

## Modern Slavery Statement

### 1. Introduction

Mizuho Bank, Ltd. (MHBK) is a reporting entity with reporting requirements under the Commonwealth Modern Slavery Act 2018 (hereinafter referred to as the “Act”) and has published its annual Modern Slavery Statement (hereinafter referred to as the “Statement”) for the fiscal year of 2020 (the period from 1 April 2020 to 31 March 2021).

MHBK conducts its business in Australia through its Sydney Branch. MHBK is a registered foreign company (ARBN: 099 031 106) and holds an Australian Financial Services License (AFSL Number 231240), as regulated by the Australian Securities and Investments Commission.

### 2. Structure, Operations and Supply Chains

#### **Mizuho Financial Group, Inc.**

MHBK is a major international banking institution headquartered in Japan, and is a subsidiary of Mizuho Financial Group, Inc. (MHFG); a holding company. MHFG is incorporated in Japan as a bank holding company in accordance with the Banking Act. Its shares are listed on the First Section of the Tokyo Stock Exchange (TSE) and its ADRs are listed on the New York Stock Exchange (NYSE). MHFG has five in-house companies which determine and promote group-wide strategies across banking, trust banking, securities, and other business areas according to the attributes of customers, and has two units that offer respective functions across the group. MHBK has divisions linked to the five aforementioned in-house companies and two supporting units, and has been striving to provide the best banking services that meet the needs of customers in cooperation with entities it owns or controls.

#### **Mizuho Bank, Ltd. and entities it owns or controls**

MHBK is a bank incorporated in Japan. MHBK is a corporation that was established in accordance with the Japanese Companies Act and has obtained a license to engage in the banking business in accordance with the Banking Act. It offers financial products and services to a wide range of customers, including retail customers, SMEs, larger corporations, financial institutions, and public-

sector entities, through its banking activities, which are operated by approximately 28,000 employees, working at 463 offices in Japan and 84 offices in 36 countries and regions around the world. MHBK strives to provide world-class banking services that meet the needs of customers in cooperation with entities it owns or controls.

### **Supply chains**

The business activities undertaken by MHBK and entities it owns or controls are supported by a network of suppliers providing goods and services, such as office supplies, computer systems and other outsourced operations.

As a company operating in the banking and other financial businesses, MHBK's supply chain consists of bank agents for the typical banking business, correspondent banks for the fund transfer business, electronic settlement agents for settlement services, securities trading brokers for the investment business, foreign exchange brokers for foreign exchange transactions, fund managers for the portfolio management business and other such specialists

The Sydney Branch is also supported by suppliers that provide document management services and facility services for a BCP site.

As a global bank, MHBK has business operations and suppliers in some countries that have been noted in the Global Slavery Index Report as having high risk of modern slavery.

Please see MHFG's [Integrated Report](#) for the organizational structures of MHBK and MHFG and for detailed information about the business activities of MHBK and its subsidiaries.

### **3. Risks of modern slavery practices within operations and supply chains**

MHFG has formulated the Mizuho Code of Conduct, which is positioned as the ethical rules to be complied with in implementing Mizuho's Corporate Identity, and serves as the foundation for the various decisions made with regards to business administration and operations. The Code of Conduct has been adopted by its subsidiaries including MHBK and entities MHBK owns or controls as well.

In its Code of Conduct, MHBK declares that "as well as acting with respect for the internationally recognized human rights of everyone and acknowledging that our business activities may have the potential to impact human rights, we will work to create a corporate culture in which the spirit of respect for human rights is all-pervasive".

In April 2018, MHFG developed its Human Rights Policy, in accordance with the Guiding Principles on Business and Human Rights and ISO26000, responding to recent changes in the business environment and societal expectations. This Human Rights Policy has also been adopted by MHBK and entities it owns or controls.

In developing the Human Rights Policy, we classified human rights issues by the type of business activity after identifying the primary human rights issues in the finance industry, along with issues that are common to all industries, based on internationally recognized guidelines and cases of human rights abuse in the financial sector (see Table 1 below).

We also took into consideration human rights issues related to modern slavery risks such as forced labor, child labor and others. The human rights issues highlighted by the red lines in the table below are those which we recognize as requiring particular attention to in relation to modern slavery risks.

In developing the policy, for each of the human rights risks, we identified the gaps between our own operations and the results of a benchmark analysis based on internationally recognized guidelines and leading company practices in the financial sector. After identifying priority issues and specific actions required to fulfill our responsibility to respect human rights, we engaged in dialogue with external human rights experts and received valuable advice. Based on these steps, the policy was finalized.

**Table 1: Major Human Rights Issues in the Finance Sector**

Business Activity	Human Rights Issue	
<b>(A) Provision of Fincial Services</b>	<ul style="list-style-type: none"> <li>• Customer privacy</li> <li>• Access to financial services</li> </ul>	<ul style="list-style-type: none"> <li>• Discriminatory expressions in communications</li> <li>• Impact on community</li> </ul>
	Impact on human rights through our business operations	
	<ul style="list-style-type: none"> <li>• Impact on community</li> <li>• Impact on employees</li> </ul>	<ul style="list-style-type: none"> <li>• Rights of indigenous peoples</li> </ul>
<b>(B) Employment</b>	<ul style="list-style-type: none"> <li>• Issues in working conditions and environment</li> <li>• Employee privacy</li> </ul>	<ul style="list-style-type: none"> <li>• Freedom of association</li> <li>• Discrimination and harassment against employees and other persons</li> </ul>
	<b>(C) Procurement</b>	<ul style="list-style-type: none"> <li>• Impacts related to employees of suppliers</li> <li>• Impact on society through procurement</li> </ul>

#### **4. Actions taken to assess and address modern slavery practices**

MHBK strives to take appropriate prior and subsequent actions to prevent or mitigate negative impacts on human rights that are related to modern slavery risks such as forced labor and child labor which can potentially arise from our business activities. We continuously incorporate human rights perspectives into our existing measures. The details of our initiatives are as follows.

##### **A) Provision of financial services / Financing and investment**

MHFG has formulated the Environmental and Social Management Policy for Financing and Investment Activity, that prohibits financing or requires additional due diligence regardless of sector for the transactions which involve serious risks or negative impacts on the environment and society, including prohibition of financing projects that involve forced labor and child labor. This policy also identifies sector-specific environmental and social risks and stipulates that we will determine whether to extend credit or assist with capital raising for projects and customers, after confirming the measures which the customer is taking to avoid or mitigate such risks or conducting other due diligence as appropriate based on the characteristics of the services we are providing.

In FY2020, an annual review of this policy was conducted and MHFG enhanced the policy as follows to further address climate change, biodiversity, and human rights. In particular, in order to strengthen our response to human rights issues including modern slavery risks, the policy on the palm oil sector was revised, and a new policy for large-scale-agriculture was formulated.

Concerning palm oil, while we recognize that it is an essential commodity for maintaining our lifestyle and infrastructure, we are also aware of the potential human rights abuses within the production process, such as the violation of indigenous peoples' rights or the use of child labor, in addition to environmental issues such as deforestation (including forest burning) and damage to biodiversity. To avoid involvement in such projects which may inflict human rights abuses or environmental destruction, our business decisions involve a thorough examination of whether there are any potential conflicts involving indigenous

peoples or local communities, and we take into consideration whether the client/project has received international certifications such as those for the production of sustainable palm oil. Specifically, we require that all plantations be certified by the Roundtable on Sustainable Palm Oil (RSPO) which, among other criteria, includes requirements and verification of company practices regarding the prevention of forced labor and child labor. When a client needs more time to have all their plantations certified by the RSPO, we ask that they formulate a plan with a set deadline to receive the certification. When the client does not have any plans to be certified by the RSPO, we ask that they take measures equivalent to those required for the certification and periodically report the status of said measures. When the client needs more time to establish such measures, we ask that they formulate a plan with a set deadline to do so.

We have similar measures in place for clients involved in the lumber and pulp industry, as we acknowledge that despite the fact that the commodities are essential to maintain our lifestyles and infrastructure, they also pose the same problems as palm oil in relation to human rights and environmental issues. Much like the processes in relation to palm oil, to avoid involvement in projects which may inflict human rights abuses or environmental destruction, our business decisions involve a thorough examination of whether there are any potential conflicts involving indigenous peoples or local communities, and we take into consideration whether the client/project has received international certifications such as those for responsible forest management. In the event that we identify any unlawful acts during the term of a transaction in either the palm oil sector or the lumber and pulp sector, we urge the client to take immediate remedial measures. In the event that the client has failed to take appropriate measures to address social issues, we engage with the client to promote remedial measures and, if the client's remedial measures are unsatisfactory, we suspend new financing and investment.

Furthermore, as we are aware of the same human rights and environmental risks associated with the large-scale agricultural development (covering 10,000 ha or more) of soybeans and similar crops, our decisions regarding financing and investment for such projects involve a thorough examination of the clients' measures to address environmental and social issues. In addition to the measures mentioned above, we urge our clients in the respective sectors of palm oil, lumber and pulp, and large-scale agriculture to formulate sustainable environmental and human rights policies such as No Deforestation, No Peat, and No Exploitation (NDPE) policies, and to respect Free, Prior, and Informed Consent (FPIC) in relation to local communities.

In FY2021, MHBK will conduct a mandatory training session on the revised policy for employees engaged in credit activities to enhance their understanding of human rights issues including modern slavery risks and to ensure the implementation of the policy. In addition, MHBK will communicate with entities it owns or controls that have already adopted this policy concerning the revised content and ask them to adopt the new policy and revise procedures as necessary.

With respect to project-related financing, MHBK and entities it owns or controls that are engaged in financing activities comply with the Equator Principles in managing environmental and social risks associated with the projects. The Equator Principles are a risk management framework adopted by financial institutions to assess and ensure that the projects are conducted with due consideration for the impacts on environmental and social risks when financing large scale development or construction projects.

MHBK has established the Sustainable Development Office in its Project Finance Department. The Sustainable Development Office is responsible for the bank's overall implementation of the Equator Principles. The Sustainable Development Office applies Mizuho's internal Equator Principles Implementation Manual globally to all of its projects that are under the scope of the Equator Principles.

The Sustainable Development Office also endeavors to promote understanding of the Equator Principles across our organization through internal training and distribution of internal newsletters, amongst other measures.

As part of its efforts to enhance compliance, the MHBK Sydney Branch conducts due diligence on its customers. In the due diligence process, we screen for reputation risks, compliance with regulations and the existence of financial crimes, by using a database which includes customers' published data and information released by internationally recognized media and others.

#### B) Employment

MHBK has set rules regarding the working environment and working conditions in compliance with local laws and regulations. We also formulated basic policies for ensuring suitable employment conditions and a safe work environment, and a code of conduct and guidelines which specify matters that officers and employees (hereafter collectively referred to as "Staff Members") must be aware of and comply with to ensure and maintain a healthy work environment where all people in the same workplace respect each other's human rights and aim to achieve mutual understanding.

The guidelines stipulate, in accordance with the ILO Declaration on Fundamental Principles and Rights at Work including non-discrimination and prohibitions against forced labor and child labor, that we must act with respect for human dignity and the fundamental rights of all employees and specify matters that all Staff Members must be aware of to ensure the prohibition and elimination of harassment.

We conduct a variety of training sessions and other educational activities to promote understanding of the importance of respect for human rights and prohibition and elimination of harassment.

Each entity MHBK owns or controls has also set rules for the working environment and working conditions in accordance with local laws and regulations, and guidelines on non-discrimination and prohibition of harassment,

and is making efforts to raise awareness amongst employees' about the matters through relevant training programs.

In addition, MHBK conducts an annual employee awareness survey and a 360-degree assessment throughout its offices to assess impacts on human rights. For those seeking consultation or wishing to report harassment and relationship issues, MHBK has in place a Human Rights Helpline in the Human Resources Department and a Compliance Hotline that employees can call directly to speak with someone within the Compliance function or an external law firm or professional counselor. Employees can consult or report anonymously and any retaliatory actions against those who have made a report is strictly prohibited. On the condition of consent from the reporting party, each case is investigated in cooperation with the Human Resources Department and the relevant department, after which necessary actions will be taken accordingly.

#### C) Procurement

Since we have been aware of the need to develop a more robust approach to address risks surrounding procurement in light of trends in our external environment, MHFG has newly established a procurement policy which MHBK has adopted. This policy clarifies our basic approach to procurement and our requirements for suppliers. It contains respect for human rights as one of the elements. In the policy, we ask suppliers to be aware of the ways in which business operations have the potential to impact human rights and to endeavor to respect human rights while carrying out corporate activities. Our human rights requirements for suppliers are as follows.

##### Respect for human rights

Be aware of the ways in which business operations have the potential to impact human rights and endeavor to respect human rights while carrying out corporate activities.

- Respect the human rights of employees
- Provide employees with a safe and comfortable work environment



- Do not discriminate and do not use child labor or forced labor
- Respect the right to freedom of association and non-association and the right to collective bargaining, in conformance with laws and regulations
- Promote diversity and inclusion in order to ensure the participation and development of diverse talent
- Work proactively to eliminate discrimination and harassment

We provide our Procurement Policy, Human Rights Policy, and Environmental Policy to our primary suppliers and ask them to familiarize themselves with the contents.

In FY2021, MHBK will initiate the above action towards suppliers, and ask entities it owns or controls to adopt the policy and implement the same initiatives for their suppliers.

In addition, the Sydney Branch's contracts with suppliers require each supplier to comply with all laws and regulations applicable to it, including compliance with the Act. All suppliers are checked to ensure that they meet the regulatory requirements of the Sydney Branch.

## **5. Assessment of the effectiveness of actions taken**

MHBK assess the effectiveness of the actions and procedures to prevent and mitigate negative impacts on human rights noted above in the following ways:

### **A) Provision of financial services / Financing and investment**

MHBK has established the Environmental and Social Management Policy for Financing and Investment Activity, and annually assesses our management system based on this policy. We engage in dialogue with management on an annual basis to identify businesses and industrial sectors that could make us complicit in perpetuating negative impacts on the environment and society through transactions, and to confirm whether the extent of the verification for

selected sectors is sufficient or not, according to changes in the external environment.

In FY2020, as part of our efforts towards risk management and responsible financing and investment, we undertook engagement with approximately 900 clients and confirmed their status in addressing critical environmental and social risks in each sector.

#### B) Employment

For human resource risks including inadequate employment conditions, an unsafe working environment, unfair personnel treatment, and discriminatory treatment, MHBK conducts a 360-degree assessment and monitors the number of harassment cases within an operational risk management framework, and periodically reports the results to management. The results of the employee awareness survey and consultations or complaints received through the Human Rights Helpline are also reported to management on an annual and monthly basis, respectively. In addition, we conduct internal audits in accordance with the relevant policies and guidelines to ensure that a healthy working environment has been secured and is being maintained.

#### C) Procurement

MHBK assesses outsourcing suppliers on an annual basis to confirm that various risks and compliance items are sufficient and whether Mizuho's initiatives relating to respect for human rights are being appropriately shared with their suppliers. The results of this assessment are reported to management. We also conduct internal audits to ensure compliance with procedures for verifying the appropriateness of these suppliers.

### **6. Process of consultation**

MHBK consulted entities it owns or controls that have adopted the Mizuho Human Rights Policy, by asking them to fill in questionnaires that contain questions on whether they are complying with our policies and others mentioned above. In addition, MHBK has been consulting the entities on the review of the Environmental and Social Management Policy for Financing and Investment Activity and

on the newly established Procurement Policy which both include elements to address human rights and modern slavery risks. The entities are also asked to adopt and implement these policies. As a result of such consultation, MHBK has confirmed that entities it owns or controls have taken steps to identify, assess and address negative impacts on human rights related to modern slavery risks and that they have been aware of what actions they need to take.

## **7. Other relevant information**

The COVID-19 pandemic has continuously impacted our lives, and the business environment surrounding MHBK is also constantly changing. Considering such changes in the external environment, the negative impacts on human rights including modern slavery risks that potentially arise from our business activities are also subject to change going forward. Based on this recognition, the new policy on procurement has been established and the Environmental and Social Management Policy for Financing and Investment Activity was reviewed and improved. In relation to the Procurement Policy, we plan to further upgrade it by taking more in-depth measures directed at suppliers. Furthermore, we plan to conduct training on the theme of Business and Human Rights for executive officers to foster a shared awareness on the impact of Mizuho as a global financial provider, and to instill an understanding of the importance of respecting human rights. We will remain steadfast in implementing our current initiatives to prevent and mitigate negative impacts in relation to modern slavery, and we will further strengthen our actions in response to ongoing changes in the situation.

## **8. Approval**

This statement was approved by the Board of Directors of Mizuho Bank, Ltd. on 25 August 2021 and has been signed by Mr. Koji Fujiwara, Representative Director, Mizuho Bank, Ltd.

A handwritten signature in black ink, appearing to be "Koji Fujiwara". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Koji Fujiwara

Representative Director

Mizuho Bank, Ltd.

25 August 2021