

## **Publication of TCFD Report -Climate-related Report- 2023**

Mizuho Financial Group, Inc. (President & CEO: Masahiro Kihara) published today its TCFD Report –Climate-related Report- 2023, a comprehensive and detailed account of its 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 fourth year we have published the report.

Major progress in our climate action initiatives in the previous fiscal year was disclosed in the report “FY2022 Sustainability Progress -Initiatives addressing Climate Change-”<sup>1</sup> in April 2023. In the TCFD Report 2023, we additionally disclose the following information:

- Components of the Net Zero Transition Plan (pp. 22–24 of the report)
- Revision to the executive compensation system (pp. 18–19)
- Sophistication of scenario analysis of transition/physical risks (pp. 51–58)
- Wider scope of financed emissions (GHG emissions associated with financing and investment) measurement (pp. 72–76)

Under our newly defined purpose: “Proactively innovate together with our clients for a prosperous and sustainable future,” Mizuho will mobilize the full potential of our group and work with various stakeholders to meet the challenge of reaching the net zero goal by 2050.

### **Link to the TCFD Report -Climate-related Report-**

[https://www.mizuhogroup.com/binaries/content/assets/pdf/mizuhoglobal/sustainability/overview/report/tcfid\\_report\\_2023.pdf](https://www.mizuhogroup.com/binaries/content/assets/pdf/mizuhoglobal/sustainability/overview/report/tcfid_report_2023.pdf)

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<sup>1</sup> Press release dated April 3, 2023: “Addressing Climate Change – FY22 progress & strengthening initiatives”  
[https://www.mizuhogroup.com/news\\_release/20230403\\_2release\\_eng.html](https://www.mizuhogroup.com/news_release/20230403_2release_eng.html)

■ **Highlights of TCFD Report -Climate-related Report- 2023**  
 (Mainly progress from last year's TCFD Report)

— **Highlights of TCFD Report - Climate-related Report - 2023** —

**Revisions of the Net Zero Transition Plan**

- Identified key focus sectors for the net zero transition and relevant next-generation tech related key actions
- Reinforced measures on the structural transformation of economy and industry, and commercialization of technology
- Added progress on the status of clients' responses to the transition risks as a metric
- Enhanced engagement and strengthened human resource development to drive the engagement forward

**Governance**

- Newly established Group CSuO\*1 (Sep. 2022)
- Revised executive compensation system

**Evaluation criteria on sustainability / climate change**

**Increased targets of sustainable finance**

JPY25T (FY2020) → JPY12T (FY2021) → JPY100T\*2 (FY2030)

JPY50T (o/w environment and climate-related finance)

**Engagement**

Engagement to support clients' SX\*3 approx. **1,700** clients

Engagements in accordance with the ES Policy\*4 approx. **1,100** clients

Clients in sectors with high transition risk: Steady progress in responses to transition risk

**Natural Capital**

Identified important natural capitals by analyzing loan portfolio

Water, biodiversity (habitats and species)

**Revisions of ES Policy\*4**

Coal Mining (Thermal Coal)

Expanded list of prohibited financing and investment

Oil and Gas

Enhanced environmental and social risk assessment of oil and gas mining business

**Strengthened climate risk management structure**

- Newly established Sustainability Risk Management Office
- Materiality assessments of climate risks

**Sophistication of scenario analysis**

Wider sectoral coverage of transition risk analysis

Power utilities, Coal, Oil & Gas, Steel, Automotive + Maritime Transportation, Aviation

Wider coverage of physical risk analysis

Japan, Own assets, SMEs + Global Large firms

Cyclones, temperature fluctuations, Wildfires, droughts

**Reduction of our own GHG emissions**

Scope 2 in Japan: Switched around 70% of electricity consumptions to renewable energy sources

**Medium-term sector-level targets for financed emissions**

Sectors	Results (FY21)	Target (FY30)
Electric Power	353 kgCO <sub>2</sub> e/MWh	138~232 kgCO <sub>2</sub> e/MWh
Oil and Gas	Clients' Scope 1,2 6.5 gCO <sub>2</sub> e/MJ	4.2 gCO <sub>2</sub> e/MJ
	" 3 43.2 MtCO <sub>2</sub> e	Absolute emissions (MtCO <sub>2</sub> e) -12 to -29%*5
Coal Mining (Thermal Coal)	1.7 MtCO <sub>2</sub> e	OECD countries: FY30 Non-OECD countries: FY40 Zero

**Wider scope of financed emissions measurement**

Corporate finance + Investment on own account

Project finance

19 sectors in accordance with TCFD + Other sectors

\*1 CSuO: Chief Sustainability Officer  
 \*2 Total accumulated financing amount of FY2019–FY2030  
 \*3 Sustainability transformation  
 \*4 The Environmental and Social Management Policy for Financing and Investment Activity  
 \*5 Reduction vs. FY2019