Publication of Climate & Nature-related Report 2024

Today, Mizuho Financial Group, Inc. (President & Group CEO: Masahiro Kihara) has published our Climate & Nature-related Report 2024, a comprehensive and detailed account of our initiatives related to climate change and natural capital.

Links to the Climate & Nature-related Report 2024

https://www.mizuhogroup.com/binaries/content/assets/pdf/mizuhoglobal/sustainability/overview/report/climatenature_report_2024.pdf (single page ver.)

https://www.mizuhogroup.com/binaries/content/assets/pdf/mizuhoglobal/sustainability/overview/report/climate_nature_browsing_2024.pdf (double page ver.)

About the Climate & Nature-related Report

At Mizuho, we have been working to improve our climate action and disclosure since 2017, supporting the intent and aims of the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). In 2020, we became the first financial services group in Japan to publish a TCFD Report. This year, we decided to broaden our traditional TCFD Report into a comprehensive report that provides a holistic account of our responses and initiatives related to climate and nature.

Our climate actions

We previously disclosed our key progress from last year in the Sustainability Progress 2024* report we published in April. Our Climate & Nature-related Report reproduces this content and also contains new disclosure items, such as more sophisticated scenario analysis pertaining to transition risk (pp. 50 - 54) and expanded measurement of Scope 3 emissions (financed emissions and facilitated emissions) (pp. 79 - 82).

Our initiatives related to natural capital

Adding to the overview available in the Sustainability Progress 2024 report mentioned above and in line with the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD), the Climate & Nature-related Report covers our awareness of the opportunities and risks related to natural capital, our support to help our clients transition to a nature-positive economy, and our risk management efforts to prevent and mitigate adverse impacts on natural capital.

Under our corporate Purpose of "Proactively innovate together with our clients for a prosperous and sustainable future", Mizuho will continue to mobilize the full potential of our group and work with various stakeholders to meet the challenge of realizing our vision for the future.

^{*} Press release dated April 12, 2024: "Strengthening our sustainability initiatives" https://www.mizuhogroup.com/binaries/content/assets/pdf/mizuhoglobal/news_release/2024/20240412release_eng.pdf



Highlights of Climate & Nature-related Report 2024

(Mainly progress since last year's TCFD Report)

Information disclosure

 Integrated disclosure of Mizuho's climate and nature-related information based on TCFD / TNFD recommendations

Sustainable business

- Specified business strategies and focused topics
- Supporting clients' steady transitions toward 2030
- Facilitating clients' future-oriented actions
 Key topics: Hydrogen, carbon credits, impact
- Advancement in sustainable finance results

Sustainable finance –
FY2019 to FY2023
(cumulative total)
JPY 31.0 trillion

Amount for environmental and climate-related finance within the above

JPY 14.0 trillion

League tables¹

Sustainable finance (loans)
Global No. 1
(among Japanese banks)

Publicly offered SDGs bonds

Japan No. 1 for five successive years

Engagement

 Promoted engagement from various perspectives including business and risk management Dialogue based on our ES Policy² with approx.

900 companies

Capability building

Sustainability management experts
Approx. 1,650

Environmental and energy sector consultants
Approx. 140
as of March 2024

Scenario analysis

as of March 2024

Expanded targeted sectors for transition risk analysis

Electric power, coal, oil and gas, steel, automotive (finished vehicle manufacturers), maritime transportation, aviation

Cement, chemicals, automotive (suppliers)

Risk controls in carbon-related sectors

- Added new criteria to evaluations of clients' transition risk responses (to come into effect in FY2024)
 - 1. Actual GHG emission reduction results
 - 2. Alignment of targets / results with 1.5°C scenario
- Confirmed steady progress in the status of clients' responses toward transition risk

Revisions of the ES Policy²

Revised some policies

Human rights issues

Weapons and arms

Coal-fired power generation

Added specific sectors

Woody biomass power generation (mono-fuel combustion)

Mining

Fisheries & aquaculture

Reduction of financed emissions

 Completed initial sector-specific target setting based on Net-Zero Banking Alliance (NZBA) guidelines by setting new targets for four sectors

Joined NZBA 2022 Electric power,

oil and gas, coal

2023

2024

Automotive, maritime transport Steel, real estate

- Expanded scope of measurement for financed emissions (residential mortgages)
- Measured facilitated emissions for the first time

Reduction of our own emissions

 Steady reductions achieved by switching to renewable energy FY2023 60% reduction expected (From FY2020 levels)

Natural capital initiatives

- Supported clients' initiatives through Blue Finance arrangements and consulting services, utilizing satellite data
- Analyzed Mizuho's loan portfolio using the LEAP approach
- 1: Calculation period: April 2023 March 2024
 - Sources: Sustainable finance (loans) data from LSEG; SDG bonds data from Capital Eye
- 2: Environmental and Social Management Policy for Financing and Investment Activity

