

Strengthening our sustainability action

Mizuho Financial Group, Inc. (President & CEO: Masahiro Kihara) is proactively advancing sustainability initiatives as an integral part of our group strategy. To further these initiatives, we have strengthened our action on the five points listed below, based on thorough discussions by our business execution and supervisory lines and with attention to both opportunity and risk.

1.	Sustainability promotion structure	<ul style="list-style-type: none"> ● Revised our Sustainability Policy ● Revised our medium- to long-term priorities in relation to materiality ● Established the Sustainability Promotion Committee and enhanced our structure for promoting sustainable business
2.	Climate change responses	<ul style="list-style-type: none"> (1) Formulated Mizuho's Approach to Achieving Net Zero by 2050 and the Net Zero Transition Plan (2) Revised greenhouse gas emission targets (Scope 1 and 2) and set new targets (Scope 3 / electric power sector) (3) Improved our scenario analysis and expanded its scope (4) Strengthened risk control in carbon-related sectors
3.	Initiatives for ensuring respect of human rights	<ul style="list-style-type: none"> ● Revised our Human Rights Policy
4.	Responses to environmental and social risk	<ul style="list-style-type: none"> ● Enhanced environmental and social management in financing and investment activity ● Enhanced responsible procurement
5.	Engagement-based responses to opportunity and risk	<ul style="list-style-type: none"> ● Enhanced solutions and strengthened risk management based on engagement

1. Strengthening our sustainability promotion structure (Attachment 1)

In light of our ongoing initiatives, we have revised our Basic Policy on Sustainability Initiatives and modified the definition of sustainability at Mizuho, as shown below. The modified definition clarifies our aim to simultaneously create value for the environment, economy, industry, and society, as well as for Mizuho.

Sustainability at Mizuho
Environmental conservation, the sustainable development and prosperity of the economy, industry, and society both in Japan and around the world, and Mizuho's sustainable and steady growth.

To realize our modified definition of sustainability, we have also revised our medium- to long-term priorities for the sustainable growth and development of Mizuho and our clients, employees, the economy, society, and other stakeholders in relation to our materiality (key sustainability areas).

In terms of our sustainability structure, we established a new Sustainability Promotion Committee within our business execution line to discuss and coordinate sustainability-related matters based on outside experts' advice towards further promoting sustainability across the group. The committee met twice in FY2021 and discussed Mizuho's Approach to Achieving Net Zero by 2050, setting of targets for finance portfolio greenhouse gas emissions (Scope 3), and climate change risk management.

Furthermore, in order to meet clients' diversifying needs, we are establishing and expanding specialized sections to further strengthen our structure for promoting sustainable business tailored to the particular characteristics and needs of each of our client segments.

2. Accelerating responses to climate change

(1) Formulation of Mizuho's Approach to Achieving Net Zero by 2050 and the Net Zero Transition Plan (Attachment 2)

In taking concrete steps forward with our response to climate change as outlined in our Environmental Policy, we are pursuing efforts to limit the rise in global temperature to 1.5°C. To this end, we formulated Mizuho's Approach to Achieving Net Zero by 2050, which demonstrates our aims and actions towards realizing a low-carbon society by 2050, and the Net Zero Transition Plan, which indicates the direction of our initiatives.

(2) Established and revised targets for reducing greenhouse gas emissions

Established and revised targets for reducing greenhouse gas emissions
<ul style="list-style-type: none"> ● Mizuho group¹ worldwide greenhouse gas emissions (Scope 1 and 2) revised targets² FY2030: Carbon neutral ● Set medium-term targets for finance portfolio greenhouse gas emissions (Scope 3)² (Attachment 3) Electric power sector: FY2030 emission intensity (basic units) of 138 – 232 kgCO₂/MWh

We have prioritized our large-scale contract properties in Japan in shifting our power consumption to renewable energy and reducing Scope 1 and 2 greenhouse gas emissions.

Mizuho joined the Net-Zero Banking Alliance (NZBA)³ in October 2021 as a step towards ensuring we have net-zero greenhouse gas emissions (Scope 3) from our finance portfolio by 2050. We are working on setting targets for other sectors as well.

1. Applies to seven group companies (Mizuho Financial Group, Mizuho Bank, Mizuho Trust & Banking, Mizuho Securities, Mizuho Research & Technologies, Asset Management One, and Mizuho Americas).

2. Scope 1: Direct emissions of greenhouse gases from company-owned or company-controlled sources (such as from burning of fuel).

Scope 2: Indirect emissions of greenhouse gases from the use of energy or similar resources provided by other parties.

Scope 3: Indirect emissions outside of Scope 1 and 2 (emissions from other parties involved in the company's activities)

3. Net-Zero Banking Alliance (NZBA): An international initiative between banks aiming to align their lending and investment portfolios with net-zero greenhouse gas emissions by 2050.

(3) Scenario analysis improvement / expanded scope

At Mizuho, we have been conducting scenario analysis in line with the TCFD Recommendations to increase the flexibility of plans and resilience of strategy in anticipation of various future climate change-related circumstances.

In light of the recently expanded definition of carbon-related assets in the TCFD Recommendations, we are adding steel to our targeted sectors in addition to using multiple scenarios, including the 1.5°C scenario, in our analysis. The analysis methodology, results, and other details will be published in our TCFD Report 2022 (Japanese version to be released in June, English version to follow at a later date).

		Previous report	Next report (<u>underlines</u> indicate changes)
Transition risk	Targeted sectors	Electric utilities Oil and gas, coal Automobiles (worldwide)	Electric utilities Oil and gas, coal Automobiles <u>Steel</u> (worldwide)
	Scenario	IEA's ⁴ World Energy Outlook 2020 Sustainable Development Scenario (SDS) ⁵ / Stated Policies Scenario (STEPS) ⁶	<u>NGFS'⁷ Net Zero 2050 (1.5°C) / Below 2°C / Delayed Transition / Current Policies Scenario</u>
Physical risk	Target of analysis	Acute risks Chronic risks	Acute risks (<u>reassess</u>) Chronic risks
	Scenario	IPCC's RCP 8.5 scenario (4°C) 2.6 scenario (2°C)	<u>NGFS' Current Policies Scenario</u> (Chronic risks are the same as last year)

(4) Risk control in carbon-related sectors (Attachment 4)

At Mizuho, we are establishing a structure to assess risk control in carbon-related sectors (electric utilities, oil and gas, coal sectors) along two axes—our clients' sectors, and measures to address transition risk—in order to identify and monitor high-risk areas.

In light of the recently expanded definition of carbon-related assets in the TCFD Recommendations, we expanded targeted sectors and repeated qualitative evaluations. In addition to the previously identified electric utilities, oil and gas, coal sectors, these evaluations identified steel and cement sectors, which have a high level of CO₂ emissions during production, as high transition risk sectors. Aiming to further strengthen risk control, we added these two sectors (steel and cement) as targeted carbon-related exposure control. We also engage with target sector clients at least once yearly to confirm the

4. IEA: International Energy Agency

5. Sustainable Development Scenario (SDS): A scenario under which a surge in clean energy policies and investment puts the energy system on track to achieve sustainable energy objectives in full, including the Paris Agreement, energy access, and air quality goals.

6. Stated Policies Scenario (STEPS): Scenarios which reflect the impact of existing policy frameworks and today's announced policy intentions.

7. Network for Greening the Financial System (NGFS): A network of central banks and financial supervisors addressing issues such as climate change risk.

status of their measures to address transition risk. Our confirmation standards and other details are stated in our Environmental and Social Management Policy for Financing and Investment Activity.

After adding the two sectors, our credit exposure in high-risk areas is ¥1.6 trillion (preliminary figures as of March 31, 2022), a reduction from last year's total of ¥1.8 trillion (aggregated data from only the electric utilities, oil, gas, and coal sectors, as of March 31, 2021).

3. Strengthening our initiatives for ensuring respect of human rights (Attachment 5)

In view of the increasing recognition of the importance of ensuring respect for human rights and the changes in human rights issues for financial institutions and global corporations, we have revised our Human Rights Policy, as shown below.

Overview of Human Rights Policy revisions
<ul style="list-style-type: none"> ● Reviewed human rights issues of the highest concern to Mizuho to strengthen our commitment to respecting human rights <ul style="list-style-type: none"> ✓ In particular, because of their severe impact, we aim to eliminate forced labor, child labor, and human trafficking from our business and supply chains and strengthen our human rights due diligence ● Clarified our approach to human rights due diligence based on the United Nations Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct

In order to strengthen our initiatives to ensure the respect of human rights in all of our operations, we revised both the Environmental and Social Management Policy for Financing and Investment Activity and the Procurement Policy, and we will continue working to enhance our human rights due diligence.

4. Accelerating responses to environmental and social risk

(1) Environmentally and socially responsible financing and investment activity

(Attachment 6)

At Mizuho, we have established the Environmental and Social Management Policy for Financing and Investment Activity to avoid or mitigate adverse impacts of financing and investment on the environment and society.

We have now enhanced our policy as below to ensure the respect of human rights, to respond to climate change, and to further the conservation of biodiversity in line with the expectations and perspectives of our stakeholders.

Main revision details⁸

8. For further details, see Attachment 6.

Financing and Investment Transactions Prohibited Regardless of Sector	<ul style="list-style-type: none"> ● In addition to forced labor and child labor, added business that results in human trafficking.
Financing and Investment Transactions which Require Additional Due Diligence Regardless of Sector	<ul style="list-style-type: none"> ● Added business in conflict-affected areas that results in, contributes to, or is directly related to human rights violations.
Policies on Forced Labor, Child Labor, and Human Trafficking (New)	<ul style="list-style-type: none"> ● Newly established with the aims of eliminating forced labor, child labor, and human trafficking from our business and value chain and strengthening our human rights due diligence.
Policies on Transition Risk Sectors	<ul style="list-style-type: none"> ● Added steel and cement to targeted sectors. ● The policy stipulates that we engage with target sector clients at least once yearly to confirm the status of their measures to address transition risk. Our confirmation standards are also stated in the policy. ● Strengthened our response policy regarding making careful decisions on continuing business with a client in the event that the client does not intend to address transition risk and has not formulated a transition strategy even one year after the initial engagement.
Coal-fired power generation	<ul style="list-style-type: none"> ● Added that we will not start credit transactions with companies with whom we do not have current credit transactions and whose main business is coal-fired power generation. ● Tightened our response policy to handle power plant facilities replacing existing power plants the same as new installations.
Thermal coal mining	<ul style="list-style-type: none"> ● Added that we will not start credit transactions with companies with whom we do not have current credit transactions and whose main business is thermal coal mining.
Oil and gas	<ul style="list-style-type: none"> ● Added that when providing financing or investment which will be used for pipeline business, we will conduct appropriate assessments of environmental and social risks.
Large-scale agriculture Palm oil Lumber and pulp	<ul style="list-style-type: none"> ● Strengthened our response policy to urge clients to formulate policies to respect Free, Prior, and Informed Consent (FPIC) and No Deforestation, No Peat, and No Exploitation (NDPE) for their entire supply chains, and to strengthen supply chain management and improve traceability. ● Regarding the lumber and pulp sector, added that when considering financing or investment in lumbering business, we will request international certification, such as that from the Forest

(2) Enhanced responsible procurement (Attachment 7)

In light of our strengthened initiatives to ensure the respect of human rights, we revised our Procurement Policy to urge our suppliers to eliminate forced labor, child labor, and human trafficking from their supply chains. The revision also enhances our procurement-related human rights due diligence.

5. Accelerating engagement-based responses to opportunity and risk (Attachment 8)

By engaging with clients while considering clients' sustainable growth and improvements to corporate value, as well as their strengthened industrial competitiveness, we will actively develop and provide financial products and services to support clients' initiatives to promote sustainability, such as the transition to a low-carbon society. We will pursue higher corporate value for both Mizuho and our clients through our initiatives, expanding opportunities while strengthening risk management.

Initiatives towards enhancing engagement-based solutions

- Expanded engagement (Approx. 2,300 companies in total)
 - Engagement from the perspective of responsible financing and investment: Approx. 1,000 companies
 - Engagement to promote clients' sustainability initiatives: Approx. 1,300 companies
- Support clients' sustainable actions through sustainable finance and environmental finance⁹
Results (preliminary figures): ¥13.1 trillion (of which, ¥4.6 trillion in environmental finance) (FY2019 to FY2021 total)
- Development and provision of new solutions meeting clients' diversifying needs
 - Transition-linked loan (first in Japan)
 - Social convertible bond (first in Japan)
 - Sustainable Supply Chain Finance (first in Japan)
(https://www.mizuhogroup.com/binaries/content/assets/pdf/mizuho-bank/news/2022/05/20220509release_eng.pdf)
 - Set an investment budget for initiatives related to the development of technologies and business models for transition areas
(https://www.mizuhobank.co.jp/release/pdf/20220426release_jp.pdf (Japanese only))
 - Launched the Mizuho Sustainability-Linked Loan Pro and the Mizuho Sustainability-Linked Private Placement Bond Pro for middle-market and small- and medium-sized enterprises
 - Began business cooperation with International Finance Corporation (IFC) to establish carbon facility
 - Expanded information and consulting on sustainability

9. Target: ¥25 trillion in sustainable finance (of which, ¥12 trillion in environmental finance), FY2019 - FY2030 total.

In particular, clients' initiatives in the area of decarbonization are steadily progressing into a concrete stage of transition strategy formulation and implementation. At Mizuho, we are expanding solutions for each stage of corporate conduct towards decarbonization and strengthening initiatives across entire value chains and supply chains. We are doing this by monitoring greenhouse gas emission levels, formulating and implementing emission reduction plans, and utilizing carbon credits. Going forward, we will actively provide financial support to clients implementing transition strategies, while also leveraging our strength at Mizuho in industrial and technological expertise to further expand our ability to provide both financial and non-financial solutions.

Looking ahead

In addition to providing and sharing information on our strengthened sustainability action with executive officers and employees at each of our group companies, thus ensuring their understanding of sustainability topics to enable valuable engagement with clients, we will endeavor to enhance communication with our varied stakeholders.

We will also contribute to the sustainable growth and improved corporate value of clients through our structure for promoting sustainable business tailored to the particular characteristics and needs of each of our client segments, as well as through upstream to downstream financial and non-financial expertise and solutions.

We are continuing our efforts on improving our disclosures and will soon release our TCFD Report (June), Integrated Report (July), ESG Databook (August), and SASB Index (September). (Dates listed are for Japanese versions. Release dates for English versions may be later.)

Through our initiatives, we aim to realize environmental conservation, the sustainable development and prosperity of the economy, industry, and society both in Japan and around the world, and Mizuho's sustainable and steady growth.

Business

Corporate foundations

Materiality

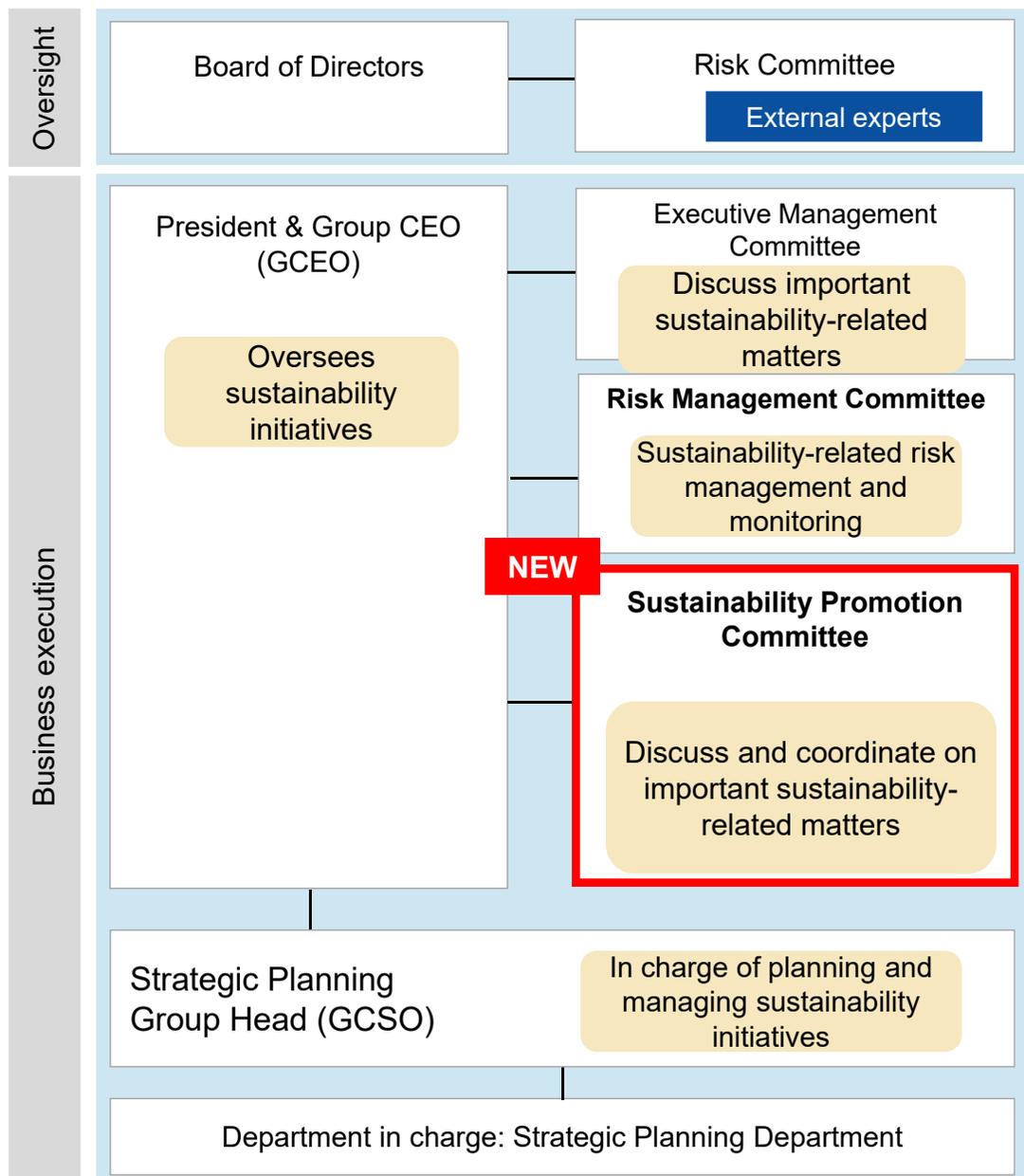
Main initiatives

Full utilization of group-wide functions, and open partnerships and collaboration with external stakeholders

<p>Declining birthrate and aging population, plus good health and lengthening lifespans</p>	<p>In an age of longer lifespans, provide safe, stable, and convenient services tailored to each individual's needs</p>
<p>Industry development & innovation</p>	<p>Support industry and business development, and create new value on a global basis</p>
<p>Sound economic growth</p>	<p>Contribute to economic development by utilizing financial infrastructure functions to respond to changes in the Japanese and global business environment</p>
<p>Environment & society</p>	<p>Cooperate with customers to realize sustainable social development, including environmental conservation</p>
<p>Personnel</p>	<p>Based on a corporate culture where employees can act independently, develop a diverse workforce that grows together with customers and society</p>
<p>Governance</p>	<p>Implement strong corporate governance and stable operational management to benefit customers and society</p>

<ul style="list-style-type: none"> Promote comprehensive asset management consulting that contributes to improved household wellbeing Expand services to reduce concerns about an aging society Provide convenient services in line with diversifying lifestyles 	  
<ul style="list-style-type: none"> Support measures responding to changes in industry structure, using knowledge of individual business areas and the relationships between them On a group-wide basis, support innovation and industry revitalization in Japan and globally Provide consulting services to facilitate smooth business succession Support creation of resilient social infrastructure in Japan and globally 	   
<ul style="list-style-type: none"> Maintain and develop strong capital markets functions Expand and utilize financial functions in light of COVID-19 and the trend in digital transformation Deal with changes regarding the Japanese and global business environment and systems and the need to ensure economic security 	 
<ul style="list-style-type: none"> Promote measures to address climate change and support the transition to a low-carbon society through dialogue Give consideration to the environment and human rights in the areas of financing and investment and procurement Improve financial and economic literacy, and promote activities that contribute to society based on regional and societal needs 	     
<ul style="list-style-type: none"> Create a comfortable, broad-minded work environment with a sense of purpose Undertake personnel development emphasizing strong relationships with customers and society and specialized expertise Employ diverse talent and develop a corporate culture where employees can act independently 	 
<ul style="list-style-type: none"> Enhance corporate governance Strengthen IT governance and cybersecurity and ensure stable IT system operation Reinforce customer-focused perspective and improve ability to assess actual frontline conditions Disclose information in a fair, timely, and appropriate manner, and hold dialogue with stakeholders 	 

Structure for promoting sustainability



Purpose of establishing the Sustainability Promotion Committee

- Committee to discuss and coordinate on sustainability-related matters and to share information based on external feedback¹ and bringing in external experts as needed.

1: External experts will be invited to join as deemed necessary.

FY2021 events

- Topics of first discussion
 - Mizuho's basic approach to net zero by 2050
 - Mizuho's approach to Scope 3 targets
 - Setting targets for the electric power sector and taking action towards achieving these targets
- Topics of second discussion
 - Climate change risk management system
 - Environmental and Social Management Policy for Financing and Investment Activity
 - Carbon-related sector exposure control policy

Discussions are carried out and decisions are made at various committees based on discussions at the Sustainability Promotion Committee

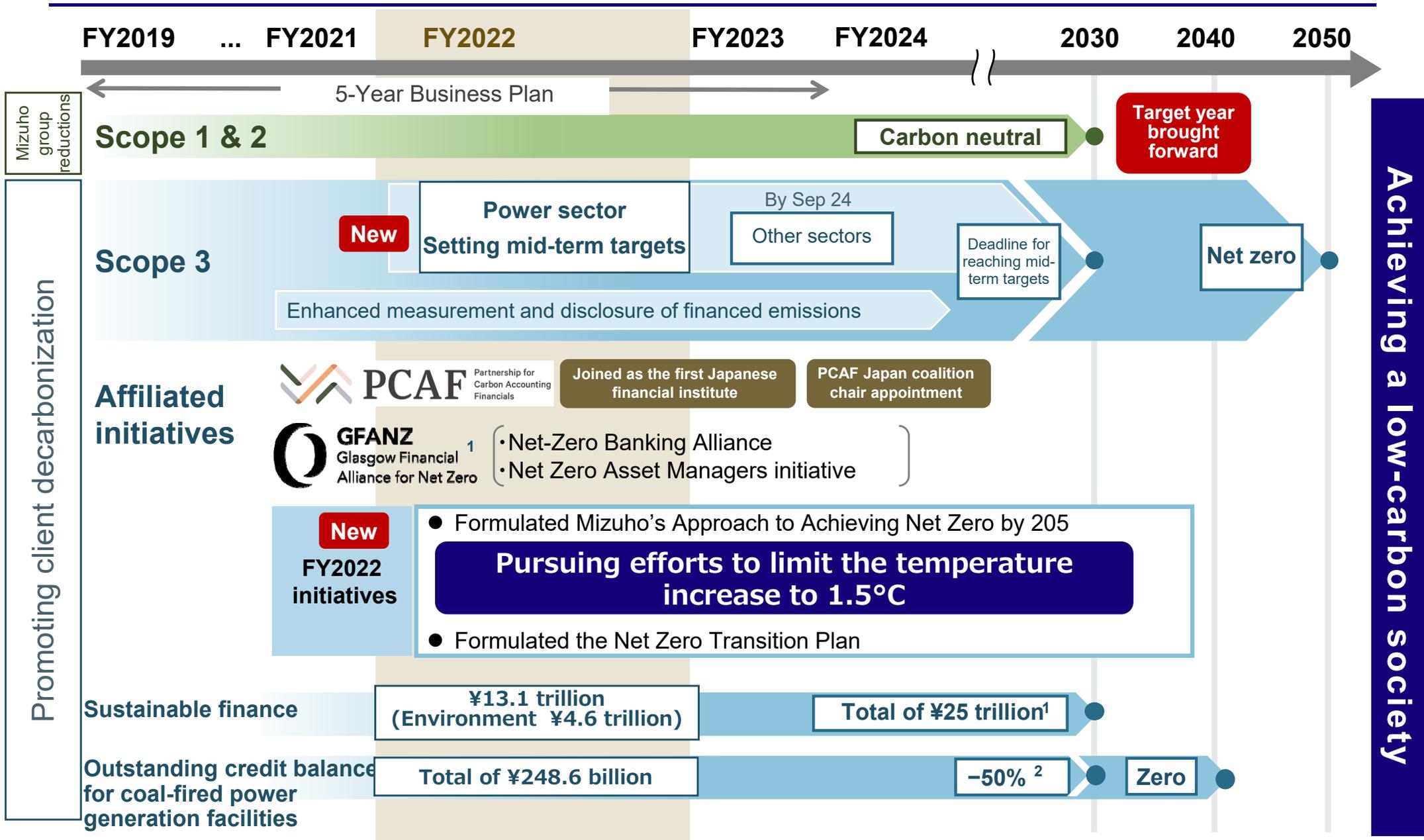
Structure for promoting sustainable business

FG: Mizuho Financial Group
 BK: Mizuho Bank
 TB: Mizuho Trust & Banking
 SC: Mizuho Securities
 AM One: Asset Management One



1: Personnel responsible for sustainable business promotion are assigned to offices outside of Japan to build a global information network and share know-how and knowledge.
 2: Sustainable business promotion personnel are assigned to each Head Office support department to plan and promote information and knowledge sharing and client support across the RCU.
 3: Sustainability transformation (SX). Plan and promote sustainability-related initiatives across the RCU.

Roadmap for achieving net zero by 2050



1 Cumulative total from FY2019. 2 Reduction targets compared to the end of FY2019.

Mizuho's goal

Climate change is one of the most important global issues, and it cannot be addressed unless all countries and all stakeholders make efforts to reach the same targets. It is necessary that responses to climate change be based on the best available science, including the expertise of the Intergovernmental Panel on Climate Change (IPCC).

Mizuho recognizes that the impact of climate change would be much less if the global temperature were to increase by 1.5° C instead of 2° C. We believe that the next ten years will be crucial in terms of limiting the rise in temperature to the 1.5° C target. This is why we are pursuing efforts to limit the temperature increase to this amount. As part of such efforts, Mizuho is aiming to become carbon neutral for Scope 1 and 2 greenhouse gas (GHG) emissions by FY2030, and to reduce Scope 3 GHG emissions produced via our finance portfolio to net zero by 2050.

We recognize that abrupt, disorderly changes can have severe economic and societal impacts. Accordingly, at Mizuho, we are aiming for an orderly, just transition.

Mizuho's steps to achieving net-zero emissions

At Mizuho, we recognize the importance of the role financial institutions play in achieving a net-zero real economy. Financial institutions should support clients' climate change countermeasures and the transition to a low-carbon society. This support should be grounded in an understanding that the transition process will differ by location and industry type. In order for us to fulfil our role as a financial institution, Mizuho conducts engagement with clients and requests that they share their transition strategies. Through this client engagement, we confirm the status of our clients' transition strategies and provide clients with support that facilitates the execution of said strategies. If a client shows no progress towards strategy execution despite multiple efforts to engage them to do so, we carefully consider whether or not to continue our business with them.

The road to net zero will vary by business location and industry type. Strong national leadership with effective policies and the establishment of next-generation technology are essential in speeding up the transition towards net-zero emissions. At present, there is a gap between, on the one hand, current commitments, government policy, and technology, and on the other hand, the road to limiting the global temperature increase to 1.5° C. At Mizuho, we believe we must work together with stakeholders to bridge this gap. Mizuho supports government policy aimed at an orderly transition in the jurisdictions where we operate. We do this through our business activities across regions and economies, industry groups, and initiatives. We also proactively support the development and application of innovative, clean, next-generation technology. Further, Mizuho is continually enhancing our climate risk management for the purpose of stabilizing financial markets. In these ways, we are contributing to the achievement of a low-carbon society and the development of a climate change resilient society by 2050.

Environmental Policy

Mizuho's Approach to Achieving Net Zero by 2050

Newly formulated
(April 2022)

Net Zero Transition Plan

Newly formulated
(April 2022)

Net-zero GHG emissions	<ul style="list-style-type: none"> ● Scope 1 & 2: Mizuho group GHG emissions <ul style="list-style-type: none"> • Carbon neutral by FY2030 ● Scope 3: GHG emissions resulting from our financing and investment <ul style="list-style-type: none"> • Begin process of setting mid-term targets (to be reached by FY2030) in order to achieve net zero by FY2050 • Enhance measurement and disclosure of financed emissions
Strengthen low-carbon business	<ul style="list-style-type: none"> ● Strengthen our support for the transition to a low-carbon society by engaging with clients and providing financial and non-financial solutions <ul style="list-style-type: none"> • Implement sustainable finance (total of ¥25 trillion by FY2030) • Improve our ability to provide value chain / entire supply chain solutions • Support innovation that contributes to decarbonization
Enhance climate-related risk management	<ul style="list-style-type: none"> ● Continually enhance risk management frameworks and policies that aim to create a business base resilient to climate change-related developments <ul style="list-style-type: none"> • Continually review carbon-related sector risk control policy and our Environmental and Social Management Policy for Financing and Investment Activity, and make efforts toward risk quantification
Strengthen our stance	<ul style="list-style-type: none"> ● Strengthen our stance on achieving net zero ● Participate in international initiatives and strengthen coordination with diverse stakeholders

Mid-term targets for greenhouse gas emissions from our finance portfolio

- In order to limit the rise in global average temperature to 1.5°C, we have a long-term goal of achieving net-zero greenhouse gas (GHG) emissions from our financing and investment. To make the pathway to reaching this goal more tangible, we are pressing forward with setting mid-term targets (to be reached by FY2030).
- We have already set a target for the electric power sector, and will gradually set targets for other carbon-intensive sectors.

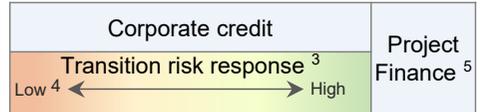
Overview of electric power sector target

Metric	GHG emission intensity (kgCO ₂ /MWh) (GHG emissions per unit of power generated)	
Targeted emissions	GHG emissions (Scope 1) from power generation projects conducted by electric power sector corporations and ventures	
Targeted power generation	Actual annual power generation from power sector corporations and ventures	
Targeted assets	Loans (Total across corporate finance and project finance) ¹	
Metric formula	$\frac{\Sigma [\text{GHG emission intensity (basic units) from company power generation} * \text{outstanding company loan balance}]}{\text{Overall power sector outstanding loan balance}}$	
Target year	Base year: FY2020	Target year: FY2030
Numerical target	<div style="border: 1px solid black; padding: 5px; text-align: center;"> FY2020 results (base year) 388 kgCO₂/MWh </div>	<div style="border: 1px solid black; padding: 5px; text-align: center;"> FY2030 (target) 138 – 232 kgCO₂/MWh </div>
Benchmark scenarios	Target No. 138: IEA Net Zero Emissions by 2050 Scenario (NZE) ² Target No. 232: IEA Sustainable Development Scenario (SDS) ²	

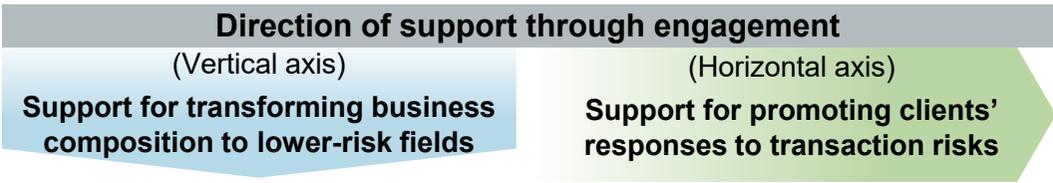
1: This includes foreign exchange assets, acceptances, and guarantees. 2: International Energy Agency's World Energy Outlook 2021.

Risk Assessment mapping

Key : **High-risk area**



Sector	Electric power (utilities)	Power generation	Main: Coal-fired power	Carbon-related sectors			
			Main: Oil/gas fired etc.				
			Main: Renewable energy · nuclear power				
		Power transmission · water utilities etc.					
	Resource	Coal	Thermal coal	Carbon-related sectors			
			Metallurgical coal				
		Oil and gas					
	<u>Steel</u>						
	<u>Cement</u>						



Engagement-focused support for transitioning to a low-carbon society

- We have a deep understanding of our clients' issues and needs from a starting-point of engagement (constructive dialogue), and support their transition strategy planning and promotion through providing a diverse range of solutions such as finance consulting.

Risk assessment in carbon-related sectors

- We assess risks, specify high-risk fields and monitor for risk control systems in carbon-related sectors ¹ on two axes: sectors, our client belongs, and our client's status of responses to transition risks to companies.
- We have recently added two sectors to our control targets (carbon-related sectors) which we have assessed as having high transition risk: steel and cement.
- The status of transition risk response is checked at least once a year through engagement, and the following check criteria are clearly stated in the "Environmental and Social Management Policy for Financing and Investment Activity."

(Our confirmation standards)

- Willingness to take measures against transition risks, whether or not a transition strategy has been developed, whether or not quantitative targets have been set, level of targets, how specific the means of achievement and status of efforts are, performance and objectivity, etc.
- Note that our check criteria related to the status of transition risks are continually updated and clarified based on international debate.

Response policy for high-risk areas

- We are engaging with clients to encourage them to formulate effective strategies for transition risks and, in some cases, embark on business structure transformation towards a lower risk sector.
- If there is no willingness to respond to transition risks and no transition strategies have been developed by clients even one year after the initial engagement, we will 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.

Trust exposure to high-risk fields (preliminary figures)

- After adding the two sectors, our credit exposure in high-risk areas is ¥1.6 trillion (preliminary figures as of March 31, 2022), a reduction from last year's total of ¥1.8 trillion (aggregated data from only the electric utilities, oil, gas, and coal sectors, as of March 31, 2021).

¹ **Carbon-related sectors** : Sectors we consider based on our qualitative evaluation to have relatively high transition risks.

² **Sector**: Companies are divided into sectors based on the largest component in the sales/energy mix of their business activities.

³ **Transition risk response** : We confirm the status of responses to transition risks in companies through engagement. We consider willingness to deal with transition risks, whether or not a transition strategy has been formulated, whether or not quantitative targets have been formulated, level of targets, how specific the means of achievement and status of efforts are, track record and objectivity, etc.

⁴ **Transition risk response low** : Indicates no effective strategy for responding to transition risk has been confirmed.

Human Rights Policy

Mizuho Financial Group

May 2022

1. Introduction

Positioning of the Human Rights Policy

As a leading Japanese financial services group with a global presence and a broad customer base, Mizuho has long committed itself to growing together with our customers in a stable and sustainable manner and bringing together our group-wide expertise to contribute to the prosperity of economies and societies throughout the world.

Mizuho is aware that creating lasting value for our customers and the economies and communities in which we operate, as embodied in our name Mizuho, which in Japanese means “a bountiful harvest”, requires us to pursue corporate activities in a manner that is in harmony with societal expectations.

Mizuho realizes our potential to impact human rights throughout our own operations and business relationships.

Mizuho commits to respecting internationally recognized human rights in our “Mizuho Code of Conduct”.

Mizuho’s business domains include banking, trust banking, securities, and other financial services. This Human Rights Policy sets out in further detail the content of our commitment to meet our responsibility to respect human rights, pursuant to the UN Guiding Principles on Business and Human Rights, throughout our global operations and our value chain.

Scope of Application of the Human Rights Policy

This Human Rights Policy applies to all officers and employees of the Mizuho Financial Group, Inc. group companies.

Mizuho expects our business partners, including our clients and suppliers, to share our conviction to uphold the corporate responsibility to respect human rights.

2. International Standards

In addition to ensuring compliance with applicable laws wherever we operate, Mizuho's approach to human rights is based upon the International Bill of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work ("ILO Declaration"), and the UN Guiding Principles on Business and Human Rights.

In the event of discrepancies between internationally recognized human rights standards and domestic laws in a given territory, Mizuho will follow the higher standard. Where domestic laws in a given territory conflict with international standards, we will seek appropriate ways to respect the principles of internationally recognized human rights.

Mizuho is a signatory to the UN Global Compact's Ten Principles in the areas of human rights, labor, the environment, and anti-corruption, and respects the social responsibility guidance standard ISO 26000.

3. Corporate Governance

Mizuho Financial Group regularly reports its initiatives for respecting human rights to the Board of Directors following discussion at the executive level, including at the Executive Management Committee.

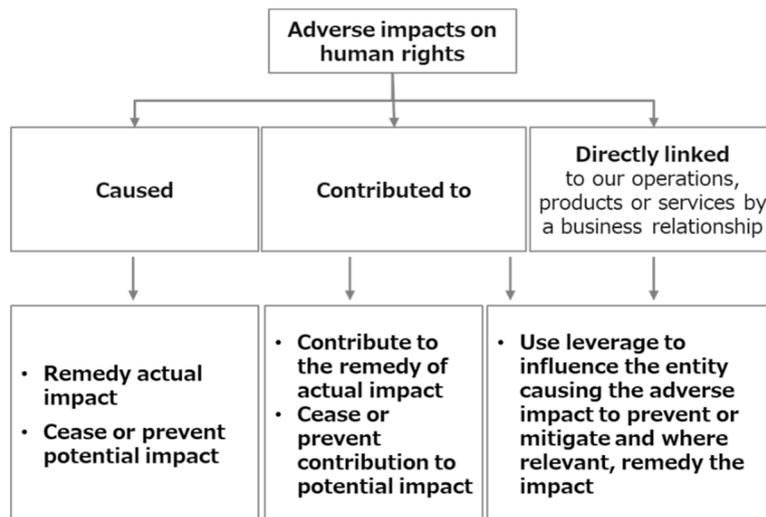
The establishment and revision of the Human Rights Policy are approved by the Board of Directors after deliberation at the Executive Management Committee.

4. Human Rights Due Diligence

Referring to the OECD Due Diligence Guidance for Responsible Business Conduct, we will continue to further integrate human rights into our existing corporate processes in order to prevent or mitigate any adverse impacts that our business activities may have on human rights. We will also strive to conduct human rights due diligence through the following:

1) Identify and assess adverse impacts on human rights; 2) Cease, prevent, or mitigate adverse impacts on human rights; 3) Track implementation and results of 1 and 2; and 4) Communicate with stakeholders on how impacts are addressed.

Through human rights due diligence, we strive to prevent or mitigate adverse human rights impacts in our operations. However, even with the best policies and practices, Mizuho may cause or contribute to an adverse human rights impact that it had not foreseen or was not able to prevent. In such cases, we will seek ways to address the adverse impact, referring to the following framework.



In line with the UN Guiding Principles on Business and Human Rights, we seek to cooperate in the remediation of adverse impacts through legitimate processes, and where reasonable and appropriate, encourage our clients to prevent or mitigate any adverse impacts on human rights.

Our Approach to Forced Labor, Child Labor, and Human Trafficking

Mizuho will strive to strengthen its human rights due diligence with the aim to eliminate forced labor, child labor, and human trafficking from its business and value chain.

5. Our Employees

Mizuho is committed to treating all employees with dignity and to ensuring respect for their human rights.

We assign the highest priority to fulfilling our responsibility to provide a healthy and safe working environment for our employees.

We are guided by principles such as those in the ILO Declaration, including as regards nondiscrimination, the prohibition of child labor and forced labor, and freedom of association and right to collective bargaining.

We offer equal employment opportunities to all, promote diversity and inclusion, and provide employees with opportunities for learning and development.

We do not tolerate discrimination or harassment of any kind, including on the grounds of gender, nationality, birthplace, race, age, ethnic origin, religion, political views, membership in labor unions, disability, sexual orientation, gender identity, socioeconomic status, pregnancy, marital status, or health conditions.

We believe that the physical and mental health of all Mizuho employees is indispensable, and we endeavor to maintain and improve employee health. We also strive to help employees achieve a more fulfilling life through their work.

We value an open dialogue with our employees and have established robust employee consultation systems to create a supportive work environment.

We are making every effort to provide a framework that maintains impartiality while protecting the rights of employees when addressing concerns or responding to complaints.

Mizuho has established a Committee for the Promotion of Human Rights Education, and will work diligently to enhance human rights awareness for and build the capacity of each employee with respect to their own rights and those of others.

6. Our Clients

Mizuho recognizes that as a financial services provider, we can contribute to or be linked with adverse human rights impacts by way of our business relationships in all sectors.

Mizuho strives to perform adequate due diligence to prevent or mitigate adverse human rights impacts associated with our business operations, using our leverage where appropriate.

Information Management

Mizuho is aware of the importance of managing information in a way that ensures appropriate protection and use of information assets.

We continually work to strengthen our information management practices in order to identify appropriate ways to protect and respect our clients' privacy. This includes our aim to ensure that our security management measures and information administration methods for information assets are clear and straightforward. We also implement training and awareness-building exercises to ensure that members of

our organization have a firm understanding regarding the proper protection of information assets.

Financial Crime Risk Management

Mizuho recognizes that the use of its products and services for money laundering and the financing of terrorism may result in human rights violations. We continue to look for ways to strengthen our efforts toward preventing Mizuho, its employees, and its clients from contributing to or becoming involved in money laundering. Mizuho will endeavor to positively contribute to the healthy stability and growth of the financial system.

Ensuring Safety and Soundness for Financial Service Clients

Mizuho has established its Basic Policy on Management of Finance Facilitation and believes that recognizing the social responsibility and public service mission held by financial institutions; engaging in appropriate and proactive risk-taking under an appropriate risk management framework; and actively performing financial intermediary functions contribute to the sound development of our clients and the economy, as well as to the enrichment of individual lives. Based on this belief, we strive for management of finance facilitation that is uniform across Mizuho.

Mizuho is also actively engaged in financial and economic education to support the improvement of financial literacy and to reduce the likelihood of excessive debt and financial improprieties.

Responsible Financing and Investment

We have established an Environmental and Social Management Policy for Financing and Investment Activity for the purpose of avoiding and reducing negative environmental and social impacts resulting from our financing and investment activity. This policy aims to identify human rights issues with a high risk of client involvement and sectors with a high risk of negative impacts on human rights, and to establish policies for preventing and/or mitigating these negative impacts.

When determining whether to engage in transactions, we account 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. We also regularly confirm the status of initiatives for environmental and social risks by engaging in constructive dialogue with clients in specific sectors.

Mizuho Bank implements and adheres to the Equator Principles and coordinates with clients in identifying, evaluating, and managing environmental and social risks when providing financing for large-scale development projects. The Equator Principles require the client conducting these projects to protect Indigenous Peoples' rights, to ensure occupational health and safety, and to engage in dialogue with

stakeholders, including affected communities and workers. Mizuho Bank conducts appropriate environmental and social due diligence in accordance with the in-house Equator Principles Implementation Manual for project-related financing transactions which fall under the scope of the Equator Principles.

In our asset management businesses, Mizuho Trust & Banking and Asset Management One accept and implement the “Principles for Responsible Institutional Investors «Japan’s Stewardship Code»” for "responsible institutional investors" to fulfill their stewardship responsibilities. In addition, these entities are signatories to the UN Principles for Responsible Investment (PRI), pursuant to which they engage with investee companies and monitor fund management companies with respect to ESG-related issues.

7. Our Suppliers

Mizuho’s operations are supported by a network of suppliers providing goods and services, such as office supplies, computer systems, and outsourced labor.

We have established a Procurement Policy to enhance our responsible procurement practices by clarifying our basic procurement approach and our requirements for suppliers to consider matters relating to the environment, respect for human rights, compliance, and information management.

We will make efforts to communicate this Human Rights Policy to our primary suppliers in a phased manner and request that our suppliers uphold a standard of respect for human rights commensurate with this policy. In certain cases, we will undertake an annual process to assess our suppliers' adherence to the responsibility to respect human rights. Where necessary, we will take action appropriate to the circumstances.

8. Communication, Engagement, and Disclosure

We are committed to disclosing our progress on our human rights journey. We will track and periodically report on our activities with respect to human rights via our website.

Mizuho will continually work on establishing appropriate mechanisms to ensure rights holders have access to remedy when needed. Concerned rights holders can bring to our attention their concerns through our branches, headquarters, call centers, designated telephone lines, and via our website.

Mizuho emphasizes engagement with our stakeholders and strives for transparency and responsiveness. We have benefited from the views of stakeholders in the drafting of this Human Rights Policy and the devising of our implementation strategy.

We are committed to remaining engaged with stakeholders and to reviewing and amending this Human Rights Policy as and when appropriate.

Document Revision history

Revision Date	Revision Description
1 April 2018	Newly established
1 May 2022	Revised

Main revisions to Environmental and Social Management Policy for Financing and Investment Activity
 (The full revised overview follows on p.4)

Before revision	After revision
Financing and Investment Transactions Prohibited Regardless of Sector	
<ul style="list-style-type: none"> • Projects with an adverse impact on wetlands designated as Wetlands of International Importance under the Ramsar Convention. • Projects with an adverse impact on UNESCO World Heritage sites, excluding projects that have received prior consent from the relevant national government and UNESCO. • Projects violating the Convention on International Trade in Endangered Species of Wild Fauna and Flora (Washington Convention), excluding cases permitted under any country's reservation(s) to the convention. • <u>Projects involving child labor or forced labor.</u> 	<p><u>Added</u></p> <p>(Underlined parts of the text to the left are revised as follows)</p> <ul style="list-style-type: none"> • Projects which cause forced labor, child labor, and <u>human trafficking.</u>
Financing and Investment Transactions which Require Additional Due Diligence Regardless of Sector	
<ul style="list-style-type: none"> • Projects with adverse impacts on indigenous peoples' local communities. • Projects involving land expropriation that causes forced relocation of residents. 	<p><u>Added</u></p> <p>(Added the following paragraph to the text on the left.)</p> <ul style="list-style-type: none"> • Projects which cause, contribute to or directly link with violation of human rights in conflict areas.
Policy on Forced Labor, Child Labor, and Human Trafficking 【New】	
-	<p><u>Establishment of new policy</u></p> <ul style="list-style-type: none"> • We promise to act in way that respects internationally-recognized human rights in the Mizuho Code of Conduct, and in addition, based on our Human Rights Policy, we aim to fulfil our responsibility to respect human rights throughout our global value chain in accordance with the United Nations' Guiding Principles on Business and Human Rights. • We expect our clients to understand our commitments to human rights based on Human Rights Policy and expects them to act to prevent and minimize adverse impact on human rights throughout their operations and supply chain as well as to provide remedy if necessary. <p>Policies</p> <ul style="list-style-type: none"> • For a company with which we do not have credit transactions, if there is an evidence of forced labor, child labor, or human trafficking caused by the company, then we do not provide financing and investment. • If we confirm that a client with which we already have credit transactions is causing forced labor, child labor, or human trafficking, we will urge them to provide remedy and prevent recurrence. If a client does not make progress on addressing our requests even after a certain period of

	<p>time, we carefully consider whether or not to continue our business with them.</p> <ul style="list-style-type: none"> • If a client is contributing to or is directly linked with forced labor, child labor, or human trafficking, we will request a report on their responses to the relevant issue, and that they take additional steps if needed.
Policy on Transition Risk sectors	
<p><u>Subjects</u></p> <p>Companies whose primary businesses are in coal-fired power generation, oil-fired power generation, gas-fired power generation, coal mining, and/or other oil and gas operations</p> <p><u>Policy</u></p> <p>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.</p>	<p><u>Added sector, clarified and strengthened response policy</u></p> <p>Subjects</p> <p>(Added the following paragraph to the text on the left.)</p> <ul style="list-style-type: none"> • Companies whose primary businesses are steel, or cement. <p>Policies</p> <p>(Revised as follows)</p> <ul style="list-style-type: none"> • Based on our Environmental Policy, we are reducing the amount of greenhouse gas emissions through a medium to long term investment portfolio in order to transition in stages to a portfolio that aligns with the Paris Agreement goals. For that reason, we will actively engage (carry out constructive dialogue) with clients in order to support the transition to a low-carbon society and adapt to climate change, taking a medium to long term view, and in accordance with each client's issues and needs. • We will engage so as to strengthen by stages the following initiatives with clients in the transition risk sectors. <ul style="list-style-type: none"> – Develop a strategy for shifting a low-carbon society – Set quantitative targets and/or KPIs (medium term, long term) to ensure the transition strategy is effective – Take actions based on the strategy, targets and KPIs, as well as disclose the progress – Measure and disclose greenhouse gas emissions volume – Enhance disclosures based on TCFD or equivalent framework • Through engagement, we will check at least once per year on the transition risk response level, based on the following criteria. <ul style="list-style-type: none"> – Willingness to take measures against transition risks – Development of the strategy, setting of quantitative targets – Target levels, specificity of means of achievement and status of efforts, performance and objectivity, etc. • If there is no willingness to respond to transition risks and no transition strategies have been formulated by clients even one year after the initial engagement based on the above, we make decisions whether or not to continue our business with them based on careful consideration
Policies on Specific Industrial sectors	
Coal-fired power generation	<p><u>Strengthened response policy</u></p> <p>(Deleted the underlined part of the text on the left)</p> <ul style="list-style-type: none"> • We do not provide financing or investment which will be used for new construction of coal-fired power plants or the expansion of existing plants. • However, we will also continue to support development of

	<p><u>essential 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.</u></p> <ul style="list-style-type: none"> 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. 	<p>innovative, clean, and also 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.</p> <p>(Added the following)</p> <ul style="list-style-type: none"> We do not start credit transactions with companies with which we have no current credit transactions if the primary business of these companies is coal-fired power generation.
Thermal coal mining	<ul style="list-style-type: none"> 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 <u>country which has announced policies aligned with the Paris Agreement</u>, we may provide financing or investment for the project, based on careful consideration, only in these cases. 	<p><u>Strengthened response policy</u> • <u>clarified wording</u></p> <p>(Clarified the underlined parts as follows)</p> <ul style="list-style-type: none"> We do not provide financing or investment which will be used for new thermal coal mining projects. For cases where it will be used for existing thermal coal mining projects, we may provide financing or investment for the project, based on careful consideration, only when it is vital to the stable energy supply of a <u>country which has announced a target¹ of Net Zero greenhouse gas emissions by 2050.</u> <p>(Added the following)</p> <ul style="list-style-type: none"> We do not start credit transactions with companies with which we have no current credit transactions if the primary business of these companies is the mining of thermal coal.
Oil and gas	<ul style="list-style-type: none"> Tightened response policy on development in the Arctic Circle and on development of oil sands, shale oil, and shale gas (additions below) 	<p><u>Strengthened response policy</u></p> <p>(Added the following)</p> <ul style="list-style-type: none"> When providing financing or investment that will be used for pipeline projects, we carry out appropriate environmental and social risk assessments.
Large-scale agriculture	<ul style="list-style-type: none"> We urge our clients to formulate sustainable and human rights policy, such as NDPE and FPIC. 	<p><u>Strengthened response policy</u> • <u>clarified the definition</u></p> <p>(Clarified the definition of large-scale agriculture)</p> <ul style="list-style-type: none"> Large-scale agriculture covering 10,000 ha or more, planting soy, natural rubber, cocoa, coffee, etc. or used for grazing. <p>(Added the following)</p> <ul style="list-style-type: none"> We will also request the company to enhance its supply chain management and traceability to ensure that the policy it has developed will also apply to its supply chain.
Palm oil	<ul style="list-style-type: none"> We urge our clients to formulate sustainable and human rights policy, such as NDPE and FPIC. 	<p><u>Strengthened response policy</u></p> <p>(Added the following)</p> <ul style="list-style-type: none"> We will request our clients to strengthen supply chain management and traceability to ensure that the policy it has developed will also apply to their supply chain.

¹ Nationally Determined Contribution

<p>Lumber and pulp</p>	<ul style="list-style-type: none"> • 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 peoples or local communities, and we take into consideration whether the client/project has received international certifications such as those for responsible forest management. • We urge our clients to formulate sustainable and human rights policy, such as NDPE and FPIC. 	<p><u>Strengthened response policy</u></p> <p>(Added the following)</p> <ul style="list-style-type: none"> • When financing and investing in lumbering businesses in countries that are not among the OECD high-income member states, we require them to obtain FSC or PEFC certification, and, if they require time to obtain such certification, we request them to formulate a plan with a deadline aimed at fulfillment. • We will request our clients to strengthen supply chain management and traceability to ensure that the policy it has developed will also apply to their supply chain.
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Overview of our Environmental and Social Management Policy for Financing and Investment Activity

I. Our approach under our Environmental and Social Management Policy for Financing and Investment Activity

- Companies are expected to contribute to the sustainable development of society as good corporate citizens. In terms of the social and environmental impact of business decisions and business activity, companies need to consider the expectations of their stakeholders and ensure that their actions are not only aligned with international standards but also transparent and ethical.
- Mizuho promises to act in an environmentally responsible manner and to act in way that respects internationally-recognized human rights in the Mizuho Code of Conduct, our Environmental Policy, and our Human Rights Policy. We understand the importance of our social responsibility and duty to the public and we ensure that our corporate conduct fulfills our responsibilities to the communities in which we operate, giving due consideration to the expectations of a diverse range of stakeholders. This enables us to contribute to sustainable social and economic development as well as be part of the solution to issues affecting society.
- In regards to environmental issues, including climate change and conservation of biodiversity, we will endeavor to leverage our financial intermediary and consulting capabilities to maximize beneficial impacts and avoid or mitigate adverse impacts on the environment.
- One of the ways in which we fulfill our social responsibility and duty to the public is to provide financial services such as financing and capital raising support (“financing and investment”) to companies which are taking appropriate measures to address environmental and social issues. At the same time, we are also sensitive to the risks involved in engaging in business with companies which are facing environmental or social issues, such as responding to climate change, conserving biodiversity, or respecting human rights, or which are not taking appropriate measures to meet stakeholder expectations.

II. Businesses subject to this policy and implementation methods

(1) Businesses subject to this policy

- Businesses that provide funds to clients based their own judgement (examples: lending,² proprietary investments in individual stocks), businesses that support the funding of clients (example: underwriting services), or businesses that have assets in their own name and support customer’s business (example: trust fiduciary services³).

(2) Implementation methods

- 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 Policy on Forced Labor, Child Labor, and Human Trafficking, Policy on Transition Risk Sectors, 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 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.

III. Specific policy implementation

1. Financing and Investment Transactions Prohibited Regardless of Sector

- In recognition of the serious risks to and adverse impacts on the environment and society, we refuse to engage in transactions related to the following types of projects:
 - Projects with an adverse impact on wetlands designated as Wetlands of International Importance under the Ramsar Convention.
 - Projects with an adverse impact on UNESCO World Heritage sites, excluding projects that have received prior consent from the relevant national government and UNESCO.
 - Projects violating the Convention on International Trade in Endangered Species of Wild Fauna and Flora (Washington Convention), excluding cases permitted

² Includes corporate finance and project finance.

³ Excludes those businesses related to asset operation.

under any country's reservation(s) to the convention.

- Projects which cause forced labor, child labor, and human trafficking.

2. Financing and Investment Transactions which Require Additional Due Diligence Regardless of Sector

- In recognition of the serious risks to and adverse impacts on the environment and society, we make decisions on financing and investment for the following types of projects based on a cautious and considered approach aimed at accounting for the degree to which the client has taken steps to avoid or mitigate risk:
 - Projects with adverse impacts on indigenous peoples' local communities.
 - Projects involving land expropriation that causes forced relocation of residents.
 - Projects which cause, contribute to or directly link with violation of human rights in conflict areas.

3. Policy on Forced Labor, Child Labor, and Human Trafficking

We promise to act in way that respects internationally-recognized human rights in the Mizuho Code of Conduct, and in addition, based on our Human Rights Policy, we aim to fulfil our responsibility to respect human rights throughout our global value chain in accordance with the United Nations' Guiding Principles on Business and Human Rights.

In addition, we expect our clients to understand our commitments to human rights based on Human Rights Policy and expects them to act to prevent and minimize adverse impact on human rights throughout their operations and supply chain as well as to provide remedy if necessary .

Building on the above, we will establish a policy regarding companies exposed to risks of forced labor, child labor, and human trafficking.

Risks that we should recognize

Companies are at risk of causing or contributing to forced labor, child labor, or human trafficking through their own business activities, or being directly linked to forced labor, child labor, or human trafficking through their businesses, products, or services.

Policies

- We aim to eliminate forced labor, child labor, and human trafficking from our businesses and value chains, and will strengthen our human rights due diligence.

- Currently, when starting a new transaction such as financing and investment with a company with which we do not have credit transactions, or if we come into information that there is the possibility that a company we already have credit transactions with may be involved in forced labor, child labor, or human trafficking, we will confirm the risks of forced labor, child labor, or human trafficking.
- Building on the results of the above confirmation, we will respond as follows.
 - 1) For a company with which we do not have credit transactions, if there is an evidence of forced labor, child labor, or human trafficking caused by the company then we do not provide financing and investment.
 - 2) If we confirm that a client with which we already have credit transactions is causing forced labor, child labor, or human trafficking, we will urge them to provide remedy and prevent recurrence. If a client does not make progress on addressing our requests even after a certain period of time, we carefully consider whether or not to continue our business with them.
 - 3) If a client is contributing to or is directly linked with forced labor, child labor, or human trafficking, we will request a report on their responses to the relevant issue, and that they take additional steps if needed.

4. Policy on Transition Risk Sectors

We recognize that climate change is closely tied to various economic and social issues, and that addressing climate change is an important issue in the medium to long term. We will set policies for companies in sectors likely to be exposed to transition risks associated with climate change.

Targets

Companies whose primary businesses are in coal-fired power generation, oil-fired power generation, gas-fired power generation, coal mining, oil and gas, steel, or cement.

Risks that we should recognize

Companies whose primary businesses are those above are at a high risk of exposure to transition risks (policy risks, technology risks, reputational risks, etc.) arising from the transition to a low-carbon society, and if their responses to these transition risks are not appropriate, there is the risk of increased concern about climate change and air pollution.

Policies

- Based on our Environmental Policy, we are reducing the amount of greenhouse gas emissions through a medium to long term investment portfolio in order to transition in stages to a portfolio that aligns with the Paris Agreement goals. For that reason, we will actively engage (carry out constructive dialogue) with clients in order to support the transition to a low-carbon society and adapt to climate change, taking a medium to long term view, and in accordance with each client's issues and needs.
- We will engage so as to strengthen by stages the following initiatives with clients in the transition risk sectors.
 - Develop a strategy for a low-carbon society
 - Set quantitative targets and/or KPIs (medium term, long term) to ensure the transition strategy is effective
 - Take actions based on the strategy, targets and KPIs, as well as disclose the progress
 - Measure and disclose greenhouse gas emissions volume
 - Enhance disclosures based on TCFD or equivalent framework
- For clients in transition risk sectors, we will specify risk categories based on the primary business of these companies and their transition risk response level.
- Through engagement, we will check at least once per year on the status of transition risk response, based on the following criteria.
 - Willingness to take measures against transition risks
 - Development of the strategy, setting of quantitative targets
 - Target levels, specificity of means of achievement and status of efforts, performance and objectivity, etc.
- If there is no willingness to respond to transition risks and no transition strategies have been developed by clients even one year after the initial engagement based on the above, we make decisions whether or not to continue our business with them based on careful consideration.

5. Policies on Specific Industrial Sectors

For certain sectors such as those listed below, where there is a high possibility of contributing to adverse environmental or social impacts, our decisions regarding whether to engage in business transactions take into consideration the client's

response to environmental and social issues, including climate change, conservation of biodiversity, and respect for human rights:

1) Weapons

We avoid providing financing or investment which will be used for the manufacture of weapons designed to kill or inflict structural damage during wars or armed conflicts. In addition, we avoid providing financing or investment to any manufacturer of cluster munitions, antipersonnel landmines, or biochemical weapons, regardless of the purpose of the funding, in view of the inhumane nature of these weapons.

2) Coal-fired power generation

Risks that we should recognize

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.

Policies

- We do not start credit transactions with companies with which we have no current credit transactions if the primary business of these companies is coal-fired power generation.
- We do not provide financing or investment which will be used for new construction of coal-fired power plants or the expansion of existing facilities.
- However, we will also continue to support development of innovative, clean, and also 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.

3) Thermal coal mining

Risks that we should recognize

The mining of thermal coal, when not managed properly, entails the 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.

Policies

- Our decisions regarding financing and investment for thermal coal mining companies involve a thorough examination of due care to the status of responses to the above risks.
- We do not start credit transactions with companies with which we have no current credit transactions if the primary business of these companies is the mining of thermal coal.
- We do not provide financing or investment which will be used for new thermal coal mining projects.
- For cases where it will be used for existing thermal coal mining projects, we may provide financing or investment for the project, based on careful consideration, only when it is vital to the stable energy supply of a country which has announced a target of Net Zero greenhouse gas emissions by 2050.

4) Oil and gas

Risks that we should recognize

- Oil and gas extraction and pipeline entail the risk of adverse environmental and social impacts, which may include the pollution of oceans and waterways from oil spills or gas leaks, as well as violations of the human rights of indigenous peoples.
- In addition, pipeline projects have the risks of environmental degradation such as oil leaks not just during construction but in operation, deforestation, and violating the human rights of indigenous peoples.
- We recognize that the Arctic Circle (the region north of 66°33' latitude) requires consideration for the conservation of endangered species and for 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.

Policies

- 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.
- When providing financing or investment that will be used for oil or gas extraction in the Arctic, oil sands, shale oil, and shale gas extraction, and pipeline, we carry out appropriate environmental and social risk assessments.

5) Large-scale hydropower

Risks that we should recognize

Large-scale hydropower construction ⁴entails 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.

Policies

- 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.
- 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.

6) Large-scale agriculture

Risks that we should recognize

The development and operation of large-scale agriculture ⁵ 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.

Policies

- Our decisions regarding financing and investment for such agriculture involve a thorough examination of the client's measures to address environmental and social issues.
- We will urge our clients in these sectors to respect Free, Prior, and Informed Consent (FPIC) in relation to local communities and to formulate sustainable environmental and human rights policy, such as No Deforestation, No Peat, and No Exploitation (NDPE).
- We will request our clients to strengthen supply chain management and traceability to ensure that the policy it has developed will also apply to their supply chain.

⁴ Outputs of 25MW or more and dam walls of 15m or more.

⁵ Agriculture covering 10,000 ha or more, planting soy, natural rubber, cocoa, coffee, etc. or used for grazing.

7) Palm oil

Risks that we should recognize

While palm oil is an essential commodity for maintaining our lifestyles and infrastructure, we are also aware of the risks of potential human rights abuses within the production process such as the violation of indigenous peoples' rights or the use of child labor, in addition to environmental issues such as deforestation (including forest burning) and damage to biodiversity.

Policies

- In order to avoid becoming involved in the above 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 peoples or local communities, and we take into consideration whether the client/project has received international certifications such as those for the production of sustainable palm oil.
- Specifically, we will request that all plantations be certified by the Roundtable on Sustainable Palm Oil (RSPO). When a client needs more time to have all their plantations certified by the RSPO, we will urge them to formulate a plan with a set deadline to receive the certification. When the client does not have any plans to be certified by the RSPO, we will request that they take measures equivalent to those required for the certification and periodically report the status of said measures. When the client needs more time to establish such measures, we will urge them to formulate a plan with a set deadline to do so.
- In the event that we identify any unlawful act during the term of a transaction, we will 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.
- We will urge our clients in these sectors to respect Free, Prior, and Informed Consent (FPIC) in relation to local communities and to formulate sustainable environmental and human rights policy, such as No Deforestation, No Peat, and No Exploitation (NDPE).
- We will request our clients to strengthen supply chain management and traceability to ensure that the policy it has developed will also apply to their supply chain.

8) Lumber and pulp

Risks that we should recognize

While lumber and pulp are essential commodities for maintaining our lifestyles and infrastructure, we are also aware of the risks of human rights abuses within the production process such as the violation of indigenous peoples' rights or the use of child labor, in addition to environmental issues such as deforestation (including forest burning) and damage to biodiversity.

Policies

- In order to avoid becoming involved in the above 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 peoples or local communities, and we take into consideration whether the client/project has received international certifications such as those for responsible forest management.
- Specifically, when financing and investing in lumbering businesses in countries that are not among the OECD high-income member states, we will request them to obtain FSC or PEFC certification, and, if they need more time to obtain such certification, we will urge them to formulate a plan with a set deadline to receive the certification.
- 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.
- We will urge our clients in these sectors to respect Free, Prior, and Informed Consent (FPIC) in relation to local communities and to formulate sustainable environmental and human rights policy, such as No Deforestation, No Peat, and No Exploitation (NDPE).
- We will request our clients to strengthen supply chain management and traceability to ensure that the policy it has developed will also apply to their supply chain.

IV. Governance related to this policy

1. Governance

Relevant governing bodies within Mizuho such as our Executive Management Committee and/or Business Policy Committee will regularly review whether our measures related to the risks, sectors, and other factors covered under this policy are appropriate and sufficient, with consideration to changes in the external environment and the results of implementation. Following these reviews, our governing bodies may revise or otherwise make changes to our measures to enhance their implementation.

Mizuho Bank, Mizuho Trust & Banking, Mizuho Securities, and Mizuho Americas put in place an operational framework for this policy and began implementing it from July 1, 2022.

2. Education and training

Mizuho will conduct training and professional development exercises to enhance executive officers' and employees' understanding of environmental and human rights issues. We will also implement educational seminars, training, and awareness building activities for executive officers and employees regarding compliance with the internal regulations and procedures which are relevant to their field of work.

3. Stakeholder communication

As part of our initiatives in this area, we place a strong emphasis on engagement with stakeholders. Our objective in taking this approach is to ensure that our initiatives are aligned with society's standards and expectations.

Procurement Policy

1. Purpose of this Procurement Policy

Mizuho's business operations are supported by the cooperation of suppliers providing office supplies, IT systems, outsourcing, and other goods and services.

At Mizuho, we have defined our basic stance towards suppliers in regard to purchasing of goods and services and ordering of IT systems ("procurement") in the Mizuho Code of Conduct. This Procurement Policy stipulates the specific actions we will take to ensure responsible procurement based on our basic stance, our Environmental Policy, and our Human Rights Policy. It applies to all group companies of Mizuho Financial Group, Inc.

2. Basic approach to procurement operations

Mizuho will promote responsible and optimal procurement, improve corporate value, and aim to achieve a sustainable society.

Fair and impartial decisions on suppliers

- We will make fair and impartial decisions on suppliers, taking into account factors such as quality, ease of use of services, price, reliability, compliance with laws and regulations, information management frameworks, respect for human rights, and environmentally friendly initiatives.

Compliance with laws and regulations and social norms

- We will fully comply with all laws, rules, and regulations; always adhere to social norms; and exercise strong self-discipline in our procurement operations.
- With our suppliers, we will maintain healthy and transparent relationships. To ensure this, we will not accept gifts or entertainment from suppliers when these are against social norms.

Respect for human rights and consideration for the environment

- In our procurement operations, we will endeavor to respect human rights and reduce our environmental footprint.
- We will also encourage our suppliers to respect human rights and the environment in their business operations.

3. Requirements for suppliers (Supplier guiding principles)

Throughout our procurement operations, we will expect suppliers to understand and adhere to the supplier guiding principles stipulated below so that both Mizuho and our suppliers will be able to positively contribute to the development of a sustainable society and achieve mutual growth as business partners.

Compliance with laws and regulations and social norms

- Fully comply with all laws, rules, and regulations, adhere to social norms, and conduct corporate activities fairly and in good faith.

Information management

- Manage information gathered through business operations with due care, in compliance with laws on the protection of personal information and any related laws.

Respect for human rights

- Be aware of the ways in which business operations have the potential to impact human rights and, referring to international standards¹, endeavor to respect human rights while carrying out corporate activities.
 - Respect the basic human rights of employees
 - Provide employees with a safe and comfortable work environment
 - Do not discriminate and do not use child labor or forced labor
 - Respect the right to free association and non-association and the right to collective bargaining, in conformance with laws and regulations
 - Promote diversity and inclusion in order to ensure the participation and development of diverse talent
 - Work proactively to eliminate discrimination and harassment
- Understand Mizuho's Human Rights Policy, including its commitment to practices that aim to eliminate human trafficking, forced labor, and child labor from the business and value chain. Based on this understanding, suppliers must carry out due consideration and responses to ensure that they and their own suppliers are not complicit in (involved with) human trafficking, forced labor, or child labor.

1. International Bill of Human Rights; International Labor Organization's Declaration on Fundamental Principles and Rights at Work; UN Guiding Principles on Business and Human Rights; etc.

Consideration for the environment

- Work to reduce the environmental impact of business operations through use of sustainable energy and resources, pollution prevention, green procurement, and other measures.
 - Limit use of resources and energy
 - Endeavor to use low-carbon or zero-carbon energy sources and reduce greenhouse gas emissions
 - Use resources effectively by reducing waste and practicing reuse and recycling
 - Limit use and emission of substances harmful to the environment and/or human beings
 - Conserve natural resources, such as forests, and use them efficiently
 - Do not use raw or other materials which harm biodiversity or ecosystems

4. Implementation

- Mizuho will provide this Procurement Policy to our primary suppliers and ask them to familiarize themselves with the contents.
- An operational framework will be put in place for this revised Procurement Policy, and the policy's operation will begin on June 30, 2022.

Engagement-Based Response Strengthening to Both Opportunities and Risks

We are strengthening our responses to both opportunities and risks through engagement, or constructive, purposeful dialogue such as encouraging our clients to move towards sustainability

Engagement from the perspective of responsible investment

Approx. 1,000 companies*

- Check status of responses to environmental and social risks
- Dialogue with transition risk sector clients on responses to climate change response risks

Engagement aimed at promoting client initiatives for sustainability

**Approx. 1,300 companies (of which, 600 are climate change)¹
(Approx. 600 small/midsize company clients, approx. 700 large company clients)**

- Discussions and proposals towards support² such as planning and carrying out appropriate risk management and strategies related to sustainability for clients.

¹ April 2021 - March 2022 (preliminary figures)

² Support by providing both financial and non-financial solutions

Development and provision of solutions from both financial and non-financial sides to suit the characteristics and needs of client segments.

Middle-market clients and SME clients

- Expansion of SDGs promotion support financing through in-house qualifications holders (approx. 2,000 people) (approx. 530 cases in FY2021)
- Construction of a network with external partners for supporting client's sustainability management promotion
- Specific support for transition strategies towards decarbonization (next page)

Large corporate clients

- Consulting support utilizing our industrial knowledge, environmental and technological expertise, etc. (approx. 500 cases in FY2021)
- Support for initiatives to improve non-financial value with a broad range of themes based around environmental and social issues
- Specific support for transition strategies towards decarbonization (next page)

Sustainable finance (preliminary figures)

Long-term target

FY19 – FY30 **(Cumulative) JPY 25 trillion**
(o/w environmental finance JPY 12 T)

Result

FY19 – FY21

(Cumulative) JPY 13.1 trillion
(o/w environmental finance JPY 4.6 T)

Specific Support for Transition Strategies towards Decarbonization

