

Publication of TCFD Report 2022

Today, Mizuho Financial Group, Inc. (President & CEO: Masahiro Kihara) published our TCFD Report 2022, which details our latest initiatives related to climate change in line with the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

At Mizuho, we have supported the intent and aims of the TCFD Recommendations since 2017. Based on our awareness that climate change is one of the most crucial global issues with the potential to impact the stability of financial markets, we have positioned addressing environmental issues and climate change as a key part of our corporate strategy, and we are endeavoring to strengthen our initiatives. In FY2020, we became the first financial services group in Japan to publish a TCFD Report, and this is the third year we have published the report.

The TCFD Report 2022 covers aspects of the stronger sustainability action¹ we announced in May 2022. It includes further details on our enhanced responses to address climate change (e.g. our efforts towards net-zero emissions), as well as new information on the strengthening of our climate change response structure, the process and results of the transition risk scenario analysis we performed using the 1.5°C scenario, and the results of our measurement of greenhouse gas emissions from our financing and investment (Scope 3 emissions).

We will continue to focus our efforts on supporting our clients' climate change countermeasures and transitions to a low-carbon society. In doing so, we will positively contribute to the achievement of a low-carbon society and the development of a climate change resilient society by 2050.

Reference: Future sustainability-related disclosure plans

Human Rights Report (July), Integrated Report (July), ESG Databook (August), and SASB Index (September).

(Dates listed are for Japanese versions. Release dates for English versions may be later.)

Link to the TCFD Report 2022:

https://www.mizuhogroup.com/binaries/content/assets/pdf/mizuhoglobal/sustainability/overview/report/tcfd_report_2022.pdf (Single page)

https://www.mizuhogroup.com/binaries/content/assets/pdf/mizuhoglobal/sustainability/overview/report/tcfd_report_browsing_2022.pdf (Double page)

FY2021 main progress and new disclosures

(Underlined portions indicate disclosures that have been published for the first time in this TCFD Report)

		Pages
Governance	<ul style="list-style-type: none"> Established Mizuho's Approach to Achieving Net Zero by 2050 and the Net Zero Transition Plan. 	21 – 22
	<ul style="list-style-type: none"> Established the Sustainability Promotion Committee, and enhanced our promotion structure by <u>establishing a Climate Change Response Taskforce and five working groups</u>. 	18 – 19
	<ul style="list-style-type: none"> Began utilizing external evaluations from main ESG evaluation agencies in determining performance-based compensation for corporate officers. 	19 – 20
Strategy	<ul style="list-style-type: none"> Adjusted our <u>approach to setting Scope 3 emission targets (electric power) and strategy for achieving targets</u> as part of achieving net zero. 	23 – 25
	<ul style="list-style-type: none"> Focused on clients' decarbonization and climate change countermeasures, with client engagement as a starting point. Conducted client engagement with approx. 2,300 companies. 	31 – 36
	<ul style="list-style-type: none"> <u>Improved scenario analysis.</u> <ul style="list-style-type: none"> Transition risks: <u>Conducted analysis after adding steel as a target sector using scenarios including the 1.5°C scenario</u>. Reconfirmed the importance of moving forward a rapid and smooth transition (orderly transition) towards a low-carbon society, and the importance of engagement. 	39 – 44
	<ul style="list-style-type: none"> Physical risks: <u>Reevaluated acute risks after adding Mizuho group assets as targets of analysis</u>. Confirmed that the impact of damage to assets and increased credit costs will be limited. 	45 – 47
Risk Management	<ul style="list-style-type: none"> Designated the increasing severity of climate change impacts as a top risk. 	49
	<ul style="list-style-type: none"> Strengthened risk control in carbon-related sectors. Added steel and cement to targeted sectors, strengthened response in the case of client engagement being ineffective. 	50 – 51
	<ul style="list-style-type: none"> Revised Environmental and Social Management Policy for Financing and Investment Activity: Strengthened policies on transition risk sectors, the coal-fired power generation and thermal coal mining sectors, and others. 	55 – 57
	<ul style="list-style-type: none"> <u>Adjusted sector-specific exposure based on recommended disclosures under the TCFD Recommendations</u>. 	52
	<ul style="list-style-type: none"> <u>Confirmed client progress on addressing transition risk</u>. 	53 – 54

Metrics and Targets	<ul style="list-style-type: none"> • Established and revised targets for reducing greenhouse gas emissions. <ul style="list-style-type: none"> – Revised targets for worldwide greenhouse gas emissions from seven Mizuho group companies (Scope 1 and 2 emissions): Carbon neutral by FY2030. – Set mid-term targets for greenhouse gas emissions from financing and investment (Scope 3 emissions). Electric power sector: FY2030 emission intensity of 138 to 232 kgCO₂/MWh. 	26,59
	<ul style="list-style-type: none"> • <u>Measured greenhouse gas emissions from financing and investment (“financed emissions”)</u> based on the PCAF² method. 	23 – 25, 59
		61 – 65

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1. See our press release “Strengthening our sustainability action”, dated May 17, 2022:
https://www.mizuhogroup.com/binaries/content/assets/pdf/mizuhoglobal/news/2022/05/20220517release_eng.pdf
 2. The Partnership for Carbon Accounting Financials (PCAF) is a global initiative that enables financial institutions to measure and disclose the indirect greenhouse gas emissions of their loans and investments. In 2021, Mizuho became the first Japanese financial institution to join PCAF.