

PURO FACILITY AND OUTPUT AUDIT STATEMENT

Inkan Negro SAC in Lima, Peru

has been validated in accordance with

**Puro Standard General Rules v3.1 and
Biochar Methodology edition 2022 v3.0**

Approved by

Shikha Sharma

Shikha Sharma
Climate Change Program – Technical Manager
Date: 14th January 2025



This GHG Statement is not valid without its scope, objective and validation opinion.



DESIGN VALIDATION AND PERFORMANCE VERIFICATION

Subject	Description
Proponent Details	Inkan Negro S.A.C
Name of the Facility and ID:	Lurin (316372)
Member code	86XF28LZ1A
Legal Representation	Tax File Number 20603717971 .
GSRN number	PE14168388
Physical location of all the Kilns included within the Facility:	lote 1 parcela d8 Buena Vista, Lurin, Lima, Peru.
Removal Method	Pyrolysis – Thermal decomposition of biomass in a low-oxygen environment (350°C–800°C).
Feedstock	Municipal green waste and agricultural residues sourced sustainably from local agreements.
Process Output	Biochar mixed into a mineral matrix at the production site to ensure long-term carbon storage
Net CO ₂ Removal Achieved	138 CORCs for the reporting period
CORC Factor	1.73 CORCs per dry tonne of biochar.
Additionality	The project demonstrated additionality through regulatory and financial analysis, confirming reliance on carbon finance for viability.
GHG Monitoring (Parameters / Frequency)	<ul style="list-style-type: none"> -Biomass processed -Biochar produced - Temperature and emissions during pyrolysis - Energy consumption by reactor and equipment - Moisture and carbon content of biochar
Project Start Date	01-10-2022
Methodology	Puro Standard Biochar Methodology v3.0
Audit Period:	01/10/2022 - 31/03/2024 (both days included)
Environmental Impact	Diverts biomass from decomposition pathways, reduces methane emissions, and sequesters carbon in soils.

Validation and Verification Objective:

SGS was contracted by Puro.earth to conduct design validation and performance verification of the Inkan Negro SAC's production facility in Lurin, in accordance with Puro Standard General Rules Version 3.1 and Puro Standard Biochar Methodology v3.0 Edition 2022. This involves auditing the facility's design and operational compliance, verifying actual CO₂ removal performance against expected outcomes, and assessing

documentation accuracy. The goal is to ensure the facility's operations are credible and align with the necessary standards for carbon credit issuance, thereby assuring stakeholders of the reliability and integrity of the CO₂ removal claims. The detailed result of the design validation and performance verification audit is reported in the document titled “ Puro.earth Inkan Negro SAC DRAFT Verification Report_v2.0_04012025”.

The report is based on the assessment of the audit package undertaken through stakeholder consultations, application of standard auditing techniques including but not limited to document reviews, site visit, and stakeholder interviews, review of the applied methodology and its underlying formulae and calculations.

Validation and Verification Scope:

1. Design Validation: Evaluating facility design and operations against Puro Standard General Rules v3.1 and Biochar Methodology v3.0 for compliance and expected CO₂ removal capabilities.
2. Performance Verification: Auditing actual performance and operational records to ensure reported CO₂ removal matches verified outcomes.
3. Site Visits: Conducting physical inspections to directly assess facility operations and compliance.
4. Reporting: Compiling findings, non-conformances, and recommendations into a detailed report and issuing certification based on compliance with Puro.earth Validation and Verification Requirements v1.1.
5. Stakeholder Engagement: Ensuring transparent communication with all project stakeholders throughout the process for feedback and corrective actions.

This streamlined scope aims to rigorously verify both design and operational efficacy in meeting Puro.earth standard.

Validation and Verification Opinion:

The Design Validation of Production Facility Lurin for Inkan Negro SAC was conducted based on the Puro Standard General Rules V3.1, Puro Biochar Methodology Edition 2022 v3.0 and Puro Validation and Verification Requirement v1.1.

Based on our audit and review, SGS concludes that:

1. The production facility Lurin effectively complies with the Puro Biochar Methodology v3.0, aligning with its stringent environmental and operational standards.
2. The project demonstrates robust mechanisms for ensuring sustainable biomass sourcing and adherence to operational guidelines, thereby supporting credible and measurable CO₂ removals.
3. The validation affirmed the project's commitment to transparency, accuracy, and traceability in the implementation of carbon removal activities, crucial for maintaining the integrity of the Puro registry and the credibility of the CO₂ Removal Certificates (CORCs) issued.

SGS conducted Performance verification according to the, Puro Biochar Methodology Edition 2022 v3.0 and Puro Validation and Verification Requirement v1.1:

1. SGS has performed a detailed assessment, including an evaluation of the audit documentation, site visits, and stakeholder consultations. The data provided by Production Facility Lurin for Inkan Negro SAC has been verified as accurate within the defined scope of the verification.

2. The project Lurin for Inkan Negro SAC, complies with the requirements of the Puro Standard for carbon removal. It meets all the necessary criteria for baseline determination, monitoring practices, additionality, and environmental and social safeguards as specified.
3. Details of any non-conformances found, and corrective actions recommended are reported in the document titled "Puro.earth Inkan Negro SAC DRAFT Verification Report_v2.0_04012025."

SGS confirms that the "Design Validation and performance verification of Production Facility Lurin for Inkan Negro SAC" meets all criteria for registration and Issuance for the period 01/10/2022 - 31/03/2024 (both days included) under the Puro Standard. This opinion is supported by the evidence collected and reviewed as part of the Design validation and performance verification process and is subject to the continuous compliance with the Puro Standard requirements. The detailed result of the design validation and performance verification audit is reported in the document titled " Puro.earth Inkan Negro SAC DRAFT Verification Report_v2.0_04012025"

Materiality Threshold: The threshold for quantitative materiality is set at 5% to ensure minor discrepancies do not undermine the overall validation and performance verification outcomes. Verification team confirmed that there were no significant changes during the process that would affect the value of the CORCs.

Level of Assurance:

Design Validation: SGS evaluated the reasonableness of assumptions, limitations, and methods that support a statement about the outcome of future activities, for the project to determine conformance with the Puro Standard General Rules Version 3.1, Biochar Methodology v3.0 Edition 2022 and Puro Validation and Verification Requirement v1.1

Performance verification: SGS provides a reasonable level of assurance, reflecting a high degree of confidence in the project's compliance with specified standards, while acknowledging the inherent limitations of validation procedures.

Note: SGS's validation/verification opinion relies solely on the information provided by Puro.earth during the assessment. SGS cannot ensure the accuracy or correctness of this information and is not responsible for any decisions made based on this report. This statement is issued for the use of Puro.earth, by SGS India Pvt. Ltd. ("SGS") according to the general conditions included in http://www.sgs.com/terms_and_conditions.htm. The results obtained here, and the corresponding GHG declaration can be consulted at Puro.earth. This Opinion does not relieve Puro.earth from compliance with any bylaws, federal, national or regional acts and regulations or with any guidelines issued pursuant to such regulations. Stipulations to the contrary are not binding on SGS and SGS shall have no responsibility vis-à-vis parties other than its Client.