

November 25, 2022

ENEOS Corporation

Niigata Public Corporation of Agriculture and Forestry

**Signing of Partnership Agreement for
“the Realization of a Decarbonized Society Through Forests Conservation”
- Accelerating creation of J-Credits of Forest management-**

ENEOS Corporation (President: Saito Takeshi; “ENEOS”) and Niigata Public Corporation of Agriculture and Forestry (Representative Director: Ikeda Norio; “NPAF”) have signed a partnership agreement for “the realization of a decarbonized society through forests conservation”.

The ENEOS Group is promoting initiatives to create and use J-Credits^{*1} derived from forest management toward achieving the target of reducing the Group’s Scope 1 and 2^{*2} CO₂ emissions by 46% of the FY2013 level by FY2030.

Seeking activation of rural districts and comprehensive development of forestry within Niigata Prefecture, NPAF promotes efforts such as forestation in mountain village areas and forest maintenance for environmental conservation, and works on creating new forest value in a decarbonized society through forest management activities.

Through the signing of this agreement, ENEOS and NPAF will launch the “Forest conservation for the future in Niigata—NPAF and ENEOS Co-Creation Project” for the creation of J-Credits derived from forest management based on forests being managed by NPAF in the Kaetsu region (Murakami City, Shibata City, Agano City, Aga Town, Gosen City, Tainai City, and Sekikawa Village).

ENEOS and NPAF aim to create about 10,000 tons J-Credits per a year through this large-scale project over the period of 16 years.

Under this project, ENEOS will purchase the created J-Credits and use them to offset the CO₂ emissions of the ENEOS Group’s business activities, including those undertaken in Niigata Prefecture. Going forward, as a major corporate emitter of CO₂, ENEOS will work with local communities on initiatives spanning from the creation to the utilization of credits derived from forest management, and promote the conservation of forest resources in Japan through proper forest management.

NPAF uses the revenue from this project for the businesses related to forest maintenance and seeks to further increase of the CO₂ absorption capability of forests. Besides continuing with timber production through the nurturing of healthy forests, NPAF will actively maintain and promote the multi-faceted functions of forests.

ENEOS and NPAF will continue to cooperate toward solving social issues and contribute to the development of a decarbonized, recycling-oriented society.

- *1. The J-Credit is a carbon credit which is certified by the Japanese government under the J-Credit Scheme. In this scheme, the amount of greenhouse gas emissions (such as CO₂) reduced or removed through the introduction of energy-saving equipment, renewable energy and proper forest management is certified as “credit”. In this news release, credits created by proper forest management are referred to as “ J-Credits derived from forest management.”
- *2. Scope 1: Direct greenhouse gas emissions by the business itself (fuel combustion, industrial processes)
Scope 2: Indirect emissions from the use of electricity, heat, and steam supplied by other companies



NPAF Representative Director Ikeda Norio (left) and ENEOS Senior Vice President Sunaga Kotaro (right) signing the agreement



Forest (Minamiodaira region) under the management of NPAF

<Overview of the partnership agreement>

- (1) Demonstration of co-creation of credits derived from forest management through forests conservation
- (2) Study related to forest conservation for the future that contributes to a decarbonized society

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