
August 19, 2024

To the undersigned, Oji Holdings Corporation

Review of Metrics and Targets in CENIBRA

I. Purpose of this Report

This report presents the results of a review of the validity of the metrics and targets set for reforestation activities, the planting of native tree species, and establishment of ecological corridors at CENIBRA, a Brazilian subsidiary that serves as the main timber procurement source for Oji Holdings.

II. Recognition of Target Project Characteristics

CENIBRA, a company that is part of the Oji Group, produces logs through afforestation projects and manufactures and sells pulp from those logs. More than 30% of the timber procured by the Oji Group comes from forests managed by CENIBRA.

CENIBRA is based in the Brazilian state of Minas Gerais and manages approximately 250,000 hectares of land across 54 municipalities in a biome known as the Atlantic Forest. The Atlantic Forest biome is characterized by significant biodiversity and a high percentage of endemic species. In addition, the forests managed by CENIBRA are adjacent to three state protected areas (Rio Doce State Park, Serra da Candonga State Park, and Rio Corrente State Park), the South Belo Horizonte Metropolitan Region State Environmental Protected Area (APA), and 25 municipal protected areas. Within the area managed by CENIBRA, the company manages an area of high conservation value, the “Macedonia Farm”. Part of this area (560 ha) is recognized by the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA) as a Private Natural Heritage Reserve (in Portuguese, *Reserva Particular do Patrimônio Natural*, or RPPN).

Based on the above information, the target area is recognized as an important site for forest conservation, regeneration and biodiversity maintenance and enhancement.

III. Review Target and Method

Upon receipt of the TNFD Report 2024 from Oji Holdings, Kokusai Kogyo Co., Ltd (hereinafter “KKC”) reviewed its description for adequacy in light of the recommendations of the TNFD Guidance on the identification and assessment of nature-related issues: the LEAP approach Version.1.1 recommendations.

In evaluating the feasibility of the projected figures and other information in the TNFD Report 2024, KKC requested additional documents and sought additional explanations as needed, including evidence and past performance.

IV. Metrics and Targets

Using two scenarios, Oji Holdings has evaluated the natural conditions, dependencies, impacts, risks, and opportunities in the target project for the years 2030 and 2050. Oji Holdings' response to the evaluation results is to take the following actions

a) Avoidance

Avoidance of deforestation

b) Reduction

Climate change mitigation, the establishment of conservation forests and conservation of water sources, the establishment of reservoirs and the hoeing of soil, fire prevention, and control of invasive alien species.

c) Reforestation and restoration

Reforestation, the establishment of green corridors, and the reintroduction of endangered species

d) Transformation

The acquisition of various certifications, efforts to prepare new regulations, and the development of monitoring technologies, social activities and communication activities with local communities

Taking into account the results of these risk and opportunity assessments, as well as their significant impact on society, Oji Holdings has established a policy of expanding "reforestation and restoration" activities after implementing "avoidance and reduction" to the greatest extent possible. Specifically, it has set three specific metrics and targets, as follows.

Metrics		Targets	Duration
Metric No.1	Area of natural forest restored on CENIBRA's property	3,000 ha or more	2024 to 2033
Metric No.2	Number of native tree species planted on CENIBRA's property	500,000 trees or more	2024 to 2033
Metric No.3	Area of ecological corridors established outside of CENIBRA's property	3,500 ha or more	2024 to 2033

V. Review Results

Based on the aforementioned assumptions, the following review was conducted of the metrics and targets.

The metrics and targets are considered consistent with the recommended target setting described in TNFD 7.5.2, as they are specific, measurable, and have a set timeframe.

The following is a summary of the TNFD's recommendations for each of the metrics and targets.

Metric No. 1

3,000 ha is equivalent to 1.2% of the total land owned by CENIBRA. Moreover, based on CENIBRA's track record of reforestation averaging more than 300 ha per year from 2019 to 2023, this is considered an achievable and reasonable target.

Metric No. 2

CENIBRA has planted a total of more than 600,000 native tree species of 40 different types in the past. On the basis of an annual average of more than 50,000 trees between 2019 and 2023, this target is considered achievable and reasonable.

It should be added that as many species of local tree species as possible should be used.

Metric No. 3

The area of ecological corridors established outside of CENIBRA's property between 2019 and 2023 averaged more than 350 ha per year, this target is considered achievable and reasonable.

VI. Remarks

It is expected that information will be actively disclosed with regard to the relationship between the area of natural forest connections and the area of green corridors, so that the target area setting can be objectively evaluated. It is desirable that information be added in future disclosures on changes in forest distribution resulting from these regeneration and planting activities.

Finally, based on the results of future monitoring, KKC hopes that the company will not be satisfied with the targets, but rather will also strive for further reforestation and restoration.

Kokusai Kogyo Co., Ltd. is not involved in any of Oji Holdings' target projects or work related to TNFD report disclosure. Therefore, the results of this review are reported from the standpoint of an independent third party.

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