promoted with an eye to establishing targets based on scientific grounds in the event that it will lead to reduction of customer risk and supplementation of business opportunities
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	<Not Applicable>	<Not Applicable>

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Executive Officer and General Manager, Strategic Planning Department	Environment/Sustainability manager

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below
I have read and accept the applicable Terms