

Mizuho Financial Group, Inc. (2020 Green Bond)

Type of Engagement: Annual Review

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Introduction

In October 2020, Mizuho Financial Group, Inc. ("Mizuho FG") issued a green bond (EUR 500 million 5-Year Green Bond, hereinafter the "2020 Green Bond") aimed at financing and/or refinancing projects related to Renewable Energy, Clean Transportation, Pollution Prevention and Control, and Green Buildings. As of March 2024, the proceeds have been allocated to 7 renewable energy projects and 9 green building projects. In September 2024, Mizuho FG engaged Sustainalytics to review the projects funded through the 2020 Green Bond and assess whether the projects met the Use of Proceeds criteria and the Reporting commitments outlined in the 2020 Mizuho Financial Group, Inc. Green Bond Framework (the "Framework").¹ This is Sustainalytics' fourth annual review of Mizuho FG's 2020 Green Bond following the previous review in September 2021,² September 2022,³ and September 2023.⁴

Evaluation Criteria

Sustainalytics evaluated the projects funded with proceeds from the 2020 Green Bond as of March 2024 based on whether the projects and programmes:

1. Meet the use of proceeds and eligibility criteria defined in the Framework; and
2. Reported on the impact indicators for each use of proceeds criteria outlined in the Framework.

Table 1: Use of Proceeds Categories, Eligibility Criteria and Associated KPIs for the use of proceeds category to which the proceeds were allocated

Use of Proceeds Category	Eligibility Criteria	Key Performance Indicators
Renewable Energy	The development, construction and operation of renewable energy facilities which generate wind, solar, solar thermal, biomass energy (restricted to sustainable feedstock and/or waste sources), geothermal energy (restricted to the projects that have direct emissions of less than 100gCO ₂ /kWh), and small hydro facilities with generation capacity of 25 megawatts or less or run of river hydropower assets without pondage.	Tonnes of CO ₂ emission equivalent avoided
Green Buildings	Buildings which have received or will receive during the life of the Green Bond at least one of the following classifications. Net proceeds of the Green Bond may be allocated towards new and existing loans from Mizuho BK to eligible green buildings with certifications as defined below, including the ones owned by J-REITs (Japanese Real Estate Investment Trusts). The allocation amounts to	The number and certification level of green buildings

¹ The 2020 Mizuho Financial Group, Inc. Green Bond Framework is no longer publicly available, as only the updated version of the Framework is made public.

² Sustainalytics, "Mizuho FG Annual Review", (2021), at: [https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/mizuho-financial-group-inc.-green-bond-2020-annual-review-\(2021\).pdf](https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/mizuho-financial-group-inc.-green-bond-2020-annual-review-(2021).pdf)

³ Sustainalytics, "Mizuho FG Annual Review", (2022), at: [https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/mizuho-financial-group-inc.-green-bond-2020-annual-review-\(2022\).pdf](https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/mizuho-financial-group-inc.-green-bond-2020-annual-review-(2022).pdf)

⁴ Sustainalytics, "Mizuho FG Annual Review", (2023), at: [https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/mizuho-financial-group-annual-review-2020-green-bond-\(2023\).pdf](https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/mizuho-financial-group-annual-review-2020-green-bond-(2023).pdf)

	eligible green buildings owned by JREITs may be calculated based on pro-rata share of eligible green buildings' acquisition cost.	
	i. LEED (Leadership in Energy and Environmental Design): LEED Platinum or Gold ii. BREEAM (Building Research Establishment Environmental Assessment Method): BREEAM Outstanding or Excellent iii. CASBEE (Comprehensive Assessment System for Built Environment Efficiency): CASBEE S Rank or A Rank iv. DBJ Green Building Certification: DBJ Green Building 5 Star or 4 Star v. BELS (Building-Housing Energy-efficiency Labelling System): BELS 5 Star or 4 Star	

Issuer's Responsibility

Mizuho FG is responsible for providing accurate information and documentation relating to the details of the projects that have been funded, including description of projects, amounts allocated, and project impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of Mizuho FG's 2020 Green Bond Use of Proceeds. The work undertaken as part of this engagement included collection of documentation from Mizuho FG employees and review of documentation to confirm the conformance with the Framework.

Sustainalytics has relied on the information and the facts presented by Mizuho FG with respect to the projects in the eligible categories. Sustainalytics is not responsible, nor shall it be held liable if any of the opinions, findings, or conclusions it has set forth herein are not correct due to incorrect or incomplete data provided by Mizuho FG.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the review.

Conclusion

Based on the limited assurance procedures conducted,⁵ nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed bond projects, funded through proceeds of Mizuho FG's 2020 Green Bond, are not in conformance with the use of proceeds and reporting criteria outlined in the Framework. Mizuho FG has disclosed to Sustainalytics that the proceeds of the 2020 Green Bond were fully allocated as of March 2024.

⁵ Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the funded projects, including description of projects, their estimated and realized costs and impact, as provided by the issuing entity, which is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Detailed Findings

Table 2: Detailed Findings

Framework Requirements	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded by the 2020 Green Bond as of March 2024 to determine if projects aligned with the use of proceeds criteria outlined in the Framework and above in Table 1.	All projects reviewed complied with the use of proceeds criteria.	None
Reporting Criteria	Verification of the projects funded by the 2020 Green Bond as of March 2024 to determine if the impact of projects were reported in line with the impact indicators outlined in the Framework and above in Table 1.	All projects reviewed reported on impact indicators per use of proceeds criteria.	None

Appendices

Appendix 1: Allocation Reporting

Table 3: Allocation of proceeds from the 2020 Green Bond

Use of Proceeds Category	Sub-category	Number of Projects	Loan Balance (EUR million)
Renewable Energy	Solar	2	48.50
	Wind	5	137.66
Green Buildings	-	9	317.46
Total Loan Balance (EUR million)			503.62
Total Bond Proceeds Raised (EUR million)			500.00

Appendix 2: Reported Impact

Table 4: Reported Impact for the Renewable Energy Category

Use of Proceeds Category	Sub-category	Number of Projects	Reported Impacts	
			Annual Energy Production (MWh)	CO ₂ emissions reduction (Mizuho FG's contribution) (t-CO ₂ /y)
Renewable Energy	Solar	2	581,138	12,602
	Wind	5	9,164,505	63,793
Total		7	9,745,644	76,395

Table 5: Reported Impact for the Green Building Category

Project Category	Certification Body	Certification Level	Number of certifications
Green Buildings	CASBEE	S	136
		A	131
	BELS	5 Stars	82
		4 Stars	28
	DBJ Green Building	5 Stars	12
		4 Stars	52
	LEED	Platinum	1
		Gold	1

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