

Mizuho Bank and KOKO Networks establish strategic partnership in the field of carbon credits

Mizuho Bank, Ltd. (President & CEO: Masahiko Kato), a subsidiary of Mizuho Financial Group, Inc. (President & Group CEO: Masahiro Kihara), has signed a memorandum of understanding to establish a strategic partnership with KOKO Networks (“KOKO”), a Kenya-based climate-tech company tackling deforestation and carbon emissions caused by the use of charcoal as cooking fuel in urban homes, in the field of carbon credits.

According to the U.N. Food and Agriculture Organization (FAO), charcoal, the dominant fuel used for cooking in urban Africa, is the main driver of deforestation on the continent. Indoor air pollution from burning charcoal causes hundreds of thousands of deaths each year across the continent, primarily among children under 5 years old, from pneumonia and acute respiratory infections. KOKO set out to tackle this problem and drive the uptake of clean energy by designing and launching a new technology-driven industry that can rapidly transition countries away from charcoal dependence.

KOKO is a climate tech company founded in 2014 to drive energy transition and forest protection in Africa. The company operates an energy utility that serves approximately one million households across eight cities in Kenya with low-cost bioethanol cooking fuel, accessed from 2,500 KOKO Fuel ATMs located inside convenience stores, and used to power KOKO bioethanol cookstoves¹, as an alternative to deforestation-based charcoal.





Carbon emissions reduced by KOKO are audited in global compliance and voluntary carbon markets, and revenues from the sale of high-quality carbon credits are shared with Kenyan households in the form of significant discounts on KOKO Fuel, enabling the solution to be affordable by low-income households.

Companies who seek to protect forest cover and biodiversity through their Net Zero commitments can buy carbon credits from KOKO. Carbon credits allow companies in more developed economies to take immediate climate action as they work to decarbonize their own value chains over time, by channeling funds directly into emissions-reducing projects in emerging markets.

By signing this MOU, Mizuho aims to provide its clients with opportunities to obtain carbon credits through collaboration with KOKO, as well as new business opportunities for environmental contribution. In addition, ITOCHU Corporation (President & COO: Keita Ishii, hereinafter "ITOCHU") has executed a long-term off-take agreement for carbon credits with KOKO to support the expansion of KOKO's decarbonization activities and to contribute to customers' decarbonization efforts through carbon credits acquired through the business. In the future, KOKO, Mizuho, and ITOCHU will continue to study the possibility of collaboration among the three companies for the development of the carbon credit market.

In the field of carbon credits, in August 2021 Mizuho signed an MOU with International Finance Corporation (hereafter "IFC"), a member of the World Bank Group, to establish a carbon credit facility for voluntary carbon credits to Japanese companies. In collaboration with IFC, Mizuho will provide Japanese companies with high-quality voluntary carbon credits generated from forest conservation and other projects selected and reviewed by IFC.

Through these collaborations with KOKO and IFC, Mizuho is playing a pioneering role in the nascent carbon credit market and is working to drive net-zero strategies for our clients and society as a whole.

1. Cookstove

Traditional cookstoves burn wood or charcoal, causing major social and environmental damage including deforestation and indoor air pollution. KOKO's solution involves a modern 2-burner cooker with a clean blue flame that is a similar experience to cooking with gas, but involving renewable bioethanol cooking fuel produced from sugar molasses.

Overview of Mizuho Bank

Name of company	Mizuho Bank, Ltd.
Head office	Tokyo, Japan
Business locations	461 branches in Japan and 82 branches outside Japan
Representative	Masahiko Kato, President & CEO
Date of Establishment	July 1, 2013
Main business	Banking services

Overview of KOKO

Name of company	KOKO Networks Limited
Head office	Nairobi, Kenya
Business locations	Kenya (renewable fuel utility), India (large-scale manufacturing)
Representative	Greg Murray, Co-Founder and CEO
Date of establishment	2014
Main business	Climate technology; bio-ethanol cooking fuel distribution networks
Other	<ul style="list-style-type: none">• In 2021 KOKO won an award for the world's leading emerging markets climate technology solution by FT / IFC Transformational Business Awards.• KOKO was selected as a "Lighthouse" project by the African Carbon Markets Initiative supported by the government of Kenya.