



# Climate Change Strategy

## Disclosures in accordance with the TCFD recommendations

Companies today have been seeing an unbearable increase in the direct risk to their profitability from natural disasters, including unprecedented torrential rainfalls, life-threatening heatwaves, and massive typhoons. The field of sports has also faced the serious and visible impact of climate change, as seen by increased temperatures forcing summer sports events to be rescheduled and causing a lack of the snow necessary for winter sports.

The Mizuno Group has reviewed the current status of climate-related risks and opportunities based on the framework provided by the Task Force on Climate-Related Financial Disclosures (TCFD), which was established by the Financial Stability Board (FSB) at the request of the G20.

In addition, we declared its support for the TCFD recommendations in March 2022. Subsequently, we have disclosed related information in accordance with the TCFD recommendations. We will further enhance its governance related to climate change and develop and formulate strategies based on the analysis of risks and opportunities in our business to further increase the transparency of our disclosures.

### [TCFD recommendations' thematic area: 1. Governance]

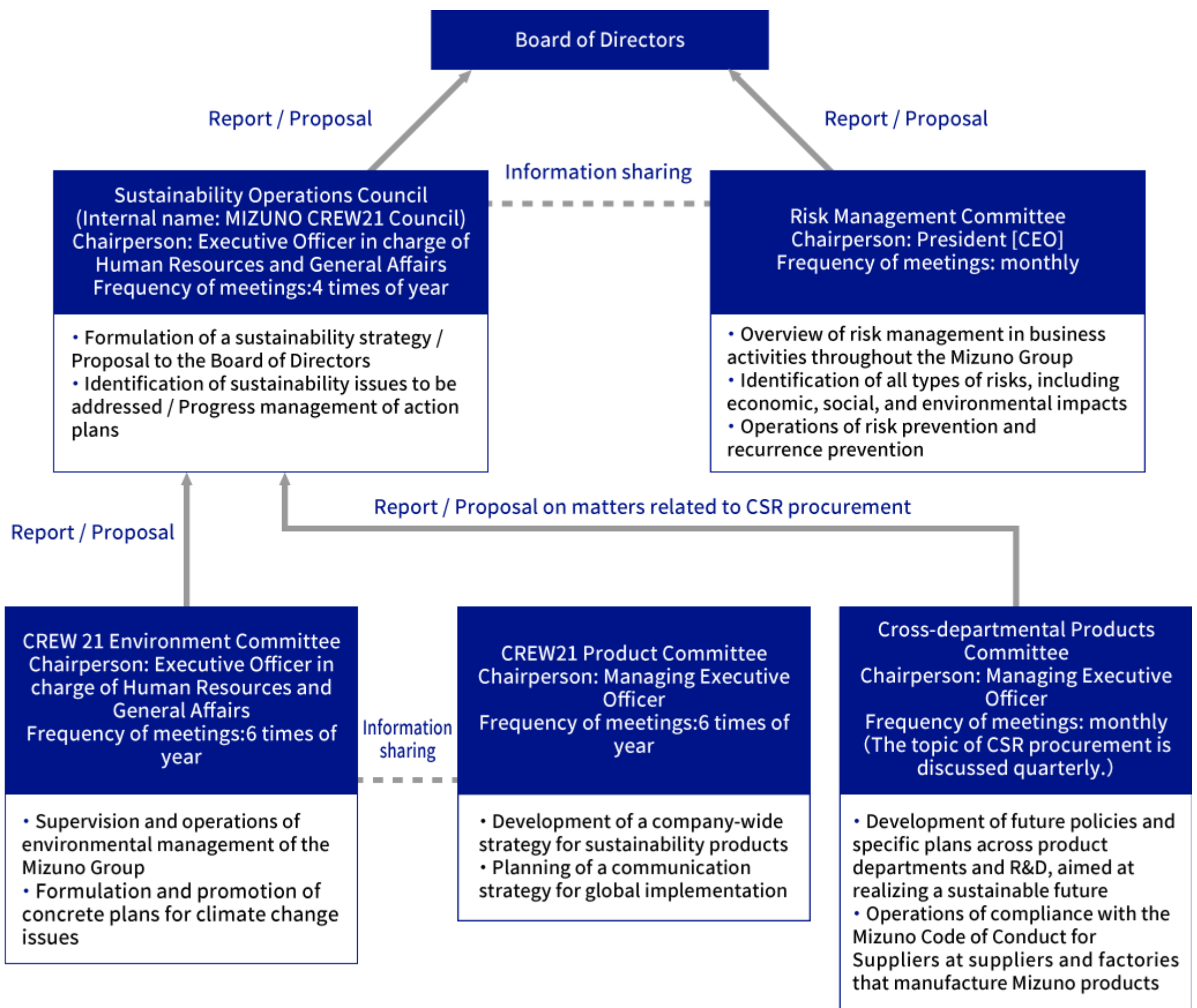
The Mizuno Group has a system whereby the Sustainability Operations Council (internal name: MIZUNO CREW21 \* Council), chaired by the executive officer in charge of human resources and general affairs meets four times a year in principle to discuss matters related to climate change. The discussion details are reported together with the current progress of sustainability activities to the Board of Directors, which thus oversees climate change-related matters.

In FY2021-2022, matters related to climate change were reported four times to the Board of Directors, twice to the Executive Board, whose meetings were attended by directors and executive officers, four times to the Management Council, whose meetings were attended by directors, executive officers, and division general managers. These deliberative bodies make decisions on management strategy (six times), information sharing, and information disclosure, and their decisions are incorporated into the Group's business activities. In addition, the Sustainability Operations Council has as its subcommittees the CREW21 Environment Committee, the CREW21 Product Committee, and the Cross-departmental Products Committee, each of which independently deals with cross-departmental issues among the identified priority issues (materiality) related to social responsibility and sustainability.

Specific measures to address issues related to climate change are devised by the CREW21 Environment Committee.

\* "CREW21" represents Mizuno's hope that, as members of the "crew of the spaceship earth," all of us will play a role in conserving resources and the environment.

CREW: <https://corp.mizuno.com/en/sustainability/>  
<https://corp.mizuno.com/en/sustainability/sustainability-report/management/system/>



In recognition of the importance of the climate change issue faced by the Mizuno Group, in 2020, the Board of Directors revised the Long-Term Management Policies and formulated the Action Principles for the SDGs and the Integrated Value Creation Stories. At the same time, the Board decided to accelerate the Group's efforts to address climate change, in addition to enhancing the environmental conservation activities, in which the Group has been actively engaged in order to fulfill its corporate social responsibility (CSR).

The scopes of the responsibility of the executive officer in charge of climate-related issues, the Sustainability Operations Council, and the CREW21 Environment Committee are defined by the Board of Directors. The Board of Directors receives reports from Sustainability Operations Council, which meets four times a year in principle, and the CREW21 Environment Committee, which meets six times a year in principle, on the status of the Group-wide promotion of efforts to address climate-related issues, environmental management (including the management of GHG emissions), information disclosure, and investor relations.

## ■ Sustainability Operations Council (internal name: MIZUNO CREW21 Council)

The Sustainability Operations Council (internal name: MIZUNO CREW21 main committee) is chaired by the executive officer in charge of human resources and general affairs, and is composed of a diverse range of members, including the executive officers responsible for product development, comprehensive planning, and finance & legal affairs, as well as heads of closely related departments such as the legal and quality assurance offices.

The Sustainability Operations Council leads discussions on Mizuno's sustainability strategy, formulates specific action plans, and sets goals. Important issues identified by the council are presented to the Board of Directors, and upon their resolution, are implemented across all departments and locations within the Group.

## ■ CREW21 Environment Committee

This committee consists of the executive officers responsible for human resources and general affairs, product development, as well as general managers from key departments such as product planning, development, facility services, logistics, retail, quality assurance, legal affairs, manufacturing, and others. The committee discusses the formulation and revision of environmental policies, the establishment of short-, medium-, and long-term environmental goals, and the development of specific measures to achieve these targets. From the perspective of reducing environmental impacts, such as decreasing greenhouse gas emissions, and providing environmentally considerate products and services, it has been positioned as a forum to facilitate cross-company communication on the orientation and planning of environmentally friendly products and climate-change-related items.

Moreover, to promote environmental conservation activities throughout the Group, the Mizuno Group has established an environmental management system (EMS), headed by an executive officer in charge of legal affairs.

\* With keen awareness of the environmental impacts of all corporate activities, in September 1991, the Mizuno Group launched the Crew21 Project to contribute to conserving the global environment. Since then, the Group has been actively engaged in environmental conservation activities. Since April 2021, the 30th anniversary of the launch of the project, the Group has placed an increased focus on the management issue of sustainability in general, which encompass not only environmental conservation activities but also the Group's contribution to society and the economy. The "MIZUNO CREW21" logo symbolizes the Group's overall sustainability initiatives.

## [TCFD recommendations' thematic area: 2. Strategy]

With regard to climate-related risks and opportunities over the short, medium, and long term, the Mizuno Group has identified issues of materiality in its overall sustainability initiatives. One of the issues of materiality is defined as "Responsibility for global environmental issues throughout the product lifecycle," where the Group's efforts to solve climate-related issues are included. In addition to the EMS, the Group has appointed the Risk Management Committee (chaired by the representative director and president and composed of three executive officers and five general managers of divisions in charge of promoting internal control) and the Business Continuity Plan (BCP) Working Group, which is under the supervision of the Global Human Resources & General Affairs Department, to discuss related matters. The product and development divisions treat the need to develop and market environmentally friendly products and climate-change-conscious products (products that help mitigate the impact of climate change or help adapt to climate change) as an excellent area of opportunity to be explored.

Since FY 2015, the Group has examined the impact of identified climate-related risks and opportunities on its businesses, strategy, and financial planning as part of EMS risks and opportunities, with more active discussions since FY 2021. Specific impacts include the need for a logistics BCP for the businesses; the research and development of environmentally friendly products, climate-change-conscious products, and new materials for strategy; and the introduction of renewable energy for financial planning. In FY 2022, the Risk Management Committee has discussed the impact of climate-related issues on the apparel and footwear divisions, analyzed under BCP, on businesses, strategy, and finance. The Group will continue these considerations across departments and disclose information, classifying the risks and opportunities related to climate change into physical, regulatory, and other categories.

The Mizuno Group is also currently examining what climate-related scenarios to choose, including analyzing the risks, opportunities, and impacts of climate change, incorporating them into organizational strategies. The Group aims to disclose information based on the selected scenarios by FY 2024.

### **[TCFD recommendations' thematic area: 3. Risk Management]**

---

Applying an EMS approach based on ISO 14001, the Mizuno Group has assigned the EMS Promotion Bureau (Environmental Promotion Bureau), part of the Compliance Division, to identify and assess environmental risks and opportunities, including climate-related issues, at least once a year. The identified risks and opportunities are submitted by the EMS Promotion Bureau to the CREW21 Environment Subcommittee for approval by the chairman, vice-chairman, and committee members.

Specific climate-related risks, such as damage from heavy rainfalls, typhoons, and other wind and flood disasters, are also addressed as part of BCP measures.

The identified risks are managed within the EMS framework. The EMS Promotion Bureau collaborates with the Risk Management Committee and the Global Human Resources & General Affairs Department to monitor these risks.

### **[TCFD recommendations' thematic area: 4. Metrics and Targets]**

---

To accelerate its efforts to mitigate climate change, in August 2020, the Mizuno Group revised its long-term environmental targets. The revised environmental targets are 1) achieving carbon neutrality by 2050, 2) achieving a 30% reduction in Scope 1 and 2 CO<sub>2</sub> emissions from the 2018 level by 2030, and 3) achieving a 50% reduction in the intensity of Scope 3 CO<sub>2</sub> emissions (Categories 1 and 12) per product from the 2018 level by 2030.



# Environmental Targets

**FY2030** Scope1,2



**Reduction in CO2 emissions by 30%**

(vs. FY2018 level)

**FY2030** Scope3



**Reduction in CO2 emissions by 50%**

(vs. FY2018 level, Per product)

**FY2050**

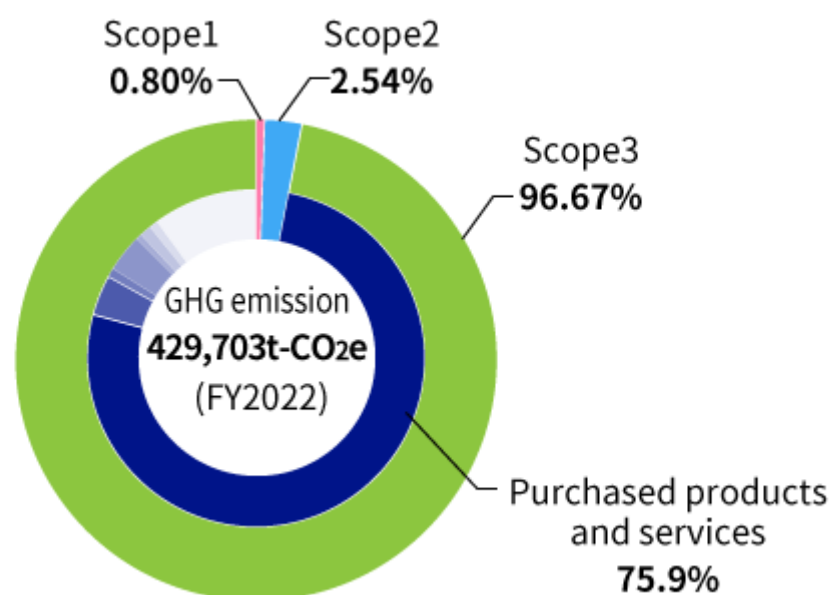


**Carbon neutral**

To achieve these environmental targets, a Group-wide cross-departmental Carbon Neutrality Subcommittee was established under the CREW21 Environment Committee in January 2021. The related divisions devise specific measures to achieve the targets of reducing GHG emissions from the Group's business activities and product and service lifecycles (such as using materials with smaller environmental impacts, improving design and manufacturing processes, and researching, developing, and adopting new manufacturing methods). The Group has calculated and disclosed Scope 1 and 2 emissions since 2000 and Scope 3 emissions since 2015 according to the Greenhouse Gas Protocol standards. In FY 2021, to ensure that the calculation of Scope 3 Category 1 and 12 emissions will be closer to reality, the Group replaced its calculation method based on data on purchase amounts and shipments in Japan with an LCA-based calculation method. The Group therefore established a calculation method for GHG emissions from its business bases worldwide with a view to broadening the scope of disclosure. Furthermore, the Group has disclosed its total Scope 1, 2 and 3 emissions since FY 2022.

[For details of the Group's GHG emissions, refer to the web page below.](#)

## Other indirect greenhouse gas emissions generated in FY 2022 [\*a]



Scope	Category	Category name	CO <sub>2</sub> emissions (t-CO <sub>2</sub> e)	Breakdown ratio
Scope1		Mizuno's direct emissions	3,420	0.80%
Scope2		Mizuno's indirect emissions	10,907	2.54%
Scope3		Others' indirect emissions	415,377	96.67%
Breakdown	Category 1	Purchased products and services	326,338	75.9%
	Category 2	Capital goods	16,896	3.9%
	Category 3	Fuel- and energy-related activities	3,663	0.9%
	Category 4	Upstream transportation and distribution	15,286	3.6%
	Category 5	Waste generated in operations	364	0.1%
	Category 6	Business travel	2,533	0.6%
	Category 7	Employee commuting	4,161	1.0%
	Category 8	Upstream leased assets	3,885	0.9%
	Category 9	Downstream transportation and distribution	137	0.0%
	Category 12	End-of-life treatment of sold products	42,114	9.8%
<b>Total</b>			429,703	

\* Calculations of purchased electricity emissions are location based.

\* The calculation scope is the domestic Mizuno Group and overseas Mizuno Group.

\* Scope 1: Greenhouse gas (GHG) emissions from a company's direct operations, such as the in-house use of fuel

\* Scope 2: A company's indirect GHG emissions from purchased electricity, heat, and steam

\* Scope 3: A company's indirect GHG emissions coming from product manufacturing, transportation, employees' business travel and commuting within the supply chain

\* For Scopes 1 and 2, emissions are from energy sources.

\* For Scope 3, non-energy source greenhouse gases are partly included according to the guidelines from the Ministry of the Environment.

\* The data marked with check mark has been assured by a third party in Japanese version of report.

\* Scope1, 2

Direct and indirect GHG emissions from corporate activities as defined by the GHG Protocol

\* Scope3 / Category 1

The following three methods are used to calculate emission factors according to the characteristics of product categories.

LCA of the representative model of the product sold by Mizuno in the relevant fiscal year was carried out and the emission factor of the product was calculated. GHG emissions were calculated by multiplying the sales volume with the emission factor. - ①

In the manufacturing department, GHG emissions were calculated by multiplying the amount of substances used in manufacturing with the emission factor. - ②

GHG emissions were calculated by multiplying the cost of products sold by Mizuno in the relevant fiscal year with the emission factor specified by the Ministry of the Environment. - ③

Total GHG emissions = ① + ② + ③

\* For LCA calculation, the emission factor of LCI database IDEA version3.3 and Database on Emissions Unit Values for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain.

\* Scope3 / Category 12

The following three methods are used for calculation according to the characteristics of product categories.

LCA of the representative model of the product sold by Mizuno in the relevant fiscal year was carried out and the emission factor of the product for disposal specified by the Ministry of the Environment was calculated. GHG emissions were calculated by multiplying the sales volume with the emission factor. - ①

In the manufacturing department, GHG emissions were calculated by multiplying the amount of substances used in manufacturing with the emission factor for disposal. - ②

GHG emissions estimated from sales amount based on the GHG emissions calculated from ①. - ③

Total GHG emissions = ① + ② + ③

\* For LCA calculation, the emission factor of LCI database IDEA version 3.3 and Database on Emissions Unit Values for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain.

【Third Party Assurance】

In order to ensure a higher level of transparency and reliability while disclosing information on environmental data, Mizuno has obtained third-party assurance for the Japanese version of environmental data for FY2022 with this report from SGS Japan Inc PDF of Assurance Report

【Scope of Assurance】

GHG emissions in FY2022 (Scope 3, Category 1, 12)