



PROFILES OF ASIA-PACIFIC AND OTHER BANKS

from

Corporate Governance and Climate Change: The Banking Sector

January 2008

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Banco do Brasil is a lead financier of biofuel production in Brazil. As the primary financial institution for agribusiness in Brazil, the company recognizes that shifting climate conditions poses a risk to its activities in this sector.

Summary Score: 14

Company Information

Banco do Brasil is a government-controlled bank operating in Brazil and more than 20 other countries. The bank offers traditional retail banking services as well as insurance, bond underwriting and selling, asset trading, portfolio management services, financial securities advising, and market analysis and research. The company's BB Leasing subsidiary provides capital equipment leasing to Brazilian companies. BB Securities is the bank's UK-based international securities brokerage house.

Contact Information

Chairman/CEO Antônio Francisco de Lima Neto
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Board Oversight

Score: 3

Board Committee: Environmental Oversight None identified.
Board Committee: Climate Change None identified.
Board Member: Climate Change None identified.
Board Role Banco do Brasil's Board of Officers is responsible for evaluating the actions and results of the company's Ecoefficiency Program.
Board Training None identified.

Management Execution

Score: 6

CEO Leadership/ Statements In Banco do Brasil's 2006 Annual Report, CEO Antônio Francisco de Lima Neto states: "The commitment to ethics, transparency and sustainability, materialized in BB's Agenda 21, will bring even more positive results for our relationship with our shareholders, employees, customers and community, reconciling the scope of economic results with respect for the environment and the promotion of social justice."
Company Policy Banco do Brasil has adopted a set of "Social-Environmental Responsibility principles" that express the firm's commitment to sustainable development, human rights, environmental preservation, and business ethics.
Chief Environmental/ Climate Officer Izabela Campos Alcântara Lemos, Directorate of Employees Relations and Socioenvironmental Responsibility
Levels to CEO 2
Executive Committee Banco do Brasil created a multidisciplinary team with representatives from the bank's different areas to analyze and propose initiatives related to the company's Social-Environmental Responsibility principles. The company says that this group "plays a fundamental role in the process of incorporating social-environmental responsibility principles into everyday organizational life."
ESG Factors in Risk Management/ Financing In March 2005, inspired by the Equator Principles, Banco do Brasil began to adopt socio-environmental criteria in the evaluation of credit limits for companies with current or forecast net operating revenues of over R\$100 million, as well as investment projects with financing provided by the bank equal to or more than R\$10 million. Previously, in March 2004, the firm had launched a Regional Sustainable Development Strategy to "drive sustainable development in the regions where [the company] is present through the mobilization of economic, political and social agents for practices that support economically viable, socially fair and environmentally correct productive activities."
Staff Training/Education Banco do Brasil has held two training sessions since 2005 to train employees on the company's commitment to the Equator Principles. In addition, the firm says that more than 2,000 employees have been trained through a Sustainable Regional Development course.
External Initiatives • Equator Principles
Investment Research None identified.
Compensation Link Banco do Brasil's compensation includes consideration of "socioenvironmental indicators."

Public Disclosure

Score: 3

Annual Report Banco do Brasil's sustainability report is integrated into the company's 2006 Annual Report.
Securities Filings Statement None identified.

Banco do Brasil

Sustainability Report The company does not produce a separate sustainability report (see above).
GRI Accordance: Banco do Brasil includes a GRI index in its 2006 Annual Report to allow for easy access to information on the company's sustainability initiatives; the firm says that it intends to use G3 standards "to measure its social-environmental performance" in the future.

Carbon Disclosure Project **Member:** No **2007 Signatory:** Yes **CDP5 (2007):** Answered Questionnaire (Public)
CDP5 Risk Disclosure: Banco do Brasil states that, as the primary agribusiness financial institution of Brazil, shifting weather patterns could greatly impact the returns expected from its finances in this sector—particularly for its financing of biofuels produced from soybeans. Banco do Brasil states that "the bank depends on climate stability to maintain its agribusiness and reduce the insurance risks related to our activity." The firm also notes that with increased carbon-related regulations the bank must be prepared to face greater pressure from international governments and internal stakeholders to meet higher environmental standards. The bank says that "clients are asking for more environmental and social concerns," and the bank must adapt to a new market environment in which its competitors have raised their environmental standards. In addition, Banco do Brasil notes that due to increased attention on climate change issues, "the bank is faced with new opportunities related to consumer demand and is working in adaptation to the new business environment."

Public Policy Statements None identified.

Emissions Accounting Score: 0

GHG Emissions Inventory None identified.

Emissions Savings & Offsets **2006 % Renewable Energy:** None identified.
Energy Efficiency Savings: None calculated.
Certified CO₂ Offsets: None identified.

Strategic Planning Score: 2

<i>GHG Emissions Targets</i>	Reduction Targets	Baseline Year	Target Year	Region
Energy Use	1%	2007	2012	Unspecified
Energy Use	0.2%	2007	2008	Unspecified

Emissions Trading None identified.

Renewable Energy Banco do Brasil has been a lead financier of the Brazilian government's biofuel production project since 2004. The bank does not purchase renewable energy specifically, but receives its electricity from the Brazilian power grid, which is composed of 70% hydroelectric power.

Energy Efficiency In 2006 Banco do Brasil launched its Ecoefficiency Program, which aims to reduce the environmental impacts of the company's activities through monitoring and evaluating the firm's input consumption and waste disposal processes. Banco do Brasil says that it has worked since 2005 to reduce its greenhouse gas (GHG) emissions through energy efficiency measures in the company's three headquarter buildings in Brasilia.

Other Climate-Related Investment Products None identified.

Bank of China Limited

Hong Kong Stock Exchange:
3988
Shanghai Stock Exchange:
601988

Bank of China has not addressed climate change as a governance issue. In 2007, the bank pledged its support for the Chinese government's "Green Credit" program instituted by the State Environmental Protection Administration. This program aims to limit loans to high polluting companies and give support to energy conservation and pollution control projects. The company declined to comment on this profile by deadline.

Summary Score: 4

Company Information

Bank of China is one of China's four state-owned commercial banks. Its businesses cover commercial banking, investment banking and insurance; the bank is also China's largest foreign exchange lender. Group companies include BOC Hong Kong, BOC International and BOCG Insurance. In 2004, the bank's investment banking business, Bank of China International (BOCI), formed a joint venture with Merrill Lynch to create BOC International Investment Managers. In 2005, Bank of China partnered with four foreign strategic investors – the Royal Bank of Scotland (which now owns about 8.6%), Switzerland's UBS (which owns 1.3%), Singapore's Temasek Holdings and the Asian Development Bank (0.2%). In June 2006, Bank of China listed on the Hong Kong Stock Exchange, followed by mainland China's largest domestic IPO on the Shanghai stock exchange in July 2006.

Contact Information

<i>Chairman</i>	Xiao Gang
<i>Vice Chairman & President</i>	Li Lihui
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Board Oversight

Score: 0

<i>Board Committee: Environmental Oversight</i>	None identified.
<i>Board Committee: Climate Change</i>	None identified.
<i>Board Member: Climate Change</i>	None identified.
<i>Board Role</i>	None identified.
<i>Board Training</i>	None identified.

Management Execution

Score: 2

<i>CEO Leadership/ Statements</i>	In the firm's reporting of 2007 third quarter results, President Li Lihui mentioned that Bank of China would support awareness of the Chinese government's "Green Credit" program, discussed below.
<i>Company Policy</i>	None identified.
<i>Chief Environmental Officer</i>	None identified.
<i>Climate Change Executive</i>	None identified.
<i>Executive Committee</i>	None identified.
<i>ESG Factors in Risk Management/ Financing</i>	Bank of China has said that it will support the Chinese government's "Green Credit" program instituted by the State Environmental Protection Administration, which aims to restrict loans to high polluting companies and give support to energy conservation and pollution control projects.
<i>Staff Training/Education</i>	None identified.
<i>External Initiatives</i>	None identified.
<i>Investment Research</i>	None identified.
<i>Compensation Link</i>	None identified.

Bank of China Limited

Public Disclosure		Score: 0
<i>Annual Report</i>	None identified.	
<i>Securities Filings Statement</i>	None identified.	
<i>Sustainability Report</i>	None identified.	
<i>Carbon Disclosure Project</i>	Member: No 2007 Signatory: No CDP5 (2007): No Response	
<i>Public Policy Statements</i>	None identified.	

Emissions Accounting		Score: 0
<i>GHG Emissions Inventory</i>	None identified	
<i>Emissions Savings & Offsets</i>	2006 % Renewable Energy: None identified. Energy Efficiency Savings: None calculated. Certified CO₂ Offsets: None identified.	

Strategic Planning		Score: 2
<i>GHG Emissions Targets</i>	None identified.	
<i>Emissions Trading</i>	In August 2007, Bank of China released a new carbon credit futures product.	
<i>Renewable Energy</i>	None identified.	
<i>Energy Efficiency</i>	None identified.	
<i>Other Climate-Related Investment Products</i>	In May 2004, the Guangxi branch of Bank of China launched a "Green Deposit" service, which donates the interest of saving accounts to various environmental protection projects. In June 2006, Bank of China International Investment Managers (BOCIIM) launched the Sustainable Growth Equity Fund, the first SRI fund in China. The Asian Development Bank has also indicated that it will support the Bank of China in the development of environmental projects.	

Industrial and Commercial Bank of China

Hong Kong
Stock Exchange: **0349**

Industrial and Commercial Bank of China (ICBC) answered the Carbon Disclosure Project questionnaire for the first time in 2007 (CDP5). The company measures greenhouse gas (GHG) emissions from its energy consumption and business car travel, and has set a five-year GHG emissions reduction target of 5% from its operations. The company declined to comment on this profile by deadline.

Summary Score: 8

Company Information

ICBC, which went public in 2006 in a record-setting IPO, manages more than 18,000 domestic branches and more than 100 overseas branches and offices. The bank's services include wholesale, retail, e-banking and international business for more than eight million corporate clients and more than 100 million individual clients. In 2005, Goldman Sachs, American Express and Allianz invested \$3.8 billion in ICBC to reach a 9% combined stake in the company.

Contact Information

Chairman Jiang Jianqing
CEO Yang Kaisheng (Vice Chairman & President)
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 Beijing 100032
 China

Board Oversight

Score: 0

Board Committee: Environmental Oversight None identified.
Board Committee: Climate Change None identified.
Board Member: Climate Change None identified.
Board Role None identified.
Board Training None identified.

Management Execution

Score: 1

CEO Leadership/ Statements None identified.
Company Policy None identified.
Chief Environmental Officer None identified.
Climate Change Executive None identified.
Executive Committee None identified.
ESG Factors in Risk Management/ Financing ICBC has expressed support for the Chinese government's "Green Credit" program instituted by the State Environmental Protection Administration, which aims to limit loans to high polluting companies and give support to energy conservation and pollution control projects. In September 2007, ICBC announced that it had rejected a RMB 3 billion (US\$ 404.6 million) corporate loan due to environmental concerns.
 Through its strategic investment in ICBC, Goldman Sachs will provide capacity building in credit and environmental risk management. ICBC has also received assistance from PricewaterhouseCoopers in developing its risk management system.
Staff Training/Education None identified.
External Initiatives None identified.
Investment Research None identified.
Compensation Link None identified.

Public Disclosure

Score: 2

Annual Report None identified.
Securities Filings Statement None identified.
Sustainability Report None identified.

Industrial and Commercial Bank of China

Carbon Disclosure Project **Member:** No **2007 Signatory:** No **CDP5 (2007):** Answered Questionnaire (Public)
CDP5 Risk Disclosure: ICBC notes that the bank is not exposed to regulatory risks due to climate change, but does recognize the physical risk of temperature change affecting energy consumption.

Public Policy Statements None identified.

Emissions Accounting Score: 4

GHG Emissions Inventory **Year:** 2006 **Facility/Region:** All operations **Protocol:** GHG Protocol

Emissions	CO ₂ e (Metric Tonnes)
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Total Emissions	30,344
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Scope 1 (Direct)	
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Scope 2 (Indirect—Electricity)	8,358
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Scope 3	
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Travel	21,986*
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Products	
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Supply Chain	
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* Business travel in company vehicles.

Accounting Methods ICBC currently monitors GHG emissions from energy consumption and business travel (company cars only). The firm also plans to track emissions from product use/disposal in the coming year.

Third Party Certification None identified.

Emissions Savings & Offsets **2006 % Renewable Energy:** None identified.

Energy Efficiency Savings: None calculated.

Certified CO₂ Offsets: None identified.

Strategic Planning Score: 1

GHG Emissions Targets	Reduction Targets	Baseline Year	Target Year	Region
Energy Use	5%	2004–06	2009–2011	All internal operations

Emissions Trading None identified.

Renewable Energy None identified.

Energy Efficiency In order to promote energy conservation in buildings, ICBC issued a new dress code policy in the beginning of 2007 that has allowed for a reduction in air conditioner use.

Other Climate-Related Investment Products None identified.

Mitsubishi UFJ Financial Group (MUFG) took an early role in emissions trading markets, having set up a Clean Energy Finance Committee in 2001 to provide CDM/JI consulting services to clients. The firm also finances renewable energy projects through an Environmental Finance Office, and is in the process of setting its own emissions reduction targets.

Summary Score: 39

Company Information

MUFG, formerly Mitsubishi Tokyo Financial Group, Inc. (MTFG), is a bank holding company formed through the merger between MTFG and UFJ Holdings, Inc. MUFG is the holding company for The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU), Mitsubishi UFJ Trust and Banking Corporation (MUTB), and Mitsubishi UFJ Securities Co., Ltd. (MUS).

MUFG provides a various financial services in Japan and internationally to retail and corporate customers, including banking, trust banking, securities, investment trusts, credit cards, consumer finance and leasing.

Contact Information

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Board Oversight

Score: 8

<i>Board Committee: Environmental Oversight</i>	None identified.
<i>Board Committee: Climate Change</i>	None identified.
<i>Board Member: Climate Change</i>	Mr. Toshihide Mizuno, Senior Management Director, MUFG
<i>Board Role</i>	The executive-level Corporate Social Responsibility Committee reports to the Board on environmental and climate change issues. The Committee is chaired by Mr. Nobuo Kuroyanagi, President and CEO, MUFG.
<i>Board Training</i>	The Board holds periodic educational training sessions with environmental experts.

Management Execution

Score: 10

<i>CEO Leadership/ Statements</i>	MUFG President & CEO, Nobuo Kuroyanagi, issued a Group Environmental Statement and Policy in March 2006. In the firm's 2006 CSR Report, the Message from the CEO states, "as a large corporate group we must realize that we are now on the frontlines with respect to the role of finance in environmental and other issues... I would like MUFG to continue pursuing opportunities to contribute through its core business of finance, for example, by supporting companies that are socially and environmentally responsible, and by providing a vehicle for investment in companies that are dedicated to helping build a better society as seen in socially responsible investment (SRI) funds."
<i>Company Policy</i>	MUFG created a Group Environmental Statement and Environmental Policy in March 2006. The policy focuses on complying with environmental laws, supporting business activities that contribute to environmental protection, resource recycling and energy efficiency, environmental monitoring, internal education efforts and external communications. The firm's Management Philosophy, Ethical Framework and Code of Conduct also make reference to environmental protection. In addition, in March 2007 MUFG selected two CSR priority themes: "Addressing Global Environmental Issues" and "Nurturing Society's Next Generation."
<i>Chief Environmental/ Climate Officer</i>	Mr. Toshihide Mizuno, Senior Management Director, MUFG Mr. Nobuyuki Hirano, Senior Managing Director, BTMU Mr. Taihei Yuki, Senior Managing Director, MUTB Mr. Haruyuki Okuda, Director & Senior Executive Officer, MUS
<i>Levels to CEO</i>	0
<i>Executive Committee</i>	The Corporate Social Responsibility Committee was established in February 2006 to promote CSR activities throughout the Group and consists mostly of members of the Executive Committee of the holding company. CSR mandates have also been established at each group company (BTMU: ISO Promotion Committee, MUTB: CSR Committee, MUS: CSR Committee). Each committee is chaired by the President of its respective group company.

Mitsubishi UFJ Financial Group

<i>ESG Factors in Risk Management/Financing</i>	<p>MUFG states in its CDP5 response that as a financial institution the firm has the ability to “broadly address environmental issues by contributing to the flow of funds.” In September 2006, BTMU launched the Social & Environmental Risk Assessment Office in the firm’s Structured Finance Division to work on social and environmental assessment under the Equator Principles. The team also conducts on-site environmental impact surveys as appropriate. The BTMU website lists the number of projects reviewed in 2006 by project class, industry sector and geographical region. Also listed is the number of projects for which BTMU provided advisory services to project finance clients on social and environmental issues.</p> <p>BTMU is also working to determine quantitatively the indirect contributions it makes to the environment through its financing. The company has devised a methodology to estimate these contributions in monetary terms, for example, in terms of the greater reduction of greenhouse gas (GHG) reductions of an alternative energy project as compared to a conventional project.</p>																
<i>Staff Training/Education</i>	<p>Since January 2006, six social and environmental risk training courses have been conducted for 150 BTMU staff, including officers in the areas of project finance and CSR promotion. Internal bulletins have also been circulated to improve the understanding of social and environmental risks among all staff. Training has also been provided specifically on the Equator Principles for credit and project finance officers. Since January 2006, six social and environmental risk training courses have been conducted for 150 BTMU staff, including officers in the areas of project finance and CSR promotion. Internal bulletins have also been circulated to improve the understanding of social and environmental risks among all staff. Training has also been provided specifically on the Equator Principles for credit and project finance officers.</p>																
<i>External Initiatives</i>	<ul style="list-style-type: none"> • Equator Principles • Principles for Responsible Investment • UNEP-Finance Initiative 																
<i>Investment Research</i>	None identified.																
<i>Climate-related Research Reports</i>	None identified.																
Public Disclosure Score: 5																	
<i>Annual Report</i>	None identified.																
<i>Securities Filings Statement</i>	MUFG’s Consolidated Summary Report for the fiscal year ended March 31, 2007 (under Japanese GAAP) cites CSR efforts, including implementing environment-related financing and providing SRI funds.																
<i>Sustainability Report</i>	<p><i>Corporate Social Responsibility Report 2006</i>, published December 2006 http://www.mufig.jp/english/csr/csrreport/</p> <p>GRI Accordance: 2002: CI</p>																
<i>Carbon Disclosure Project</i>	<p>Member: No 2007 Signatory: Yes CDP5 (2007): Answered Questionnaire (Public)</p> <p>CDP5 Risk Disclosure: “As the largest financial group in Japan, we believe that climate change represents enormous risks to our customers, our staff, our shareholders and ourselves. We think climate change action in the next decade is crucial.” MUFG expects that as new regulations are passed in Japan at the end of the first period of the Kyoto Protocol, changes could “significantly influence” the firm’s policies in investing and lending. MUFG also recognizes the customers as well as its own operation centers may face the physical risks of extreme weather events. Finally, MUFG also points out that investor attention to climate change preparedness has led the firm to focus on its own emissions reductions.</p>																
<i>Public Policy Statements</i>	None identified.																
Emissions Accounting Score: 4																	
<i>GHG Emissions Inventory</i>	<p>Year: 2006 Facility/Region: 26 main buildings used by BTMU and MUTB Protocol: GHG Protocol</p> <table border="1" data-bbox="358 1457 837 1703"> <thead> <tr> <th>Emissions</th> <th>CO₂e (Metric Tonnes)</th> </tr> </thead> <tbody> <tr> <td>Total Emissions</td> <td>125,000</td> </tr> <tr> <td>Scope 1 (Direct)</td> <td></td> </tr> <tr> <td>Scope 2 (Indirect—Electricity)</td> <td>125,000</td> </tr> <tr> <td>Scope 3</td> <td></td> </tr> <tr> <td>Travel</td> <td></td> </tr> <tr> <td>Products</td> <td></td> </tr> <tr> <td>Supply Chain</td> <td></td> </tr> </tbody> </table>	Emissions	CO ₂ e (Metric Tonnes)	Total Emissions	125,000	Scope 1 (Direct)		Scope 2 (Indirect—Electricity)	125,000	Scope 3		Travel		Products		Supply Chain	
Emissions	CO ₂ e (Metric Tonnes)																
Total Emissions	125,000																
Scope 1 (Direct)																	
Scope 2 (Indirect—Electricity)	125,000																
Scope 3																	
Travel																	
Products																	
Supply Chain																	
<i>Accounting Methods</i>	CO ₂ emissions were calculated from facility electricity and gas consumption. MUFG is also in the process of collecting data on emissions from logistics and employee business travel.																
<i>Third Party Certification</i>	None identified.																

Mitsubishi UFJ Financial Group

Emissions Savings & Offsets **2006 % Renewable Energy:** 0%
Energy Efficiency Savings: None calculated.

Certified CO₂ Offsets: In March 2007, MUTB concluded a contract to acquire 10,000 metric tonnes of emissions credits in order to offset the GHG emissions attributable to its main office building in fiscal year 2006. Going forward, MUTB plans to widen the scope of this carbon neutral program to include other offices. BTMU also plans to offset GHG emissions from its Head Office building by acquiring emissions credits.

Strategic Planning

Score: 12

GHG Emissions Targets MUFG is in the process of setting emissions reduction targets.

Emissions Trading Mitsubishi UFJ Securities Co., Ltd. (MUS) established a Clean Energy Finance Committee in February 2001 to provide consulting services for CDM and JI projects under the Kyoto Protocol. To date, the Committee has been involved in more than 70 projects, ranging from landfill gas recovery to power generation from palm oil mill waste. In December 2006, MUTB also set up an "Emission Trust" to provide corporate clients with CER credit purchase and administration services, as well as liquidity through trust certificates.

Renewable Energy In October 2005, BTMU established an Environmental Finance Office. Shigeki Yamagata is Chief Director of the Office, which focuses on renewable energy finance as well as other environmental projects. The firm has two products to focus on government-subsidized and non-subsidized projects. In 2006, a total of 64 billion yen was provided through 79 loans. Renewable energy financing has been provided for:

- Yamagata Biomass Power Generation Project
- A project to manufacture monocrystal silicon wafers for photovoltaic power generation
- Large-scale commercial wind power plants with battery back-up

BTMU has also set up information-sharing and strategic alliances with banks throughout Japan on environmental finance.

Energy Efficiency BTMU is promoting building energy conservation in accordance with ISO 14001 environmental management systems. Efforts to date include:

- Wearing lighter office clothing and air-conditioner optimization
- Reducing lighting use and upgrading equipment efficiency
- A trial installation of photovoltaic power generation equipment in the Nagoya office building
- Replacing 25% of the firm's corporate fleet with environmentally friendly vehicles

Other Climate-Related Investment Products In July 2005, BTMU launched sales of a new product called Yukatsuryoku for Eco-Action, which supports SMEs that are working to reduce their environmental impact and offers preferential rates at 0.5% below posted rates. Starting in July 2006, in collaboration with the local government, MUTB also started offering a preferred-rate loan program for residential home loans to install photovoltaic equipment.

Mitsubishi UFJ Asset Management has also established the Eco Partners mutual fund Green Wing, which invests in companies that are pro-active in dealing with environmental issues.

Mizuho Financial Group (MHFG) has not issued a specific climate change policy, but is involved in several business opportunity areas, including CDM/JI project origination under the Kyoto Protocol, renewable energy finance and SRI products. The firm has also taken a forward-looking approach to incorporating environmental risk assessments into project financing, in particular through the development of a “Carbon Accounting” methodology that tracks carbon emissions in power plant projects. The company declined to comment on this profile by deadline.

Summary Score: 24

Company Information

MHFG is the parent of Mizuho Bank (retail banking), Mizuho Corporate Bank (commercial financial services), Mizuho Securities (investment and brokerage services) and Mizuho Trust & Banking. The company has approximately 700 branches and agencies across Japan and was formed by the 2002 merger of The Dai-ichi Kangyo Bank, Fuji Bank and Industrial Bank of Japan (IBJ). Additionally, in July 2007 the firm formed Mizuho Asset Management through the merger of Dai-ichi Kangyo Asset Management and Fuji Investment Management.

Contact Information

Chairman Yoshiro Yamamoto (Chairman & Co-CEO)
CEO Terunobu Maeda (President & CEO)
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 Tokyo 100-0004
 Japan

Board Oversight

Score: 0

Board Committee: Environmental Oversight None identified.

Board Committee: Climate Change None identified.

Board Member: Climate Change None identified.

Board Role None identified.

Board Training None identified.

Management Execution

Score: 9

CEO Leadership/ Statements None identified.

Company Policy MHFG has not issued a specific climate change policy, but the firm manages its financing activities and environmental footprint according to general environmental policies. These include a commitment to engage in energy and resource conservation and a strategy to offer products and services that contribute to environmental preservation.

Chief Environmental Officer Hiroshi Motoyama, Managing Executive Officer, Head of Strategic Planning Group and Head of IT, Systems & Operations Group

Levels to CEO Not determined.

Climate Change Executive None identified.

Executive Committee MHFG’s CSR Committee is charged with coordinating CSR policies, including environmental initiatives. The CSR Promotion Office of MHFG’s Corporate Communications Division, set up in May 2005, implements CSR and environmental initiatives group-wide. Yasunori Adachi is Head of the CSR Promotion Office.

ESG Factors in Risk Management/ Financing In 2003, Mizuho Corporate Bank (MHCB) became the first Japanese bank to adopt the Equator Principles. MHCB created an Equator Principles Unit within the Project Finance Division to screen large-scale project financing from environmental and social perspectives. The unit conducted 22 social and environmental impact assessments in fiscal year 2005. In March 2006, MHCB established the Sustainable Development Department to strengthen its implementation of the Equator Principles. The department reviews individual deals and submits screening reports to the Credit Division. The firm has also established environmental checklists for 38 industry sectors, which go beyond the World Bank/IFC guidelines in some areas.

Additionally, MHCB has developed a “Carbon Accounting” methodology to evaluate fossil fuel and renewable energy power plant project financing. The firm calculates annual CO₂ emissions or reductions (using a coal-fired power plant baseline) and has reported on fiscal year 2006 results. In FY2006, the firm financed 20 power plant projects, including eight fossil fuel-fired and 12 renewable energy projects, and calculated contributed CO₂ emissions of 1,282,000 metric tons and emissions reductions of 1,662,000 metric tons. These amounts are based on MHCB’s financing proportion of the total project costs.

Mizuho Financial Group, Inc.

<i>Staff Training/Education</i>	The MHCBS Sustainable Development Department participates in internal training on the Equator Principles. The department distributes a monthly newsletter and engages in other educational activities.			
<i>External Initiatives</i>	<ul style="list-style-type: none"> • Equator Principles • Principles for Responsible Investment • UNEP-Finance Initiative 			
<i>Investment Research</i>	Mizuho Information and Research Institute has carried out research on energy efficiency, emissions reduction strategies and energy portfolio management for both private clients and government agencies.			
<i>Compensation Link</i>	None identified.			
Public Disclosure				Score: 4
<i>Annual Report</i>	MHFG's 2006 Annual Review states that the firm's CSR strategy includes providing financial services to prevent global warming and other environmental problems and reducing the firm's own consumption of resources. The report also includes a snapshot of energy consumption and greenhouse gas (GHG) emissions trends at nine key facilities in Tokyo.			
<i>Securities Filings Statement</i>	None identified.			
<i>Sustainability Report</i>	<p>Mizuho Financial Group CSR Report 2006, published December 2006 http://www.mizuho-fg.co.jp/english/csr/report/index.html</p> <p>GRI Accordance: 2002: CI</p>			
<i>Carbon Disclosure Project</i>	Member: No	2007 Signatory: Yes	CDP5 (2007): Answered Questionnaire (Not Public)	
<i>Public Policy Statements</i>	The firm's 2006 CSR report states, "Since the environment knows no borders, it is necessary to adopt a global perspective when addressing global warming and other environmental issues."			
Emissions Accounting				Score: 2
<i>GHG Emissions Inventory</i>	Year: 2006	Facility/Region: Nine key facilities in Tokyo	Protocol: Not determined.	
	Emissions	CO₂e (Metric Tonnes)		
	Total Emissions	85,000		
	Scope 1 (Direct)			
	Scope 2 (Indirect—Electricity)			
	Scope 3			
	Travel			
	Products			
	Supply Chain			
<i>Accounting Methods</i>	Since 2002, MHFG has prepared annual GHG emissions reports and reduction plans for each of its nine key Tokyo facilities covered by the Environmental Security Ordinance of the Tokyo Metropolitan Government (discussed below).			
<i>Third Party Certification</i>	None identified.			
<i>Emissions Savings & Offsets</i>	<p>2006 % Renewable Energy: None identified.</p> <p>Energy Efficiency Savings: None calculated.</p> <p>Certified CO₂ Offsets: None identified.</p>			
Strategic Planning				Score: 9
<i>GHG Emissions Targets</i>		Reduction Targets	Baseline Year	Target Year
	Total Emissions	96,000 TCO ₂	2005	2009
	Energy Use	6%	1990	2012
<i>Target Details</i>	Under provisions of the Environmental Security Ordinance of the Tokyo Metropolitan Government (TMG), nine business facilities of MHFG in the Tokyo Metropolitan Area are subject to a "CO ₂ Emission Reduction Program." These facilities are required to submit GHG emissions reduction targets for 2005 through 2009, along with mitigation plans. The 2009 target actually represents a 13,000 metric-tonne increase of total emissions from 85,000 metric tonnes of CO ₂ reported in 2006. MHFG also plans to extend these measures to other facilities. Since late 2005, MHFG has also participated in a voluntary CO ₂ emissions reduction program, "Team Minus 6," organized by Japan's Ministry of Environment. The program aims to reduce energy consumption by 6% in 2012 compared with a 1990 baseline.			

Mizuho Financial Group, Inc.

Emissions Trading Since 2003, Mizuho Securities, Mizuho Information & Research Institute and the Project Finance Division of Mizuho Corporate Bank have been cooperating to provide clients with emissions trading services through CDM/JI projects. The firm has originated projects in Hungary, Poland and the Czech Republic. Additionally, Mizuho Information & Research Institute (MHIR) has been providing a carbon credit information service for Japanese firms since October 2003. The firm also evaluates clients' emissions performances and energy portfolios to provide advisory services. MHIR has acquired a minority interest in carbon market information provider, Point Carbon.

Renewable Energy In January 2006, Mizuho Corporate Bank (MHCBC) established a team to specialize in renewable energy at its Americas Financial Product's Division (New York Branch). The team is involved in wind power generation and other renewable energy financing; it is also an industry partner in the Landfill Methane Outreach Program coordinated by the U. S. Environmental Protection Agency (EPA).

Energy Efficiency In order to achieve emissions reduction targets at MHFG's nine key Tokyo facilities, the firm is focused mainly on energy conservation achieved through air conditioning and lighting upgrades, as well as other initiatives. The firm has also instituted paper usage, green procurement and water use policies.

Other Climate-Related Investment Products Mizuho Bank (MHBK) offers a Lending Facility for Environmentally Conscious Companies, which provides preferential loan rates for small and medium enterprises (SMEs) that meet specific environmental standards. In 1999, DLIBJ Asset Management Co., Ltd. (DIAM) set up an Eco Fund that invests in Japanese companies with environmentally conscious management policies. MHFG also offers environmental accounting/consulting services, as well as Life Cycle Assessment services for corporate clients.

Sumitomo Mitsui Financial Group (SMFG) has initiated CO₂ emissions accounting efforts at select group company headquarter offices, and several group companies are participating in a voluntary CO₂ emissions reduction program organized by Japan's Ministry of Environment. The firm has also been involved in Clean Development Mechanism (CDM) project consulting for emissions reduction projects in developing countries under the Kyoto Protocol. In 2007, SMFG also launched carbon credit trading services.

Summary Score: 33

Company Information

SMFG was formed in 2002 as the holding company for Sumitomo Mitsui Banking Corporation (SMBC), which is the third-largest bank in Japan behind Mitsubishi UFJ and Mizuho. SMFG's operations include retail, corporate and investment banking, as well as asset management, securities trading and loans. Other divisions of the company include Sumitomo Mitsui Card, SMBC Leasing, the Japan Research Institute (JRI) and SMBC Friend Securities. In the United States, the firm operates California-based Manufacturers Bank.

Contact Information

<i>Chairman</i>	Masayuki Oku
<i>CEO</i>	Teisuke Kitayama (President)
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Board Oversight

Score: 3

<i>Board Committee: Environmental Oversight</i>	None identified.
<i>Board Committee: Climate Change</i>	None identified.
<i>Board Member: Climate Change</i>	None identified.
<i>Board Role</i>	The Group CSR Committee, an executive-level committee, reports regularly on environmental issues to the Management Committee, which is chaired by the CEO and includes the Chairman of the Board. Board Training: None identified.
<i>Board Training</i>	None identified.

Management Execution

Score: 9

<i>CEO Leadership/ Statements</i>	The firm's Group Environmental Policy was issued by SMFG President Teisuke Kitayama.
<i>Company Policy</i>	Based on SMFG's Group Environmental Policy, the firm has a three-pronged Environmental Action Plan focused on: the reduction of environmental impact, the practice of environmental risk management and the promotion of environment-related businesses.
<i>Chief Environmental/ Climate Officer</i>	Takeshi Kunibe, Managing Director, Chairman of the Group CSR Committee
<i>Levels to CEO</i>	0
<i>Climate Change Executive</i>	SMFG has established a Group CSR Committee and a Group CSR Department within the Corporate Planning Department, both of which include environmental mandates. Additionally, a Group Environmental Committee is made up of group company representatives. An Eco-biz Promotion Group identifies risks and opportunities for business development that are related to the environment.
<i>Executive Committee</i>	SMFG has established a Group CSR Committee and a Group CSR Department within the Corporate Planning Department, both of which include environmental mandates. Additionally, a Group Environmental Committee is made up of group company representatives. An Eco-biz Promotion Group identifies risks and opportunities for business development that are related to the environment.
<i>ESG Factors in Risk Management/ Financing</i>	SMFG has established an Environmental Analysis Department within the International Banking Unit's Credit Department. The department incorporates environmental risk assessments in its credit screening process and its formal credit policies. In July 2006, the firm adopted the revised Equator Principles.
<i>Staff Training/Education</i>	SMFG conducts annual seminars and e-learning sessions to train staff on environmental issues. Additionally, since 1996 SMFG has been publishing a bi-monthly environmental information magazine sent to corporate clients.
<i>External Initiatives</i>	<ul style="list-style-type: none"> • Equator Principles • UNEP-Finance Initiative

Sumitomo Mitsui Financial Group

Investment Research The Japan Research Institute (JRI), a SMFG subsidiary, has been involved in equity research for environmentally-focused funds since 1999, and in 2005 launched a SRI information service.

Climate-related Research Reports None identified.

Compensation Link None identified.

Public Disclosure

Score: 4

Annual Report SMFG's 2006 Annual Report states, "Protecting the global environment is one of the most critical issues of our time. In view of the public nature of financial institutions and the social responsibilities they bear, they naturally have a duty to earnestly address the issue of environmental preservation." Also mentioned are the firm's emissions trading services, environmental risk management policies and energy efficiency efforts.

Securities Filings Statement None identified.

Sustainability Report Sumitomo Mitsui Financial Group CSR Report 2006, published April 2007
<http://www.smfg.co.jp/english/responsibility/report/index.htmls>

GRI Accordance: 2002: CI

SMFG's 2006 CSR report highlights several environmental activities of group companies and lists fiscal year 2005 environmental results and fiscal year 2006 targets.

Carbon Disclosure Project **Member:** No **2007 Signatory:** Yes **CDP5 (2007):** Answered Questionnaire (Public)

CDP5 Risk Disclosure: SMFG does not refer to specific regulatory or physical risks that the company faces due to climate change. Instead, the firm's response notes that changes in regulatory requirements could affect business partners and, ultimately, the firm's own risk level.

Public Policy Statements None identified.

Emissions Accounting

Score: 6

GHG Emissions Inventory **Year:** 2005 **Facility/Region:** Headquarter buildings of SMFG group companies **Protocol:** GHG Protocol

Emissions	CO ₂ e (Metric Tonnes)
Total Emissions	265,519
Scope 1 (Direct)	24,230
Scope 2 (Indirect—Electricity)	62,289 MWh*
Scope 3	
Travel	179,000
Products	
Supply Chain	

* SMFG only reports Scope 2 emissions in terms of MWh of purchased electricity.

Accounting Methods Emissions are calculated based on the emissions coefficients provided by the Tokyo Metropolitan Government.

Third Party Certification None identified.

Emissions Savings & Offsets **2005 % Renewable Energy:** 1.6% (Data only available for 2005)

Energy Efficiency Savings: None calculated.

Certified CO₂ Offsets: SMFG purchased emissions credits under the Kyoto Protocol to achieve carbon neutrality in three office buildings (SMBC head office in Tokyo, Mitsui Sumitomo Card headquarters in Osaka, SMBC Leasing Co. headquarters in Tokyo).

Strategic Planning

Score: 11

GHG Emissions Targets

	Reduction Targets	Baseline Year	Target Year	Region
Total Emissions	6%	2001	2012	Sumitomo Mitsui Banking Corporation
Energy Use	6%	1990	2012	SMFG, SMBC, SMBC Leasing & JRI

Sumitomo Mitsui Financial Group

<i>Target Details</i>	Each SMFG group company annually sets environmental targets mainly focused on reductions in energy use. Several group companies are also participating in a voluntary CO2 emissions reduction program, "Team Minus 6", organized by Japan's Ministry of Environment. The program aims to reduce energy consumption by 6% in 2012 compared with a 1990 baseline.
<i>Emissions Trading</i>	Sumitomo Mitsui Banking Corporation (SMBC), the Japan Research Institute (JRI) and SMBC Leasing Co. participated in Japan's Voluntary Emissions Trading Scheme organized by the Japanese Ministry of Environment in April 2005. Also in 2005, SMBC began offering consulting services for domestic clients to acquire emissions rights from CDM projects in Brazil. In July 2006, the firm formed an alliance with Banco do Brasil to identify additional CDM projects. JRI will assess the potential of projects in Brazil and SMBC will provide project financing. The firm's plan is to adopt this model to other regions. In 2007, the firm also began emissions trading services based on trust accounts. SMBC also offers energy and weather derivative products.
<i>Renewable Energy</i>	SMBC participates in the Green Power Certification System of the Japan Natural Energy Company Limited (JNEC) to purchase renewable energy. Additionally, SMBC has acted as lead arranger for the Tokyo Coastal Recycling Power Generation Project and supported a syndicated loan for a biomass power plant in Iwakuni City. JRI is involved in the Biogas Network Consortium, a domestic project to test and promote biogas technologies. Externally, SMBC has cooperated with Keio University on electric vehicle and battery storage research programs.
<i>Energy Efficiency</i>	Internally, SMBC and JRI are aiming to become paperless offices. Externally, JRI has established with several partners E-cubic Co., an energy service provider offering corporations demand-side management technologies. SMBC Leasing offers environmentally friendly and energy efficiency equipment, and also works with Energy Service Companies (ESCOs) to support energy conservation efforts.
<i>Other Climate-Related Investment Products</i>	SMBC began offering the Environmentally Responsible Company Support Loan in February 2006. The loan features preferential interest rates for companies with a strong commitment to the environment. In March 2006, the firm launched a Six Asset Balanced Fund, Double Wing, which includes environmental factors in its selection criteria. SMBC and JRI also offer various environmental consulting services, such as energy conservation planning and environmental accounting services.
