

# VALIDATION REPORT FOR THE LAST HABITAT REDD+ PROJECT



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|-------------------------|---------------------------------------|
| <b>Project Title</b>    | THE LAST HABITAT REDD+ PROJECT        |
| <b>Version</b>          | 5                                     |
| <b>Project Location</b> | Peru, Ucayali and Huánuco Departments |
| <b>Report ID</b>        | CCB_VCS_Validation_Report_V5_12032026 |

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|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Report Title</b>  | VALIDATION REPORT FOR THE LAST HABITAT REDD+ PROJECT                                                                                                                                                                                                                                                                                                                                                                                   |
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| <b>Pages</b>         | 151                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Date of Issue</b> | 12-March-2026                                                                                                                                                                                                                                                                                                                                                                                                                          |
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**Out By** Auditor: Adrian Vidal  
Auditor: Daniel Bermejo  
Technical reviewer: Javier Cócera

## Summary:

AENOR CONFIA S.A.U (AENOR) has performed the validation of the project “THE LAST HABITAT REDD+ PROJECT” in Perú on the basis of Voluntary Carbon Standard (VCS) and Climate, Community & Biodiversity standard (CCB), as well as the host country criteria.

The Last Habitat REDD+ project is located in Ucayali and Huánuco departments, the region with the highest rate of deforestation in the Peruvian Amazon. The project comprises the maintenance and conservation of forest cover in two private properties, duly registered in the Register of Property in Pucallpa. Selva Maestra (SM) property owned by Bosques Amazónicos S.A. (12,730.41 ha) and Nuestro Señor Jesús (JSC) owned by JCC Inversiones SAC (company part of Bosques Amazónicos SFM S.A. economic group) with an area of 8,049.87 ha.

These lands, originally owned by the Peruvian State, were granted through enabling titles in compliance with applicable regulations. The project involves the development of an agro-industrial initiative, including the cultivation of oil palm, camu camu, and castor oil plants across 7,507 hectares of the JCC property, as well as cattle ranching activities on 7,000 hectares of the SM property. The total project area encompasses 14,507 hectares dedicated to these activities.

Both BAM and JCC have forestry, agricultural, industrial, and manufacturing activities as part of their corporate purpose. As private companies, they are obligated to generate value for shareholders and investors, requiring revenue streams from economic activities aligned with their core operations.

In late 2019, seeking the most favorable economic, environmental, and social returns, BAM proposed that JCC develop a conservation project eligible for carbon credits. This shift was driven by projections in the international carbon market, where growing environmental commitments—from both governments and private entities—aligned with the Paris Agreement objectives. As a result, carbon credit generation emerged as a more financially attractive alternative than the original agricultural development plans outlined in the property titles.

In this context, the companies shifted their focus from agro-industrial activities to sustainable development centered on native vegetation conservation. This decision entails:

- Bearing the opportunity cost of forgoing agricultural and livestock production, and
- Investing resources to ensure effective area protection.

BAM has recognized that the project area harbors exceptional ecological richness and serves as a critical habitat corridor for diverse flora and fauna—many of which are threatened or protected under national regulations.

This initiative presents a unique opportunity to advance scientific research and biodiversity conservation, underscoring the vital role of Amazonian rainforests in global ecosystems.

The project is designed to prevent planned deforestation by discouraging landowners from exercising

## Summary:

their legal right to convert forestland for agroindustrial use. By implementing this initiative, the project is projected to reduce emissions by 8,234,790 tCO<sub>2</sub>e over its 20-year crediting period, averaging 411,740 tCO<sub>2</sub>e annually. These reductions will be achieved through a series of targeted activities, organized into three key intervention strategies:

- Reduce GHG emissions caused by deforestation and degradation.
- Contribute to the well-being of the identified communities in the surroundings of the Project by improving their access to basic services, and sustainable productive activities.
- Guarantee and maintain the integrity of biological diversity and ecological processes + services in the Project Area.

The purpose validation is to have an independent, third party assess the project design. In particular, the project's baseline, the monitoring plan (MP), and the project's compliance with relevant VCS and CCB requirements.

In order to confirm that the project design as documented is sound and reasonable and meets the stated requirements and identified criteria, the validation consisted of the following three phases: i) a desk review of the project design and the baseline and monitoring plan; ii) follow-up interviews with project stakeholders; iii) the resolution of outstanding issues and internal technical review followed by the issuance of the final validation report and opinion. In the course of the validation process 11 corrective actions and 7 clarifications were raised, all have been successfully closed.

The purpose of the visit assessment was to determine the conformance of the project with respect to the VCS Version 4 Standard and the Third Edition of the CCB Standard and information provided in the joint project description. The field visit took place from 20 to 23 June 2023 the lead auditor visited the project area, interviewed key stakeholders, staff and other related experts, and also reviewed the CCB-VCS-PD and supporting documents. In addition to the site visit, on 26 and 27 June 2023, the validation team conducted the reviewing of baseline calculation; the processing data from satellite images; and additionality in the consultant Lima's office. The scope of the validation was to assess the conformance of information in the project design document with the VCS and CCB standards.

This validation report has been submitted to the PP in which 11 CARs, 7 CLs and 1 FAR were reported (see validation protocol in appendix II) for VCS and CCB. However, all these issues raised during the validation process where appropriately closed by means of corrections, more clear explanations and other supported documents.

Hence, once all issued detected were appropriately solved, AENOR carried out a final validation report and deems with reasonable level of assurance that the project complies with all of the validation criteria for VCS and CCB. The assessment team has no restrictions or uncertainties with respect to the compliance of the project with the validation criteria, hence, the audit team concludes that the net GHG emissions reductions or removals, for the lands included in the project boundary at validation stage has been quantified in accordance with VCS rules. AENOR assessed the calculations and can confirm estimated GHG emission reductions are correct, the project expects to avoid annual average net emissions of 8,234,790 tCO<sub>2</sub>e (without discounting buffer emissions) for the whole crediting period.

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## 1 INTRODUCTION

### 1.1 Objective

The purpose of the validation audit activity was to conduct an independent assessment of the project in order to determine whether the project complies with the validation criteria, as set out in the guidance documents listed in Section 1.2 of this report.

### 1.2 Scope and Criteria

**Validation Scope:** The scope of the validation audit is to validate the emissions reductions of the proposed project activity in Peru against the Verified Carbon Standard, the identified methodology and associated tools as well as to validate the Climate Community and Biodiversity requirements of the CCB Standard.

The objectives of this audit included a validation of the projects calculated emission reductions with the Verified Carbon Standard requirements and any additional requirements of VCS AFOLU projects, besides the assessment of the additionality and the risk assessment report. For the CCB Standard also were validated the benefit on Climate Community and Biodiversity generated by the project activities.

The scope was defined as follows:

- The project and its baseline scenarios;
- The physical infrastructure, activities, technologies and processes of the project;
- The GHG sources, sinks and/or reservoirs those are applicable to the project;
- The types of GHGs that are applicable to the project; and
- The project crediting period, as discussed in Section 3.2.11 of this report

**Standard Criteria:** Even though, the version in force is version 4.6 of VCS standard; project developer is applying templates form from version 3, since they are the ones that are available jointly for VCS and CCB programs. The validation assessment was performed in accordance the reequipments detailed in section 4 of the VCS standard; including the following documents:

- VCS Program Guide v4.4 /1/
- VCS Standard v4.6 /2/
- VCS Methodology requirements v4.4 /3/
- VCS Programme definition v4.4 /4/
- VCS Validation and verification manual v3.2 /5/
- VCS AFOLU Non-Permanence Risk Tool, v4.0 /6/
- Climate, Community & Biodiversity Standards, v3.1 /7/
- CCB Program Rules, v3.1 /8/

Unless otherwise indicated, the assessment was performed against applicable valid version of VCS standard and last version of CCB guidance document.

### 1.3 Summary Description of the Project

The project is located is located in Ucayali and Huánuco departments, the region with the highest rate of deforestation in the Peruvian Amazon. The project comprises the maintenance and conservation of forest

cover in two private properties, duly registered in the Register of Property in Pucallpa. Selva Maestra (SM) property owned by Bosques Amazónicos S.A. (12,730.41 ha) and Nuestro Señor Jesús (JSC) owned by JCC Inversiones SAC (company part of Bosques Amazónicos SFM S.A. economic group) with an area of 8,049.87 ha.

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In this context, the companies shifted their focus from agro-industrial activities to sustainable development centered on native vegetation conservation. This decision entails:

- Bearing the opportunity cost of forgoing agricultural and livestock production, and
- Investing resources to ensure effective area protection.

BAM has recognized that the project area harbors exceptional ecological richness and serves as a critical habitat corridor for diverse flora and fauna—many of which are threatened or protected under national regulations.

This initiative presents a unique opportunity to advance scientific research and biodiversity conservation, underscoring the vital role of Amazonian rainforests in global ecosystems.

The project is designed to prevent planned deforestation by discouraging landowners from exercising their legal right to convert forestland for agroindustrial use. By implementing this initiative, the project is projected to reduce emissions by 8,234,790 tCO<sub>2</sub>e over its 20-year crediting period, averaging 411,740 tCO<sub>2</sub>e annually. These reductions will be achieved through a series of targeted activities, organized into three key intervention strategies:

- Reduce GHG emissions caused by deforestation and degradation.
- Contribute to the well-being of the identified communities in the surroundings of the Project by improving their access to basic services, and sustainable productive activities.
- Guarantee and maintain the integrity of biological diversity and ecological processes + services in the Project Area.

BAM has recognized that the project area harbors exceptional ecological richness and serves as a critical habitat corridor for diverse flora and fauna—many of which are threatened or protected under national regulations.

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- Guarantee and maintain the integrity of biological diversity and ecological processes + services in the Project Area.

Therefore, the project will contribute to the mitigation of climate change, conserving biodiversity and generating benefits for the population of the community. The project goals include the conservation and reduction of deforestation; contribute to improve the quality of life of neighbourhood and local stakeholders; and the conservation of biodiversity.

## 2 VALIDATION PROCESS

### 2.1 Audit Team Composition (*Rules 4.3.1*)

AENOR is accredited by ANAB and ONAC to carry out the auditing activities under different standards such as VCS or CCB.

ANAB is the ANSI National Accreditation Board (ANAB) is the largest multi-disciplinary accreditation body in the western hemisphere, with more than 2,500 organizations accredited in approximately 80 countries. ANAB is a recognized global leader in accreditation and prides itself on world-class service while maintaining the highest level of quality. ANAB accredited certificates, inspections, reports, and persons drive confidence in the marketplace. ANAB-accredited laboratories and ANAB-accredited certification bodies (personnel, management systems, validation and verification, and products, processes and services) working in the industry can be trusted when certifying, testing, and/or inspecting those working in the industry.

ONAC is the Colombia's National Accreditation Body. ONAC's main purpose is to provide accreditation services to conformity assessment bodies in order to accredit their competence, to act as the monitoring authority for good laboratory practices of the Organization for Economic Cooperation and Development (OECD), and to perform the functions of the National Accreditation Body of Colombia. The accreditation service opens opportunities for CABs and the producers they certify to demonstrate the quality of their products and services and even compete in international markets.

AENOR passes the accreditation exams and audits every year to still maintaining the required skills and assurance that its certifications are competent. The team involved in this verification is summarized below:

| Name             | Position     | Experience and expertise                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Richard GONZALES | Lead auditor | <p>He is mechanical an electrical engineer and has a Master in energy. He has more than 10 years of experience in auditing, consulting and training activities related to environmental and carbon management projects. Actively participated in the audit of international sustainable development projects in several carbon schemes, such as the Clean Development Mechanisms (CDM), Verified Carbon Standard (VCS), Climate, Community and Biodiversity Standards (CCB), Gold Standard (GS) and carbon footprints (ISO 14067 and ISO 14064).</p> <p>Lead auditor has proved experience in VCS &amp; CCB validation and verification process. He has been auditing VCS since 2012 and CCB since 2015. He has successfully registered and verified several projects of these schemes.</p> <p>Biodiversity and ecological expertise were obtained by accompanied other expert and following AENOR's internal competence requirements.</p>                                                                                                  |
| Adrián VIDAL     | Auditor      | <p>He holds a Master's degree in Forest Engineering from the Technical University on Madrid, and a Postgraduate Diploma in Climate Change from the National University of Quilmes and the National University of Jujuy, with the support of UNEP. Adrián works at the Climate Change Unit in AENOR and has more than 5 years of professional experience in forestry and sustainability. Prior to joining AENOR, he worked at the Basque Centre for Climate Change (BC3) in carrying research in global governance, national policies, and modelling of Agriculture, Forestry and other Land Use (AFOLU) mitigation measures. He worked as an intern at the AFOLU Unit of the Transparency division of UNFCCC, providing support to the intergovernmental climate change process on issues related to land-use, land-use change and forestry (LULUCF), agriculture and REDD+. He also worked in urban forestry, landscape forest restoration and environmental consultancy, and collaborated in the Global Forest Survey project of FAO.</p> |
| Daniel BERMEJO   | Auditor      | <p>Daniel Bermejo is a Forest Engineer with a master's degree in sustainable finance. He began his career in private consulting, working on topics such as climate risk analysis and TCFD risks, forestry development, agriculture and forestry banking standards, environmental footprint projects and sustainability reporting. He has worked at AENOR since 2022 and has already participated as an auditor in several AFOLU projects in different carbon schemes, such as VCS, CCB, FCPF, Cercarbono and BCR. He is an expert in Climate, Community and Biodiversity aspects and has worked in LATAM, North America, Africa and Europe countries. He speaks Spanish and English fluently</p>                                                                                                                                                                                                                                                                                                                                            |

Javier CÓCERA

Technical reviewer

Javier Cócera is a forest engineer with a Master in forest management. He has developed his career focused to the forest management. Mainly he has been working through sustainability in two ways: the main one as forestry consultancy, developing forest management plans, working with GIS and LiDAR both in the field and the office and getting experience of the forest resources. The second one was developing environmental footprint projects and sustainability reports. Currently Javier is working in AENOR as auditor focused in AFOLU projects. Javier participated in courses about ISO lead auditing, Community development and also about technical skills such as remote sensing and uncertainty management. He has performed on-site audits and leaded projects in Europe, LATAM, Africa and Asia.

## 2.2 Method and Criteria

The validation was performed through a combination of document review, interviews with relevant personnel and on-site inspections, as discussed in Sections 2.2 through 2.4 of this report. At all times, the project was assessed for conformance to the criteria described in Section 1.2 of this report. As discussed in Section 2.5, findings were issued to ensure that the project was in full conformance to all requirements.

Sampling plan:

In addition to the review of compliance with the requirements of the ISO 14064-2:2019 standard, the development of validation includes the strategic and risk analysis, evaluating the issues indicated in the ISO 14064-3: 2019 standard. Based on these analyses and considering the requirements of the GHG program, the following sampling was carried out.

- Carefully review the project design document and supporting documentation.
- Examine the baseline data gathered from the determined baseline for Project's region, spreadsheets used to enter, and compile information required by the methodology.
- Reproduce 100% of sheets for ex-ante calculation emission reductions for the project area crosschecking with used methodology requirements
- Reproduce the GHG emissions reductions calculations presented in the spreadsheet and crosscheck with the VCS-CCB-PD
- Check 100% the project boundary and land cover changes in the project area for the monitoring period using the GIS database.
- Verify 100% and crosschecked with validated values the carbon stock changes, and the land used classes in the project area.
- Carefully review the NPRR and supporting documentation for conformance to the verification criteria and consistency with the Project Description.
- 100% verify Non-Permanent Risk Report results using the NPRR tool and considering the standard requirements and validated Project Description.
- Visit project area (access, control points, park rangers, etc.)
- Interview with local authorities
- Interview local communities: Nuevo Paraiso, Nuevo Belen, Pucallpillo AAHH Nuevo Belen, Amplicacion Tupac Amaru 1era Etapa; and CP San Antonio
- Interview community and biodiversity, specialist
- Interview consultants: GIS specialist and responsible of GHG estimation

## 2.3 Document Review

The Project Description submitted by the PP was reviewed against the approved methodology and against VCS and CCB requirements. Additional background documents related to the project design, baseline, additionality, community and biodiversity objectives were also made available before and during the on-site visit in Peru along with the Non-Permanence Risk Reports.

To address the corrective actions and clarification requests that arose from the desk review and on-site visit, the project developer revised the project description document version 1 /9/, dated on 23 June 2023 and developed a final version 9 /10/ dated on 20 February 2026.

As the submission deadline for the validation/verification report and statement was not met within one year after the public comment period began, the PD has been revised and republished to reopen stakeholder consultations. This ensures procedural compliance while maintaining transparency in the validation and verification process.

## 2.4 Interviews

The AENOR validation team composed of Richard Gonzalez conducted interviews with project developers; local stakeholders; and key personnel involved in the project activity, in order to confirm selected information and to resolve issues identified in the document review.

The field visit took place from 20 to 23 June 2023 in which the lead auditor visited the project area, interviewed key stakeholders, staff and other related experts, and also reviewed the PD and supporting documents. The people interviewed were those directly affected or involved in the project activity and in some cases were just indirectly affected.

Additional to site visit, verification team conducted two meetings with consultant in Lima, during 26 and 27 June 2023 to validated additionality; emission reduction calculation an verify the processing data from satellite images.

The people interviewed were those directly affected or involved in the project activity and in some cases were just indirectly affected are summarized following:

| Audit Date | Name                       | Title/Organization                          | Activities                                                                                  |
|------------|----------------------------|---------------------------------------------|---------------------------------------------------------------------------------------------|
| 20/06/2023 | Maria Alejandra Cantuarias | Conservation and Carbon Markets Manager/BAM | Status of the project activity (Operation and implementation)                               |
|            | Alejandro Llaque           | Project coordinator/BAM                     | Property and land use rights                                                                |
|            | Fabiola Rojas              | Territorial Security/BAM                    | Stakeholder identification and analysis used to identify communities                        |
|            | Lila Pure                  | BAM                                         | Project Communication & Grievance Mechanism                                                 |
|            | Natalia Woo                | Consultant/Paskay                           | Characteristics of the project<br>Communities involved with the project and benefits to the |

| Audit Date | Name                       | Title/Organization                             | Activities                                                                                   |
|------------|----------------------------|------------------------------------------------|----------------------------------------------------------------------------------------------|
| 21/06/2022 | Pedro Ruiz                 | Consultant/Paskay                              | communities<br>Biodiversity within the project area. Before and after project implementation |
|            | Luciano Cárcamo            | Consultant/Paskay                              | Productive economic activities implementation                                                |
|            | Jesus Marín                | Consultant/Paskay                              | Land tenure agreements                                                                       |
|            | Eva Medina                 | Agriculture Regional Directorate – DRA Ucayali | Lands tenure                                                                                 |
|            |                            |                                                | Ownership confirmation                                                                       |
|            |                            |                                                | Project area delimitation                                                                    |
|            |                            |                                                | Authorized activities in project area.                                                       |
|            | Maria Alejandra Cantuarias | Conservation and Carbon Markets Manager/BAM    | Property and land use rights                                                                 |
|            |                            |                                                | Comments and opinions about the project                                                      |
|            |                            |                                                | Benefits of project activities                                                               |
|            | Alejandro Llaque           | Project coordinator/BAM                        | Impacts of the project                                                                       |
|            |                            |                                                | Visit to the project area                                                                    |
| 22/06/2023 | Laurencio Lopez            | Security Supervisor/BAM                        | Transect inspection                                                                          |
|            |                            |                                                | Project zone inspection                                                                      |
|            | Fabiola Rojas              | Worker/BAM                                     | Control and surveillance activities                                                          |
|            |                            |                                                | Activities in the project area                                                               |
|            | Victorio Vela              | Worker/BAM                                     | Restored areas inspections                                                                   |
|            |                            |                                                | Confirmation of activities developed in the project zone                                     |
| 22/06/2023 | Ralph Callali              | Research development - BAM                     | Illegal activities within the project                                                        |
|            |                            |                                                | Surveillance and control activities                                                          |
|            | Rosario Huanuco            | Plant nursery - BAM                            | Supporting from project developer                                                            |
|            |                            |                                                | Joint activities with the project developer                                                  |
| 22/06/2023 | Ralph Callali              | Research development - BAM                     | Working conditions                                                                           |
|            |                            |                                                | Health and safety at work                                                                    |
|            | Rosario Huanuco            | Plant nursery - BAM                            | Patrolling activities                                                                        |
|            |                            |                                                | Restoration activities                                                                       |
| 22/06/2023 | Ralph Callali              | Research development - BAM                     | Species used                                                                                 |
|            |                            |                                                | Research carried out                                                                         |
|            | Rosario Huanuco            | Plant nursery - BAM                            | Reforestation plan                                                                           |
|            |                            |                                                |                                                                                              |

| Audit Date                             | Name                              | Title/Organization                     | Activities                                                                                                                  |
|----------------------------------------|-----------------------------------|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| From<br>21/06/2023<br>to<br>23/06/2023 | Jose Gamboa                       | Research and development manager - BAM | Working condition<br>Health and safety at work                                                                              |
|                                        | Oligar Flores                     | Plantation management - BAM            |                                                                                                                             |
|                                        |                                   | Nuevo Paraiso                          | Property and land use rights<br>Activities implemented by the project proponent to mitigate risks local stakeholders        |
|                                        |                                   | Nuevo Belen                            | The processes used by the project proponent to communicate and consult with local stakeholders during the monitoring period |
|                                        | Local stakeholders (communities*) | Pucallpillo                            | Monitoring results dissemination<br>Control and patrolling activities                                                       |
|                                        |                                   | AAHH Nuevo Belen                       | Satisfaction and perception of the project                                                                                  |
|                                        |                                   |                                        | Local employment. Men/women. Work insurance. Improving of livelihood                                                        |
|                                        |                                   | Amplicacion Tupac Amaru 1era Etapa     | Antidiscrimination and grievance policies<br>Project benefits                                                               |
|                                        |                                   | CP San Antonio                         | Comments and opinions about the project<br>Impacts of the project implementation of economic activities                     |
|                                        | Natalia Woo                       | Consultant/Paskay                      | Additionality<br>Project description information<br>GIS DATA Analysis                                                       |
| 26/06/2022<br>27/06/2022               | Jorge Padilla                     | Consultant/Paskay                      | Satellite images processing<br>Baseline emission reduction calculation                                                      |

(\*) Complete list (signed) of the meetens' participant is found in Appendix III.

## 2.5 Site Inspections

The objectives of the on-site inspections performed were mainly to cross check the description provided in the project description related to the environmental conditions of the project area, including:

- Ensure that the geographic area of the project, as reported in the PD and the accompanying KML file, is in conformance with Section 3.11.2 of the VCS Standard;

- Perform a risk-based review of the project area to ensure that the project conforms to all other requirements of the VCS rules and the methodology.
- Observe the Project Proponent's evidence and collect and record data in order to assess whether data collection techniques conform to the monitoring plan and related documentation and to evaluate data quality control systems.
- Select samples of data and information for validation in order to meet a reasonable level of assurance and to meet the materiality requirements of the project, as required by Section 4.1.8 of the VCS Standard;
- Perform a risk-based review of the project area to ensure that the project is in conformance the eligibility requirements of the VCS rules and the applicability conditions of the methodology; and
- Interview local authorities to confirm that the project operates in accordance with current permits and authorizations and its relationship with local actors and communities.

Additional to the site inspection, meetings were carried with consultants and personnel in charge of carrying out the calculations, image processing, monitoring, beta regression, additionality and unique metrics report.

## 2.6 Public Comments (*Rules 4.6*)

The Joint project description (CCB-VCS-PD) was submitted to the VCS website for a 30-day public comment period from 08/08/2022 to 07/09/2022. No public comments were received during the validation process. Validation team confirmed this issue against public information in VERRA database platform.

As per CCB rules v3 (section 4.2.4), project activity shall receive the validation and/or verification report and validation and/or verification statement within one year of the initiation of the relevant public comment period. Then, project activity was open for public comment from once again covering the period: 10/09/2024 to 10/10/2024. During this process, 3 comments were received.

| N° | Summary of comment received                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Summary of responses and actions taken                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | <p>1. <i>Project claims to be a "planned deforestation project" however all project activities described under 2.1.1 "Mitigation of deforestation risks" focus on stopping the unplanned threat of deforestation the PD outlines in "Continuation of the pre-project land us" of section 2.2.1. What is the primary activity to stop the "Planned Deforestation".</i></p> <p>2. <i>Section 3.1.4 A identifies the project proponent Bosques Amazonicos as the agent of deforestation, however the mentioned company is formed for conservation stating the following about themselves "Our purpose is to protect and restore the value of the ecosystems of the Amazon to mitigate the effects of climate change; conserve the biodiversity of the Amazon; and contribute to the economic, social and environmental development of Peru."</i></p> <p>3. <i>The land purchase contracts on page 89 of the PD that</i></p> | <p>1. The document was updated across all relevant sections to clearly establish the project's objective of avoiding planned deforestation and degradation (APDD). The core strategy utilizes carbon credit revenues to make forest conservation the most economically viable alternative - preventing land-use conversion while enabling additional protective measures. The approach includes specific biodiversity protection and community engagement strategies to ensure comprehensive conservation</p> |

| N° | Summary of comment received                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Summary of responses and actions taken                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | <p><i>are being used to demonstrate legal permissibility to deforest are dated 1999 and 2009. What condition in 2020 is different than at the time of the signature that makes an immediate site-specific threat to deforestation. Since these parcels have been legally authorized for &gt;=15 years to be deforested and instead remains protected leads me to believe that there is not an immediate site-specific threat to planned deforestation for the project.</i></p> <p>4. <i>Section 3.1.4 .B.4 "Intention to deforest" uses the document found in footnote 24, page 91 of the PDD titled "The Technical Economic Feasibility Study for Nuestro Señor Jesucristo and the Project Profile for Selva Maestra" as evidence of the intention to deforest, however the PD states these were drafted to enable the purchase of the properties, indicating they are &gt;=12 years old at the proposed start date. What has changed that will put these plans into action after 12 and 21 years respectively?</i></p> <p>5. <i>While I do believe there is deforestation threat, I am not convinced that the threat is truly a planned threat and instead is an unplanned threat. I have concerns that the project is designed as a planned deforestation project due to the inherent higher crediting potential of planned deforestation scenarios compared to unplanned deforestation.</i></p> | <p>impact.</p> <p>2. BAM and JCC are private enterprises mandated to generate shareholder value through forestry, agricultural, industrial, and manufacturing activities. Their corporate charters specifically authorize agricultural expansion and land-use changes in forested areas. With proper regulatory approvals, they retain the legal right to execute such conversions at any time. (See Section 2.2.1 of the PD for details)</p> <p>3. Section 3.2.1 of the PD now provides enhanced justification for the imminent risk of deforestation, demonstrating:</p> <ul style="list-style-type: none"> <li>• The economic necessity of carbon credit revenue to preserve forests, given the lack of alternative conservation financing</li> <li>• Strong local pressure from expanding agro-industrial projects (particularly oil palm) that incentivize land conversion</li> <li>• The valid legal standing of land-use change permits (see Section 3.1.5 of the PD)</li> </ul> <p>PD was updated for better underrating the initiation dates.</p> <p>4. Growing market opportunities in Ucayali have heightened BAM and JCC's agro-industrial interest, particularly in oil palm - representing 60% of regional exports (2022). As profit-driven enterprises, they prioritize shareholder value through viable ventures. The convergence of established local markets and available</p> |

| N° | Summary of comment received                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Summary of responses and actions taken                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>financing has made agricultural conversion both economically attractive and a sustainable income source (Section 3.1.4 and 3.1.5 of the PD).</p> <p>5. The project activity was chosen using the VM0007 V1.6 methodology's problem tree. The first step demonstrates the forest land's intended conversion, followed by verifying legal compliance. This identifies the project activity as "Avoiding planned deforestation and degradation," thereby posing a significant threat to the environment.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 2  | <ol style="list-style-type: none"> <li>1. Communities and community groups are not defined as required by CCB.</li> <li>2. Specific activities for community benefits are not identified.</li> <li>3. The PD does not address if the participating communities have rights to perform certain activities in the project area (specifically customary rights).</li> <li>4. It seems unlikely that these areas could actually be converted to another land use based on the historical land use patterns of the area. The PD does not contain sufficient information to allow a reader to understand how the Project has demonstrated that the Project Area can be converted.</li> </ol> | <ol style="list-style-type: none"> <li>1. Project area is a private concession. No local communities depend economically, culturally, or for subsistence on the project area. However, neighboring communities have been identified as indirect beneficiaries to create environmental and social co-benefits, following CCB guidelines (Section 2.1.8 of the PD).</li> <li>2. Specific activities for community benefits are considered in the Theory of Change Section 2.1.11 of the PD, which includes improving the access to basic services of neighboring communities and promoting sustainable productive activities.</li> <li>3. As the project area consists of private properties, neighboring communities participate on a voluntary basis without binding commitments, primarily through roles in monitoring and surveillance programs, as well as through sustainable livelihood initiatives, training, and tools to improve their socioeconomic conditions.</li> </ol> |

| N° | Summary of comment received                                                                                                                             | Summary of responses and actions taken                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    |                                                                                                                                                         | <p>These activities serve a dual purpose: reducing pressure on surrounding forests by discouraging unsustainable practices, while creating lasting positive impacts that extend beyond the project's accreditation period. There is no customary rights inside of the project area.</p> <p>4. The project documentation has been strengthened to demonstrate the high likelihood of forest conversion, as confirmed by the Ucayali Regional Agriculture Directorate (September 2024) /158/ /159/. Landowners retain full legal rights to change land use at their discretion. Given strong regional demand for palm oil and other agricultural commodities—coupled with the need for viable income streams—conversion remains the probable outcome without carbon credit revenues as an alternative.</p> |
| 3  | <p><i>There is insufficient information in the PD to determine whether or not the grievance process meets the requirements of the CCB Standard.</i></p> | <p>The grievance mechanism outlined in Section 2.3.12 of the PD fully complies with CCB's three-stage requirements, having been introduced to stakeholders through informational workshops and remaining permanently available both at the project office and through multiple contact channels to ensure transparent stakeholder engagement throughout the project lifecycle.</p>                                                                                                                                                                                                                                                                                                                                                                                                                       |

The audit team has conducted a comprehensive review of all relevant sections of the Project Design Document (PD) affected by the comments. This included a detailed assessment of the project's description, monitoring plans, and baseline data to ensure full alignment with VCS and CCB Standards.

All comments and requested clarifications have been properly addressed by the project proponent, either through updating relevant section of the PD.

Additionally, the **Validation Report has been updated** in the relevant sections to incorporate these revisions, ensuring transparency and traceability in the audit process. The audit team confirms that these

updates fully resolve the findings and strengthen the project's compliance with VCS and CCB requirements.

## 2.7 Resolution of Findings

All findings (11 CARs and 7 CLs) issued by the AENOR audit team during the validation process have been closed for both VCS and CCB Standards. 1 FAR was raised in order to confirm the absence of double counting or double claiming associated with the Peru ART TREES program. In accordance with VCS and CCB requirements, all findings issued during the validation process, and the inputs for their closure, are described in Appendix II of this report.

### 2.7.1 Forward Action Requests

No Forward Action Requests were raised to the PP during this process.

## 3 VALIDATION FINDINGS

### 3.1 Summary of Project Benefits

Section 1.2 of CCB-VCS-PD summarize the standardized benefit metrics, including: GHG emission reductions or removals; Forest cover; Improved land management; Training; Employment; Livelihoods; Health; Education; Water; Well-being and Biodiversity conservation. The audit team reviewed information reported in this section against supporting evidence listed in appendix I; also, AENOR validation team has verified that all achievements reported are substantiated with information provided in the body of the CCB-VCS-PD.

### 3.2 General

#### 3.2.1 Summary Description of the Project (G1.2)

The project is located in Ucayali and Huánuco departments, the region with the highest rate of deforestation in the Peruvian Amazon. The project comprises the maintenance and conservation of forest cover in two private properties, duly registered in the Register of Property in Pucallpa. Selva Maestra (SM) property owned by Bosques Amazónicos S.A. (12,730.41 ha) and Nuestro Señor Jesús (JSC) owned by JCC Inversiones SAC (company part of Bosques Amazónicos SFM S.A. economic group) with an area of 8,049.87 ha.

These lands, originally owned by the Peruvian State, were granted through enabling titles in compliance with applicable regulations. The project involves the development of an agro-industrial initiative, including the cultivation of oil palm, camu camu, and castor oil plants across 7,507 hectares of the JCC property, as well as cattle ranching activities on 7,000 hectares of the SM property. The total project area encompasses 14,507 hectares dedicated to these activities.

Both BAM and JCC have forestry, agricultural, industrial, and manufacturing activities as part of their corporate purpose. As private companies, they are obligated to generate value for shareholders and investors, requiring revenue streams from economic activities aligned with their core operations.

In late 2019, seeking the most favorable economic, environmental, and social returns, BAM proposed that JCC develop a conservation project eligible for carbon credits. This shift was driven by projections in the international carbon market, where growing environmental commitments—from both governments and private entities—aligned with the Paris Agreement objectives. As a result, carbon credit generation

emerged as a more financially attractive alternative than the original agricultural development plans outlined in the property titles.

In this context, the companies shifted their focus from agro-industrial activities to sustainable development centered on native vegetation conservation. This decision entails:

- Bearing the opportunity cost of forgoing agricultural and livestock production, and
- Investing resources to ensure effective area protection.

BAM has recognized that the project area harbors exceptional ecological richness and serves as a critical habitat corridor for diverse flora and fauna—many of which are threatened or protected under national regulations.

This initiative presents a unique opportunity to advance scientific research and biodiversity conservation, underscoring the vital role of Amazonian rainforests in global ecosystems.

The project is designed to prevent planned deforestation by discouraging landowners from exercising their legal right to convert forestland for agroindustrial use. By implementing this initiative, the project is projected to reduce emissions by 8,234,790 tCO<sub>2</sub>e over its 20-year crediting period, averaging 411,740 (large scale project. i.e.; greater than 300,000 tonnes of CO<sub>2</sub>e per year) tCO<sub>2</sub>e annually. These reductions will be achieved through a series of targeted activities, organized into three key intervention strategies:

- Reduce GHG emissions caused by deforestation and degradation.
- Contribute to the well- being of the identified communities in the surroundings of the Project by improving their access to basic services, and sustainable productive activities.
- Guarantee and maintain the integrity of biological diversity and ecological processes + services in the Project Area.

BAM has recognized that the project area harbors exceptional ecological richness and serves as a critical habitat corridor for diverse flora and fauna—many of which are threatened or protected under national regulations.

This initiative presents a unique opportunity to advance scientific research and biodiversity conservation, underscoring the vital role of Amazonian rainforests in global ecosystems.

Emission reduction will be achieved through three strategic intervention lines: Mitigation of deforestation risks; protection of biodiversity and ecological processes; and Socio-economic management for community development. The objectives pursued with the implementation of the project are:

- Reduce GHG emissions caused by planned deforestation.
- Contribute to the well- being of the identified communities in the surroundings of the Project by improving their access to basic services, and sustainable productive activities.
- Guarantee and maintain the integrity of biological diversity and ecological processes + services in the Project Area.

The project implements strategic and technical measures outlined in the Theory of Change matrix (Section 2.1.11) to preserve forest cover across targeted sectors of two private properties. Key interventions include:

- Satellite-based forest monitoring systems
- Community capacity-building programs to enhance local well-being

- Biodiversity conservation through specialized monitoring protocol

Project Start Date: 01 January 2020 (commencement of crediting period), marked by:

- Delivery act of the first security camp in the Quinillal sector /156/.
- Deployment of monitoring personnel and initiation of field reporting activities.

Before launching the project initiative, landowners conducted pre-feasibility studies for agroindustrial development as a profitable land-use alternative. Despite maintained forest cover following land-use change approval, strong economic pressures, particularly from expanding oil palm cultivation in the region, posed an imminent deforestation threat.

Therefore, the project will contribute to the mitigation of climate change, conserving biodiversity and generating benefits for the population of the community. The project goals include the conservation and reduction of deforestation; contribute to improve the quality of life of neighbourhood and local stakeholders; and the conservation of biodiversity.

AENOR deems that the description in the project description is accurate, complete, and provides an understanding of the nature of the project

### 3.2.2 Physical Parameters (G1.3)

In section 2.1.5 of the CCB-VCS-PD, there is a complete description of the basic physical parameters of the area where the project is carried out. These parameters include the climate, hydrology, soil, types of vegetation and biological diversity, following is summarized these physical parameters .

The validation team confirmed that the PD sufficiently describes the physical parameters of the project area and zone. Validation team confirmed the physical parameters against Climate Map of Peru, provided by the National Service of Meteorology and Hydrology /11/; Inter-basin water resources assessment 49917-Ucayali proved by Water National Authority /12/; National Map of Ecosystems of Peru by Environmental ministry (MINAM) /13/; Ucayali Environmental indicators 2013 MINAM /14/; Regional environmental diagnosis of Huánuco 2018 MINAM /15/; and forest inventories conducted by “Tropical Forest Development SRL”, in 2007 /16/.

In addition, validation team, during the on-site visit, confirmed by observing the main characteristics that the provided information are in accordance to the provided information in the CCB-VCS-PD.

### 3.2.3 Social Parameters (G1.3)

The social parameters were contrasted against Ucayali and Huánuco departments territorial information Government reports /17/ /18/. Additionally, Project proponent has developed a social base line report /19/, including information regarding current socioeconomic conditions of the inhabitants living in a given territory, their cultural characteristics, organizational system and exercise of collective governance. Also, provided information was assessed this during the site visit and with the documented evidence from Appendix I.

Also, the information about groups present in the project, were confirmed during the meeting with local stakeholders contrasting the information of social baseline report .

### 3.2.4 Project Zone Map (G1.4-7, G1.13, CM1.2, B1.2)

Section 2.1.7 of the VCS-CCB-PD describes the project zone map of the project, including: Project Area /21/ and Proxy Areas /22/.

Regarding the delineation of the Project Area (PA), this was evaluated and confirmed based on the Land Use Change Management Plan /16/. This Plan covers the Selva Maestra and Nuestro Señor de Jesucristo properties (Ucayali and Huánuco, Peru). Its core objective is to establish the guidelines and methodologies to identify, evaluate, and zone forest areas suitable for planned and sustainable conversion to agro-industrial crops. The zoning strategy seeks to minimize negative impacts, prioritizing the conservation of high-ecological-value areas, and promoting activities compatible with the resilience and regeneration of the regional ecosystem. The audit team, also confirmed that the land use change described in the area management plan is in accordance with the project approval resolutions /96/ /98/.

Area of deforestation (*Aplanned,i*) was assessed against section 1.2 of the applied methodology /111/

| Requirement                               | VVB assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1) Legal permissibility for deforestation | <p>Both the Selva Maestra and Nuestro Señor Jesucristo properties were awarded under Peruvian legislation (Legislative Decrees No. 653 (1992) /166/ and No. 838 (1996) /167/, respectively) specifically to promote agrarian activities (farming and livestock).</p> <p>The audit team confirmed that The land use change described in the area management plan /168/ is in accordance with the project approval resolutions and property registration certificates from The National Superintendency of Public Registers (SUNARP). i.e:</p> <ul style="list-style-type: none"> <li>JCC Inversiones SAC – Resolution on property adjudication (Directorial Resolution N°001-2009-GRU-P-DRSAU) /96/</li> <li>JCC Inversiones SAC – Registration certificate given by SUNARP (national superintendence of public records) /97/</li> <li>Procurement contract - between BAM and Regional Directorate of agriculture of Ucayali (Directorial Resolution N° 452-98) /98/</li> <li>Bosques Amazonicos SA – Registration certificate given by SUNARP (national superintendence of public records) /99/</li> </ul> <p>The Ucayali Regional Directorate of Agriculture (DRA) confirms that both properties maintain their</p> |

2) Suitability of project area for conversion to alternative non-forest land use

original rights and land uses. According to recent reports (Report No. 053-2024 /159/ and Letter No. 813-2024) /158/, these rights remain in full force and effect, as the execution schedule for the stipulated development plans is subject to the decision of the property owners.

Audit team assessed the land use change management plan /168/ that defines the management units, including the flood-prone areas, and establishes their compatible productive use without altering the hydrological dynamics. In these areas, the cultivation of camu camu (*Myrciaria dubia*) is proposed—a species adapted to seasonal flooding—meaning the intervention consists of organization and conditioning, not drainage of the area, thus maintaining the site's integrity.

The audit team confirmed that The land use change described in the area management plan is in accordance with the project approval resolutions and property registration certificates from The National Superintendency of Public Registers (SUNARP), as previously explained.

3) Government approval for deforestation

Project approval resolution /96/ /98/ confirms the approved change of land use for agricultural and livestock activities, which aligns with the enabling title granted by the Peruvian State. Furthermore, recent documents from the Regional Directorate of Agriculture of Ucayali (DRA) (Report No. 053-2024 and Letter No. 813-2024, dated September 25, 2024) confirm that the rights of use and agricultural development plans remain legally valid. This validity is based on the status of the current owners, who retain the authority to determine the execution schedule of these activities.

In conclusion: The authorizations for land use change are fully valid and applicable under current legal provisions.

4) Intention to deforest

The intention to deforest is demonstrated in the agro-industrial plans developed for each property, which facilitated their acquisition. Specifically, the "Nuestro Señor Jesucristo" property outlines a

land-use change for producing permanent crops (oil palm, castor oil plant, and camu camu). In contrast, the "Selva Maestra" area has a land-use change authorization for establishing pastures for cattle raising. In these sense audit team assessed the development of an agro-industrial project detailed in technical Economic Feasibility Study for Nuestro Señor Jesucristo /124/ and Project Profile for Selva Maestra /125/, which include projected productive activities.

In addition, the existence of the agreement signed in 2019 between Bosques Amazónicos and JCC Inversiones S.A.C. /16/ (both BAM Group companies) confirms the realistic risk of deforestation. This agreement established a specific deadline for registering The Last Habitat project within the carbon market. Upon expiration of this deadline without successful registration, the parties agreed to reactivate the originally planned agricultural activities.

Proxy Areas was assessed against section 1.3 of the applied methodology /111/

| Requirement                                                                                                                    | VVB assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1) Land conversion practices must be the same as those used by the baseline agent or class of agent                            | <p>Information from Peru's Ministry of the Environment (MINAM) "GEOBOSQUES" portal<sup>1</sup> was utilized, which provides annualized deforestation data for the project area. This approach allowed to observe the changes that occurred starting in 2009.</p> <p>The chosen proxy areas fall within the same category as the project proponent: <i>"Large scale agri/aquaculturalists practicing farming/aquaculture on parcels larger than 500 ha."</i> Furthermore, these areas were deforested to a similar extent as that proposed in the project area's management plans.</p> |
| 2) The post-deforestation land use must be the same in the proxy areas as expected in the project area under business as usual | <p>The chosen proxy areas share one of the main industrial post-deforestation land uses: <i>oil palm and pastures</i>, which are the same uses described in the land use management plans /168/. This was verified using high-resolution imagery, which clearly shows the common gridded structure of an</p>                                                                                                                                                                                                                                                                          |

<sup>1</sup> <https://geobosques.minam.gob.pe/geobosque/view/descargas.php?122345gx345w34gg>

- oil palm plantation, alongside permanent roads for material extraction.
- 3) The proxy areas must have the same management and land use rights type as the proposed project area under business as usual
- All proxy areas are established companies that had full authorization for land use change. Activities of chosen companies (Biodiesel Ucayali; Ecoland Arkadia; El Refugio; Granja Ganadera; San Jorge; Ocho Sur P; Ocho Sur S) was verified on National Superintendency of Customs and Tax Administration (SUNAT) portal<sup>2</sup>
- 4) If suitable sites exist they must be in the immediate area of the project; if an insufficient number of sites exists in the immediate area of the project, sites must be identified elsewhere in the same country as the project; if an insufficient number of sites exists in the country, sites must be identified in neighboring countries:
- All proxy areas are in the same jurisdiction (province) than the project area. It was confirmed against public information on SUNAT portal and KML files /22/
- 5) Agents of deforestation in proxy areas must have deforested their land under the same criteria that the project lands must follow
- The proxy areas exhibit similar landscape parameters compared to the project area, as defined in the comparison tables.
- Table 3.10 demonstrates that the slope classes are nearly identical, with less than a 20% difference between the 15% classes (which is well below the methodology threshold).
  - Table 3.11 presents the elevation classes using a 100-meter interval (instead of the required 500-meter interval), showing that the difference between the areas is non-significant.
- Information from Peru's Ministry of the Environment (MINAM) "GEOBOSQUES" portal was utilized, which provides annualized deforestation data in the region.
- Both the project area and the proxy areas fall within the same ecozone stratum defined in the Forest National Inventory of Peru, as well as the FREL /132/
- 6) Deforestation in the proxy area must have occurred within the 10 years prior to the baseline
- Figure 3.3 of the PD illustrates the extent of this deforestation during the required 10-year lookback

<sup>2</sup> <https://e-consultaruc.sunat.gob.pe/cl-ti-itmrconsruc/FrameCriterioBusquedaWeb.jsp>

period

period, alongside the preceding deforestation history dating back to the year 2000. Similar deforestation is observed in public data from MINAM in GEOBOSQUES portal.

The three following conditions must be met:

- The forest types surrounding the proxy area or in the proxy area prior to deforestation must be in the same proportion as in the project area ( $\pm 20\%$ ).
- Soil types that are suitable for the land-use practice used by the agent of deforestation in the project area must be present in the proxy area in the same proportion as the project area ( $\pm 20\%$ ). The ratio of slope classes "gentle" (slope  $< 15\%$ ) to "steep" (slope  $\geq 15\%$ ) in the proxy areas must be ( $\pm 20\%$ ) the same of the ratio in the project area.
- Elevation classes (500m classes) in the proxy area must be in the same proportion as in the project area ( $\pm 20\%$ )

The three condition are met by the project

The proxy areas exhibit similar landscape parameters compared to the project area, as defined in the comparison tables.

- Table 3.10 demonstrates that the slope classes are nearly identical, with less than a 20% difference between the 15% classes (which is well below the methodology threshold).
- The soil type is the same, the proxy areas are located in the same region and close to the project area.
- Table 3.11 presents the elevation classes using a 100-meter interval (instead of the required 500-meter interval), showing that the difference between the areas is non-significant.

Information from Peru's Ministry of the Environment (MINAM) "GEOBOSQUES" portal was utilized, which provides annualized deforestation data in the region.

AENOR, additional to the stated evidences, during the site visit by visiting project zone; reviewed KML files /23/ and processed GIS data /24/.

### 3.2.5 Stakeholder Identification (G1.5)

The project area lacks any community groups inside of the project area (private area), and due to its size and proximity to Ucayali, it requires prioritizing project stakeholders through an assertive evaluation process. All communities or settlements were analysed using field data, GIS technologies, and secondary sources to identify the most relevant groups, ensuring a dynamic and comprehensive approach to stakeholder identification. Geographical analysis considers community proximity, accesses, population density, socioeconomic dynamics, and rights allocation. A stakeholder assessment matrix considers their interest in the project's objectives, benefits, and activities, as well as their potential impact on the project.

The identification process distinguishes local communities into small rural settlements and indigenous communities, both within in the surrounding. These communities may have informal or formalized

annexes, and their livelihoods are indirectly benefited by the project area through ecosystem services provided.

Based on the identified communities, PP aims to measure the project's impact over the years, as described in section 2.1.9, based on the analysis results. Other stakeholders, including authorities, national and regional institutions or organizations, are identified as potential indirect groups for implementing project activities and achieving project objectives, based on their influence in the project area and objectives.

Validations team reviewed the social baseline report /19/; which includes: General characteristics of the identified population; methodology, analyses and surveys results. Project proponent conducted a series of participatory workshops and several meetings with identified actors; this information was contrasted during the site visit with interviews with local stakeholder.

The project area contains no resident communities or livelihood-dependent groups. However, in alignment with CCB objectives, the project actively engages neighboring communities as indirect beneficiaries to amplify its conservation and social impacts.

Validation team confirmed that the process of identifying actors was carried out through surveys, interviews, and secondary sources to describe the socioeconomic situation of the identified communities, highlighting their general characteristics and their initial socioeconomic status, detailed in the PD and supporting evidence /19/ /67/. Validation team reviewed the Social initial diagnosis report /67/, which involves the analysis of the geographic and demographic context, identifying key stakeholders (institutions, leaders, and vulnerable groups) and prioritizing their problems and needs (such as unemployment or access to services), along with their causes and perceptions. It also assesses local resources and strengths (infrastructure, social networks) and the relevant legal framework, using methodologies like surveys or interviews to conclude with a synthesized overview that guides future social interventions and social baseline report /19/ in order to identify characterization of relevant communities to the project; needs of the communities; and economic situation, confirming the consulting process and description of the communities.

AENOR assessed the identification of stakeholder by reviewing the social baseline report /19/; social initial diagnosis report /67/; workshop presentation /25/, flyers of project diffusion /26/, stakeholders meeting reports /27/; project diffusion reports /28/; presentation project diffusion /29/; Field income planning/30/ and by direct interview with stakeholder, during the on-site visit. Complete list of evidence is listed in appendix I.

### **3.2.6 Stakeholder Descriptions (G1.6, G1.13)**

The stakeholders and other stakeholders identified are mentioned in section 2.1.9 of the CCB-VCS-PD and also briefly explained above in section 3.2.5 of this report. The identification of stakeholders were carried out through meetings and workshops. Validations team reviewed the social baseline report /19/; which includes: General characteristics of the identified population; methodology, analyses and surveys results.

Validation team in order to confirm that all communities, community groups and other stakeholders, were correctly identified in the project description reviewed the 2022 Ucayali and Huánuco statistical compendium of the national statistical institute (INEI) /31/ /32/. Then, based reviewed documents /17/ /18/ /30/ /31/ and interviews the relevant stakeholders mentioned in the CCB-VCS-PD were validated and are in line with the audit observation.

### 3.2.7 Sectoral Scope and Project Type

Sectoral scope 14 - Agriculture, Forestry, Land Use

AFOLU category of the project: Reduction of Emissions from Deforestation and Degradation (REDD).

Type of activity: Avoiding Planned Deforestation and/or Degradation (APDD)

### 3.2.8 Project Activities and Theory of Change (G1.8)

Project proponent included in the CCB-VCS-PD a complete description of activities to be taken in order to achieve the climate, biodiversity and community objectives. Section 2.1.11 includes the activities description, outputs, outcomes and impacts. Project proponent developed Community development plan /51/, including objectives and activities that are carried out by the project activity to contribute to the well-being of the identified communities in the surroundings. PP is implementing a monitoring, control, and surveillance system /33/ on climate, biodiverse and community. It is based on spatial analysis of the area (satellite monitoring), as well as technical and legal support for the correct identification and control of deforestation threats in the project area

Main activities include:

Climate:

- ✓ Replace plans to convert tropical lowland rainforest to agro-industrial crops, promoting conservation strategies instead.
- ✓ Implement a comprehensive monitoring, reporting and verification (MRV) system to protect the boundaries of the project area, ensure proper land management and promote long-term forest conservation.

Community

- ✓ Development of basic health and education infrastructure, implementation of capacity-building programs, provision of urgent supplies, and strengthening of cultural activities.
- ✓ Technical support for improving the production of cassava, camu camu, and other sustainable activities in the area, in coordination with other institutions.

Biodiversity

- ✓ Establish a scientific program for continuous monitoring and evaluation of biodiversity (flora and fauna) within the project area to guide conservation strategies.
- ✓ Promote biodiversity conservation through communication campaigns, living in harmony with the environment and training programs.

Implementing those activity PP pretends to reduce GHG emissions caused by deforestation and degradation; contribute to the well-being of the identified communities in the surroundings of the project by improving their access to basic services, and sustainable productive activities; and guarantee and maintain the integrity of biological diversity and ecological processes and services in the project area.

In order to confirm that project activity would be able to meet its objectives, validation team reviewed the social baseline report /19/, community development plan /51/ and implemented monitoring, control, and surveillance system /33/. Moreover, during the on-site assessment, interviewed local stakeholders confirmed all activities carried out by the project developer. Therefore, AENOR deems that the theory of

change in the project description is accurate, complete, and provides an understanding of the nature of the project and how it will achieve its climate, community, and biodiversity objectives.

### 3.2.9 Sustainable Development

As stated in section 2.1.12. of the CCB-VCS-PD, Peru's State Policies /34/ outline long-term strategies for sustainable development, 19 focusing on environmental management. These policies aim to integrate environmental policies with economic, social, cultural, and territorial planning to overcome poverty and achieve sustainable development. They also aim to institutionalize public and private environmental management to protect biodiversity, promote sustainable resource use, and improve quality of life for vulnerable populations.

State policies guide national and sectoral policies, including the national development strategic plan, which was updated to reflect 2050's vision and includes national objectives, strategic objectives, and strategic actions. In this sense, project activity is implementing activities aligned with national objectives and the UN Sustainable Development Goals, including: Train neighbouring communities in sustainable forest management, fire prevention, wildlife conservation, and other topics, providing them with necessary tools for biodiversity protection; awareness about biodiversity conservation and wildlife crime among stakeholders, while also promoting sustainable land use through agroforestry, reforestation, and non-timber product management; undergo continuous monitoring to identify potential deforestation threats, enabling the implementation of an early warning system; implementation of sustainable activities in nearby communities to improve and diversify the local economy; and the Science program aims to foster collaboration between public-private and academic entities for long-term research in forests, with funding for thesis students and ongoing dialogue with neighbouring communities and authorities.

Verification team assessed Community development plan /51/; monitoring, control, and surveillance system /33/; the 35 state policies of the national accord /34/; climate monitoring plan /35/; community monitoring plan /36/; biodiversity monitoring plan /37/; then AENOR is able to confirm that project implementation contributes to sustainable development and is aligned with national objectives and UN goals.

### 3.2.10 Implementation Schedule (G1.9)

The most important milestones are described in the in section 2.1.13 of the CCB-VCS-PD. In the following table is summarized the assessment carried out by the audit team

| Date             | Milestone(s) in the project's development and implementation                                                                         | VVB Assessment                                                                                             |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| 19 August 2019   | BAM institutionalizes the company's Science Program to assess and monitor the biodiversity of the forests in its areas of influence. | Audit team reviewed news shared on the BAM web platform about the science program                          |
| 15 November 2019 | BAM signs a cooperation agreement with CORBIDI (scientific organization) in the framework of the BAM science program.                | Audit team assessed the signed agreement between BAM and CORBIDI/38/ confirming the science program starts |
| 17 November 2019 | As part of the forestry week,                                                                                                        | Audit team reviewed the fire control                                                                       |

| Date              | Milestone(s) in the project's development and implementation                                                                        | VVB Assessment                                                                                                                                                                                                                    |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   | training on conservation and fire control is provided to neighboring communities.                                                   | preventions plan /39/ and training activates conducted by PP with neighbouring communities.                                                                                                                                       |
| 20 November 2019  | Signing of a memorandum of understanding between BAM and JCC Inversiones SA for the development of a GHG project.                   | Audit team reviewed the memorandum of understanding between BAM and JCC Inversiones SA. /157/ Confirming the date                                                                                                                 |
| December 2019     | The construction of the first security camp in Quinillal begins.                                                                    | During the on-site visit audit team requested information about control activities in the project area confirming the construction of the security camp.                                                                          |
| 01 January 2020   | Project Start Date (start of crediting period).                                                                                     | Project start date was confirmed against Delivery act of the first security camp in the Quinillal /156/ sector and initiation of activities for the introduction of the personnel responsible for monitoring and field reporting. |
| 24 January 2020   | Territorial security activities implemented: patrolling and boundary maintenance.                                                   | Audit team revied the territorial security report 2020 /41/, confirming patrolling and boundary maintenance activities                                                                                                            |
| March 2020        | A first drone overflight is carried out to collect more details on the conservation status of the forests (monitoring system).      | Audit team reviewed drone overflight photographs /42/ to confirm this activity.                                                                                                                                                   |
| 09 March 2020     | First Biodiversity Expedition - Quinillal Camp takes place.                                                                         | Audit team confirmed this date against first biodiversity expedition report /43/.                                                                                                                                                 |
| 02 July 2020      | COVID-19 Plan is implemented as a health measure in the context of the global pandemic and a first medical campaign is carried out. | Audit team confirmed this date against COVID plan and medical campaign /44/.                                                                                                                                                      |
| 15 September 2020 | A new training event on prevention and control of forest fires is carried out.                                                      | Audit team confirmed this date against forest conservation training activities report /40/.                                                                                                                                       |

| Date             | Milestone(s) in the project's development and implementation                                                                                                                                          | VVB Assessment                                                                                                               |
|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| February 2021    | A medical campaign is carried out in the community of Nuevo Belén.                                                                                                                                    | Audit team confirmed this date against COVID plan and medical campaign /44/.                                                 |
| 23 February 2021 | BAM signs a cooperation agreement with Universidad Nacional Agraria La Molina (UNALM) in the framework of the BAM's Science Program for the promotion of forest conservation and restoration efforts. | Audit team confirmed this date against signed agreement with UNALM /45/.                                                     |
| August 2021      | First diagnose evaluation of climate, community and biodiversity by Paskay                                                                                                                            | It was validated against social baseline report /19/, which include a diagnosis evaluation of the project area.              |
| 18 August 2021   | 12 camera traps are installed within the project area (biodiversity evaluation).                                                                                                                      | Audit team reviewed the camera traps report 2021 /46/, which details the project zone location and the date of installation. |
| 28 April 2022    | Contribution to the infrastructure of the educational center of the Túpac Amaru Limón community.                                                                                                      | Audit team interviewed local community members and confirmed this contribution from PP in stated dates.                      |
| May 2022         | Construction of a soccer field in the community of Belen as a socio-cultural space that promotes health and sports for the surrounding communities.                                                   | Audit team interviewed local community members and confirmed this contribution from PP in stated dates.                      |
| 01 July 2022     | Daily early warning reports (hot spots) were initiated as part of the monitoring system in the project area.                                                                                          | Audit team reviewed the early fire alerts report /48/, also checked it during the on site visit.                             |
| 15 July 2022     | BAM signs a cooperation agreement with the community of Pucallpillo.                                                                                                                                  | Audit team reviewed the commitment agreement between PP and Pucallpillo community /49/ to validate the date.                 |
| 08 Ago 2022      | Contribution to the construction of a communal raft as a means of river transportation that allows the community to increase its income                                                               | Audit team interviewed local community members and confirmed the donation from PP in stated dates.                           |

| Date              | Milestone(s) in the project's development and implementation                                                 | VVB Assessment                                                                                                                                                                       |
|-------------------|--------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   | and benefits the surrounding communities.                                                                    |                                                                                                                                                                                      |
| 29 September 2022 | Part of the forests protected by BAM are recognized as the Second Private Conservation Area of Ucayali, Peru | Audit team reviewed news from Peruvian government confirming this issue and date.                                                                                                    |
| August 2022       | 300 camera traps are installed in collaboration with San Diego Zoo as part of BAM's Science Program.         | Audit team reviewed the camera traps report 2022 /47/, which details fauna (photos) inside of the project area.                                                                      |
| 09 May 2023       | New frog species is discovered in the project area.                                                          | Audit team reviewed the scientific paper: Rising from the ashes: A new treefrog (Anura, Hylidae, Scinax) from a wildfire-threatened area in the Amazon lowlands of central Peru /50/ |
| 20 June 2023      | VVB validation and verification visit.                                                                       | The audit team conducted the site visit from 20 to 23 June 2023                                                                                                                      |
| 2039              | End of project crediting period.                                                                             | In line with project lifetime                                                                                                                                                        |

After reviewing listed documents AENOR's validation team confirm the most important dates of the project schedule.

### 3.2.11 Benefits Assessment and Crediting Period (G1.9)

The projects crediting period and activities goes from 1 January 2020 to 31 December 2039. For a period of 20 years.

According to Section 3.9.3 of the VCS Standard, the crediting period of AFOLU projects will have a minimum of 20 years and a maximum of 100 years. Therefore, the project activity is in line with the length of the crediting period, and it has the option to renew more times.

### 3.2.12 Risks to the Project (G1.10)

As summarized in section, 2.1.18 of the CCB-VCS-PD, project proponent identified the main risk of the project activity, which includes: Illegal deforestation; Uncontrolled burning; Illegal logging / timber extraction; Non-timber products extraction; and Climatic events of precipitation and extreme "droughts"

In addition to these risks, the PP has developed a Non-Permanence Risk Report to estimate the risks on Climate benefits in accordance with the VCS AFOLU Non-Permanence Risk Tool v 4.0.

AENOR deems that the PP correctly identified the risks to the project benefits but the most important is that has designed and is implementing actions to reduce or diminish the negative impacts of these risks in the benefits on the climate, community, and biodiversity

The validation team conducted a thorough review of the project's key monitoring and risk management systems to ensure compliance with VCS and CCB standards. This included an in-depth assessment of:

- Monitoring, Control, and Surveillance System /33/: Evaluated the effectiveness of measures to prevent illegal activities (e.g., logging, encroachment) and ensure project area protection.
- Climate Monitoring Plan /35/: Verified the methodologies for tracking climate variables and their integration into adaptive management strategies.
- Community Monitoring Plan /36/: Assessed the inclusion of local stakeholders in data collection and oversight, ensuring participatory safeguards.
- Biodiversity Monitoring Plan /37/: Confirmed the scientific rigor of species and habitat tracking methods, including indicator selection and frequency.
- Fire Prevention and Control Plan, including Early Fire Alerts Report /48/: Reviewed protocols for fire detection, response, and mitigation, as well as the functionality of early warning systems.

Additionally, during the on-site assessment, the validation team engaged with the security supervisor to validate the implementation of risk reduction measures. Through structured interviews, the team confirmed that proactive steps have been taken to mitigate both natural risks (e.g., wildfires, erosion) and human-induced threats (e.g., unauthorized land use). This included verifying the presence of trained personnel, emergency protocols, and coordination with local authorities.

The audit team conducted a detailed review of the project's monitoring and risk management systems, including the Monitoring, Control, and Surveillance System /33/, Climate Monitoring Plan/35/, Community Monitoring Plan /36/, Biodiversity Monitoring Plan /37/, Fire Prevention and Control Plan, and Early Fire Alerts Report /48/. The review confirmed these systems are properly designed and implemented to meet project objectives and compliance requirements. All plans were found to incorporate scientifically sound methodologies, participatory approaches with local communities, and adequate measures for threat detection and response.

During on-site verification, the audit team interviewed the security supervisor to assess the practical implementation of risk mitigation measures. The team verified that effective steps are being taken to minimize both natural risks (e.g., wildfires, extreme weather) and human-induced threats (e.g., illegal activities). These include regular patrols, functioning early warning systems, community training programs, and coordination with local authorities. The audit concludes that the project has established comprehensive safeguards to address potential risks, ensuring long-term sustainability and compliance with VCS and CCB Standards.

### **3.2.13 Benefit Permanence (G1.11)**

Project design documents describes how the biodiversity benefit will extend past the project lifetime. According to section 2.1.19 of CCB-VCS-PD.

The project aims to ensure financial sustainability for BAM and JCC by avoiding agro-industrial projects for deforestation, prioritizing sustainable development and ecosystem preservation. Private companies can opt for forest conservation through commercialization of carbon credits, covering opportunity costs and allowing them to invest in strategies to maintain forest integrity and protect high biodiversity in the area. This will also provide environmental and social benefits.

The project aims to create lasting positive impacts on forest conservation and biodiversity management. By engaging surrounding communities as key stakeholders, it promotes sustainable livelihoods through conservation-focused activities, responsible forest management, and eco-friendly productive initiatives.

The project aims to foster lasting behavioral changes in local communities toward environmental stewardship, extending beyond the project's lifespan.

A key biodiversity focus involves collaborating with universities and international organizations to:

- Generate and share scientific knowledge about the area's ecosystems—particularly rare or vulnerable species—to strengthen conservation efforts.
- Raise awareness among scientists, authorities, and the public about the urgency of protecting these habitats.

Furthermore, the project has achieved 40-year Private Conservation Area status for the JCC property /101/, demonstrating the developer's commitment to the area's conservation, and providing additional protection status for the REDD+ project's crediting period.

AENOR assessed the fire prevention and control plan /39/; forest conservation training activities report /40/; community development plan /51/; and its implementation schedule /52/; Biodiversity activity matrix /60/; BAM science plan /54/. Furthermore, during the on-site visit, many actors were interviewed (refer to section 2.4) to confirm the supports and activates carried out by the project proponent. Therefore, validation team considers that all measures implemented by the project are enough to ensure the permanence of the Project benefits and to promote its continued operation during its projected lifetime, ensuring the well-being of the population, impacting positively on climate and biodiversity benefits beyond the project lifetime.

### **3.2.14 Financial Sustainability (G1.12)**

BAM, a Peruvian forestry company, is the first to enter the Lima Stock Exchange and successfully place thematic debt instruments, earning around \$17 million in 2021. The company maintains excellent investor relationships and is the first in LATAM to certify a green debt instrument under the Climate Bonds Standard. The company's financial health is supervised by the Superintendence of the Securities Market. BAM plans to generate short-term income streams by selling carbon credits in a consolidated market, ensuring financial sustainability for project objectives. BAM has been managing a commercial plantation for over 12 years, focusing on sustainable harvesting of forest species, providing an additional revenue stream for the company.

To demonstrate the profitability and sustainability of the project, PP uses economic indicators such as Net Present Value (NPV) and the internal rate return (IRR). Due to PP has considered that the Financial Statements, Commercial Contracts, and sales details with information on transactions, are commercial sensible information those rates are no included in this report. Even that, audit team was available to assess; Financial statements /55/, It describes the financial position and states that the Company's Management controls liquidity risks associated with its obligations by periodically assessing clients' financial viability, securing credit lines with financial institutions, and managing asset and liability maturities effectively; Annual report 2022 /56/, which include the financial results as of December 31, 2022, confirming the financial strength of BAM, Financial Cash flow /57/, which tracks a company's cash inflows and outflows over the period, linking changes in the balance sheet and income statement to cash movements; BAM budget /58/; that estimates future income and expenses over the crediting period; and

Land valuation /59/, that details the economic values of the lands based on location, size, zoning, market demand, and potential use.

AENOR's validation team, after reviewing financial supports /55/ /56/ /57/ /58/ /59/ is able to confirm that the financial mechanisms adopted provides an adequate flow of funds for project implementation to achieve the project's climate, community and biodiversity objectives and benefits.

### **3.2.15 Grouped Projects**

The project is a grouped initiative targeting Ucayali and Huánuco regions in Perú, where the initial project area is located. Landholders with legal land cover change permissions can join the project, provided they meet the eligibility criteria outlined in Section 2.1.21 of the VCS-CCB-PD.

#### **1) Eligibility Criteria for Grouped Projects (G1.14)**

Section 2.1.21 of the PD details de eligibility for New Project Activity Instance Eligibility Criteria. PP has included as eligibility criteria:

- Be areas with clear land ownership, preferably with property titles registered in SUNARP and public registries. If the person/organization who manages the new area does not have legal ownership over it, demonstration that prior, free and informed approval of the landowner(s) must be presented. Also, the person/entity with the legal ownership must agree to give the project ownership to the project proponent, before being admitted to the project.
- Possess legal authorization from the competent authorities to change forest cover in part or all of the area over which ownership can be demonstrated.
- Consider only land use change approvals for the development of agricultural activities (agriculture and/or cattle raising).
- Be located within the boundaries of the amazon biome (as established by MINAM) of the Ucayali and Huánuco regions, and not be part of Forestry Concessions or Protected Natural Areas (see Figure 2.8 of the PD).
- Accept the implementation of the project activities and their periodic monitoring within the new area.
- Comply with the standards' requirements and the methodological applicability conditions.
- The project implementation does not generate the involuntary displacement of populations with rights to land/resources.
- Have conditions that determine the additionality similar to the ones in the initial project activity instance.
- Not be included in other GHG accreditation projects nor overlap with the area of another AFOLU registered project. Participate in the same stakeholder engagement processes as those described in section 2.3. of the PD,

To ensure that the eligibility criteria are meet PP will develop a protocol for managing the inclusion of new project activity instances, where the following will be detailed:

- The responsible area(s) within the company in charge of the review and approval of potential new project activity instances.
- The supporting documents to be requested for review.
- Checklists and/or other formats to be used during the revision process.
- Where and how the supporting information should be stored, to be presented during the audit.

Following is detailed the assessment of VCS and CCB requirements:

| Eligibility Criteria Requirement                                                                                                                                                                                                                                                                                                                                                                                                                  | VVB Assessment                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>1) Meet the conditions set out in the methodology applied to the project.</i>                                                                                                                                                                                                                                                                                                                                                                  | The Project Proponent must follow a protocol to incorporate new instances of project activities, including defining the area responsible, submitting necessary documentation, creating an eligibility compliance checklist, and storing supporting information for auditor review. Each new instance must be detailed in relevant documents for compliance assessment. |
| <i>2) Use the technologies or measures specified in the project description.</i>                                                                                                                                                                                                                                                                                                                                                                  | According to detailed eligibility criteria, the project must adhere to the original project description, activities, technologies, and measures, and be monitored regularly in the new area, ensuring compliance with standards and methodological applicability conditions before adding new instances to the project.                                                |
| <i>3) Apply the technologies or measures in the same manner as specified in the project description.</i>                                                                                                                                                                                                                                                                                                                                          | According to the eligibility criteria, the new instance must adhere to the original project description, activities, technologies, and measures, and be monitored regularly in the new area, ensuring compliance with standards and methodological applicability conditions before adding new instances to the project.                                                |
| <i>4) Are subject to the baseline scenario determined in the project description for the specified project activity and geographic area.</i>                                                                                                                                                                                                                                                                                                      | The Project Proponent will ensure new instances of the Project comply with eligibility criteria, ensuring that the activity in Huanuco and Ucayali aligns with the original baseline                                                                                                                                                                                   |
| <i>5) Have characteristics with respect to additionality that are consistent with the initial instances for the specified project activity and geographic area. For example, the new project activity instances have financial, technical and/or other parameters (such as the size/scale of the instances) consistent with the initial instances, or face the same investment, technological and/or other barriers as the initial instances.</i> | The Project Proponent is responsible for ensuring that any new instance of a project adheres to the same conditions determining additionality as the initial project activity instance.                                                                                                                                                                                |

| New Project Activity Instances Requirement                                                                                                                                                                                                                                                     | VVB Assessment                                                                                                                                                                                                                                                                                                                        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1) <i>Occur within one of the designated geographic areas specified in the project description.</i>                                                                                                                                                                                            | Section 2.1.21 of PD (Figure 2.7) details a unique geographic area for the grouped project. No new instances outside this designated area will be admitted.                                                                                                                                                                           |
| 2) <i>Conform with at least one complete set of eligibility criteria for the inclusion of new project activity instances. Partial conformance with multiple sets of eligibility criteria is insufficient.</i>                                                                                  | Section 2.1.21 of the PD states that new project activity instances must meet and confirm eligibility criteria before being incorporated into the project.                                                                                                                                                                            |
| 3) <i>Be included in the monitoring report with sufficient technical, financial, geographic, and other relevant information to demonstrate conformance with the applicable set of eligibility criteria and enable evidence gathering by the validation/verification body.</i>                  | Section 2.1.21 of the PD states that when a new project activity instance is added, the PP must describe it in the Monitoring Report and updated PD, including sufficient technical, financial, geographic, and location information to allow VVB to assess compliance with eligibility criteria and standard requirements.           |
| 4) <i>Be included in an updated project description, with updated project location information (as set out in Section 3.11), which shall be validated at the time of verification against the applicable set of eligibility criteria.</i>                                                      | Section 2.1.21 of the PD states that when a new project activity instance is added, the PP must describe it in the Monitoring Report and updated PD, including sufficient technical, financial, geographic, and location information to allow VVB to assess compliance with eligibility criteria and standard requirements.           |
| 5) <i>Have evidence of project ownership, in respect of each project activity instance, held by the project proponent from the respective start date of each project activity instance (i.e., the date upon which the project activity instance began reducing or removing GHG emissions).</i> | Section 2.1.21 of the PD states that the project will include areas preferably with property titles with clear land ownership, entered in public registries. If the new organization lacks legal ownership, they must obtain prior, informed approval from the landowner(s) and agree to transfer project ownership to the proponent. |
| 6) <i>Have a start date that is the same as or later than the grouped project start date.</i>                                                                                                                                                                                                  | Section 2.1.21 of the PD states that the proponent's legal area will verify project ownership for each new instance within the protocol for managing project activity inclusion.                                                                                                                                                      |
| 7) <i>Be eligible for crediting from the start date of the project activity instance through to the end of the project crediting period (only).</i>                                                                                                                                            | Section 2.1.21 of the PD states that new project activity instances with start dates equal to or later than project start date should be accredited from the start of verification period, and eligible for crediting.                                                                                                                |
| 8) <i>Only eligible for crediting from the start of the verification period in which they were added to the grouped project.</i>                                                                                                                                                               | Section 2.1.21 of the PD states that new project activity instances with start dates equal to or later than project start date should be accredited from the start of verification period, and eligible for crediting.                                                                                                                |
| 9) <i>Not be or have been enrolled in another VCS</i>                                                                                                                                                                                                                                          | Section 2.1.21 if the PD states that new project activity instances will not be included in other GHG                                                                                                                                                                                                                                 |

| New Project Activity Instances Requirement                                                                                                                   | VVB Assessment                                                                                                                                                                                                                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>project.</p> <p>10) <i>Adhere to the clustering and capacity limit requirements for multiple project activity instances set out in 3.6.8 - 3.6.9.</i></p> | <p>accreditation projects nor overlap with the area of another AFOLU registered project.</p> <p>Section 2.1.21 of the PD states that the project's capacity limits are determined by the geographical area specified in the PD, and the project will not accept any new instances outside this area.</p> |

| CCB Grouped Projects Requirement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | VVB Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Specify the project area(s) and communities that may be included under the grouped project and identify any new project area(s) and communities that have been included in the project since the last CCB validation or verification.</p> <p>Specify the eligibility criteria and process for project expansion under the grouped project and demonstrate that these have been met for any new project areas and communities that have been included in the project since the last CCB validation or verification.</p> <p>Establish scalability limits, if applicable, and describe measures needed and taken to address any risks to climate, community and biodiversity benefits if the project expands beyond those limits.</p> | <p>Section 2.1.21 of PD (Figure 2.7) details a unique geographic area for the grouped project. No new instances outside this designated area will be admitted.</p> <p>Section 2.1.21 of PD explain the eligibility criteria for including new instances. Moreover, the Project Proponent must follow a protocol to incorporate new instances of project activities, including defining the area responsible, submitting necessary documentation, creating an eligibility compliance checklist, and storing supporting information for auditor review. Each new instance must be detailed in relevant documents for compliance assessment.</p> <p>The scalability limits are defined by geographic criteria, mainly to the areas of the Amazon biome within the limits of the Ucayali and Huánuco regions. According to the PD, the project activities have been designed to generate a positive impact on biodiversity in the project area, therefore, outside the limits there would be no negative impacts on biodiversity.</p> |

The points outlined above ensure that any future expansion of the project will comply with CCB eligibility criteria, as it will involve the same engagement processes with participating actors, identical monitoring elements, and the same biodiversity and community scenarios as those already described in this document. It is important to note that the project activities detailed in this Project Document (PD) will remain consistent and unchanged in all future instances of the project. Then, validation team considers that all requirements for inclusion of new project activity instances are aligned with VCS requirements and CCB requirement. In addition, PP will develop a protocol and a checklist to verify the compliance and necessary document registration, including scalability limits. Therefore, validation team considers that the process for expansion of grouped projects and requirements for inclusion of new project activity instances meet the requirements of VCS standards section 3.6.16 to 22 and the requirements of CCB standard, section G1.13 to 15.

## **2) Scalability Limits for the Grouped Projects (G1.15)**

The scalability limits are defined by geographic criteria, mainly to the areas of the Amazon biome within the limits of the Ucayali and Huánuco regions. Section 2.1.21 of PD (Figure 2.7) details a unique geographic area for the grouped project. According to the PD, the project activities have been designed to generate a positive impact on biodiversity in the project area, therefore, outside the limits there would be no negative impacts on biodiversity. Therefore, validation team considers that the process for expansion of grouped projects and requirements for inclusion of new project activity instances meet the requirements of VCS standards section 3.6.17 to 22 and the requirements of CCB standard, section G1.13 to 15.

## **3) Risk Mitigation Approach for Grouped Projects (G1.15)**

BAM, with over 17 years of experience in carbon projects and commercialization of VCUs. Since 2004, BAM has been conducting a restoration and reforestation program with native species, certified under the VCS standard. BAM is the first Peruvian forestry company to enter the Lima Stock Exchange and successfully place green/sustainable debt instruments. Strategic partners provide greater scalability responsibilities. According to the PD, the project activities have been designed to generate a positive impact on biodiversity in the project area, therefore, outside the limits there would be no negative impacts on biodiversity.

The scalability limits are defined by geographic criteria, mainly to the areas of the Amazon biome within the limits of the Ucayali and Huánuco regions. Section 2.1.21 of PD (Figure 2.7) details a unique geographic area for the grouped project. Furthermore, PP states that they have strategic partners to provide greater scalability and risk management capacity, which allows them to handle and manage risks of different magnitudes. Therefore, validation team considers that any possible risk may be mitigated.

### **3.2.16 Land-Use Scenarios without the Project (G2.1)**

The baseline, without project scenario, is the planned land use change of the forests in the project area, for the installation and production of agro-industrial crops and livestock pastures. As described in Section 3.1.5 of the PD, landowners have the right to undertake land use conversion at a rate and for crops set forth in their purchase contracts. Complete analysis of land use scenarios are detailed in additionally section (3.3.5 of this report)

PP has identified two alternative land use scenarios:

- **Development of the agro-industrial plans on the companies' properties:** The baseline scenario maintains the legally authorized land-use conversion plans for the entire 14,507 ha property, including:
  - ✓ 7,000 ha for cattle pasture
  - ✓ 2,000 ha for oil palm cultivation
  - ✓ 1,000 ha for Camu Camu production
  - ✓ 2,000 ha for castor bean crops
  - ✓ 2,507 ha for agro-industrial infrastructure

Absent carbon credit revenues, BAM and JCC - as profit-driven enterprises - would proceed with the authorized agricultural conversion, consistent with their legal entitlements (Letter N°813-2024-GRU-DRA

/15/ and Report No. 053-2024-GRU-DRA-OAJ, September 2024 /159/). This baseline scenario remains credible given:

- ✓ Current land-use conversion approvals (exercisable at the owners' discretion)
- ✓ Strong regional economic incentives for agricultural development
- ✓ The companies' fiduciary responsibility to shareholders

Ucayali has emerged as Peru's fastest-growing oil palm region, demonstrating a remarkable 19.23% annual production increase over the past decade (Junpalma, 2021 /160/; Hänggli et al., 2023/161). The region's 2022 export record of \$124 million - with oil palm comprising 60% - solidifies its national leadership in this sector (MINCETUR).

This growth occurs against Peru's significant vegetable oil deficit (300,000 tons annually), which could be partially addressed by expanding palm oil cultivation to 150,000 additional hectares (GORE Ucayali, 2018 /162/). Given these compelling market dynamics, land-use conversion for oil palm production presents a highly viable economic opportunity.

- Project activity on the land within the project boundary performed without being registered as the VCS AFOLU project.

In this alternative scenario (without carbon credits), BAM partners with environmental research institutions to fund conservation through scientific initiatives rather than VCS registration. While this generates limited income, covering only basic costs through research grants, biodiversity assessments, and institutional donations, it remains a credible option due to:

High Ecological Value:

- ✓ The area's understudied biodiversity (per Corbidi Quinillal Sector Reports)
- ✓ Proven scientific interest (CORBIDI Agreement, 2019)

Unique Conservation Appeal:

- ✓ Proximity to Pucallpa yet harbors threatened species (e.g., sachavaca [*Tapirus terrestris*], jaguar [*Panthera onca*], IUCN-listed)
- ✓ Rare opportunity to study species typically extirpated near Amazonian urban centers

Validation team assessed Financial statements /55/, It describes the financial position and states that the Company's Management controls liquidity risks associated with its obligations by periodically assessing clients' financial viability, securing credit lines with financial institutions, and managing asset and liability maturities effectively; Annual report 2022 /56/, which include the financial results as of December 31, 2022, confirming the financial strength of BAM, Financial Cash flow /57/, which tracks a company's cash inflows and outflows over the period, linking changes in the balance sheet and income statement to cash movements; BAM budget /58/; that estimates future income and expenses over the crediting period; and Land valuation /59/, that details the economic values of the lands based on location, size, zoning, market demand, and potential use.

Validation team assessed JCC Inversiones SAC – Resolution on property adjudication N° 001-2009-GRU-P-DRSAU /96/; JCC Inversiones SAC – Registration certificate given by SUNARP (national superintendence of public records) /97/; Procurement contract - between BAM and Regional Directorate of agriculture of Ucayali /98/; Bosques Amazonicos SA – Registration certificate given by SUNARP

(national superintendence of public records) /99/; and Carbon transfers right contract in favour of Bosques Amazonicos SA from JCC Inversiones SAC /100/; and Ministerial resolution N° 193-2022-NIMANM, Recognition of the Private Conservation Area "Campo Verde" /101/. Approvals confirms land-use change for the alternative uses such as agricultural activities and/or livestock raising.

Land-use alternatives (development of an agro-industrial project) detailed in technical Economic Feasibility Study for Nuestro Señor Jesucristo /124/; Project Profile for Selva Maestra /125/, which include projected productive activities and its areas. Also it was reviewed Palm oil production statist report 2021 /160/; that report fastest-growing oil palm region, demonstrating a remarkable 19.23% annual production increase over the past decade.

Applicable local regulation:

- Forest and Wildlife Law, Law No. 29763 /103/; law that establishes rights and obligations related to the country's forest and wildlife heritage. The law aims to ensure the conservation and sustainable use of forests and wildlife, while regulating access and management of these natural resources to meet both present and future national needs.
- General Environment Law, Law No. 28611 /107/; which is environmental framework, establishing principles like sustainable development, precaution, and polluter-pays to balance economic growth with ecological protection. It mandates environmental impact assessments (EIAs), sets air/water quality standards (ECAs and LMPs), and safeguards biodiversity through protected areas. The law also enforces liability for environmental damage, promoting citizen participation and state accountability. Its goal is to ensure a healthy environment while regulating natural resource use.
- National Environmental Policy approved by Supreme Decree No. 12-2009-MINAM /108/; This decree, issued by Peru's Ministry of the Environment (MINAM), approves regulations to ensure transparency, public access to environmental information, and citizen participation in environmental matters. It mandates government entities to disclose environmental data upon request (with limited exceptions) and establishes mechanisms for public participation in environmental decision-making (e.g., Environmental Impact Assessments). The rules also emphasize consultation with Indigenous communities and set response timelines for information requests. Grounded in Peru's General Environmental Law (No. 28611) and international principles like the Rio Declaration's Principle 10, it strengthens environmental governance and democratic rights.
- Organic Law for the sustainable use of Natural Resources, Law No. 26821 /109/; establishes the legal framework for the conservation of Natural Protected Areas (ANP). Its main objective is to preserve biodiversity, ecosystems, and environmental services by designating protected zones such as national parks, reserves, and sanctuaries. The law prohibits harmful activities like illegal logging, poaching, and unauthorized mining, while promoting sustainable management. The National Service of Natural Protected Areas (SERNANP), under the Ministry of the Environment, oversees these areas, ensuring compliance with conservation policies.

The law also recognizes the role of indigenous communities and local populations in managing protected areas, encouraging their participation in conservation efforts. Violations can lead to fines or legal

penalties. As a key part of Peru's environmental legislation, Law No. 26821 aligns with international biodiversity agreements and complements other national laws, such as Law No. 26834, to safeguard Peru's rich natural heritage for future generations.

- Regulation for forest management approved by Supreme Decree No. 018-2015-MINAGRI /110/; It aims to promote sustainable and competitive aquaculture by setting requirements for legalizing informal producers, optimizing water resource use, simplifying permits, encouraging private investment, and enforcing penalties for non-compliance. The decree applies to all natural and legal persons engaged in aquaculture, whether in marine, continental, or artificial water systems,

Audit team also reviewed the publication: *A systematic comparison of deforestation drivers and policy effectiveness across the Amazon biome* (Hänggli A., et al 2023) /161/, it confirms Causes of Deforestation in Peruvian Amazon:

- **Agriculture (permanent and illicit):** One of the main drivers of deforestation in Ucayali and the Peruvian Amazon, including both legal agricultural expansion and illicit crops (e.g., coca).
- **Settlements and infrastructure:** Road construction, human settlements, and other infrastructure projects open previously inaccessible areas, enabling logging and other deforestation activities. Road expansion has been identified as a major deforestation risk in Ucayali.
- **Mining and extractive industries:** While less impactful than agriculture, mining also contributes to forest loss.
- **Illegal and selective logging:** Roads built for selective logging often lead to further indiscriminate deforestation.
- **Underlying factors:** Deeper causes—such as demographic, technological, economic, and political/institutional factors—also influence deforestation trends.

Also publication details the Scale and Trends of Deforestation in Ucayali, confirming:

- Ucayali is one of Peru's most deforested regions in the Amazon. Between **2001 and 2023**, Ucayali lost a significant portion of tree cover, including **558,000 hectares of primary humid forest** (72% of total tree cover loss in that period).
- In **2023 alone**, the region lost **40,900 hectares** of natural forest, emitting **27.4 million tons of CO<sub>2</sub>**.
- The Ucayali Regional Government reported 116,482 hectares of forest loss between 2020 and mid-2023

Therefore, based on the analysis of those evidence audit team concludes that land use scenarios are consistent with mandatory laws and regulations and relevant national and/or sectoral policies and circumstances have been considered and are listed in the project description. Thus, AENOR considers that the identified baseline scenario is correctly justified.

### **3.2.17 Most-Likely Scenario Justification (G2.1)**

As stated in section 3.1.15 of PD, the most credible land use scenarios within the project area, according to the approved tool, are the following:

The most likely baseline scenario is the Scenario 1: **Development of the agro-industrial plans on the companies' properties.** It involves maintaining and implementing land-use change plans in 14,507 hectares for grazing pastures, palm oil, Camu Camu, castor oil, and agro-industrial infrastructure. Private companies BAM and JCC, seeking economic profitability, will continue to develop these agricultural activities without carbon credits generation. This scenario is credible due to the current authorization to change land use based on regional economic trends (Letter N°813-2024-GRU-DRA /158/ and report No. 053-2024-GRU-DRA-OAJ dated September 2024 /159/)

Validation team assessed Financial statements /55/; Annual report 2022 /56/; Financial Cash flow /57/; BAM budget /58/; Land valuation /59/. Also, it was reviewed approvals /96/ /98/ of the land-use change for the alternative uses such as agricultural activities and/or livestock raising; applicable local regulation /103//104//105//106//107//108//109//110/; technical Economic Feasibility Study for Nuestro Señor Jesucristo /124/; Project Profile for Selva Maestra /125/; Palm oil production statist report 2021 /160/; A systematic comparison of deforestation drivers and policy effectiveness across the Amazon biome (Hänggli A., et al 2023) /161/.

Therefore, after analysing, those evidence, validation team concludes that the most likely scenario is the Development of the agro-industrial plans on the companies' properties.

### 3.2.18 Community and Biodiversity Additionality (G2.2)

To demonstrate additionality PP has applied Tool for the Demonstration and Evaluation of Additionality in VCS Agriculture, Forestry and Other Land Uses (AFOLU) Project Activities Version 3.0 /121/

The Ucayali project area faces persistent governance challenges that undermine forest conservation efforts. Institutional weaknesses, budget constraints, and limited technical capacity hinder effective natural resource management, while illegal land trafficking—particularly near access roads—fuels uncontrolled agricultural expansion.

Compounding this issue, landowners with legal conversion rights find forest preservation economically unviable. Despite recognizing the forests' ecological and community value, financial pressures and lack of alternative income streams drive conversion to agroindustrial uses.

The project involves maintaining and implementing land-use change plans in 14,507 hectares for grazing pastures, palm oil, Camu Camu, castor oil, and agro-industrial infrastructure. Private companies BAM and JCC, seeking economic profitability, will continue to develop these agricultural activities without carbon credits generation. This scenario is credible due to the current authorization to change land use based on regional economic trends.

The project's benefits are dependent on its implementation, as it would prevent the entire area from being used for agroindustrial activities, leading to forest loss, ecosystem degradation, and habitat loss for endangered species. The project aims to protect property boundaries, forest control, surveillance, social management capacity building, sustainable agricultural practices, and biodiversity monitoring through a science program. Without the project, these activities would be unfeasible to finance permanently and long-term.

The to demonstrate the additionality PP followed Option II (investment comparison analysis) as stated in sub-step 2b of the applied tool.

The analysis of barriers were not conducted (as per applied tool barrier analysis maybe performed instead of or as an extension of investment analysis). In addition, regarding common practice analysis, similar activities are not identified in the project area. Then, the project activities would improve the living

conditions of the community and biodiversity by providing carbon income and productive activities. The area is home to wildlife species in danger, which would increase if forest cover were lost or degraded. The project would provide a protected ecosystem, with a population committed to forest conservation and restoration.]

In order to validate the additionality, the validation team assessed approved concession /96//98/; Feasibility Study for Nuestro Señor Jesucristo /124/; Project Profile for Selva Maestra /125/; and the main regulation /102//103//104//105//106//107//108//109//110/. In addition, during the on-site visit, validation team interviewed a representative of Agriculture Regional Directorate – DRA Ucayali, in order to confirm lands tenure; ownership confirmation; project area delimitation; authorized activities in project area; and whether the regulations or lack of laws would likely affect land use in the absence of the project.

Audit team confirmed that the financial analysis covered operational costs for basic conservation activities, including personnel salaries, camp maintenance, equipment, fuel, office rent, and utilities. Revenue projections relied on conservation funding, using income from two annual biodiversity expeditions as a reference. Full methodology and data available in the additionality spreadsheet : *REDD TLH Additionality Investment Analysis /163/*

Biodiversity is intrinsically connected with the climate targets. The reduction of GHG emissions from reduction of forest loss cause automatically the reduction of biodiversity loss as forests hosts many fauna and flora species that compose the rich biodiversity of the project area. In the case of community additionality, the main positive impact will bring to neighbouring communities, through productive projects and organizational strengthening. Therefore, AENOR's validation team is able to confirm that the project activity it is additional.

### 3.2.19 Stakeholder Access to Project Documents (G3.1)

Section 2.3.3 of CCB-VCS-PD details how document have been and will be shared with the communities (The information about the informational meetings was provided through telephone calls, WhatsApp and in-person visits when there is poor mobile signal or internet connectivity in the area). The project documentation, including Project Description Documents and Monitoring Reports, is accessible to communities and stakeholders upon request. This information can be obtained through various channels, including letters, emails, WhatsApp, or personal communication at the project office, located in Pucallpa. The project documents are stored in a digital database, and print copies are available at the office. The corporate website, [www.bosques-amazonicos.com](http://www.bosques-amazonicos.com), serves as a platform for disseminating corporate governance practices and project documentation to the public.

During the on-site visit, validation team confirmed by interviews with various local actors (complete list of interview person is listed in appendix III) that the information generated for the design of the project has been explained to the community. Also, the result obtained for the preparation of the documents has been exposed to the community, in a draft of the project description, in the VCS and CCB standard. Moreover, the documentation developed by the project proponent, including previous studies as well as the project description document, were delivered to local stakeholders. In addition, any persons from the communities can directly communicate with the project representatives in their office located in Pucallpa. These facts were corroborated during the visit assessment

AENOR assessed this during the on-site visit and through the review of the participatory workshops and conclude that the stakeholders have access to information regarding project activity.

### 3.2.20 Community Costs, Risks and Benefits (G3.2)

Project proponent informed communities and groups that their participation is voluntary, as they are indirect beneficiaries. They share information on potential costs, risks, and benefits of implementing the project's activities during informative meetings. There are no direct costs or risks related to limiting land uses or significant opportunity costs, as they are not part of the project area. Concerns about indirect costs and risks are documented and considered in the implementation of strategies and activities aimed at improving well-being in communities. This process is followed for the structure and design of cooperation agreements signed with communities

Validation team reviewed social baseline report /19/; which describes current socioeconomic conditions of the inhabitants living in a given territory, their cultural characteristics, organizational system and exercise of collective governance. Also it was reviewed the community development plan /51/ and its implementation schedule /52/; Community activity matrix /53/; and cooperation agreement with communities /61 /62/ /63/ /64/ /65/ and deeds recording donation /66/. Then validation team confirms strategy of productive activities, including the benefits, costs and risks. Activities carried out by PP were contrasted during the on-site visit

Additional to desk review, during the site visit interviews with the local communities, it was assessed that the ability of the community to understand the information related to the project idea and cost, risks and benefits associated with the project was very clear. Validation team finds that the measures provided by PP are adequate to provide the information about community costs, risks and benefits to the stakeholders and ensure their full participation in the project development and implementation process. The dissemination of the information and project's documents will be carried out through meetings and/or workshops with the interested parties

AENOR deems that the information provided was adequate as well as the communities' ability to understand the information provided and the timeliness of such information.

### 3.2.21 Information to Stakeholders on Validation and Verification Process (G3.3)

The project's validation and verification processes are explained to communities through informative meetings and representatives. Communication channels include informal contact between community representatives and the project team, and formal communication through letters sent by the General Coordinator to authorities and stakeholders. Results are reported as stated in section 2.3.1 of CCB-VCS-PD

Validation team reviewed Citizen participation workshop report /25/; Flyers of project diffusion /26/; Stakeholders meeting reports /27/; Project diffusion reports /28/; Presentation project diffusion /29/; Field income planning /30/; and by direct interview with stakeholder, during the on-site visit, confirming the awareness of the audit process. Complete list of evidence is listed in appendix I

AENOR's validation team confirm the communication methods used to inform communities and other stakeholders of the process for VCS and CCB validation and verification.

### 3.2.22 Site Visit Information and Opportunities to Communicate with Auditor (G3.3)

According to section 2.3.6 of the PD, PP ensures proper announcement of auditor site visit schedules during validation and verification processes. Communication with community representatives and stakeholders can be done through informal channels like phone calls, WhatsApp, or meetings, or formally through informative letters, allowing communities to express their participation in the process. During

audit visits, communities are informed about potential interviews with an external auditor, with consent. The project team coordinates these meetings, allowing interested parties to communicate freely and express their perception of the project without company or project involvement.

AENOR, during the on-site visit, could talk with various local actors and checked the attendance list of the workshops. Also, AENOR checked that the communities and other stakeholders were informed of the auditor's site visit in a timely manner before the site visit occurred..

### 3.2.23 Stakeholder Consultations (G3.4)

According to section 2.3.7 of the PD, PP has identified a set of stakeholder communities / indirect beneficiaries of the project (neighbouring communities that are located outside the project area), which are invited to participate in the development of project activities. The project involves gathering the concerns, needs, and interests of the communities voluntarily involved. The project involves an initial socio-economic diagnosis of communities, which is then socialized during the project's initial dissemination process. Periodic information meetings and cooperation agreements with communities are also conducted to ensure effective communication and collaboration.

The project conducted meetings and workshops with local communities to gather information and validate proposed activities to reduce deforestation and forest degradation. The interaction with the communities has allowed to identify the main stakeholders in the influence zone, learning about their needs and proposing action mechanisms for the project.

Then, project proponent developed the Social initial diagnosis report /67/ and social baseline report /19/ in order to identify needs of the communities. In addition, PP has made a Community development plan /51/; including the implementation schedule /52/ and community activity matrix /53/ to define activities to be implemented in the communities. These documents were communicated to the community during different meetings and workshops. Validation team confirmed this fact during the on-site assessment.

Validations team assessed social baseline report /19/; initial diagnosis report /67/; ; citizen participation workshop report /25/; flyers of project diffusion /26/; stakeholders meeting reports /27/; project diffusion reports /28/; presentation project diffusion /29/; field income planning /30/; community agreements /61/62/ /63/; /64/ /65/; deeds recording donation /66/, to confirm stakeholder consultation process.

Furthermore, during the on-site visit, project proponent provided photographs, surveys results and workshop reports; also, the community's member were intervened. Then, AENOR's validation team is able to confirm that the consultation process is effective and fulfil the requirement of VCS and CCB requirements.

### 3.2.24 Stakeholder Consultation Channels (G3.5)

Project proponent has conducted consultation and participatory processes with all relevant communities through informational meetings and meetings with community leaders. Other mechanisms, such as suggestions boxes, emails, surveys, and grievance mechanisms, have been used to generate feedback for continuous improvement. Legitimate leaders are identified to establish dialogue with the right actors. Adequate levels of information sharing have occurred, and several communities have trusted the project by signing cooperation agreements. This dynamic process ensures dialogue with the right actors and fosters trust in the project.

The results of the socialization and consultation processes are reflected in stakeholders meeting reports /27/; project diffusion reports /28/; which describes the methods, material used, attendance list,

photographs and presentations. Audit team contrasted these information during the site visit by asking to local actors about topic covered in the meetings, confirming the consultation channels. Validation team confirmed whether they knows the procedure for contacting the PP, positive answer were given. During the on-site visit the validation team reviewed the communication channel with stakeholders and confirm that there are adequate levels of information sharing.

### **3.2.25 Stakeholder Participation in Decision-Making and Implementation (G3.6)**

The identified communities are indirect beneficiaries of the project, voluntarily participating in its activities based on their recommendations and needs. They are not part of the project area and have no binding commitments. Two key spaces for stakeholder participation are the initial information meeting and participatory evaluation workshops/meetings. These events gather and address information about consultations, opinions, concerns, comments, contributions, and recommendations using participatory tools and an intercultural and gender approach. This information is systematically collected and considered on an ongoing basis, reflecting in project planning.

Validations team assessed social baseline report /19/; initial diagnosis report /67/; ; citizen participation workshop report /25/; flyers of project diffusion /26/; stakeholders meeting reports /27/; project diffusion reports /28/; presentation project diffusion /29/; field income planning /30/; community agreements /61/62/ /63/; /64/ /65/; deeds recording donation /66/, to confirm stakeholder consultation and participation process. AENOR's validation team checked this information, during the on-site visit, by interviewing various local actors and is able to confirm that project activity enable effective participation in culturally appropriate and gender sensitive manner with all identified stakeholders.

### **3.2.26 Anti-Discrimination Assurance (G3.7)**

Project proponent account with an official policy against any type of discrimination /68/. The board of directors approved a gender equity, diversity, and inclusion policy, which applies to all employees, directors, officers, and contracted consultants, regardless of nationality or residence, and their relationships with all BAM's stakeholders.

Validation team confirmed that the approved BAM's policy /68/ aims to create a respectful work environment, promote an inclusive team culture, and encourage diversity. It aims to treat personnel fairly and without discrimination, and implement policies based on merit and ability. BAM also provides flexible work options, promotes working conditions that prevent labour and sexual harassment, and ensures an environment free of discriminatory behaviour. The policy also aims to prevent discriminatory conduct based on gender, sex, sexual orientation, nationality, ethnicity, and health status.

AENOR's validation team reviewed the policy /68/, confirming information provided in the CCB-VCS-PD

### **3.2.27 Feedback and Grievance Redress Procedure (G3.8)**

Project proponent, has a well-established Procedure document: Mechanism for handling complaints or suggestions /69/ to address and resolve problems, establish guidelines, document the process, and respond to complaints. This document aims to manage and respond to claims made by the population within the project's area of influence, ensuring appropriate management and resolution. Including fluorogram in the procedures.

Stakeholders will follow this procedure:

1. First: BAM's Administrative and/or Community Relations Area will attempt to resolve all grievances in an amicable way and provide written response in a culturally appropriate manner. This includes:
  - Providing accurate and timely information to stakeholders about the Grievance Procedure.
  - Obtain, organize, and document feedback from project stakeholders regarding perceptions, concerns, and requests.
  - Evaluate and transmit the feedback obtained from stakeholders to Management and its contractors, so that this information can be addressed – if applicable – in project decision making.
  - Centralize the tracking and monitoring of complaints.
  - Monitor contractors regarding the effectiveness of the complaint's procedure.
2. Second: any grievances that are not resolved by amicable negotiations shall be referred to mediation by a neutral third party in coordination and support of relevant authorities such as the Regional Government of Ucayali, the local Ombudsman office, or the Ministry of the Environment. This stage is carried out to seek a solution to the complaints of local communities or other interested parties in the project area.
3. Third: any grievances that are not resolved through mediation shall be referred to a legal process that can be either:
  - Arbitration, to extent allowed by the laws of relevant jurisdiction or;
  - Competent courts in the relevant jurisdiction, without prejudice to a party's ability to submit the grievance to a competent supranational adjudicatory body, if any.

Summary of the documented complaints and their responses may be requested via the BAM website ([www.bosques-amazonicos.com](http://www.bosques-amazonicos.com)) and the offices located in the region: District of Campo Verde and the City of Pucallpa.

The project proponent will attempt to resolve the query or complaint and send a written response in a culturally appropriate manner and timely. Claims not resolved through mediation will be handled through legal channels. Validation team reviewed and confirmed the flowered process, during the on-site visit. Therefore, AENOR's validation team is able to confirm that the feedback and grievances producers /69/ meets VCS and CCB (G.3.8) requirements

### **3.2.28 Worker Training (G3.9)**

Project proponent, provides comprehensive training to its employees upon their arrival, including a thorough understanding of their role requirements and responsibilities. Experienced personnel, who have worked on forestry projects, provide training to new hires and induct them into their roles. Regular training on related topics, such as fire control, is also provided.

PP accounts with Internal working procedures /70/; Internal working rules /71/; and workers training records /72/. Furthermore, PP as part of its Corporate Sustainability Policy /73/ emphasizes employee training and professional promotion as part of its performance commitments. Validations team assessed these documents to confirm whether PP has identified the training needs required by workers to carry out the proposed activities and carry out adequate forest management. Furthermore, during the onsite visits

some workers and local actors in the project were interviewed in order to confirm whether they have received the necessary training to perform their activities, all of them confirmed this fact. Therefore, AENOR's validation team is able to confirm that project proponent will provide orientation and training for those employed through project activities and relevant people from the communities and meet the VCS and CCB (G.3.9) requirement.

### 3.2.29 Community Employment Opportunities (G3.10)

According to the CCB-VCS-PD (2.3.15), PP generates local rural jobs for both men and women by creating employment opportunities at the base of the pyramid, including neighbouring communities. In 2022, BAM generated direct jobs, mainly filled by workers from nearby communities in Ucayali. Women from nearby towns occupied 24% of these positions. These positions cover the obligations of The Last Habitat REDD+ project and the reforestation project on one of BAM's neighbouring properties. The company strictly adheres to labour regulations and promotes decent, non-forced, or child labour based on individual capabilities and experience. Equality at work and performance is promoted without discrimination, as part of the Corporate Sustainability Policy commitments. Recruitment, selection, and retention of talent are conducted in a favourable labour relations framework.

AENOR's validation team assessed official policy against any type of discrimination /69/; which is a formal commitment by an organization to prohibit unfair treatment based on race, gender, age, religion, disability, sexual orientation, or other protected characteristics. It ensures equal opportunities in hiring, promotions, and workplace interactions, aligning with anti-discrimination laws. Also it was reviewed the hiring procedure /74/ audit team by confirms that this procedure emphasizes equal opportunity, prohibiting discrimination based on gender, race, age, religion, or other protected characteristics, in accordance with labor laws and company policies. A well-defined hiring procedure ensures fairness, improves the candidate experience, attracts top talent, and reduces bias.

Furthermore, during the on-site visit, validation team interviewed some workers (male and female) in the project zone and is able to confirm that the recruitment process provides equitably advantages to the local population.

### 3.2.30 Relevant Laws and Regulations Related to Worker's Rights (G3.11)

The relevant legal framework is listed in section 2.3.16 of the CCB-VCS-PD. AENOR's validation teams is able to confirm the project's adherence to all relevant laws and regulations covering worker's rights and the measures needed and designed to inform workers about their rights. This was corroborated, through various interviews with workers in the project zone.

### 3.2.31 Occupational Safety Assessment (G3.12)

Project developer has analysed the main legal framework related to occupational safety and also has done a specific analysis of the main risks associated to its operations. Based on that, the project developer developed and specific Risks assessment of worker safety REDD+ The Last Habitat /75/; which identified risks and mitigation action to reduce and minimize any identified risk.

The main risk are described in section 2.3.17 of the CCB-VCS-PD. Validation team reviewed: Risks assessment of worker safety REDD+ The Last Habitat /75/; Hazard Identification and Risk Assessment and Controls matrix (IPERC matrix) /76/; occupational health and safety plan /77/; occupational safety policy /78/; accidents and incidents report /79/ in order to verify the measures to reduce and mitigate identified risks.

Also, the main safety regulation was assessed; including; Law N° 26842 General Health Law /80/; Law No. 28783: Occupational Health and Safety Law; its modification (Law 30222) /81/; Supreme Decree 020-2001-TR: Regulation of the General Law on labour inspection and defines of the worker (Legislative Decree No. 910 and its Amendment) /82/; DS N° 009-2005-TR health and safety regulation /83/; and DS N°148-2007-TR regulation of committee for supervision of security and health at work /84//. Therefore, AENOR's validation team is able to confirm that the project developer is taking the necessary measures regarding occupational safety of workers.

### 3.2.32 Project Governance Structures (G4.1)

In section 2.4.1 of the CCB-VCS-PD is established the organizational structure for the governance of the project.

Bosques Amazónicos S.A.C. (BAM): is the project proponent, is responsible for implementing activities, undergoing certification processes, and trading carbon credits to meet Climate, Community, and Biodiversity objectives, with a specific team of professionals. BAM makes project decisions, with identified communities as indirect beneficiaries.

JCC Inversiones S.A.C.: A private company and part of the Bosques Amazónicos (BAM) group, JCC Inversiones owns the Nuestro Señor Jesucristo property. However, the company does not participate in project governance, decision-making, or the implementation of activities. BAM periodically informs JCC of progress, but all responsibilities related to project implementation, management, and certification rest exclusively with BAM.

Paskay S.A.C.: Paskay is a consulting firm hired by BAM on a one-time basis. Its role was limited exclusively to technical and documentation support for developing the Project Description Document (PDD) and the Monitoring Report for the 2020–2021 period. Paskay does not participate in project governance or decision-making, as its contract concluded upon validation and first verification.

Local Communities: There are no indigenous or local communities located within the project boundaries. In compliance with VCS + CCB requirements, neighboring local communities are included as indirect stakeholders in the project's Theory of Change. The objective is to generate positive and long-term socioeconomic impacts within the project's area of influence. In this context, community participation is defined as a collaborative and benefit-sharing relationship that contributes to the fulfillment of the project's social and environmental safeguards, without implying property or management rights over the intervention area.

The structure was confirmed during the on-site visit by interviewing the Conservation and Carbon Markets Manager, the specialist and coordinators of the project activity. PP has defined, as stated in section 2.4.1 of the PD, roles and responsibilities. The direct project team utilizes BAM's structure to enhance its project implementation capacity and achieve the objectives of the Last Habitat REDD+ project..

### 3.2.33 Required Technical Skills (G4.2)

Project developer states the BAM staff has extensive experience in designing and implementing AFOLU projects, successfully achieving validation and verification under VCS and CCB standards. Also, that the project has a dedicated team of experts providing permanent assistance and support to all concessionaires, including those specialized in different project area. In this sense, validation team confirms that project proponent has previous experiences in developing a REDD+ projects

AENOR's validation team reviewed the resumes of curriculum vitae of conservation and carbon markets manager /85/; curriculum vitae of project coordinator /86/; curriculum vitae of territorial security /87/; curriculum vitae of head of community relations /88/; curriculum vitae of head of biodiversity /89/ and concludes that they have all the capabilities and technical skills required to implement the project successfully, including community engagement, biodiversity assessment and carbon measurement and monitoring.

### 3.2.34 Management Team Experience (G4.2)

BAM, with over 17 years of experience in carbon projects and commercialization of VCUs, has been conducting a restoration and reforestation program with native species, certified under the VCS standard. BAM is the first Peruvian forestry company to enter the Lima Stock Exchange and successfully place green/sustainable debt instruments. Strategic partners provide greater scalability responsibilities. BAM staff has extensive experience in designing and implementing AFOLU projects, successfully achieving validation and verification under VCS and CCB standards. The project has a dedicated team of experts providing permanent assistance and support to all concessionaires, specializing in various project areas.

AENOR's validation team reviewed the resumes of curriculum vitae of conservation and carbon markets manager /85/; curriculum vitae of project coordinator /86/; curriculum vitae of territorial security /87/; curriculum vitae of head of community relations /88/; curriculum vitae of head of biodiversity /89/ and conclude that the organization has the expertise and prior experience implementing land management and carbon projects at the scale of this project.

### 3.2.35 Project Management Partnerships/Team Development (G4.2)

The consultant (PASKAY SAC) is a consulting firm that offers advice on implementing sustainable development programs and projects, focusing on climate and territorial management. They analyse technical, legal, social, political, and economic aspects. They were contracted for the Last Habitat REDD+ project. for the preparation of the baseline of the community, biodiversity and climate components and the design and formulation of the PD of the project in question, under the VCS & CCB standard.

The lead consultant (executive director) of project activity has more than 22 years working in the design and implementation of forest carbon projects, including reforestation and REDD, under VCS and CCB standards. In addition, all the consultants have experience in developing REDD project activities.

AENOR's validation team reviewed the resumes of executive director for the project and key personnel /91/ /92/ /93/ /94/ and conclude that the organization has the expertise and prior experience implementing land management and carbon projects at the scale of this project.

### 3.2.36 Financial Health of Implementing Organization(s) (G4.3)

BAM, a Peruvian forestry company, is the first to enter the Lima Stock Exchange and successfully place thematic debt instruments, earning around \$17 million in 2021. The company maintains excellent investor relationships and is the first in LATAM to certify a green debt instrument under the Climate Bonds Standard. The company's financial health is supervised by the Superintendence of the Securities Market. BAM plans to generate short-term income streams by selling carbon credits in a consolidated market, ensuring financial sustainability for project objectives. BAM has been managing a commercial plantation for over 12 years, focusing on sustainable harvesting of forest species, providing an additional revenue stream for the company.

AENOR's validation team, after reviewing financial supports, including: Financial statements /55/, Annual report 2022 /56/, Financial Cash flow /57/, BAM budget /58/; and Land valuation /59/, is able to confirm the financial health to ensure adequate financial support over the project lifetime.

### **3.2.37 Avoidance of Corruption and Other Unethical Behavior (G4.3)**

Project developer account with an Internal Rules of Conduct /95/, it encourages employees and business partners to report alleged or actual bribery or violations of. Complaints can be submitted anonymously via email or web page. Sanctions are established for non-compliance, with those under the Regulations receiving a copy and committing to read and comply. Those gaining a position are also explained the principles and values contained in the Rules during induction activities.

The company adheres to Corporate Governance Policies /73/ for preventing money laundering and financing terrorism, referencing the Prevention Rules of Money Laundering and Financing of Terrorism from the Superintendency of the Securities Market, despite not being supervised by any regulatory bodies.

Then, verification team confirm that the BAM's personnel are suitable and appropriate and have the management capacity to develop the project, as it was confirmed by AENOR thought auditing processes and interviewing relevant personnel no corruption activities were identified.

### **3.2.38 Commercially Sensitive Information (Rules 3.5.13 – 3.5.14)**

PP considered as commercially sensitive information the financial statements report assets, liabilities, equity, commercial contracts, sales details, transactions, credits sold per year, and price. Even that, Validation team accessed to financial statements /55/, Annual report 2022 /56/, Financial Cash flow /57/, BAM budget /58/; and Land valuation /59/, is able to confirm the financial health to ensure adequate financial support over the project lifetime.

In AENOR's opinion these document contains sensitive commercial information public access could reasonably be expected to result in a material financial loss, jeopardize future negotiations, cause financial harm, or erode competitive advantages. Therefore qualifies as 'Sensitive Commercial Information' under the VCS requirement (VCS-Program-Definitions).

### **3.2.39 Statutory and Customary Property Rights (G5.1)**

The Ucayali region comprises various tenure territories, including indigenous people territories, private property lands, rural properties, forest concessions, National and Regional Protected Areas, and Indigenous People Reserves (PIACI). The project area predominantly comprises rural lands for agriculture and grazing, as well as territories of indigenous communities in the eastern part. Project activity, comprises two concessions (owned by PP) : Nuestro Señor Jesucristo and Selva Maestra, recognised as private lands, duly registered and recognized as supported.

| Name                     | Date                            | Approval document                                  |
|--------------------------|---------------------------------|----------------------------------------------------|
| Nuestro Señor Jesucristo | January 12, 2009                | Resolution Directorial N°001-2009-GRU-P-DRSAU /96/ |
| Selva Maestra            | June 27, 2007 (transfer to BAM) | Directorial Resolution N 452-98 /98/               |

The property rights of both Selva Maestra and Nuestro Señor Jesucristo were established through a purchase-sale contract approved by the Regional Directorate of Agriculture of Ucayali /100/.

Validation team assessed JCC Inversiones SAC – Resolution on property adjudication N° 001-2009-GRU-P-DRSAU /96/; JCC Inversiones SAC – Registration certificate given by SUNARP (national superintendence of public records) /97/; Procurement contract - between BAM and Regional Directorate of agriculture of Ucayali /98/; Bosques Amazonicos SA – Registration certificate given by SUNARP (national superintendence of public records) /99/; and Carbon transfers right contract in favour of Bosques Amazonicos SA from JCC Inversiones SAC /100/; and Ministerial resolution N° 193-2022-NIMANM, Recognition of the Private Conservation Area "Campo Verde" /101/.

Also, formal communication by Letter N°813-2024-GRU-DRA /158/ given by Ucayali Regional Agricultural Authority (DRA), dated on 25 September 2024, confirms that both concessions maintain their full legal rights and authorized uses. Both properties retain all entitlements granted to their respective owners, including stipulated development plans established since acquisition. Implementation timelines remain at each owner's discretion, with all rights currently active and enforceable.

According to information provided in the project design document and gathered from authorities and the project proponent. Audit team confirms that project activity is developing in a private area, warranted by Peruvian government. There are no individuals or communities residing within the property who hold customary rights or traditional claims to the land

AENOR can confirm that the project do not affect any rights of the communities and other stakeholders in accordance with the Climate, Community & Biodiversity Standards and the validated project design.

#### **3.2.40 Recognition of Property Rights (G5.1)**

The property right is demonstrated with JCC Inversiones SAC – Resolution on property adjudication N° 001-2009-GRU-P-DRSAU /96/; JCC Inversiones SAC – Registration certificate given by SUNARP (national superintendence of public records) /97/; Procurement contract - between BAM and Regional Directorate of agriculture of Ucayali /98/; Bosques Amazonicos SA – Registration certificate given by SUNARP (national superintendence of public records) /99/; and Carbon transfers right contract in favour of Bosques Amazonicos SA from JCC Inversiones SAC /100/; and Ministerial resolution N° 193-2022-NIMANM, Recognition of the Private Conservation Area "Campo Verde" /101/.

Also, formal communication by Letter N°813-2024-GRU-DRA /158/ given by Ucayali Regional Agricultural Authority (DRA), dated on 25 September 2024, confirms that both concessions maintain their full legal rights and authorized uses. Both properties retain all entitlements granted to their respective owners, including stipulated development plans established since acquisition. Implementation timelines remain at each owner's discretion, with all rights currently active and enforceable. Furthermore, technical report No. 053-2024-GRU-DRA-OAJ of the regional directorate of Ucayali dated on September 2024 /159/, refers that the properties were purchased in 2007 and 2009 by BAM and JCC.

Therefore in AENOR's opinion, these documents clearly state the ownership of the project area and the right of carbon credits. Then, in AENOR's opinion all property rights are recognized, respected and supported.

#### **3.2.41 Free, Prior and Informed Consent (G5.2)**

The project area, including Selva Maestra and Nuestro Señor Jesucristo properties, do not have indigenous groups or traditional forest resource use restrictions, requiring Free, Prior, and Informed

Consent. The project follows prior consultation laws and ILO (Prior Consultation Law No. 29785 /102/) agreements, ensuring respect for indigenous and tribal peoples.

Project will not encroach uninvited on private property, community property, or government property. Even that, BAM is actively socializing and disseminating information about its project details to surrounding communities, including native ones outside the project area.

According to information provided in the project design document and gathered from authorities and the project proponent. Audit team confirms that project activity is developing in a private area, warranted by Peruvian government. There are no individuals or communities residing within the property who hold customary rights or traditional claims to the land

AENOR checked the Property Rights resolutions and public records /96/ /97/ /98/ /99/ /100/ /158/ /159/; also it was reviewed the prior consultation law /102/; then, validation team is able to confirm that project is respecting the property rights of the communities.

### **3.2.42 Property Rights Protection (G5.3)**

The project does not involve the involuntary relocation or relocation of people, or activities important for the livelihood and culture of the communities settled around the project area. Moreover, Nuestro Señor Jesucristo and Selva Maestra are protected by a sale contract approved by the Regional Directorate of Agriculture of Ucayali /96/ /98/ and a good Public records /97/ /99/.

Also, formal communication by Letter N°813-2024-GRU-DRA /158/ given by Ucayali Regional Agricultural Authority (DRA), dated on 25 September 2024, confirms that both concessions maintain their full legal rights and authorized uses. Both properties retain all entitlements granted to their respective owners, including stipulated development plans established since acquisition. Implementation timelines remain at each owner's discretion, with all rights currently active and enforceable. Furthermore, technical report No. 053-2024-GRU-DRA-OAJ of the regional directorate of Ucayali dated on September 2024 /159/, refers that the properties were purchased in 2007 and 2009 by BAM and JCC

The project area is not involved in any ongoing disputes or involuntary removal of property rights holders from their lands, nor does it force them to relocate activities in the property, ensuring no overlap or impact on other landowners or rights holders. During the on-site visit validation team interviewed a representative of Agriculture Regional Directorate – DRA Ucayali in order to confirm the property rights and activities carried to protect the project zone.

### **3.2.43 Illegal Activity Identification (G5.4)**

Project is developing in a private area; however, the project faces potential risks from illegal activities such as land encroachment, forest fires, and illegal logging, which are infractions under the Forestry and Wildlife Law /103/, which typically involve changes in land use for other activities like cattle ranching and agriculture. PP has implemented mitigation measures to address and avoid these threats, such as: Monitoring Control and Surveillance System; Collaboration agreements; territorial security protocol; demarcation of project area; Training at community-level; Promotion of sustainable activities; improvement of the communities access to basic services. Therefore, validation team is able to confirm that PP has designed and established measures needed to reduce these activities and the project benefits are not derived from illegal activities.

### **3.2.44 Ongoing Disputes (G5.5)**

Project developer has identified three disputes, already solved.

- *Land overlapping litigation with the Instituto Superior Tecnológico Suiza, was filed by the authorities and therefore resolved. Report 28-2019-OPDR-ABOG/AAR of the Regional Attorney's Office of the Regional Government of Ucayali confirmed that the deadline to file the lawsuit for nullity of the legal act of resolution of purchase and sale of the land in favor of JCC had expired (Article 2001 of the Peruvian Civil Code establishes a 10-year term). In this sense, the definitive file was declared closed and, consequently, it is a closed conflict.*
- *There is no issue of conciliation of balances for the purchase and sale of land in JCC. This dispute is archived and, therefore, solved. In this regard, Regional Directorial Resolution No.155-2020-GRU-DRA left without effect letter No.182-2016-GRU-DRA for the collection by conciliation of balances for purchase and sale of land and confirmed that BAM had already proceeded with the payment of this debt. Therefore, a letter from the Regional Management confirming that the reversion of the property does not proceed is not required because the Regional Directorial Resolution No.155-2020-GRU-DRA already confirms the non-reversion. In short, all balances have been paid and the dispute was solved.*
- *There is no dispute of overlapping with public domain-State-owned land in JCC which was archived and solved by Report No. 002-2022-GRU-DRA/DISAFILPA/PSCR-TUPA of the Directorate for Land Rights Consolidation Processes of the Regional Directorate of Agriculture of Ucayali (see the orange strip in the figure here below to visualize the overlap solved and archived). This report confirmed that BAM has ownership over the overlapping area.*

Validation team assessed public final decision of competent authorities regarding those disputes, including: Regional Directorate of Agriculture of Ucayali resolutions: 28-2019-OPDR-ABOG/AAR /104/; Regional Directorial Resolution No.155-2020-GRU-DRA /105/ and No. 002-2022-GRU-DRA/DISAFILPA/PSCR-TUPA /106/. Then, validation team confirmed that they are closed. Furthermore, during the on-site visit a representative of Agriculture Regional Directorate – DRA Ucayali was interviewed in order to confirm that there is no ongoing disputes.

### **3.2.45 National and Local Laws (G5.6)**

In section 2.5.7 of the CCB-VCS-PD are listed the most relevant national legal framework and summarize the most important aspects that apply to the project activity. In this sense, AENOR's validation team intervened a local authority (a representative of Agriculture Regional Directorate – DRA Ucayali) during the on-site visit and confirmed that the project proponent has not been sanctioned for non-compliance with the current legal framework.

### **3.2.46 Approvals (G5.7)**

Project activity is developing in private area; property right is demonstrated with JCC Inversiones SAC – Resolution on property adjudication N° 001-2009-GRU-P-DRSAU /96/; JCC Inversiones SAC – Registration certificate given by SUNARP (national superintendence of public records) /97/; Procurement contract - between BAM and Regional Directorate of agriculture of Ucayali /98/; Bosques Amazonicos SA – Registration certificate given by SUNARP (national superintendence of public records) /99/; and Carbon transfers right contract in favour of Bosques Amazonicos SA from JCC Inversiones SAC /100/.

Also, formal communication by Letter N°813-2024-GRU-DRA /158/ given by Ucayali Regional Agricultural Authority (DRA), dated on 25 September 2024, confirms that both concessions maintain their full legal rights and authorized uses. Both properties retain all entitlements granted to their respective owners, including stipulated development plans established since acquisition. Implementation timelines remain at

each owner's discretion, with all rights currently active and enforceable. Furthermore, technical report No. 053-2024-GRU-DRA-OAJ of the regional directorate of Ucayali dated on September 2024 /159/, refers that the properties were purchased in 2007 and 2009 by BAM and JCC.

The Regional Directorate of Agriculture of Ucayali approved the purchase and sale contracts for Selva Maestra and Nuestro Señor Jesucristo properties, recognizing Bosques Amazónicos SA and JCC Inversiones S.A.C. Furthermore, the Ministerial resolution N° 193-2022-NIMANM, Recognise the Private Conservation Area "Campo Verde" (project area) /101/. Hence, validation team concludes that the PP has taken all the required approvals for the project implementation.

### **3.2.47 Project Ownership (G5.8)**

Selva Maestra and Nuestro Señor Jesucristo are private lands granted by the Regional Directorate of Agriculture of Ucayali to Bosques Amazónicos SA /96/ and JJC Inversiones S.A.C /98/. The Assignment of Forest Carbon Rights between JCC Inversiones SAC and Bosques Amazonicos SA, related to Nuestro Señor Jesucristo's property is granted by Carbon transfers right contract in favour of Bosques Amazonicos SA from JCC Inversiones SAC /100/.

Also, formal communication by Letter N°813-2024-GRU-DRA /158/ given by Ucayali Regional Agricultural Authority (DRA), dated on 25 September 2024, confirms that both concessions maintain their full legal rights and authorized uses. Both properties retain all entitlements granted to their respective owners, including stipulated development plans established since acquisition. Implementation timelines remain at each owner's discretion, with all rights currently active and enforceable. Furthermore, technical report No. 053-2024-GRU-DRA-OAJ of the regional directorate of Ucayali dated on September 2024 /159/, refers that the properties were purchased in 2007 and 2009 by BAM and JCC.

Hence, based on documents review /96/ /98/ /100/ /101/ /158/ /159/, validation team concludes that the project ownership belongs to the PP (Bosques Amazonicos SA).

### **3.2.48 Management of Double Counting Risk (G5.9)**

The project does not seek to commercialize carbon reduction units in other programs, systems or markets.

### **3.2.49 Emissions Trading Programs and Other Binding Limits**

The project is not included in an emissions trading program; this program does not exist in Peru to date.

### **3.2.50 Other Forms of Environmental Credit**

The project has not participated in any other environmental accreditation program for the elimination of GHG emissions. Also, the project does not intend to generate any other type of environmental credit related to GHG emissions other than through the VCS & CCB Program.

### **3.2.51 Participation under Other GHG Programs**

The project has not been registered by another GHG program.

### **3.2.52 Projects Rejected by Other GHG Programs**

The project has not been rejected by any other GHG program.

### 3.2.53 Double Counting (G5.9)

There is no double counting of emissions in the project, since:

- The project is not included in an emissions trading program; this program does not exist in Peru to date.
- PP will not allow double sale and double counting, carbon market transactions will be conducted publicly on the VERRA web platform, ensuring compliance with climate commitments. These reductions are based on avoided planned deforestation, unlike Peru FREL, which relies on unplanned deforestation.
- Audit team verified the existence of Peru's jurisdictional REDD+ program under the ART TREES standard, as announced by the Ministry of the Environment (MINAM) in February 2022. However, based on the information available on the ART Registry, the VVB confirms that this program is still under development and has not yet achieved any stage of validation or formal registration under the ART TREES standard. Therefore, there is currently no risk of double counting or double claiming between the emission reductions generated by this project and those that could potentially be claimed by the jurisdictional program, given that the latter does not have any credits issued, registered, or in the process of transfer under ART TREES.

Furthermore, audit team verified that the "Double Counting" concept included in the jurisdictional program documentation /170/ (Section 9 of the official MINAM document) confirms that the technical and legal framework for managing emission reduction units, including the National Registry of Mitigation Measures (RENAMI), is under development. The purpose of this framework is to prevent double counting in the future by ensuring the registration, monitoring, and traceability of generated units. FAR 1 was raised in order to confirm the absence of double counting or double claiming associated with the Peru ART TREES program.

Validation team after reviewing different GHG emission platforms confirms that the project has only applied to the VCS & CCB standards.

## 3.3 Climate

### 3.3.1 Title and Reference

Project proponent is applying:

- VCS approved methodology **VM0007**<sup>3</sup>, Version 1.6, 08 September 2020, Sectoral Scope 14, "REDD+ Methodology Framework (REDD+ MF)". /111/

The project also applies a set of modules and tools:

- Carbon pool modules:

<sup>3</sup> Methodology was valid, when project requested the initial validation.

- **VMD0001** Estimation of carbon stocks in the above- and belowground biomass in live tree and non-tree pools (CP-AB), Version 1.3, 08 September 2020, Sectoral Scope 14. /112/
- **VMD0004** Estimation of stocks in the soil organic carbon pool (CP-S), Version 1.0, Sectoral Scope 14. /113/
- Baseline modules:
  - **VMD0006** Estimation of baseline carbon stock changes and greenhouse gas emissions from planned deforestation/forest degradation and planned wetland degradation (BL-PL). Version 1.3, 08 September 2020, Sectoral Scope 14. /114/
- Leakage modules:
  - **VMD0009** Estimation of emissions from activity shifting for avoiding planned deforestation/forest degradation and avoiding planned wetland degradation (LK-ASP), Version 1.2, 08 September 2020, Sectoral Scope 14. /115/
- Emission modules:
  - **VMD0013** Estimation of greenhouse gas emissions from biomass and peat burning (E-BPB), Version 1.3, 08 September 2020, Sectoral Scope 14. /116/
- Monitoring modules:
  - **VMD0015** Methods for monitoring of greenhouse gas emissions and removals in REDD project activities (M-REDD), Version 2.2, 08 September 2020, Sectoral Scope 14. /117/
- Miscellaneous modules:
  - **VMD0016** Methods for stratification of the project area (X-STR), Version 1.2, 08 September 2020, Sectoral Scope 14. /118/
  - **VMD0017** Estimation of uncertainty for REDD+ project activities (X-UNC), Version 2.2, 08 September 2020, Sectoral Scope 14. /119/
- Tools:
  - CMD Tool for testing significance of GHG emissions in A/R CDM project activities (**T-SIG**), Version 1. /120/
  - **VT0001** Tool for the demonstration and assessment of additionality in VCS agriculture, forestry, and other land use (AFOLU) project activities b
  - VCS AFOLU Non-Permanence Risk Tool (**T-BAR**), Version 4.0, 19 September 2019. /6/

Validation team confirms that all these documents was valid at starting the validation

### 3.3.2 Applicability

The project complies with the conditions of applicability of the established methodology. Once the baseline (calculated ex-ante) is validated, it is fixed for ten years and must be re-assessed and updated every ten years

In opinion of AENOR, the evidence and explanations confirm the fulfilment of the project with the methodology. The assessment was carried out for each applicability criterion and included, among others, the review of evidence and sources provided in the PD and the compliance check of the local project setting with the applicability conditions in regard to baseline setting and eligible project measures as follows:

| Applicability condition | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                         | <p><b>VM0007 - General:</b></p> <p><i>The justification of the choice of modules and why they apply to the proposed project activity must be given in the PD.</i></p> <p><i>Specific applicability conditions exist for each module and must be met for the module to be used.</i></p> <p><i>This methodology includes unplanned forest degradation caused only by the extraction of wood for fuel. No modules are included for activities to reduce emissions from forest degradation caused by illegal harvesting of trees for timber.</i></p>                                                                        |
|                         | <ul style="list-style-type: none"> <li>✓ The justification choice of each module are included in the PD, section 3.1.2. Also summarized in this following.</li> <li>✓ Specific applicability of each module are included in the PD, section 3.1.2. Also summarized in this following,</li> <li>✓ The REDD+ MF (footer 9) states that exclusion of illegal logging emissions from the baseline is conservative, and if they are monitored ex-post within the project area, emissions should be deducted. Furthermore, the baseline scenario is the planned land use change of the forests in the project area</li> </ul> |
|                         | <p><b>VM0007 - All project activities:</b></p> <p><i>All land areas registered under the CDM or under any other GHG program (both voluntary and compliance-oriented) must be transparently reported and excluded from the project area. The exclusion of land in the project area from any other GHG program must be monitored over time and reported in the monitoring reports.</i></p>                                                                                                                                                                                                                                |
|                         | <ul style="list-style-type: none"> <li>✓ The project area does not have land under any GHG program. Audit team reviewed different GHG programs platforms and confirm that the project activity is only seeing to be registered under VCS &amp; CCB program.</li> </ul>                                                                                                                                                                                                                                                                                                                                                  |
|                         | <p><b>VM0007 - REDD</b></p> <p><i>Land in the project area has</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                         | <ul style="list-style-type: none"> <li>✓ PP is adopting Peruvian Environmental Ministry (MINAM)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

| Applicability condition | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                         | <p>qualified as forest (following the definition used by VCS; in addition, see Section 5.1.2) for at least 10 years prior to the project start date.</p> <p>If land within the project area is, peatland or tidal wetlands and emissions from the SOC pool are deemed significant; the relevant WRC modules (see Table 3) must be applied alongside other relevant modules.</p> <p>Baseline deforestation and forest degradation in the project area fall within one or more of the following categories:</p> <ul style="list-style-type: none"> <li>• <i>Unplanned deforestation</i> (VCS category AUDD)</li> <li>• <i>Planned deforestation/degradation</i> (VCS category APD)</li> </ul> <p>Degradation through the extraction of wood for fuel (fuelwood and charcoal production) (VCS category AUDD).</p> <p>Avoiding planned deforestation/degradation activities are applicable under the following condition:</p> <ul style="list-style-type: none"> <li>• Where conversion of forest lands to a deforested condition must be legally permitted.</li> </ul> <p>definition, included in the National Forest and Wildlife Inventory report /123/; which defines forest as: <i>It is a predominantly arboreal ecosystem with a surface area of at least 0.5 hectares, with minimum canopy coverage of 10% of its area. It houses trees of woody consistency with a minimum height of 2 meters in their adult state on the Coast and Highlands; and 5 meters in the Amazon.</i></p> <p>This definition is adopted by MINAM's forest cover change monitoring platform: GEOBOSQUES:<br/><a href="http://geobosques.minam.gob.pe/">http://geobosques.minam.gob.pe/</a></p> <p>This platform uses a Forest/Non-Forest benchmark map from 2000 to monitor and report forest loss annually from 2001.</p> <p>Validation team considers that this definition is aligned with UNFCCC definition /122/: "Forest is a minimum area of land of 0.05-1.0 hectares with tree crown cover (or equivalent stocking level) of more than 10-30 per cent with trees with the potential to reach a minimum height of 2-5 metres at maturity in situ. A forest may consist either of closed (...)" , due to SERFOR definition is within UNFCCC thresholds definition.</p> <p>✓ As per VCS standard v4.6 (3.2.8): <i>Where ARR, ALM, IFM or REDD project activities occur on wetlands, the project shall adhere to both the respective project category requirements</i></p> |

| Applicability condition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Explanation |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |             |
| <p><i>and the WRC requirements, unless the expected emissions from the soil organic carbon pool or change in the soil organic carbon pool in the project scenario is deemed below de minimis <b>or can be conservatively excluded</b> as set out in the VCS Methodology Requirements, in which case the project shall not be subject to the WRC requirements.</i></p> <p>Soil organic carbon (SOC) quantification was intentionally excluded from this project'. Therefore, the project is not subject to WRC requirements.</p> <ul style="list-style-type: none"> <li>✓ The project baseline is planned deforestation (VCS category APD).</li> <li>✓ The Peruvian State's enabling title and contract for the acquisition of properties allow for the legal conversion of forest lands to a deforested condition. Validation team assesses resolution on property adjudication /96/ /98/, and projected approved project activities included in Nuestro Señor Jesucristo feasibility study /124/ and Selva Maestra project profile /125/</li> </ul> |             |

| Applicability condition | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                         | <p><b>Module VMD0001</b></p> <p><i>This module is applicable to all forest types and age classes. Inclusion of the aboveground tree biomass pool as part of the project boundary is mandatory as per the framework module REDD-MF.</i></p> <p><i>Non-tree aboveground biomass must be included as part of the project boundary if the following applicability criteria are met (per framework module REDD-MF):</i></p> <ul style="list-style-type: none"> <li>• <i>Stocks of non-tree aboveground biomass are greater in the baseline than in the project scenario, and,</i></li> <li>• <i>Non-tree aboveground biomass is determined to be significant (using the T-SIG module).</i></li> </ul> <p><i>Belowground (tree and non-tree) biomass is not required for inclusion in the project boundary because omission is conservative.</i></p> |
|                         | <p><b>Module VMD0004</b></p> <p><i>This module is applicable to non-organic soils under all forest types and age classes. This module is applicable if the soil organic carbon pool is included as part of the project boundary as per applicability criteria in the framework module REDD-MF, specifically:</i></p> <ul style="list-style-type: none"> <li>- <i>Soil organic carbon shall be included if stocks are greater, or are increasing at a greater rate, in the baseline than in the project scenario. Ex ante determination that stocks are</i></li> </ul> <p><i>greater in the baseline than in the project scenario can be made on the basis of IPCC 2006GL Relative Stock Change</i></p>                                                                                                                                         |

- ✓ Aboveground tree biomass is included.
- ✓ Non-tree aboveground biomass is considered not significant using T-SIG, so it was excluded from the project boundary.
- ✓ Belowground tree biomass is a project carbon pool, while non-tree belowground biomass was excluded from the project boundary.
- ✓ Soil organic carbon is expected to be lower in the baseline than in the project scenario, however, as it is a relevant carbon pool for the project, it is included in the project boundary.
- ✓ Soil organic carbon is considered significant using T-SIG.

| Applicability condition | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                         | <p><i>Factors (FLU, FMG, and FI)1 – if the average combined stock change factor for the baseline (area-weighted by post conversion land use) is greater than or equal to 1, then soil organic carbon must be included, otherwise it can be conservatively omitted, and</i></p> <p><i>Soil organic carbon shall be included if determined to be significant (using T-SIG).</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                         | <p><b>Module VMD0006</b></p> <p><i>The module is applicable for estimating the baseline emissions on forest lands (usually privately or government-owned) that are legally authorized and documented to be converted to non-forest land.</i></p> <p><i>Where, pre-project, unsustainable fuelwood collection is occurring within the project boundaries Modules BL-DFW and LK-DFW must be used to determine potential leakage.</i></p> <ul style="list-style-type: none"> <li>✓ Forest lands are private and have legal permission to carry out changes in land use for agricultural and cattle-raising production.</li> <li>✓ No unsustainable fuelwood collection occurred in the pre-project period.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                         | <p><b>Module VMD0009</b></p> <p><i>The module is applicable for estimating the leakage emissions due to activity shifting from forest lands that are legally authorized and documented to be converted to non-forest land, including activity shifting to forested wetland that is drained or degraded as a consequence of project implementation.</i></p> <p><i>The module is also applicable for estimating the leakage emissions due to activity shifting from non-forested wetlands that are legally authorized and documented to be converted and degraded.</i></p> <ul style="list-style-type: none"> <li>✓ The project seeks to avoid planned deforestation, which is legally authorized and documented.</li> <li>✓ Leakage emissions due to change in activity of non-forest wetlands were not considered as it is not part of the project baseline.</li> <li>✓ In the project area there are forested wetlands, such as <i>Mauritia flexuosa</i> dominated palm swamp and Palm and Mixed Palm Swamp Forest.</li> <li>✓ The BL-PL Module has been used to define the baseline, and the applicability conditions of the BL-PL Module are fully met.</li> </ul> |

| Applicability condition | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                         | <p><i>Under these situations, displacement of baseline activities can be controlled and measured directly by monitoring the baseline deforestation or wetland degradation agents or class of agents.</i></p> <p><i>This tool must be used for projects in areas where planned deforestation happens on forested wetlands, regardless of the absence of wetland within the project boundaries.</i></p> <p><i>The module is mandatory if Module BL-PL has been used to define the baseline, and the applicability conditions in Module BL-PL must be complied with in full.</i></p> |                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                         | <p><b>Module VMD0013</b></p> <p><i>This module is applicable to REDD project activities with emissions from biomass burning and REDD-WRC project activities with emissions from biomass and/or peat burning. This module is also applicable to RWE and ARR-RWE project activities with emissions from peat burning.</i></p>                                                                                                                                                                                                                                                       | <p>✓ This is a REDD (APD) project, so the module was used to estimate emissions from biomass burning.</p>                                                                                                                                                                                                                                                                                                        |
|                         | <p><b>Module VMD0015</b></p> <p><i>Strata as defined in the relevant baseline modules are fixed and may not be changed without baseline revision.</i></p> <p><i>The module is mandatory for REDD, CIW-REDD, RWE-REDD and stand-alone CIW project activities.</i></p> <p><i>Where selective logging is taking place in the project case:</i></p> <ul style="list-style-type: none"><li><i>Emissions from logging may be omitted if it can be demonstrated the emissions are de minimis</i></li></ul>                                                                               | <p>✓ Strata will remain fixed during the crediting period.</p> <p>✓ This is a REDD (APD) project, so the module is being used.</p> <p>✓ No legal selective logging is planned in the project design. If illegal logging takes place inside the project area, within the ex-post project scenario, it will be assessed through PRAs and T-SIG to include/exclude emissions (as per requirements of REDD+ MF).</p> |

| Applicability condition | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                |
|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
|                         | <p>using Tool T-SIG.</p> <ul style="list-style-type: none"> <li>If emissions from logging are not omitted as de minimis, logging may only take place within forest management areas that possess and maintain a Forest Stewardship Council (FSC) certificate for the years when the selective logging occurs.</li> <li>Logging operations may only conduct selective logging that maintains a land cover that meets the definition of forest within the project boundary.</li> <li>All trees cut for timber extraction during logging operations must have a DBH greater than 30 cm.</li> <li>During logging operations, only the bole/log of the felled tree may be removed. The top/crown of the tree must remain within the forested area.</li> <li>The logging practices cannot include the piling and/or burning of logging slash.</li> <li>Volume of timber harvested must be measured and monitored.</li> </ul> |                                                                                                                                |
|                         | <p><b>Module VMD0016</b></p> <p><i>In case of REDD, aboveground biomass stratification is only used for pre-deforestation forest classes, and strata are the same in the baseline and the project scenario. Post-deforestation land uses are not stratified.</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p>✓ Aboveground biomass stratification was used for forest classes prior to deforestation.</p>                                |
|                         | <p><b>Module VMD0017</b></p> <p><i>This module is mandatory when using methodology REDD+ MF. It is applicable for estimating</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p>✓ All estimations include an uncertainty analysis.</p> <p>✓ All values used in the calculation process had an intrinsic</p> |

| Applicability condition | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                     |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
|                         | <p><i>the uncertainty of estimates of emissions and removals of CO<sub>2</sub>-e generated from REDD and WRC project activities.</i></p> <p><i>The module focuses on the following sources of uncertainty:</i></p> <ul style="list-style-type: none"> <li><i>Determination of rates of deforestation and degradation.</i></li> <li><i>Uncertainty associated with estimation of stocks in carbon pools and changes in carbon stocks.</i></li> <li><i>Uncertainty associated with estimation of peat emissions.</i></li> <li><i>Uncertainty in assessment of project emissions.</i></li> </ul> <p><i>Where an uncertainty value is not known or cannot be simply calculated, a project must justify that it is using an indisputably conservative number and an uncertainty of 0% may be used for this component.</i></p> <p><i>Guidance on uncertainty – a precision target of a 95% confidence interval half-width equal to or less than 15% of the recorded value must be targeted.</i></p> | <p>uncertainty that was described in the form of its standard error, or the 95% confidence interval half-width.</p> |
|                         | <p><b>T-SIG Tool</b></p> <p><i>The tool shall be used in the application of an A/R CDM approved methodology to an A/R CDM project activity:</i></p> <p>a) <i>To determine which decreases in carbon pools and increases in emissions of the greenhouse gases measured in CO<sub>2</sub> equivalents that result from the implementation of the A/R project activity, are insignificant and can be</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>✓ The tool was used to determine the significance of carbon pools and emission sources.</p>                      |

| Applicability condition | Explanation                                                                                                                                                                                                                                     |                                             |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
|                         | <p><i>neglected.</i></p> <p><i>b) b) To ensure that it is valid to neglect decreases in carbon pools and increases in GHG emissions by sources stated as being insignificant in the applicability conditions of an A/R CDM methodology.</i></p> |                                             |
|                         | AFOLU Non-Permanence Risk Tool, version 4.0.                                                                                                                                                                                                    | ✓ Applicable to determine the risk (buffer) |

The CCB-VCS-PD describes, in section 3.1.2., the applicability condition of the methodology and tool. Data are provided, and limits are fulfilled. AENOR's validation team, based on records provided, including spreadsheets calculations of the emissions reductions /128/, has verified that applicability conditions of the methodology and tool. Therefore, concludes that the project activity complies with the applicability conditions of the methodology, and any tools or modules selected by the project proponent.

### 3.3.3 Project Boundary

The project area comprises 19,034 ha of forest land in Selva Maestra and Nuestro Señor Jesucristo properties in Ucayali and Huánuco, Peru. It includes three districts: Campo Verde and Manantay (Ucayali), and Honoria (Huánuco) in the project area.

Carbon pools included and excluded from project boundary:

| Carbon pools                  | Included? | Justification/Explanation                                                                                                                                                                                                                                                              |
|-------------------------------|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Above-ground tree biomass     | Yes       | Inclusion is mandatory as per VM0007 v1.6, table 04. It does not include non-tree woody biomass.                                                                                                                                                                                       |
| Above-ground non-tree biomass | No        | Not mandatory by methodology.                                                                                                                                                                                                                                                          |
| Belowground tree biomass      | Yes       | Not mandatory by methodology. Included in the project because it is generally the second most significant carbon pool in forest biomass and because it is significant (represents more than 5% of the tree woody biomass), as indicated by the T-SIG tool.                             |
| Belowground non-tree biomass  | No        | Not mandatory by methodology.                                                                                                                                                                                                                                                          |
| Deadwood                      | No        | Not mandatory by methodology.                                                                                                                                                                                                                                                          |
| Harvested wood products       | No        | Optional. The inclusion of the harvested wood pool as part of the project boundary is mandatory when the process of deforestation involves timber harvesting for commercial markets, as per VM0007 v1.6, table 04.<br>No Harvested Wood Products (HWP) reservoir is included. Evidence |

| Carbon pools        | Included? | Justification/Explanation                                                                              |
|---------------------|-----------|--------------------------------------------------------------------------------------------------------|
|                     |           | (Letter N°813-2024-GRU-DRA /158/) confirmed that management plans did not authorize timber extraction. |
| Litter              | No        | Not mandatory by methodology.                                                                          |
| Soil organic carbon | No        | Not mandatory by methodology.                                                                          |

This methodology requires accounting of all potential emissions of CO<sub>2</sub>, N<sub>2</sub>O and CH<sub>4</sub> from sources not related to changes in carbon pools. Then, project proponent included the following GHG emissions from sources not related to changes in carbon pools (emission sources):

| Source   |                        | Gas              | Included? | Justification/Explanation                                                                                                                                                                                                   |
|----------|------------------------|------------------|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Baseline | Carbon Stock Changes   | CO <sub>2</sub>  | Yes       | Stock changes were included, as they are mandatory in the methodology.                                                                                                                                                      |
|          |                        | CH <sub>4</sub>  | No        | Not applicable.                                                                                                                                                                                                             |
|          |                        | N <sub>2</sub> O | No        | Not applicable.                                                                                                                                                                                                             |
|          | Biomass Burning        | CO <sub>2</sub>  | No        | Carbon stock decreases due to burning are already accounted as carbon stock change.                                                                                                                                         |
|          |                        | CH <sub>4</sub>  | Yes       | Fire is used as an instrument for converting the forest to pasture or other land uses in the baseline scenario. Non-CO <sub>2</sub> gases are expected to be emitted due to woody biomass burning in the baseline scenario. |
|          |                        | N <sub>2</sub> O | Yes       |                                                                                                                                                                                                                             |
|          | Fossil fuel Combustion | CO <sub>2</sub>  | No        | As per VMD0014 (E-FCC), the “Fossil fuel combustion in all situations is optional emission source.”                                                                                                                         |
|          |                        | CH <sub>4</sub>  | No        |                                                                                                                                                                                                                             |
|          |                        | N <sub>2</sub> O | No        |                                                                                                                                                                                                                             |
|          | Use of Fertilizers     | CO <sub>2</sub>  | No        | CO <sub>2</sub> and CH <sub>4</sub> are negligible and exclusion of N <sub>2</sub> O is conservative, as per Table 7 of VM0007 v1.6.                                                                                        |
|          |                        | CH <sub>4</sub>  | No        |                                                                                                                                                                                                                             |
|          |                        | N <sub>2</sub> O | No        |                                                                                                                                                                                                                             |
| Project  | Carbon Stock Changes   | CO <sub>2</sub>  | Yes       | Stock changes were included, as they are mandatory in the methodology.                                                                                                                                                      |
|          |                        | CH <sub>4</sub>  | No        | Not applicable.                                                                                                                                                                                                             |
|          |                        | N <sub>2</sub> O | No        | Not applicable.                                                                                                                                                                                                             |
|          | Biomass Burning        | CO <sub>2</sub>  | No        | Carbon stock decreases due to burning are already accounted as carbon stock change.                                                                                                                                         |
|          |                        | CH <sub>4</sub>  | Yes       | Biomass Burning is not anticipated in the project scenario by means of the proponent, but external forces can cause (in a minimal degree) forest loss.                                                                      |
|          |                        | N <sub>2</sub> O | Yes       |                                                                                                                                                                                                                             |
|          | Fossil fuel Combustion | CO <sub>2</sub>  | No        | Can be neglected if excluded from baseline accounting, as per Table 7 of VM0007 v1.6.                                                                                                                                       |
|          |                        | CH <sub>4</sub>  | No        |                                                                                                                                                                                                                             |
|          |                        | N <sub>2</sub> O | No        |                                                                                                                                                                                                                             |
|          | Use of Fertilizers     | CO <sub>2</sub>  | No        | Excluded in the project scenario as they were conservatively excluded in the baseline scenario, as per Table 7 of VM0007 v1.6.                                                                                              |
|          |                        | CH <sub>4</sub>  | No        |                                                                                                                                                                                                                             |
|          |                        | N <sub>2</sub> O | No        |                                                                                                                                                                                                                             |

AENOR’s validation team reviewed *Dynamics of carbon stored in the different land use systems in the Peru /126/*; the Reference Level of Forest Emissions from Gross Deforestation of Peru in the Amazon Biome (MINAM, 2022) /127/; and historical forest lost in the project area reported by GEOBOSQUES (<http://geobosques.minam.gob.pe/>). Then, taking into account the justifications, assumptions and

supporting information provided and the design of the project, AENOR deems that project boundary is correctly defined and in compliance with the applicable methodology and VCS requirements.

### 3.3.4 Baseline Scenario

According to applied methodology, VM0007: REDD+ Methodology Framework (REDD+ MF). Version 1.6 - 17 8 September 2020 - Sectoral Scope 14, the latest version of the tool referenced in VT0001 must be used to identify credible alternative land use scenarios and evaluate both the alternatives and the proposed project scenarios. Then, PP has applied VT0001 Tool for the demonstration and assessment of additionality in VCS agriculture, forestry, and other land use (AFOLU) project activities (VT0001), Version 3.0, 01 February 2012, Sectoral Scope 14 to assess the additionality. The step one of this tool serves to identify alternative land use scenarios to the proposed VCS AFOLU project activity. Hence, *The baseline scenario is the planned land use change of the forests in the project area, for the installation and production of agro-industrial crops and livestock pastures.*

The audit team consulted to a representative of Agricultural regional directorate – DRA Ucayali about the common land use and productive practices prior to project implementation, confirming identified the land use. Also, validation team confirmed the baseline scenario against Nuestro Señor Jesucristo feasibility study /124/ and Selva Maestra project profile /125/, Resolution on property adjudication (Directorial Resolution N°001-2009-GRU-P-DRSAU) /96/ and procurement contract - between BAM and Regional Directorate of agriculture of Ucayali (Directorial Resolution N° 452-98) /98/, confirming the approval of the land-use change for the alternative uses such as agricultural activities and/or livestock raising.

The development of agro-industrial plans in the project area is supported by Peru's rising demand for palm oil /160/, with Ucayali emerging as the country's most dynamic oil palm-producing region. Over the past decade, Ucayali has achieved a 19.23% compound annual growth rate in production (Junpalma, 2021; Hänggli et al., 2023) /161/, and its record-breaking \$124 million in agricultural exports in 2022 (Palm Oil Production Statistics Report, 2021 /160/) further confirms this growth trend. Additionally, the study "A Systematic Comparison of Deforestation Drivers and Policy Effectiveness Across the Amazon Biome" (Hänggli et al., 2023) /161/ highlights that deforestation in Ucayali is closely linked to oil palm expansion, reinforcing the region's pivotal role in this industry. Therefore, validation team concludes that the project activity complies with the baseline scenario, established by the methodology (complete analysis is detailed in additionality section).

The credibility of the baseline scenario is confirmed by the recent official ratification of land-use change rights. Although the original concession resolutions were issued in 2007 /97/ and 2009 /98/, Letter No. 813-2024-GRU-DRA /158/ and Report No. 053-2024-GRU-DRA-OAJ (25/09/2024) /159/ from the competent authority confirm the full current validity of these rights. This fact constitutes an official ratification of BAM's current and discretionary capacity for land-use conversion, which reinforces the validity of the proposed baseline scenario and substantiates the project's additionality.

Furthermore, as a national private company, Bosques Amazónicos S.A. (BAM)'s corporate and operational decisions are strictly guided by the pursuit of sustainable economic returns for the company and its shareholders. Review of corporate documents confirms that all BAM actions align with generating economic value through the use of authorized land-use rights.

Given the growing voluntary carbon market towards the end of 2019, BAM made the strategic and economic decision to shift its focus from production activities to conservation and forest management, registering the REDD+ Project The Last Habitat under the Verified Carbon Standard (VCS). This decision resulted from a comparative financial analysis that projected a greater return from generating and selling carbon credits, as opposed to the expected profitability of the originally authorized activities.

In addition, the existence of the agreement signed in 2019 between Bosques Amazónicos and JCC Inversiones S.A.C. /169/ (both BAM Group companies) confirms the realistic risk of deforestation. This agreement established a specific deadline for registering The Last Habitat project within the carbon market. Upon expiration of this deadline without successful registration, the parties agreed to reactivate the originally planned agricultural activities. This contractual element serves as concrete and objective evidence that the maintenance of forest use and conservation was not the expected baseline scenario without the project's direct intervention.

The VVB, also, has evaluated the project's additionality and baseline scenario under the guidelines of Module VMD0006 v1.4 /114/, specifically complying with the requirements of Section 5.1.2 for Planned Deforestation (APD) projects. According to this module, the Project Proponent must demonstrate an imminent and site-specific threat of deforestation through documentary evidence of legal permissibility, suitability of the land for alternative uses, and a clear intent to execute forest conversion within a defined period. This assessment is fundamental to ensuring that emission reductions would not have occurred without the intervention of the carbon market.

The analysis of the reviewed evidence confirms that the planned deforestation would have commenced on January 1, 2020. The VVB validated that the intent to deforest was formally communicated to the regional authority months prior to the project start date through Letters N° 007-2019-GG /173/ and S/N-2019-GG /174/, which notified the immediate execution of agro-industrial activities to satisfy the socio-economic function of the land. The technical basis for this threat is found in the Investment Plan 2019–2024 for Selva Maestra /175/ and the Investment Plan 2019–2024 for Inversiones JCC /176/, both of which establish 2020 as the operational milestone for land clearing and infrastructure construction. Furthermore, the economic viability of this scenario is supported by the Feasibility Study JCC /124/, which projects significant financial returns (IRR > 40%), and the legal capacity to execute it has been recently ratified through Letter No. 813-2024-GRU-DRA /158/.

The reviewed documentation demonstrates that the Proponent possessed valid legal permissibility, backed financial capacity (including approximately USD 74.8 million in total assets as per the 2019 Financial Statements /55/), and a detailed operational plan to transform the forest starting in the first quarter of 2020. The VVB also verified that by mid-2019 the project proponent had initiated financial structuring activities, including the execution of a Memorandum of Understanding with Andean Crown (June 2019) /177/, and that a 2019 agreement between BAM and JCC Inversiones S.A.C. /178/ established that if the REDD+ project was not registered by year-end 2019, the parties would revert to the originally planned agricultural activities in January 2020 to protect land tenure. The implementation of these investment plans had been formally reviewed and approved by the Board of Directors of Bosques Amazónicos S.A., as documented in the Board of Directors Minutes dated January 21, 2019 /179/. Therefore, the project satisfactorily complies with the additionality criteria and the evidence requirements of the applied module, confirming that the protection of the area constitutes a real and verifiable deviation from the originally planned production trajectory.

In conclusion, the VVB determines with a reasonable level of assurance that the baseline scenario is robust and that the threat of deforestation was imminent at the time of the project's commencement. The reviewed documentation demonstrates that the Proponent possessed valid legal permissibility, backed financial capacity, and a detailed operational plan to transform the forest starting in the first quarter of 2020. Therefore, the project satisfactorily complies with the additionality criteria and the evidence requirements of the applied module, confirming that the protection of the area constitutes a real and verifiable deviation from the originally planned production trajectory.

### 3.3.5 Additionality

Additionality was analysed by following the methodological tool VT0001, version 3.0, for the demonstration and assessment of additionality in VCS Agriculture, Forestry and Other Land Use (AFOLU) project activities.

The following steps were developed to demonstrate additionality:

- STEP 1. Identification of alternative land use scenarios to the proposed VCS AFOLU project activity
- STEP 2. Investment analysis
- STEP 3. Barrier analysis; and
- STEP 4. Common practice analysis

#### **STEP 1. Identification of alternative land use scenarios to the proposed VCS AFOLU project activity**

The PP demonstrated that all land-use scenarios identified in sub-step 1a follow all mandatory applicable legal and regulatory requirements. Following the applied producer stated in the tool, project proponent identified three alternative scenarios:

##### **Scenario 1: Development of the agro-industrial plans on the companies' properties.**

This implies the continuation of the pre-existing land use, maintaining and implementing the legally approved land-use change plans across 14,507 hectares. The development includes:

- 7,000 ha for grazing pastures,
- 2,000 ha for palm oil cultivation,
- 1,000 ha for Camu Camu production,
- 2,000 ha for castor oil crops, and
- 2,507 ha for agro-industrial infrastructure.

Without revenue from carbon credits, BAM and JC, as private enterprises reliant on economic viability, would proceed with the previously approved agricultural development plans. This scenario is supported by the existing land-use change authorization (Letter No. 813-2024-GRU-DRA /158/ and Report No. 053-2024-GRU-DRA-OAJ /159/, dated 25 September 2024), which allows implementation at the discretion of the owner, contingent on regional economic condition.

Technical report No. 053-2024-GRU-DRA-OAJ of the regional directorate of Ucayali dated on September 2024 /159/, refers that the properties were purchased in 2007 and 2009 by BAM and JCC. In addition, formal communication by Letter N°813-2024-GRU-DRA /158/ given by Ucayali Regional Agricultural Authority (DRA), dated on 25 September 2024, confirms that both concessions maintain their full legal rights and authorized uses. Both properties retain all entitlements granted to their respective owners, including stipulated development plans established since acquisition. Implementation timelines remain at each owner's discretion, with all rights currently active and enforceable.

The development of the agro-industrial plans in the project area is supported by the rising demand for palm oil in Peru. Ucayali has established itself as Peru's most dynamic oil palm producing region,

achieving an 19.23% compound annual growth rate in production over the last ten years (Junpalma, 2021; Hänggli et al., 2023). The region's record-breaking 124 million in agricultural exports during 2022

Palm oil production statist report 2021 /160/ confirms the annual growth rate and. Furthermore, the paper: *A systematic comparison of deforestation drivers and policy effectiveness across the Amazon biome* (Hänggli A., et al 2023) /161/ confirms that deforestation in the Ucayali region is associated with the expansion of oil palm.

This rapid expansion aligns with Peru's substantial vegetable oil deficit, which currently stands at approximately 300,000 metric tons per year. According to Ucayali Regional Government (GORE) report 2018 /162/, developing an additional 150,000 hectares of oil palm plantations could reduce this deficit by approximately 50%. These market fundamentals make land-use conversion for oil palm cultivation not only economically viable but strategically important for national food security.

Validation team assessed Financial statements /55/; Annual report 2022 /56/; approvals /96/ /98/ of the land-use change for the alternative uses such as agricultural activities and/or livestock raising; applicable local regulation; technical Economic Feasibility Study for Nuestro Señor Jesucristo /124/; Project Profile for Selva Maestra /125/; Palm oil production statist report 2021 /160/; *A systematic comparison of deforestation drivers and policy effectiveness across the Amazon biome* (Hänggli A., et al 2023) /161/. Therefore, after analysing, those evidence, validation team concludes that this scenario is plausible.

**Scenario 2: Project activity on the land within the project boundary performed without being registered as the VCS AFOLU project.**

In this scenario, where carbon credits are not an option, BAM partners with an environmental research institution to fund conservation efforts in the area without registering a VCS project. This collaboration generates some income for the company while covering minimal costs through research projects, biodiversity assessments, and potential donations received by the partner institution

This scenario is credible given the area's demonstrated ecological and biodiversity value, which remains understudied. In recent years, the region has attracted growing interest from researchers and scientific institutions, as evidenced by the CORBIDI Agreement (2019) /38/.

Another factor that attracts the scientific community's attention is the presence of species that are rapidly disappearing in other urbanized areas of the Amazon. Notably, endangered animals such as the sachavaca (*Tapirus terrestris*) and the jaguar (*Panthera onca*), both classified as threatened by the IUCN, can still be found here, despite the region's proximity to the city

Sub-step 1b. Consistency of credible land use scenarios with enforced mandatory applicable laws and regulations

Scenarios 1 and 2 comply with all relevant laws and regulations and face no legal or administrative barriers to implementation, provided that property rights over the area and the corresponding use authorizations remain valid under Article 70 of the Constitution and the Framework Law for the Growth of Private Investment.

The outcome of Sub-step 1b is that both scenarios are plausible.

## Sub-step 1c. Selection of the baseline scenario

The selected baseline scenario is Scenario 1: **Development of the agro-industrial plans on the companies' properties.**

Validation team assessed Financial statements /55/, It describes the financial position and states that the Company's Management controls liquidity risks associated with its obligations by periodically assessing clients' financial viability, securing credit lines with financial institutions, and managing asset and liability maturities effectively; Annual report 2022 /56/, which include the financial results as of December 31, 2022, confirming the financial strength of BAM, Financial Cash flow /57/, which tracks a company's cash inflows and outflows over the period, linking changes in the balance sheet and income statement to cash movements; BAM budget /58/; that estimates future income and expenses over the crediting period; and Land valuation /59/, that details the economic values of the lands based on location, size, zoning, market demand, and potential use.

Validation team assessed JCC Inversiones SAC – Resolution on property adjudication N° 001-2009-GRU-P-DRSAU /96/; JCC Inversiones SAC – Registration certificate given by SUNARP (national superintendence of public records) /97/; Procurement contract - between BAM and Regional Directorate of agriculture of Ucayali /98/; Bosques Amazonicos SA – Registration certificate given by SUNARP (national superintendence of public records) /99/; and Carbon transfers right contract in favour of Bosques Amazonicos SA from JCC Inversiones SAC /100/; and Ministerial resolution N° 193-2022-NIMANM, Recognition of the Private Conservation Area "Campo Verde" /101/. Approvals confirm land-use change for the alternative uses such as agricultural activities and/or livestock raising.

Land-use alternatives (development of an agro-industrial project) detailed in technical Economic Feasibility Study for Nuestro Señor Jesucristo /124/; Project Profile for Selva Maestra /125/, which include projected productive activities and its areas. Also it was reviewed Palm oil production statistic report 2021 /160/; that report fastest-growing oil palm region, demonstrating a remarkable 19.23% annual production increase over the past decade.

Applicable local regulation:

- Forest and Wildlife Law, Law No. 29763 /103/; law that establishes rights and obligations related to the country's forest and wildlife heritage. The law aims to ensure the conservation and sustainable use of forests and wildlife, while regulating access and management of these natural resources to meet both present and future national needs.
- General Environment Law, Law No. 28611 /107/; which is environmental framework, establishing principles like sustainable development, precaution, and polluter-pays to balance economic growth with ecological protection. It mandates environmental impact assessments (EIAs), sets air/water quality standards (ECAs and LMPs), and safeguards biodiversity through protected areas. The law also enforces liability for environmental damage, promoting citizen participation and state accountability. Its goal is to ensure a healthy environment while regulating natural resource use.
- National Environmental Policy approved by Supreme Decree No. 12-2009-MINAM /108/; This decree, issued by Peru's Ministry of the Environment (MINAM), approves regulations to ensure transparency, public access to environmental information, and citizen participation in environmental matters. It mandates government entities to disclose environmental data upon request (with limited exceptions) and establishes

mechanisms for public participation in environmental decision-making (e.g., Environmental Impact Assessments). The rules also emphasize consultation with Indigenous communities and set response timelines for information requests. Grounded in Peru's General Environmental Law (No. 28611) and international principles like the Rio Declaration's Principle 10, it strengthens environmental governance and democratic rights.

- Organic Law for the sustainable use of Natural Resources, Law No. 26821 /109/; establishes the legal framework for the conservation of Natural Protected Areas (ANP). Its main objective is to preserve biodiversity, ecosystems, and environmental services by designating protected zones such as national parks, reserves, and sanctuaries. The law prohibits harmful activities like illegal logging, poaching, and unauthorized mining, while promoting sustainable management. The National Service of Natural Protected Areas (SERNANP), under the Ministry of the Environment, oversees these areas, ensuring compliance with conservation policies.

The law also recognizes the role of indigenous communities and local populations in managing protected areas, encouraging their participation in conservation efforts. Violations can lead to fines or legal penalties. As a key part of Peru's environmental legislation, Law No. 26821 aligns with international biodiversity agreements and complements other national laws, such as Law No. 26834, to safeguard Peru's rich natural heritage for future generations.

- Regulation for forest management approved by Supreme Decree No. 018-2015-MINAGRI /110/; It aims to promote sustainable and competitive aquaculture by setting requirements for legalizing informal producers, optimizing water resource use, simplifying permits, encouraging private investment, and enforcing penalties for non-compliance. The decree applies to all natural and legal persons engaged in aquaculture, whether in marine, continental, or artificial water systems,

Audit team also reviewed the publication: *A systematic comparison of deforestation drivers and policy effectiveness across the Amazon biome* (Hänggli A., et al 2023) /161/, it confirms Causes of Deforestation in Peruvian Amazon:

- **Agriculture (permanent and illicit):** One of the main drivers of deforestation in Ucayali and the Peruvian Amazon, including both legal agricultural expansion and illicit crops (e.g., coca).
- **Settlements and infrastructure:** Road construction, human settlements, and other infrastructure projects open previously inaccessible areas, enabling logging and other deforestation activities. Road expansion has been identified as a major deforestation risk in Ucayali.
- **Mining and extractive industries:** While less impactful than agriculture, mining also contributes to forest loss.
- **Illegal and selective logging:** Roads built for selective logging often lead to further indiscriminate deforestation.
- **Underlying factors:** Deeper causes—such as demographic, technological, economic, and political/institutional factors—also influence deforestation trends.

Also publication details the Scale and Trends of Deforestation in Ucayali, confirming:

- Ucayali is one of Peru's most deforested regions in the Amazon. Between **2001 and 2023**, Ucayali lost a significant portion of tree cover, including **558,000 hectares of primary humid forest** (72% of total tree cover loss in that period).
- In **2023 alone**, the region lost **40,900 hectares** of natural forest, emitting **27.4 million tons of CO<sub>2</sub>**.
- The Ucayali Regional Government reported 116,482 hectares of forest loss between 2020 and mid-2023

Therefore, based on the analysis of those evidence audit team concludes that land use scenarios are consistent with mandatory laws and regulations and relevant national and/or sectoral policies and circumstances have been considered and are listed in the project description. Thus, AENOR considers that the identified baseline scenario is correctly justified, confirming that both scenarios are viable and fall within the regulatory framework.

## STEP 2. Investment analysis

### Sub-step 2a. Determine appropriate analysis method

According to the applied tool If the VCS AFOLU project generates no financial or economic benefits other than VCS related income, then apply the simple cost analysis (Option I). Otherwise, use the investment comparison analysis (Option II) or the benchmark analysis (Option III). Note, that Options I, II and III are mutually exclusive hence, only one of them can be applied.

PP has chosen investment comparison analysis (Option II).

### Sub-step 2b. – Option II. Investment comparison analysis

For the investment analysis, NPV comparison over the 20-year project duration was used.

For Scenario 1, annual cash flows were calculated by aggregating projected revenues and costs for the authorized land-use change activities: palm/vegetable oil, camu camu, and livestock. The financial analysis incorporated cost, production, and price benchmarks from Peru's National Agrarian Survey (INEI, 2018) /164/

For Scenario 2, the financial analysis incorporated the operational costs required to maintain basic conservation activities in the area. These included essential personnel salaries, camp maintenance, equipment, fuel, office rental, and utility payments. Revenue projections were based on funding allocated for conservation and research purposes, using as reference the compensation received for conducting two annual biodiversity expeditions.

A discount rate of 13% was applied, corresponding to the Weighted Average Cost of Capital (WACC) calculated by BAM. This rate represents the minimum expected return required to satisfy investor expectations.

The 20-year projections for both scenarios were developed using this financial parameter. Detailed methodology and input data are documented in the supporting file: *REDD TLH Additionality Investment Analysis*. /163/

The comparative analysis of Net Present Value (NPV) for both scenarios reveals a clear distinction. The legal land use change scenario generates a substantially higher NPV of \$19,616,505.00, in contrast to Scenario 2's NPV of \$620,669.97. Consequently, it can be concluded that the financial viability of the proposed project activities, absent the revenue from VCU sales, is inferior to that of legal land use change.

## STEP 3. Barrier analysis

Due to Investment analysis has been selected; PP has not applied barrier analysis in accordance to applied tool (According to the tool: *Investment analysis may be performed as a stand-alone additionality analysis or in connection to the Barrier analysis*)

#### STEP 4: Common practice analysis

According to the PD, there is no precedent for converting forest lands into agrarian lands that are voluntarily converted into forest lands for forest conservation projects. Validation team, after reviewing VCS registry platform, confirm that this project is the first to be developed under this methodology with these characteristics. Thus, the PP demonstrated that the proposed project activity is not a common practice in the country, and therefore, the proposed VCS AFOLU project activity is additional.

Audit team confirmed that

The auditing team has verified on <https://visor.geoperu.gob.pe/> /134/ that there are no **Private Conservation Areas** with characteristics similar to the project. <https://visor.geoperu.gob.pe/> corresponds to **GeoPerú Viewer**, an official web platform of the **Ministry of Agrarian Development and Irrigation (MIDAGRI)** of Peru. This geographic viewer allows users to visualize, query, and analyze territorial information of the country through interactive maps and geolocation tools. Also, during the community interviews, they were asked if they knew of any other similar projects, and the answer was no.

The PP provided access to different documents and evidence (see Appendix I of this report) supporting the above statements. Considering the justifications about the project activities and their nature, as well as the declarations of the interviewed stakeholders, AENOR deems that the identification of land-use scenarios without the project were correctly identified, and the barriers are appropriately justified and are credible.

In conclusion and based on reliable and recognized sources, the justifications about the project activities and their nature, The procedures for identifying the baseline scenario have been correctly followed according to the steps in the combined tool and the identified scenario reasonably represents what would have occurred in the absence of the project. Therefore, AENOR deems that the additionality of the project is appropriately justified and in accordance with the requirements of the applied methodology and the requirements set in section 3.14 of the VCS Standard v4.6.

#### 3.3.6 Methodology Deviations

PP is requesting two deviation:

According to VCS module VMD0001 v1.1, field plots should be established to calculate carbon stock in the above and belowground live trees and non-tree pools. However, the project has opted to use the National Forest Reference Emission Level (FREL) values for lowland forest strata, supplemented by literature values from peer-reviewed publications for two additional strata, known as aguajales (palm swamp). This approach is justified based on the following points:

- a) Alignment with National and Peer-Reviewed Standards: For the lowland forest strata, FREL values provide standardized, nationally approved carbon stock measurements (for AGC and BGC). For the aguajales strata (AGC data), the project team references peer-reviewed literature values, which are methodologically sound and regionally specific, given that these values were sampled from locations near to the project area.
- b) Enhanced Conservativeness: The carbon stock values in the aboveground compartment found in the literature for aguajales are notably lower than the FREL estimates for lowland forests, 188.03 and 353.21 tCO<sub>2</sub>/ha for the aguajales (Garcia, Honorio & Del Castillo 2012) vs 427.07 tCO<sub>2</sub>/ha of

the FREL. This selection ensures conservative baseline calculations, which in turn support credible and defensible emissions reduction claims. Additionally, an independent study conducted within the same forest type (Lowland Forest) identified aboveground carbon stocks that exceeded FREL values, 572.33 tCO<sub>2</sub>/ha (Cuellar & Salazar 2016) vs 427.07 tCO<sub>2</sub>/ha of the FREL, further affirming the conservative nature of this approach.

In AENOR's opinion, the deviation of adopting an alternative approach by utilizing Peru's National Forest Reference Emission Level (FREL) /132/ for lowland forest strata, supplemented by peer-reviewed literature values for aguajales (palm swamp ecosystems) is justified as it (1) aligns with Peru's official GHG inventory and REDD+ framework (UNFCCC-recognized), (2) employs conservative estimates that avoid overestimation (consistent with or below IPCC tiers), and (3) ensures transparency and reproducibility through publicly documented values, adhering to VCS requirements.

Validation team contrasted value used in the spreadsheet of emission reduction calculation against official source ([https://redd.unfccc.int/media/nref\\_peru\\_281122\\_final\\_2\\_.pdf](https://redd.unfccc.int/media/nref_peru_281122_final_2_.pdf)) /132/. Audit team, reviewed the publication "*Determinación del stock de carbono en aguajales de la cuenca del río Aguaytía, Ucayali – Perú*" (García, Honorio & Del Castillo 2012) /165/. This study quantified the stock of organic carbon, above-ground biomass, and *necromass in aguajales* (wetlands dominated by the aguaje palm) within the Aguaytía River basin in Ucayali, Peru. To do this, soil samples were analyzed for organic carbon, trees and palms were measured in temporary plots for above-ground biomass (using allometric equations), and dead wood and leaf litter were quantified for necromass.. Also, it was reviewed National Determined Contributions for the AFOLU sector and conclude that this emission factor is appropriate to the project activity. Then, this deviation do not affect the conservativeness of the estimation.

AENOR's validation team reviewed proposed methodology deviations and the applicability in the emission reduction calculation and is able to confirm that these two (02) deviations do not negatively impacts the conservativeness of the quantification of GHG emission.

### 3.3.7 Quantification of GHG Emission Reductions and Removals

Procedures for quantifying the GHG emission reductions generated by the project during the project crediting period were conducted in accordance with VCS approved methodology VM0007, Version 1.6, "REDD+ Methodology Framework (REDD+ MF)". The validation team performed an intensive review of all input data, parameters, formulas, calculations, conversions, statistics and resulting uncertainties of output data to ensure consistency with the VCS and CDM documentation, methodology modules, and tools.

Furthermore, the validation team reproduced calculations for selected samples to ensure accuracy of the results. Conversion factors, formulas, and calculations were provided by the PP in spreadsheet /128/ format to ensure all formulas were accessible for review. The validation team recalculated subsets of the analysis to confirm correctness. Where applicable, references for analysis methods or default values were checked against relevant scientific literature for best practice.

#### Quantification of baseline emissions and/or removals

Section 3.2.1 of the PD describes the procedure for quantification of baseline emissions in accordance with VM0007 methodology.

The baseline emissions calculated in the project are based on the conversion of forest to croplands: oil palm, camu camu (*Myrciaria dubia*), and castor oil plant (*Ricinus communis*). Considering the total area of the two properties (20,779 hectares), the permitted and planned conversion area is 14,507 ha.

The ex-ante stratification is based on ancillary data as described in module VMD0016 (X-STR). The areas of strata delineated prior to allocation of inventory plots using stratified sampling are known exactly and require no accuracy assessment.. Forest inventories conducted in 2006 /129/ and 2012 /130/ on two

properties were used to stratify ecozones. However, due to the carbon values representing the Peruvian lowland forest, only two ecozones were highlighted: the "aguajales" ecozones, which are characteristic wetlands of the Peruvian jungle, and the high carbon levels of the SOC compartment. The dominant palm tree, *Mauritia flexuosa*, was a significant factor in this class. As a result, the ecozones were regrouped into three distinct classes, as follow:

| Property                 | Stratum      | Description                                   | Area (ha)       | Percentage (%) |
|--------------------------|--------------|-----------------------------------------------|-----------------|----------------|
| Nuestro Señor Jesucristo | 1            | Lowland Tropical Rainforest                   | 4,351.32        | 57.96          |
|                          | 2            | Palm and Mixed Palm Swamp Forest              | 707.04          | 9.42           |
|                          | 3            | <i>Mauritia flexuosa</i> dominated palm swamp | 2,448.63        | 32.62          |
|                          | 4            | Other lands (non-forest)                      | 0.00            | 0.00           |
|                          | <b>Total</b> |                                               | <b>7,506.99</b> | <b>100%</b>    |
| Selva Maestra            | 1            | Lowland Tropical Rainforest                   | 6,285.87        | 89.80          |
|                          | 2            | Palm and Mixed Palm Swamp Forest              | 695.61          | 9.94           |
|                          | 3            | <i>Mauritia flexuosa</i> dominated palm swamp | 18.54           | 0.26           |
|                          | 4            | Other lands (non-forest)                      | 0.00            | 0.00           |
|                          | <b>Total</b> |                                               | <b>7,000.02</b> | <b>100%</b>    |

Validation team assessed: Forest inventories /129/ /130/ and confirm that in based of this data the stratum were determined and followed the procedures of VMD0016.

Projected annual proportion of land that will be deforested

The deforestation rate for the baseline scenario of each property was calculated based on the values given by the Technical Economic Feasibility Study Agro-industrial Exploitation /124/ and Selva Maestra Project Profile /125/, The annual area of baseline planned deforestation ( $AA_{planned,i,t}$ ) is calculated according to Equation 5 of VMD0006:

$$AA_{planned,i,t} = (A_{planned,i} * D\%_{planned,i,t}) * L - D_i$$

Where:

$AA_{planned,i,t}$  Annual area of baseline planned deforestation for stratum i at time t; ha.

$D\%_{planned,i,t}$  Projected annual proportion of land that will be deforested in stratum i during year t.

$A_{planned,i}$  Total area of planned deforestation over the baseline period for stratum i; ha.

$L - D_i$  Likelihood of deforestation for stratum i; %

$i$  1, 2, 3, ... m strata

The total area of planned deforestation over the baseline period, in each property is determined according to what is recognized as an immediate site-specific threat of deforestation, which, in its turn, is a function of the legal permissibility for deforestation /96/ /98/, the suitability of the project area for conversion to alternative non-forest land use, the government approval for deforestation and a management plan for deforesting the project area /131/. These authorizations documented actual annual deforestation proportion. The  $L - D_i$  is set to be 100%, as only private areas are covered under the project's scope. Following table shows the projected areas to be deforested in each property, per year:

| Conversion to: | Selva Maestra (ha) | JCC - Nuestro Señor Jesucristo (ha) |           |                  |                |           |
|----------------|--------------------|-------------------------------------|-----------|------------------|----------------|-----------|
|                | Pastures           | Oil palm                            | Camu camu | Castor oil plant | Infrastructure | Total JCC |
| Year 1         | 600                | -                                   | -         | -                | 1,000          | 1,000     |
| Year 2         | 600                | -                                   | -         | -                | 1,000          | 1,000     |
| Year 3         | 600                | -                                   | -         | -                | 507            | 507       |
| Year 4         | 600                | 500                                 | 250       | 500              | -              | 1,250     |
| Year 5         | 600                | 500                                 | 250       | 500              | -              | 1,250     |
| Year 6         | 600                | 500                                 | 250       | 500              | -              | 1,250     |
| Year 7         | 600                | 500                                 | 250       | 500              | -              | 1,250     |
| Year 8         | 600                | -                                   | -         | -                | -              | -         |
| Year 9         | 600                | -                                   | -         | -                | -              | -         |
| Year 10        | 600                | -                                   | -         | -                | -              | -         |
| Year 11        | 600                | -                                   | -         | -                | -              | -         |
| Year 12        | 400                | -                                   | -         | -                | -              | -         |
| Total          | 7,000              | 2,000                               | 1,000     | 2,000            | 2,507          | 7,507     |

The deforestation plans lack details on the distribution of hectares by stratum, so a conservative solution was chosen to allocate deforested area proportionally to forest percentage per ecozone. This resulted in 600 hectares per year in the Selva Maestra sector being distributed proportionally across three ecozones until the planned 7,000 hectares were reached. The same was done for the “Nuestro Señor Jesucristo” sector, where the 7,507 hectares were distributed proportionally by stratum. Following is showed the planned deforestation by stratum:

| Year  | Selva Maestra      |                    |                    | Total              |
|-------|--------------------|--------------------|--------------------|--------------------|
|       | AAplanned,1,t (ha) | AAplanned,2,t (ha) | AAplanned,3,t (ha) | AAplanned,i,t (ha) |
|       | (Stratum 1)        | (Stratum 2)        | (Stratum 3)        |                    |
| 2020  | 451.08             | 130.32             | 18.54              | 599.94             |
| 2021  | 409.59             | 190.35             | -                  | 599.94             |
| 2022  | 435.78             | 164.25             | -                  | 600.03             |
| 2023  | 500.58             | 99.45              | -                  | 600.03             |
| 2024  | 489.51             | 110.52             | -                  | 600.03             |
| 2025  | 600.03             | -                  | -                  | 600.03             |
| 2026  | 599.40             | 0.63               | -                  | 600.03             |
| 2027  | 599.85             | 0.09               | -                  | 599.94             |
| 2028  | 600.03             | -                  | -                  | 600.03             |
| 2029  | 599.94             | -                  | -                  | 599.94             |
| 2030  | 600.03             | -                  | -                  | 600.03             |
| 2031  | 400.05             | -                  | -                  | 400.05             |
| Total | 6,285.87           | 695.61             | 18.54              | 7,000.02           |

| Year | JCC - Nuestro Señor Jesucristo |                    |                    | Total              |
|------|--------------------------------|--------------------|--------------------|--------------------|
|      | AAplanned,1,t (ha)             | AAplanned,2,t (ha) | AAplanned,3,t (ha) | AAplanned,i,t (ha) |
|      | (Stratum 1)                    | (Stratum 2)        | (Stratum 3)        |                    |
| 2020 | 401.13                         | 78.93              | 519.93             | 999.99             |
| 2021 | 503.19                         | 172.98             | 323.82             | 999.99             |
| 2022 | 506.61                         | 0.00               | 0.00               | 506.61             |

| Year  | JCC - Nuestro Señor Jesucristo |                    |                    | Total              |
|-------|--------------------------------|--------------------|--------------------|--------------------|
|       | AAplanned,1,t (ha)             | AAplanned,2,t (ha) | AAplanned,3,t (ha) | AAplanned,i,t (ha) |
|       | (Stratum 1)                    | (Stratum 2)        | (Stratum 3)        |                    |
| 2023  | 867.87                         | 113.04             | 269.19             | 1,250.10           |
| 2024  | 595.26                         | 29.61              | 625.23             | 1,250.10           |
| 2025  | 675.18                         | 165.78             | 409.14             | 1,250.10           |
| 2026  | 802.08                         | 146.70             | 301.32             | 1,250.10           |
| 2027  | -                              | -                  | -                  | -                  |
| 2028  | -                              | -                  | -                  | -                  |
| 2029  | -                              | -                  | -                  | -                  |
| 2030  | -                              | -                  | -                  | -                  |
| 2031  | -                              | -                  | -                  | -                  |
| Total | 4,351.32                       | 707.04             | 2,448.63           | 7,506.99           |

Projected annual proportion of land that will be deforested ( $D\%_{planned,i,t}$ )

As per applied module (BL-PL):

*The methodology requires knowledge of the rate (area deforested per year) at which the planned areas will be deforested to give an area per stratum (i) per year (t) through the project period.*

*Where a valid verifiable plan exists for rate at which deforestation is projected to occur, this rate must be used.*

In that sense, this parameter was determined based on the official documentation submitted to the competent entities of the Regional Government of Ucayali, which supports the existence of deforestation plans associated with the project areas

- **Selva Maestra:** For this property, the deforestation rate was defined according to page 1, paragraph 3 of the request for land award document /171/ which states: "In the case of pastures, these will be increased annually by an average of 600 hectares until they reach 7,000 hectares." Regarding conversion to infrastructure, page 35 establishes that: "...Of those 7,507 hectares, 5,000 hectares will be used for the project; the remainder will serve for road infrastructure, future agro-industrial plants, and future expansions of agro-industrial crops." This information is from the land award document issued and accepted by the Regional Agrarian Directorate of Ucayali (DRAU) /171/. This instrument constitutes the foundational authorization for the transformation of land use for productive purposes, thereby reflecting a planned intention for forest cover change.
- **Nuestro Señor Jesucristo:** For this property its deforestation rate is based on page 5 of the Technical Economic Feasibility Study /124/, where it is mentioned: "Oil palm will be installed at 500 hectares annually until reaching 2,000 hectares... Camu Camu will be installed at 250 hectares annually until reaching 1,000 hectares... Oil palm [castor oil plant/jatropha] will be installed at 500 hectares annually until reaching 2,000 hectares." This is extracted from the document received and registered by the Regional Directorate of Agriculture of Ucayali (DRAU), which supports the authorization for the development of agricultural activities on the property /96/

Audit team also, assessed the land use change management plan /168/ for deforesting the project area, it establish the guidelines and methodologies to identify, evaluate, and zone forest areas suitable for planned and sustainable conversion to agro-industrial crops. The zoning strategy seeks to minimize negative impacts, prioritizing the conservation of high-ecological-value areas, and promoting activities compatible with the resilience and regeneration of the regional ecosystem.

Furthermore, through Letter N° 813-2024-GRU-DRA /15/, the Regional Government of Ucayali specified that the property named Fundo Selva Maestra and the property Nuestro Señor Jesucristo maintain their original rights and land uses that were awarded.

Based on sated evidence, audit team confirms the deforestation rate which is summarized in the following table:

| Conversion to: | Selva Maestra (ha) | JCC - Nuestro Señor Jesucristo (ha) |           |                  |                |           |
|----------------|--------------------|-------------------------------------|-----------|------------------|----------------|-----------|
|                | Pastures           | Oil palm                            | Camu camu | Castor oil plant | Infrastructure | Total JCC |
| 2020           | 600                | -                                   | -         | -                | 1,000          | 1,000     |
| 2021           | 600                | -                                   | -         | -                | 1,000          | 1,000     |
| 2022           | 600                | -                                   | -         | -                | 507            | 507       |
| 2023           | 600                | 500                                 | 250       | 500              | -              | 1,250     |
| 2024           | 600                | 500                                 | 250       | 500              | -              | 1,250     |
| 2025           | 600                | 500                                 | 250       | 500              | -              | 1,250     |
| 2026           | 600                | 500                                 | 250       | 500              | -              | 1,250     |
| 2027           | 600                | -                                   | -         | -                | -              | -         |
| 2028           | 600                | -                                   | -         | -                | -              | -         |
| 2029           | 600                | -                                   | -         | -                | -              | -         |
| 2030           | 600                | -                                   | -         | -                | -              | -         |
| 2031           | 400                | -                                   | -         | -                | -              | -         |
| Total          | 7,000              | 2,000                               | 1,000     | 2,000            | 2,507          | 7,507     |

#### Estimation of carbon stocks by carbon pools

The baseline emissions were calculated using two carbon pools: aboveground biomass (AGB), belowground biomass (BGB). Organic carbon from the soil (SOC) was excluded. Litter and deadwood pools were excluded (allowed by methodology), and the harvested wood products pool was excluded due to there are no predicted forest management activities related to logging and wood milling.

Carbon forest values were extracted from literature sources, including Forest Reference Emission Levels – FREL /132/ , as well as institutional studies carried out for the study area (department of Ucayali). The details on the carbon stocks of AGB ( $C_{AB\_pre,i}$ ), BGB, ( $C_{BB\_pre,i}$ ) and the corresponding post-deforestation use carbon data ( $C_{AB\_post,i}$ ,  $C_{BB\_post,i}$ ) are shown following:

Carbon pools considered for calculation of the baseline scenario (pre-deforestation):

|                 |             | Lowland Tropical Rainforest                       |          | Mixed Palm Swamp and Palm Swamp                   |          | Mauritia flexuosa dominated palm swamp            |          |
|-----------------|-------------|---------------------------------------------------|----------|---------------------------------------------------|----------|---------------------------------------------------|----------|
| Parameter       | Carbon pool | Mean Value (tCO <sub>2</sub> e ha <sup>-1</sup> ) | CI (95%) | Mean Value (tCO <sub>2</sub> e ha <sup>-1</sup> ) | CI (95%) | Mean Value (tCO <sub>2</sub> e ha <sup>-1</sup> ) | CI (95%) |
| $C_{AB\_pre,i}$ | Aboveground | 427.07                                            | 15.21    | 188.03                                            | 59.73    | 353.21                                            | 55.59    |

|                 |                           |        |      |       |      |        |       |
|-----------------|---------------------------|--------|------|-------|------|--------|-------|
|                 | carbon (AGB)              |        |      |       |      |        |       |
| $C_{BB, pre,i}$ | Belowground biomass (BGB) | 195.44 | 6.39 | 76.07 | 6.35 | 142.90 | 11.94 |

Validation team reviewed provide spreadsheet for emission reduction calculation /128/ and contrasted supporting evidence of the provided literature, including Peruvian Forest Reference Emissions Level (MINAM) /132/; Carbon dynamics stored in different land use systems in Peru (Cuellar & Salazar 2016) /133/; Environmental storage and carbon sequestration services of the Aguajal ecosystem in the Pacaya Samiria National Reserve, Loreto – Peru (Freitas et al. 2006) /135/. Audit team confirm that values applied are according to supporting evidence.

Carbon pools considered for calculation of the post-deforestation use:

| -                |             | Pastures                                          |          | Oil palm                                          |          | Croplands: Camu camu                              |          | Croplands: Castor oil plant                       |          |
|------------------|-------------|---------------------------------------------------|----------|---------------------------------------------------|----------|---------------------------------------------------|----------|---------------------------------------------------|----------|
| Parameter        | Carbon pool | Mean Value (tCO <sub>2</sub> e ha <sup>-1</sup> ) | CI (95%) | Mean Value (tCO <sub>2</sub> e ha <sup>-1</sup> ) | CI (95%) | Mean Value (tCO <sub>2</sub> e ha <sup>-1</sup> ) | CI (95%) | Mean Value (tCO <sub>2</sub> e ha <sup>-1</sup> ) | CI (95%) |
| $C_{AB, post,i}$ | ABG         | 6.17                                              | 8.24     | 52.74                                             | 11.98    | 59.58                                             | 25.90    | 12.42                                             | 5.19     |
| $C_{BB, post,i}$ | BGB         | 13.04                                             | 6.53     | 17.47                                             | 9.45     | 9.32                                              | 3.29     | 3.20                                              | 1.10     |

Validation team reviewed provide spreadsheet for emission reduction calculation /128/ and contrasted supporting evidence of the provided literature; including; Carbon dynamics stored in different land use systems in Peru (Cuellar & Salazar 2016) /133/; carbon storage of planted individuals of the shrubby “camu camu” [Myrciaria dubia (H.B.K) Mc Vaugh] in the San Miguel Experimental Center, Iquitos, Peru (Díaz-Córdova et al. 2015) /136/; Effect of weight and seed size on Moringa and Ricinus seedlings (Valdez-Rodriguez et al. 2018) /137/. Audit team confirm that values applied are according to supporting evidence. Calculation conservatively exclude SOC changes.

Calculation of the differences between pre and post deforestation uses

| -                                                  |             | Lowland Tropical Rainforest to Pastures      | Mixed Palm Swamp and Palm Swamp to Pastures  | Forest stratum: <i>Mauritia flexuosa</i> dominated palm swamp to Pastures |
|----------------------------------------------------|-------------|----------------------------------------------|----------------------------------------------|---------------------------------------------------------------------------|
| Parameter                                          | Carbon pool | Value (tCO <sub>2</sub> e ha <sup>-1</sup> ) | Value (tCO <sub>2</sub> e ha <sup>-1</sup> ) | Value (tCO <sub>2</sub> e ha <sup>-1</sup> )                              |
| $\Delta C_{AB,i} = C_{AB, pre,i} - C_{AB, post,i}$ | ABG         | 420.90                                       | 181.85                                       | 347.04                                                                    |
| $\Delta C_{BB,i} = C_{BB, pre,i} - C_{BB, post,i}$ | BGB         | 182.40                                       | 63.03                                        | 129.86                                                                    |
| -                                                  |             | Lowland Tropical Rainforest to Oil Palm      | Mixed Palm Swamp and Palm Swamp to Oil Palm  | <i>Mauritia flexuosa</i> dominated palm swamp to Oil Palm                 |
| Parameter                                          | Carbon pool | Value (tCO <sub>2</sub> e ha <sup>-1</sup> ) | Value (tCO <sub>2</sub> e ha <sup>-1</sup> ) | Value (tCO <sub>2</sub> e ha <sup>-1</sup> )                              |
| $\Delta C_{AB,i} = C_{AB, pre,i} - C_{AB, post,i}$ | ABG         | 347.33                                       | 135.29                                       | 300.47                                                                    |
| $\Delta C_{BB,i} = C_{BB, pre,i} - C_{BB, post,i}$ | BGB         | 177.97                                       | 58.6                                         | 125.43                                                                    |
| -                                                  |             | Lowland Tropical Rainforest to Camu Camu     | Mixed Palm Swamp and Palm Swamp to Camu Camu | <i>Mauritia flexuosa</i> dominated palm swamp to Camu Camu                |
| Parameter                                          | Carbon pool | Value (tCO <sub>2</sub> e ha <sup>-1</sup> ) | Value (tCO <sub>2</sub> e ha <sup>-1</sup> ) | Value (tCO <sub>2</sub> e ha <sup>-1</sup> )                              |
| $\Delta C_{AB,i} = C_{AB, pre,i} - C_{AB, post,i}$ | ABG         | 367.50                                       | 128.45                                       | 293.63                                                                    |

|                                                    |             |                                                 |                                                     |                                                            |
|----------------------------------------------------|-------------|-------------------------------------------------|-----------------------------------------------------|------------------------------------------------------------|
| $\Delta C_{BB,i} = C_{BB, pre,i} - C_{BB, post,i}$ | BGB         | 186.12                                          | 66.75                                               | 133.58                                                     |
| -                                                  |             | Lowland Tropical Rainforest to Castor oil plant | Mixed Palm Swamp and Palm Swamp to Castor oil plant | Mauritia flexuosa dominated palm swamp to Castor oil plant |
| Parameter                                          | Carbon pool | Value (tCO <sub>2</sub> e ha <sup>-1</sup> )    | Value (tCO <sub>2</sub> e ha <sup>-1</sup> )        | Value (tCO <sub>2</sub> e ha <sup>-1</sup> )               |
| $\Delta C_{AB,i} = C_{AB, pre,i} - C_{AB, post,i}$ | ABG         | 414.65                                          | 175.60                                              | 340.79                                                     |
| $\Delta C_{BB,i} = C_{BB, pre,i} - C_{BB, post,i}$ | BGB         | 192.24                                          | 72.87                                               | 139.70                                                     |
| -                                                  |             | Lowland Tropical Rainforest to Infrastructure   | Mixed Palm Swamp and Palm Swamp to Infrastructure   | Mauritia flexuosa dominated palm swamp to Infrastructure   |
| Parameter                                          | Carbon pool | Value (tCO <sub>2</sub> e ha <sup>-1</sup> )    | Value (tCO <sub>2</sub> e ha <sup>-1</sup> )        | Value (tCO <sub>2</sub> e ha <sup>-1</sup> )               |
| $\Delta C_{AB,i} = C_{AB, pre,i} - C_{AB, post,i}$ | ABG         | 427.07                                          | 188.03                                              | 353.21                                                     |
| $\Delta C_{BB,i} = C_{BB, pre,i} - C_{BB, post,i}$ | BGB         | 195.44                                          | 76.07                                               | 142.9                                                      |

### Estimation of carbon stocks changes and GHG emissions

Equation 3.2 is applied to calculate the carbon stock changes and GHG emissions in the baseline scenario ( $\Delta C_{BSL,i,t}$ ).

$$\Delta C_{BSL,i,t} = AA_{planned,i,t} * (\Delta C_{ABtree,i}) + \sum_{t=10}^t \left( AA_{planned,i,t} * (\Delta C_{BBtree,i}) * \frac{1}{10} \right)$$

The first part of Equation 3.2 corresponds to the carbon stock changes of AGB from replacing forest to pasture/crops (baseline). The second refers to the emissions from root decomposition in a 10-year lifespan. The third part refers to emissions from soil organic carbon in a 20-year lifespan.

Carbon stock changes, distributed by year and by carbon pool

| Year | SELVA MAESTRA |            |            | NUESTRO SEÑOR JESUCRISTO |            |            | $\Delta C_{BSL,i,t}$ (tCO <sub>2</sub> ) |
|------|---------------|------------|------------|--------------------------|------------|------------|------------------------------------------|
|      | AGB           | BGB        | Subtotal   | AGB                      | BGB        | Subtotal   |                                          |
| 2020 | 219,993.92    | 9,289.71   | 229,283.63 | 369,797.78               | 15,869.96  | 385,667.74 | 614,951.37                               |
| 2021 | 207,013.33    | 17,960.28  | 224,973.60 | 361,800.89               | 31,647.55  | 393,448.44 | 618,422.04                               |
| 2022 | 213,290.35    | 26,944.02  | 240,234.38 | 216,360.17               | 41,548.61  | 257,908.79 | 498,143.16                               |
| 2023 | 228,780.65    | 36,701.26  | 265,481.91 | 439,500.26               | 61,949.99  | 501,450.25 | 766,932.16                               |
| 2024 | 226,134.39    | 46,326.36  | 272,460.75 | 433,145.33               | 81,476.77  | 514,622.10 | 787,082.84                               |
| 2025 | 252,553.95    | 57,270.68  | 309,824.63 | 416,555.56               | 100,513.38 | 517,068.94 | 826,893.57                               |
| 2026 | 252,403.35    | 68,207.49  | 320,610.84 | 429,080.65               | 120,344.18 | 549,424.83 | 870,035.67                               |
| 2027 | 252,494.55    | 79,149.10  | 331,643.65 |                          | 120,344.18 | 120,344.18 | 451,987.83                               |
| 2028 | 252,553.95    | 90,093.43  | 342,647.37 |                          | 120,344.18 | 120,344.18 | 462,991.55                               |
| 2029 | 252,516.07    | 101,036.11 | 353,552.17 |                          | 120,344.18 | 120,344.18 | 473,896.35                               |
| 2030 | 252,553.95    | 102,690.72 | 355,244.67 |                          | 104,474.22 | 104,474.22 | 459,718.89                               |
| 2031 | 168,381.92    | 101,316.92 | 269,698.85 |                          | 88,696.63  | 88,696.63  | 358,395.48                               |
| 2032 |               | 92,333.17  | 92,333.17  |                          | 78,795.56  | 78,795.56  | 171,128.74                               |

| Year         | SELVA MAESTRA       |                     |                     | NUESTRO SEÑOR JESUCRISTO |                     |                     | $\Delta C_{BSL,i,t}$<br>(tCO <sub>2</sub> ) |
|--------------|---------------------|---------------------|---------------------|--------------------------|---------------------|---------------------|---------------------------------------------|
|              | AGB                 | BGB                 | Subtotal            | AGB                      | BGB                 | Subtotal            |                                             |
| 2033         |                     | 82,575.94           | 82,575.94           |                          | 58,394.19           | 58,394.19           | 140,970.12                                  |
| 2034         |                     | 72,950.84           | 72,950.84           |                          | 38,867.41           | 38,867.41           | 111,818.25                                  |
| 2035         |                     | 62,006.51           | 62,006.51           |                          | 19,830.80           | 19,830.80           | 81,837.31                                   |
| 2036         |                     | 51,069.71           | 51,069.71           |                          |                     | 0.00                | 51,069.71                                   |
| 2037         |                     | 40,128.10           | 40,128.10           |                          |                     | 0.00                | 40,128.10                                   |
| 2038         |                     | 29,183.77           | 29,183.77           |                          |                     | 0.00                | 29,183.77                                   |
| 2039         |                     | 18,241.09           | 18,241.09           |                          |                     | 0.00                | 18,241.09                                   |
| <b>Total</b> | <b>2,778,670.36</b> | <b>1,185,475.23</b> | <b>3,964,145.58</b> | <b>2,666,240.65</b>      | <b>1,203,441.77</b> | <b>3,869,682.42</b> | <b>7,833,828.00</b>                         |

Validation team assesses the spreadsheet of emission reduction calculation /128/ and confirm that equation and formulae applied are in accordance with applied methodology and values of stated evidences /132//133//135//136//137//138/.

Fire after deforestation is a common practice, the emissions from biomass burning shall be calculated. Following VMD0006, Equation 3.3:

$$GHG_{BSL-E,i,t} = E_{BiomassBurn,i,t} = \sum_{g=1}^G (((A_{Burn,i,t} * B_{i,t} * COMF_i * G_{g,i}) * 10^{-3}) * GWP_g)$$

Where:

|                       |                                                                                                                                                                                                     |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| $E_{BiomassBurn,i,t}$ | Greenhouse emissions due to biomass burning as part of deforestation activities in stratum $i$ in year $t$ ; tCO <sub>2</sub> e of each GHG (CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O); |
| $A_{Burn,i,t}$        | Area burnt for stratum $i$ at time $t$ (ha);                                                                                                                                                        |
| $B_{i,t}$             | Average aboveground biomass stock before burning stratum $i$ , time $t$ ; tons d.m. ha <sup>-1</sup> ;                                                                                              |
| $COMF_i$              | Combustion factor for stratum $i$ ; dimensionless (default value derived from Table 2.6 of IPCC, 2006);                                                                                             |
| $G_{g,i}$             | Emission factor for stratum $i$ for gas $g$ ; kg t <sup>-1</sup> dry matter burnt (default values derived from Table 2.5 of IPCC, 2006);                                                            |
| $GWP_g$               | Global warming potential for gas $g$ ; t CO <sub>2</sub> /t gas $g$ (default values from IPCC AR5 – IPCC (2013): CO <sub>2</sub> = 1; CH <sub>4</sub> = 25; N <sub>2</sub> O = 298);                |
| $g$                   | 1, 2, 3 ... $g$ greenhouse gases;                                                                                                                                                                   |
| $i$                   | 1, 2, 3, ... $m$ strata                                                                                                                                                                             |
| $t$                   | 1, 2, 3, ... $t^*$ years elapsed since the start of the REDD                                                                                                                                        |

Parameters for estimation of emissions from biomass burning

| AGC       | Mean Value<br>(tCO <sub>2</sub> e ha <sup>-1</sup> ) | Biomass | COMF <sub><math>i</math></sub> | Gas              | G <sub><math>g,i</math></sub> | GWP <sub><math>g</math></sub> |
|-----------|------------------------------------------------------|---------|--------------------------------|------------------|-------------------------------|-------------------------------|
| Stratum 1 | 427.07                                               | 247.82  | 0.5                            | CO <sub>2</sub>  | 1580                          | 1                             |
| Stratum 2 | 188.03                                               | 109.11  | 0.5                            | N <sub>2</sub> O | 0.2                           | 265                           |
| Stratum 3 | 353.21                                               | 204.96  | 0.5                            | CH <sub>4</sub>  | 6.8                           | 28                            |

Validation team assessed Peruvian Forest Reference Emission Levels (FREL) /132 and 2006 IPCC Guidelines for National Greenhouse Gas Inventories Volume 4 Agriculture, Forestry and Other Land Use /138/, confirming applied values.. Emissions calculations from biomass burning are summarized following.

| Year | Total A <sub>Burn,i,t</sub> |           |           | Emissions<br>N <sub>2</sub> O | Emissions<br>CH <sub>4</sub> | E <sub>Biomassburn</sub><br>(tCO <sub>2</sub> e) |
|------|-----------------------------|-----------|-----------|-------------------------------|------------------------------|--------------------------------------------------|
|      | Stratum 1                   | Stratum 2 | Stratum 3 |                               |                              |                                                  |
| 2020 | 852.21                      | 209.25    | 538.47    | 9,126.27                      | 32,785.70                    | 41,911.97                                        |
| 2021 | 912.78                      | 363.33    | 323.82    | 8,803.70                      | 31,626.87                    | 40,430.57                                        |
| 2022 | 942.39                      | 164.25    | -         | 6,663.76                      | 23,939.25                    | 30,603.01                                        |
| 2023 | 1,368.45                    | 212.49    | 269.19    | 11,063.33                     | 39,744.49                    | 50,807.82                                        |
| 2024 | 1,084.77                    | 140.13    | 625.23    | 10,924.92                     | 39,247.25                    | 50,172.17                                        |
| 2025 | 1,275.21                    | 165.78    | 409.14    | 11,076.07                     | 39,790.27                    | 50,866.34                                        |
| 2026 | 1,401.48                    | 147.33    | 301.32    | 11,266.36                     | 40,473.85                    | 51,740.21                                        |
| 2027 | 599.85                      | 0.09      | -         | 3,939.59                      | 14,152.81                    | 18,092.40                                        |
| 2028 | 600.03                      | -         | -         | 3,940.52                      | 14,156.12                    | 18,096.63                                        |
| 2029 | 599.94                      | -         | -         | 3,939.93                      | 14,154.00                    | 18,093.92                                        |
| 2030 | 600.03                      | -         | -         | 3,940.52                      | 14,156.12                    | 18,096.63                                        |
| 2031 | 400.05                      | -         | -         | 2,627.21                      | 9,438.12                     | 12,065.33                                        |

#### Baseline net GHG emissions for planned deforestation

The calculation of net emissions for planned deforestation is performed with Equation 3.4, of applied methodology, which accounts the emissions generated by changes in carbon stocks and emissions from biomass burning.

$$\Delta C_{BSL,planned} = \sum_{t=1}^{t^*} \sum_{i=1}^M (\Delta C_{BSL,i,t} + \Delta GHG_{BSL-E,i,t})$$

Net and accumulated baseline GHG emissions for planned deforestation is summarized in the following table:

| Year | $\Delta C_{BSL,i,t}$<br>(tCO <sub>2</sub> e) | GHG <sub>BSL-E</sub> (tCO <sub>2</sub> e) | $\Delta C_{BSL,planned}$<br>(tCO <sub>2</sub> e) | $\Delta C_{BSL,planned, accum}$<br>(tCO <sub>2</sub> e) |
|------|----------------------------------------------|-------------------------------------------|--------------------------------------------------|---------------------------------------------------------|
| 2020 | 614,951                                      | 41,911                                    | 656,862                                          | 656,862                                                 |
| 2021 | 618,422                                      | 40,430                                    | 658,852                                          | 1,315,714                                               |
| 2022 | 498,143                                      | 30,603                                    | 528,746                                          | 1,844,460                                               |
| 2023 | 766,932                                      | 50,807                                    | 817,739                                          | 2,662,199                                               |
| 2024 | 787,082                                      | 50,172                                    | 837,254                                          | 3,499,453                                               |
| 2025 | 826,893                                      | 50,866                                    | 877,759                                          | 4,377,212                                               |
| 2026 | 870,035                                      | 51,740                                    | 921,775                                          | 5,298,987                                               |
| 2027 | 451,987                                      | 18,092                                    | 470,079                                          | 5,769,066                                               |
| 2028 | 462,991                                      | 18,096                                    | 481,087                                          | 6,250,153                                               |
| 2029 | 473,896                                      | 18,093                                    | 491,989                                          | 6,742,142                                               |
| 2030 | 459,718                                      | 18,096                                    | 477,814                                          | 7,219,956                                               |

|              |                  |                |                  |           |
|--------------|------------------|----------------|------------------|-----------|
| 2031         | 358,395          | 12,065         | 370,460          | 7,590,416 |
| 2032         | 171,128          | 0              | 171,128          | 7,761,544 |
| 2033         | 140,970          | 0              | 140,970          | 7,902,514 |
| 2034         | 111,818          | 0              | 111,818          | 8,014,332 |
| 2035         | 81,837           | 0              | 81,837           | 8,096,169 |
| 2036         | 51,069           | 0              | 51,069           | 8,147,238 |
| 2037         | 40,128           | 0              | 40,128           | 8,187,366 |
| 2038         | 29,183           | 0              | 29,183           | 8,216,549 |
| 2039         | 18,241           | 0              | 18,241           | 8,234,790 |
| <b>Total</b> | <b>7,833,819</b> | <b>400,971</b> | <b>8,234,790</b> | -         |

Validation team reviewed the spreadsheet of emission reduction calculation /128/; formulas provided in the applied methodology and modules /111//112//113//114//115//116//117//118//119//120/ and confirmed the baseline GHG emissions for planned deforestation.

#### Quantification of project emissions

Expected project emissions are estimated ex-ante by Equation 1 the module VMD0015 (M-REDD). Ex-ante projections of deforestation in the project case assume no deforestation, nor forest degradation, will take place since the project proponent has committed to not undertake land clearing and activities or forest degradation on the property.

$$\Delta C_{WPS-REDD} = \sum_{t=1}^{t^*} \sum_{i=1}^M (\Delta C_{P,DefPA,i,t} + \Delta C_{P,Deg,i,t} + \Delta C_{P,DistPA,i,t} + GHG_{P-E,i,t}) - \Delta C_{P,Enh,i,t}$$

Where:

|                           |                                                                                                                                                                                                 |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| $\Delta C_{WPS-REDD}$     | Net GHG emissions in the REDD project scenario up to year $t^*$ ; tCO <sub>2</sub> e;                                                                                                           |
| $\Delta C_{P,DefPA,i,t}$  | Net carbon stock change as a result of deforestation in the project area in the project case in stratum $i$ within the project area in year $t$ ; tCO <sub>2</sub> e;                           |
| $\Delta C_{P,Deg,i,t}$    | Net carbon stock change as a result of degradation in the project area in the project case in stratum $i$ within the project area in year $t$ ; tCO <sub>2</sub> e;                             |
| $\Delta C_{P,DistPA,i,t}$ | Net carbon stock change as a result of natural disturbance in the project area in the project case in stratum $i$ within the project area in year $t$ ; tCO <sub>2</sub> e;                     |
| $GHG_{P-E,i,t}$           | Greenhouse gas emissions as a result of deforestation and degradation activities within the project area in the project case in stratum $i$ in year $t$ ; tCO <sub>2</sub> e;                   |
| $\Delta C_{P,Enh,i,t}$    | Net carbon stock change as a result of forest growth and sequestration during the project in areas projected to be deforested in the baseline2 in stratum $i$ in year $t$ ; t CO <sub>2</sub> e |
| $i$                       | 1, 2, 3, ... M strata                                                                                                                                                                           |
| $t$                       | 1, 2, 3, ... $t^*$ years elapsed since the start of the REDD VCS project activity                                                                                                               |

Additionally, where significant, non-CO<sub>2</sub> gas greenhouse emissions occurring within the project boundary must be evaluated. For example, where deforestation or degradation occur within the project boundaries and fire is used as a means of forest clearance the non-CO<sub>2</sub>emissions may be significant. These emission are calculated Emissions are calculated through applying:

$$GHG_{P,E,i,t} = E_{FC,i,t} + E_{BiomassBurn,i,t} + N_2O_{direct-N,i,t}$$

Where:

|                       |                                                                                                                                                                      |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| $GHG_{P,E,i,t}$       | Greenhouse gas emissions as a result of deforestation activities within the project area in the project case in stratum i in year t; t CO <sub>2</sub> -e            |
| $E_{BiomassBurn,i,t}$ | Emission from fossil fuel combustion in stratum i within the project area in year t; t CO <sub>2</sub> -e                                                            |
| $N_2O_{direct-N,i,t}$ | Direct NO <sub>2</sub> emission as a result of nitrogen application on the alternative land use in stratum i within the project area in year t; t CO <sub>2</sub> -e |
| $i$                   | 1, 2, 3, ... M strata                                                                                                                                                |
| $t$                   | 1, 2, 3, ... t* years elapsed since the start of the REDD VCS project activity                                                                                       |

No deforestation activities will be carried out in the project scenario. Furthermore, is not expected that degradation related to fuelwood or charcoal extraction is going to be present in the project, as the proponent has committed to not deforest or generate a negative impact in the project area. No biomass burning is expected to take place in the project scenario. No fertilizers will be applied in the project scenario. GHG emissions from fossil fuel combustion are not significant. Therefore:  $\Delta C_{P,DefPA,i,t}$ ,  $\Delta C_{P,Deg,i,t}$ ,  $\Delta C_{P,DistPA,i,t}$ ,  $GHG_{P,E,i,t}$  are zero for ex-ante estimation; then, Net GHG emissions in the REDD project scenario ( $\Delta C_{WPS-REDD}$ ) equals to zero.

#### Quantification of leakage

Leakage emissions from displacement of planned deforestation are estimated in compliance with the VCS REDD methodology VM0007, specifically the module VMD0009 (LK-ASP). Activity shifting leakage due to displacement of planned deforestation was assessed using a series of equations outline in the VMD0009 module:

$$\Delta C_{LK-AS,planned} = \sum_{t=1}^{t*} \sum_{i=1}^M ((LKA_{planned,i,t} * \Delta C_{BSL,i}) + GHG_{LK,E,i,t})$$

Where:

|                            |                                                                                                                                              |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| $\Delta C_{LK-AS,planned}$ | Net greenhouse gas emissions due to activity shifting leakage for projects preventing planned deforestation up to year t* tCO <sub>2</sub> e |
| $LKA_{planned,i,t}$        | The area of activity shifting leakage in stratum i in year t (ha)                                                                            |
| $\Delta C_{BSL,i}$         | Net carbon stock changes in all pre-deforestation pools in baseline stratum i (tCO <sub>2</sub> e ha <sup>-1</sup> )                         |
| $GHG_{LK,E,i,t}$           | Greenhouse gas emissions as a result of leakage of avoiding deforestation activities in stratum i in year t (tCO <sub>2</sub> e)             |
| $i$                        | 1, 2, 3, ... M strata                                                                                                                        |
| $t$                        | 1, 2, 3, ... t* years elapsed since the start of the REDD VCS project activity                                                               |

Equation to leakage area from displacement of planned deforestation:

$$LKA_{planned,i,t} = A_{defLK,i,t} - NewR_{i,t}$$

Where:

$LKA_{planned,i,t}$  The area of activity shifting leakage in stratum  $i$  at time  $t$ ; ha  
 $NewR_{i,t}$  New calculated forest clearance by the baseline agent of the planned deforestation in stratum  $i$  at time  $t$  where no leakage is occurring; ha  
 $A_{defLK,i,t}$  The total area of deforestation by the baseline agent of the planned deforestation in stratum  $i$  at time  $t$ ; ha  
 $i$  1, 2, 3, ... M strata  
 $t$  1, 2, 3, ...  $t^*$  years elapsed since the start of the REDD project activity

If  $NewR_{i,t}$  exceeds  $A_{defLK,i,t}$  then  $LKA_{planned,i,t}$  must be set as zero as positive leakage is not considered under the VCS.

Emissions as a result of leakage of avoided deforestation is calculated as follow:

$$GHG_{LK,E,i,t} = E_{BiomassBurn,i,t} + N_2O_{direct-N,i,t}$$

Where:

$GHG_{LK,E,i,t}$  Greenhouse gas emissions as a result of leakage of avoided deforestation activities in stratum  $i$  in year  $t$ ;  $t$  CO2-e  
 $E_{BiomassBurn,i,t}$  Non-CO2 emissions due to biomass burning in stratum  $i$  in year  $t$ ;  $t$  CO2-e  
 $N_2O_{direct-N,i,t}$  Direct NO2 emission as a result of nitrogen application on the alternative land use in stratum  $i$  within the project area in year  $t$ ;  $t$  CO2-e  
 $i$  1, 2, 3, ... M strata  
 $t$  1, 2, 3, ...  $t^*$  years elapsed since the start of the REDD project activity

No activity shifting will be caused by the REDD project since no economical/ commercial activity or deforestation/degradation has been carried out. Furthermore, the purpose of BAM are projects to prevent deforestation and reforestation projects for the purpose of restoring degraded areas, consequently, they do not have any other property with the purpose of deforestation. Then, for ex-ante estimation  $LKA_{planned,i,t}$  and  $GHG_{LK,E,i,t}$  are zero. Therefore; Net greenhouse gas emissions due to activity shifting leakage for projects preventing planned deforestation ( $\Delta C_{LK-AS,planned}$ ) are zero.

To quantify current carbon stocks in the project area, was used the procedure defined in the methodology to prevent unplanned deforestation, VM0007, version 1.6. Complete steps to calculate emission reduction are detailed in section 3.2 of the CCB-VCS-PD. Validation team assessed the emission reduction calculation spreadsheet /128/; and applied methodology and modules /111//112//113//114//115//116//117//118//119//120/. Valuation team confirms that the GHG emission reduction are in accordance with applied methodology and the spreadsheet of emission reduction calculation /128/ are well supported by relevant literature values of stated evidences /129//130//131//132//133//135//136//137//138/.

The following table shows the summary of the results for baseline, leakage and project emissions in tCO2e:

| Year         | Estimated baseline emissions or removals (tCO <sub>2</sub> e) | Estimated project emissions or removals (tCO <sub>2</sub> e) | Estimated leakage emissions (tCO <sub>2</sub> e) | Estimated net GHG emission reductions or removals (tCO <sub>2</sub> e) |
|--------------|---------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------|------------------------------------------------------------------------|
| 2020         | 656,862                                                       | 0.00                                                         | 0.00                                             | 656,862                                                                |
| 2021         | 658,852                                                       | 0.00                                                         | 0.00                                             | 658,852                                                                |
| 2022         | 528,746                                                       | 0.00                                                         | 0.00                                             | 528,746                                                                |
| 2023         | 817,739                                                       | 0.00                                                         | 0.00                                             | 817,739                                                                |
| 2024         | 837,254                                                       | 0.00                                                         | 0.00                                             | 837,254                                                                |
| 2025         | 877,759                                                       | 0.00                                                         | 0.00                                             | 877,759                                                                |
| 2026         | 921,775                                                       | 0.00                                                         | 0.00                                             | 921,775                                                                |
| 2027         | 470,079                                                       | 0.00                                                         | 0.00                                             | 470,079                                                                |
| 2028         | 481,087                                                       | 0.00                                                         | 0.00                                             | 481,087                                                                |
| 2029         | 491,989                                                       | 0.00                                                         | 0.00                                             | 491,989                                                                |
| 2030         | 477,814                                                       | 0.00                                                         | 0.00                                             | 477,814                                                                |
| 2031         | 370,460                                                       | 0.00                                                         | 0.00                                             | 370,460                                                                |
| 2032         | 171,128                                                       | 0.00                                                         | 0.00                                             | 171,128                                                                |
| 2033         | 140,970                                                       | 0.00                                                         | 0.00                                             | 140,970                                                                |
| 2034         | 111,818                                                       | 0.00                                                         | 0.00                                             | 111,818                                                                |
| 2035         | 81,837                                                        | 0.00                                                         | 0.00                                             | 81,837                                                                 |
| 2036         | 51,069                                                        | 0.00                                                         | 0.00                                             | 51,069                                                                 |
| 2037         | 40,128                                                        | 0.00                                                         | 0.00                                             | 40,128                                                                 |
| 2038         | 29,183                                                        | 0.00                                                         | 0.00                                             | 29,183                                                                 |
| 2039         | 18,241                                                        | 0.00                                                         | 0.00                                             | 18,241                                                                 |
| <b>Total</b> | <b>8,234,790</b>                                              | <b>0.00</b>                                                  | <b>0.00</b>                                      | <b>8,234,790</b>                                                       |
| <b>Mean</b>  | <b>411,740</b>                                                | <b>0.00</b>                                                  | <b>0.00</b>                                      | <b>411,740</b>                                                         |

#### Uncertainty of Emissions and Removals in Project Area in Baseline Scenario

The uncertainty calculated by the combination of the uncertainties of each parameter used in the baseline scenario ( $C_{AB-tree}$ ,  $C_{BB-tree}$ ,  $C_{SOC}$ ,  $E_{Biomassburn}$ ) was obtained as follow:

Uncertainty in the combined carbon stocks in stratum  $i$ , in REDD Baseline

$$U_{REDD-BSL,SS,i} = \frac{\sqrt{\sum_1^n (U_{REDD-BSL,SS,i,pool\#} \times E_{REDD-BSL,SS,i,pool\#})^2}}{\sum_1^n E_{REDD-BSL,SS,i,pool\#}}$$

Where:

|                                      |                                                                                                                                  |
|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| $U_{REDD-BSL,SS,i}$                  | Percentage uncertainty in the combined carbon stocks and greenhouse gas sources in the REDD baseline scenario in stratum $i$ (%) |
| $U_{REDD-BSL,SS,i,pool\#}$           | Percentage uncertainty for carbon stocks and greenhouse gas sources in the REDD baseline scenario in stratum $i$ (%)             |
| $E_{REDD-BSL,SS,i,pool\#}$           | Carbon stock or GHG sources in the REDD baseline scenario (t CO <sub>2</sub> e)                                                  |
| $i$ 1, 2, 3, ... M strata (unitless) |                                                                                                                                  |

Uncertainty across combined strata, in REDD baseline:

$$U_{\text{REDD-BSL,SS}} = \frac{\sqrt{\sum_1^n (U_{\text{REDD-BSL,SS},i} \times E_{\text{REDD-BSL,SS},i})^2}}{\sum_1^n E_{\text{REDD-BSL,SS},i}}$$

Where:

|                            |                                                                                                                                |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| $U_{\text{REDD-BSL,SS}}$   | Total uncertainty in the combined carbon stocks and greenhouse gas sources in the REDD baseline scenario (%)                   |
| $U_{\text{REDD-BSL,SS},i}$ | Percentage uncertainty in the combined carbon stocks and greenhouse gas sources in stratum i in the REDD baseline scenario (%) |
| $E_{\text{REDD-BSL,SS},i}$ | Sum of combined carbon stocks and GHG sources in the REDD baseline scenario (t CO <sub>2</sub> e)                              |
| i                          | 1, 2, 3, ... M strata (unitless)                                                                                               |

Total uncertainty in REDD Baseline Scenario

$$U_{\text{REDD-BSL,t*}} = \sqrt{U_{\text{REDD-BSL,RATE,t*}}^2 + U_{\text{REDD-BSL,SS}}^2}$$

Where:

|                               |                                                                                                              |
|-------------------------------|--------------------------------------------------------------------------------------------------------------|
| $U_{\text{REDD-BSL,t*}}$      | Cumulative uncertainty in REDD baseline scenario up to year t* (%)                                           |
| $U_{\text{REDD-BSL,RATE,t*}}$ | Cumulative uncertainty in the baseline rate of deforestation up to year t (%)                                |
| $E_{\text{REDD-BSL,SS}}$      | Total uncertainty in the combined carbon stocks and greenhouse gas sources in the REDD baseline scenario (%) |
| t                             | 1, 2, 3, ...t* time elapsed since the start of the project activity (years)                                  |

Total error in REDD+ project activity

$$NER_{\text{REDD+ERROR}} = \sqrt{(U_{\text{REDD-BSL,t*}} \times \Delta C_{\text{BSL-REDD,t*}})^2} * \left( \frac{1}{\Delta C_{\text{BSL-REDD,t*}}} \right)$$

Following tables resumes the result of uncertainties in the project activity:

| -                          | Lowland Tropical Rainforest | Palm and Mixed Palm Swamp Forest | Mauritia flexuosa dominated palm swamp | Oil Palm | Camu camu | Higuerilla | Pastures |
|----------------------------|-----------------------------|----------------------------------|----------------------------------------|----------|-----------|------------|----------|
| $U_{\text{REDD-BSL,SS},i}$ | 2.65%                       | 22.92%                           | 11.35%                                 | 21.73%   | 37.90%    | 33.94%     | 46.86%   |

| - | Lowland Tropical Rainforest | Palm and Mixed Palm Swamp Forest | Mauritia flexuosa dominated palm swamp |
|---|-----------------------------|----------------------------------|----------------------------------------|
|---|-----------------------------|----------------------------------|----------------------------------------|

|                                |       |        |        |
|--------------------------------|-------|--------|--------|
| <b>E<sub>Biomassburn</sub></b> | 3.56% | 31.77% | 15.74% |
|--------------------------------|-------|--------|--------|

Total uncertainty for uncertainty for activity data ( $Uncertainty_{BSL,RATE,t^*} = 0\%$ ) and emission factor ( $Uncertainty_{REDD\_BSL,SS} = 2.77\%$ ). Total uncertainty is therefore 2.77%.

Therefore, total error in REDD+ project activity are:

| Variables                           | Value |
|-------------------------------------|-------|
| <b>U<sub>REDD-BSL,SS</sub></b>      | 2.77% |
| <b>U<sub>REDD-BSL,RATE,t*</sub></b> | 0.00% |
| <b>U<sub>REDD-BSL,t*</sub></b>      | 2.77% |
| <b>NER<sub>REDD+ERROR</sub></b>     | 2.77% |

As per module VMD0017 Estimation of uncertainty for REDD+ project activities /119/, where uncertainty exceeds 15% at the 95% confidence level then the deduction must be equal to the amount that the uncertainty exceeds the allowable level. However, the total uncertainty for the project baseline is below the threshold of 15%; then, no deduction is made to the net emission reductions.

Finally, the calculation Voluntary Carbon Units (VCUs) amounts were made by subtracting 10% of the net annual emission reductions:

| Year         | NER <sub>REDD</sub> (tCO <sub>2</sub> e) | Buffer (10%)   | Deduction due to uncertainties | VCU (tCO <sub>2</sub> e) |
|--------------|------------------------------------------|----------------|--------------------------------|--------------------------|
| 2020         | 656,862                                  | 61,495         | -                              | 595,367                  |
| 2021         | 658,852                                  | 61,842         | -                              | 597,010                  |
| 2022         | 528,746                                  | 49,814         | -                              | 478,932                  |
| 2023         | 817,739                                  | 76,693         | -                              | 741,046                  |
| 2024         | 837,254                                  | 78,708         | -                              | 758,546                  |
| 2025         | 877,759                                  | 82,689         | -                              | 795,070                  |
| 2026         | 921,775                                  | 87,004         | -                              | 834,771                  |
| 2027         | 470,079                                  | 45,199         | -                              | 424,880                  |
| 2028         | 481,087                                  | 46,299         | -                              | 434,788                  |
| 2029         | 491,989                                  | 47,390         | -                              | 444,599                  |
| 2030         | 477,814                                  | 45,972         | -                              | 431,842                  |
| 2031         | 370,460                                  | 35,840         | -                              | 334,620                  |
| 2032         | 171,128                                  | 17,113         | -                              | 154,015                  |
| 2033         | 140,970                                  | 14,097         | -                              | 126,873                  |
| 2034         | 111,818                                  | 11,182         | -                              | 100,636                  |
| 2035         | 81,837                                   | 8,184          | -                              | 73,653                   |
| 2036         | 51,069                                   | 5,107          | -                              | 45,962                   |
| 2037         | 40,128                                   | 4,013          | -                              | 36,115                   |
| 2038         | 29,183                                   | 2,918          | -                              | 26,265                   |
| 2039         | 18,241                                   | 1,824          | -                              | 16,417                   |
| <b>Total</b> | <b>8,234,790</b>                         | <b>783,382</b> | -                              | <b>7,451,408</b>         |

| Year | NER <sub>REDD</sub> (tCO <sub>2</sub> e) | Buffer (10%) | Deduction due to | VCU (tCO <sub>2</sub> e) |
|------|------------------------------------------|--------------|------------------|--------------------------|
| Mean | 411,740                                  | 39,169       | -                | 372,570                  |

In AENOR's validation team opinion the CCB-VCS -PD describes in an appropriate way with evidence and justifications how the project activity fulfils with the applicability conditions of the tool. In addition, the Non-Permanence Risk was calculated according to the tool risk report. A detailed validation assessment carried out by AENOR is provided in sections below. The overall risk rating is 10 %.

Based on the information reviewed, it can also be confirmed that the sources used are correctly quoted and interpreted in the CCB-VCS-PD and supporting documents. All assumptions and data indicated in the project description and all relevant sources were checked and confirmed.

The methodology was correctly applied following the requirements. All values in the project description are considered reasonable in the context of the proposed VCS CCB project activity. Data sources are quoted correctly. Hence, the calculation of baseline emissions, project emissions and the estimated net GHG emission reductions are considered correct.

### 3.3.8 Monitoring Plan

Project developer implement an organizational structure and carried out training to the personnel responsible for monitoring activities. The monitoring system and the organizational structure of the project monitoring system are detailed in the CCB-VCS-PD (section 3.3.3). The Monitoring Plan aims to verify deforestation data in the project area and proxy area, update emission estimates, and generate information.

**Deforestation Monitoring Methodology:** The project's deforestation monitoring adheres to VMD0015 v2.2 standards, utilizing multi-temporal optical satellite imagery (Sentinel-2 at 10m and Landsat 8/9 at 30m) to ensure sufficient spatial resolution for detecting forest cover loss based on the methodology's threshold. The project's analysis is consistent with the Peruvian National Forest Monitoring System – GEOBOSQUES, which uses imagery of similar resolution. The project adopts definitions, thresholds, and methodologies aligned with the official GEOBOSQUES document, "Methodological Protocol for Forest Loss Detection" (published by MINAM) /172/. This approach guarantees alignment with the national baseline and compliance with VERRA's criteria for deforestation analysis in REDD+ projects

The list of parameters available at validation and data and parameters monitored are listed in sections 3.3.1 and 3.3.2 respectively in the VCS-CCB- PD. AENOR's validation team reviewed and cross-checked included information against the applicable methodology and confirm that they are in compliance with methodological requirements, as per detailed following:

Data and parameters available at validation

| Data/Parameter                       | VVB Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b><math>AA_{planned,i,t}</math></b> | <p><b>Annual area of baseline planned deforestation for stratum <math>i</math> in year <math>t</math>.</b> It was estimated based on total area of planned deforestation over the baseline period for stratum <math>i</math> (<math>A_{planned,i}</math>), the projected annual proportion of land that will be deforested in stratum <math>i</math> during year <math>t</math> (<math>D\%_{planned,i,t}</math>) and the Likelihood of deforestation for stratum <math>i</math> (<math>L-Di</math>) according to VMD0006 v1.3 equation 5.</p> <p>Validation team assessed the legal permissibility for deforestation /96/ /98/, the suitability of the project area for conversion to alternative non-forest land use, the government approval for deforestation and a management plan for deforesting the project area /131/. The (<math>L-Di</math>) is set to be 100%, as only private areas are covered under the project's scope. All this information was contrasted against spreadsheet /128/, confirming applied values.</p> |

|                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b><math>A_{planned,i}</math></b>         | <p><b>Total area of planned deforestation over the fixed baseline period for stratum i.</b> It was assessed based on the immediate site-specific threat, legal permissibility, suitability for non-forest land use, government approval, and a management plan for the project area, which is determined by factors such as legal permissibility and suitability for conversion.</p> <p>Validation team assessed the legal permissibility for deforestation /96/ /98/, the suitability of the project area for conversion to alternative non-forest land use, the government approval for deforestation and a management plan for deforesting the project area /131/; forest inventories conducted in 2006 /129/ and 2012 /130/ on two properties. All this information was contrasted against spreadsheet /128/, confirming applied values.</p> |
| <b><math>D\%_{planned,i,t}</math></b>     | <p><b>Projected annual proportion of land that will be deforested in stratum i at year t.</b> It was determined according to the provisions of the land title granted by the Ministry of Agriculture for “Selva Maestra” and by the Technical Economic Feasibility Study Agro-industrial Exploitation for “Nuestro Señor Jesucristo” /96/ /98/, the suitability of the project area for conversion to alternative non-forest land use; and the management plan for deforesting the project area /131/. These authorizations documented actual annual deforestation proportion. All this information was contrasted against spreadsheet /128/, confirming applied values.</p>                                                                                                                                                                     |
| <b>L-Di</b>                               | <p><b>Likelihood of deforestation in stratum i.</b> As only private areas are under this project's scope, L-Di is set to be 100%, according to the VMD0006 requirements.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b><math>\Delta C_{AB\_tree,i}</math></b> | <p><b>Baseline carbon stock change in aboveground tree biomass in stratum i; t CO<sub>2</sub>-e ha<sup>-1</sup>.</b> It was estimated based on the forest carbon stock in aboveground tree biomass in stratum i and the post-deforestation carbon stock in aboveground tree biomass in stratum i, according to VMD0006 v1.3 Equation 6. Validation team assessed the spreadsheet of emission reduction calculation /128/ and applied module /114/ and confirm applied equation.</p>                                                                                                                                                                                                                                                                                                                                                              |
| <b><math>\Delta C_{BB\_tree,i}</math></b> | <p><b>Baseline carbon stock change in belowground tree biomass in stratum i.</b> It was estimated based on the forest carbon stock in aboveground tree biomass in stratum i and the post-deforestation carbon stock in aboveground tree biomass in stratum i; according to VMD0006 v1.3 Equation 8. Validation team assessed the spreadsheet of emission reduction calculation /128/ and applied module /114/ and confirm applied equation.</p>                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b><math>C_{AB\_tree,i}</math></b>        | <p><b>Carbon stock in aboveground biomass in trees in the baseline in stratum i.</b> It was determined based on official source Peruvian Forest Reference Emission Levels 2021 /132/. Validation team reviewed both applied references and confirm that reported values were applied in the spreadsheet /128/.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b><math>C_{BB\_tree,i}</math></b>        | <p><b>Carbon stock in belowground biomass in trees in the baseline in stratum i.</b> It was determined based on official source Peruvian Forest Reference Emission Levels 2021 /132/ and publication: <i>Environmental storage and carbon sequestration services of the Aguajal ecosystem in the Pacaya Samiria National Reserve, Loreto – Peru</i> (Freitas et al. 2006) /135/. Validation team reviewed both applied references and confirm that reported values were applied in the spreadsheet /128/.</p>                                                                                                                                                                                                                                                                                                                                    |
| <b>R</b>                                  | <p><b>Root to shoot ratio appropriate to forest type.</b> It is a ratio for BGB of pure and mixed palm swamps (0.4) provided in the publication: <i>Environmental storage and carbon sequestration services of the Aguajal ecosystem in the Pacaya Samiria National Reserve, Loreto – Peru</i> (Freitas et al. 2006) /135/. Validation team reviewed applied references and confirmed that reported values</p>                                                                                                                                                                                                                                                                                                                                                                                                                                   |

|                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                    | area applied in the spreadsheet /128/.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>CF</b>                          | <b>Carbon fraction.</b> As per The reference level of forest emissions due to gross deforestation of Peru in the Amazon biome /127/, this document use carbon fraction proposed by the IPCC 2006 /138/ (0.47).                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>C<sub>AB_tree,post,i</sub></b>  | <b>Post-deforestation carbon stock in aboveground tree biomass in stratum i.</b> It was determined bases on official source Peruvian Forest Reference Emission Levels 2021 /132/. Validation team reviewed both applied references and confirm that reported values area applied in the spreadsheet /128/.                                                                                                                                                                                                                                                                                                                                                                    |
| <b>GHG<sub>BSL-E,i,t</sub></b>     | <b>Greenhouse gas emissions as a result of deforestation activities within the project boundary in the baseline stratum i in year t.</b> based on the non-CO2 emissions due to biomass burning in stratum i in year t according to VMD0006 v1.3 equation 15. Validation team assessed the spreadsheet of emission reduction calculation /128/ and applied module /114/ and confirm applied equation.                                                                                                                                                                                                                                                                          |
| <b>E<sub>BiomassBurn,i,t</sub></b> | <b>Greenhouse gas emissions due to biomass burning in stratum i in year t of each GHG (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O).</b> Calculated based on area burnt for stratum i in year t ( $A_{burn,i,t}$ ), average aboveground biomass stock before burning stratum i, in year t ( $B_{i,t}$ ), combustion factor for stratum i (unitless) ( $COMF_i$ ), emission factor for stratum i for gas g ( $G_{g,i}$ ) and the Global warming potential for gas g ( $GWP_g$ ), according to VMD0013 v1.3 Equation 1. Validation team assessed the spreadsheet of emission reduction calculation /128/ and applied module /116/ and confirm applied equation.              |
| <b>A<sub>burn,i,t</sub></b>        | <b>Area burnt for stratum i in year t.</b> For baseline emissions, the burned area is considered equivalent to the annual deforested area, assuming that all deforestation is preceded by a fire to clear the land in the baseline case. Validation team considers that this assumption is appropriate to the project activity due to according to the publication: <i>Risk scenario for forest fires in the Ucayali region (CENEPRED, Julio 2022)</i> /140/, Ucayali region has experienced significant historical events due to forest fires, with the main cause being the activities of logging for the conversion of soil, resulting in the destruction of forest cover. |
| <b>B<sub>i,t</sub></b>             | <b>Average aboveground biomass stock before burning for stratum i, year t.</b> Calculated based on carbon stock in aboveground biomass in trees in stratum i in year t ( $C_{AB\_tree,i,t}$ ), Carbon stock in dead wood for stratum i in year t ( $C_{DW,i,t}$ ), Carbon stock in litter for stratum i in year t ( $C_{LI,i,t}$ ) and Carbon fraction of biomass (CF), according to VMD0013 v1.3 Equation 2. Validation team assessed applied module /116/ and spreadsheet, IPCC 2006 values /138/ and whether the values are in accordance with applied formula.                                                                                                            |
| <b>COMF<sub>i</sub></b>            | <b>Combustion factor for stratum i.</b> Default value (0.5) as per IPCC guidelines 2006 /138/                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>G<sub>g,i</sub></b>             | <b>Emission factor for stratum i for gas g.</b> Default values (CH <sub>4</sub> = 6.8; N <sub>2</sub> O = 0.2) as per IPCC guidelines /138/                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>GWP<sub>g</sub></b>             | <b>Global warming potential for gas g.</b> As per Fifth Assessment Report (AR5) /139/ (CH <sub>4</sub> = 28; N <sub>2</sub> O = 265)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>ΔC<sub>BSL,i,t</sub></b>        | <b>Net carbon stock changes in all pools in the baseline stratum i in year t.</b> Estimated based on the annual area of baseline planned deforestation for stratum i in year t ( $AA_{planned,i,t}$ ); the baseline carbon stock change in aboveground tree biomass in stratum i ( $ΔC_{AB\_tree,i}$ ); the baseline carbon stock change in belowground tree biomass in stratum i ( $ΔC_{BB\_tree,i}$ ), the baseline carbon stock change in aboveground non-tree biomass in stratum i ( $ΔC_{AB\_non-tree,i}$ ); the baseline carbon stock change in belowground non-tree biomass in stratum i ( $ΔC_{BB\_non-$                                                              |

$_{tree,i}$ ); the baseline carbon stock change in wood products in stratum I ( $\Delta C_{WP,i}$ ), the baseline carbon stock change in dead wood in stratum I ( $\Delta C_{DW,i}$ ), the baseline carbon stock change in litter in stratum I ( $\Delta C_{LI,i}$ ) and the baseline carbon stock change in soil organic carbon in stratum I, according to VMD0006 v1.3 Equation 4.

Validation team assessed applied module /114/; the spreadsheet of emission reduction calculation /128/ and confirm that equation and formulae applied are in accordance with applied methodology and values of stated evidence /132//133//135//136//137//138/.

**$\Delta C_{BSL,planned}$**

***Net greenhouse gas emissions in the baseline from planned deforestation.***

Estimated based on the net carbon stock changes in all pools in the baseline ( $\Delta C_{BSL,i,t}$ ) and GHG emissions as a result of deforestation activities within the project boundary in the baseline stratum i in year t ( $GHG_{BSL-E,i,t}$ ), according to equation 1 from VMD0006 v1.3. Validation team assessed applied module /114/; the spreadsheet of emission reduction calculation /128/ and confirm that equation and formulae applied are in accordance with applied methodology and values of stated evidence /132//133//135//136//137//138/.

Data and parameters to be monitored

| Data/Parameter                      | VVB Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b><math>A_{DefPA,i,u,t}</math></b> | <p><b><i>Area of recorded deforestation in the project area in stratum I converted to land use u in year t.</i></b></p> <p>Annual deforestation is measured in GIS using remote sensing techniques and reported with spatial explicit data by raster and shapefile. Monitoring will be carried out with the country's official tool GEOBOSQUES (<a href="http://geobosques.minam.gob.pe/geobosque/view/index.php">http://geobosques.minam.gob.pe/geobosque/view/index.php</a>). Monitoring frequency will be annual. For ex-ante estimation 0, no conversion were considered.</p> <p>According to the module used (VMD0015 v2.2) (section 6): <i>Ex ante, an estimation shall be made of deforestation in the with- project case. If the belief is that zero deforestation will occur within the project boundaries, then this parameter may be set to zero if clear infrastructure, hiring and policies are in place to prevent deforestation</i></p> <p>In the case of project, the existence of security camps (physical infrastructure) and specific posts for the control and monitoring of illegal activities (personnel on payroll) was verified during the site inspection. These constitute effective prevention mechanisms against unplanned deforestation.</p> <p>Furthermore, given that the project activity corresponds to a planned deforestation avoidance modality, the Project Proponent does not execute, nor will it execute, actions that generate emissions from land-use change within the project area.</p> <p>Therefore, the value of zero is in accordance to the applied module.</p> |
| <b><math>C_{P,post,u,i}</math></b>  | <p><b><i>Carbon stock in all pools in post-deforestation land use u in stratum i.</i></b></p> <p>Estimated according to VMD0015 v2.2, Equation 06; based on carbon stock in aboveground tree biomass in stratum i (<math>C_{AB\_tree,i}</math>), carbon stock in belowground tree biomass in stratum i (<math>C_{BB\_tree,i}</math>), carbon stock in aboveground non-tree vegetation in stratum i (<math>C_{AB\_non-tree,i}</math>), carbon stock in belowground non-tree vegetation in stratum I (<math>C_{BB\_non-tree,i}</math>), carbon stock in dead wood in stratum I (<math>C_{DW,i}</math>), carbon stock in litter in stratum I (<math>C_{LI,i}</math>). Monitoring frequency will be each 10 years (in each baseline revalidation)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

Validation team reviewed provide spreadsheet for emission reduction calculation

/128/ and contrasted supporting evidence of the provided literature; including; Carbon dynamics stored in different land use systems in Peru (Cuellar & Salazar 2016) /133/; carbon storage of planted individuals of the shrubby “camu camu” [Myrciaria dubia (H.B.K) Mc Vaugh] in the San Miguel Experimental Center, Iquitos, Peru (Díaz-Córdova et al. 2015) /136/; Effect of weight and seed size on Moringa and Ricinus seedlings (Valdez-Rodriguez et al. 2018) /137/. Audit team confirm that values applied are according to supporting evidence.

$\Delta C_{pools,Def,u,i,t}$

***Net carbon stock changes in all pools as a result of deforestation in the project case in land use u in stratum i at time t.***

Calculated based on carbon stock in all pools in the baseline case in stratum I ( $C_{BSL,i}$ ), carbon stock in all pools in post-deforestation land use u in stratum I ( $C_{P,post,u,i}$ ) and carbon stock sequestered in wood products from harvests in stratum I ( $C_{WP,i}$ ), according to VMD0015 v2.2, equation 05. Monitoring frequency will be each 10 years (in each baseline revalidation).

Validation team reviewed provide spreadsheet for emission reduction calculation /128/ and contrasted supporting evidence of the provided literature; including; Carbon dynamics stored in different land use systems in Peru (Cuellar & Salazar 2016) /133/; carbon storage of planted individuals of the shrubby “camu camu” [Myrciaria dubia (H.B.K) Mc Vaugh] in the San Miguel Experimental Center, Iquitos, Peru (Díaz-Córdova et al. 2015) /136/; Effect of weight and seed size on Moringa and Ricinus seedlings (Valdez-Rodriguez et al. 2018) /137/. Audit team confirm that values applied are according to supporting evidence.

$\Delta C_{P,DefPA,i,t}$

***Net carbon stock change as a result of deforestation in the project case in the project area in stratum i at time t.***

Calculated based on the area of recorded deforestation in the project area stratum i converted to land use u at time t ( $A_{DefPA,u,i,t}$ ) and the net carbon stock changes in all pools in the project case in land use u in stratum i at time t ( $\Delta C_{pools,Def,u,i,t}$ ), according to VMD0015 v2.2, Equation 03. Monitoring frequency Before every verification event at least every 5 years

No deforestation activities will be carried out in the project scenario. Then, for ex ante applied value is zero.

$A_{DegW,i}$

***Area potentially impacted by degradation processes in stratum i.***

The area subject to degradation is delineated based on an access buffer from all access points, such as roads and rivers or previously cleared areas, to the project area, with a width equal to the distance of degradation penetration. Monitoring frequency Before every verification event at least every 5 years.

It is not expected that degradation related access point on roads and rivers or previously cleared areas. Then, the value for ex-ante is zero.

$C_{DegW,i,t}$

***Biomass carbon of trees cut and removed through degradation process from plots measured in stratum i in year t.***

Biomass carbon of trees cut and removed through degradation process from plots measured in stratum i in year t. Estimated through diameter of stumps directly measured in the field. The diameter of all tree stumps is measured and conservatively assumed to be the same as the DBH. The above and below ground carbon stock of each harvested tree are estimated using the same allometric regression equation and root to shoot ratio used for estimating the carbon pool in trees in the baseline scenario Monitoring frequency Before every

verification event at least every 5 years. For ex-ante estimation the value is zero.

**$A_{Pi}$**

***Total area of degradation sample plots in stratum  $i$ .***

According to the applied module it be set to exactly 3% of the buffer zone ( $A_{Deg,i}$ ). Monitoring frequency Before every verification event at least every 5 years. For ex-ante estimation, the value is zero.

**$\Delta C_{P,DegW,i,t}$**

***Net carbon stock changes as a result of degradation in stratum  $i$  in the project area in year  $t$ .***

It is estimated based on area potentially impacted by degradation processes in stratum  $i$  ( $A_{DegW,i}$ ) and biomass carbon of trees cut and removed through degradation process from plots measured in stratum  $i$  in year  $t$  ( $C_{DegW,i,t}$ ) and total area of degradation sample plots in stratum  $i$  ( $A_{Pi}$ ), according to VMD0015 v2.2, Equation 08. Frequency of monitoring will be annual.

No degradation is expected; then for ex antes this value is zero.

**$\Delta C_{P,SelLog,i,t}$**

***Net carbon stock change as a result of degradation through selective logging of FSC certified forest management areas in the project area in the project case in stratum  $i$  in year  $t$ .***

There is no degradation through selective logging of FSC certified forest management areas logging in the project scenario. Then, this values is zero.

**$A_{burn,i,t}$**

***Area burnt for stratum  $i$  in year  $t$ .*** For the calculation of project emissions, the burned area is considered equivalent to burn scars monitored plus annual deforested area monitored, assuming that all deforestation is preceded by a fire to clear the land in the project case. Annual frequency of monitoring.

**$GHG_{P,E,i,t}$**

***Greenhouse gas emissions as a result of deforestation activities within the within the project area in the project case stratum  $i$  in year  $t$ .***

Calculated based on the non-CO2 emissions due to biomass burning in stratum  $i$  in year  $t$  ( $E_{BiomassBurn,i,t}$ ), according to VMD0006 v1.3 Equation 15. Will be monitored before every verification event at least every 05 years.

**$E_{BiomassBurn,i,t}$**

***Greenhouse gas emissions due to biomass burning in stratum  $i$  in year  $t$  of each GHG ( $CO_2$ ,  $CH_4$ ,  $N_2O$ ).***

Calculated based on area burnt for stratum  $i$  in year  $t$  ( $A_{burn,i,t}$ ), average aboveground biomass stock before burning stratum  $i$ , in year  $t$  ( $B_{i,t}$ ), combustion factor for stratum  $i$  (unitless) ( $COMF_i$ ), emission factor for stratum  $i$  for gas  $g$  ( $Gg_i$ ) and the Global warming potential for gas  $g$  ( $GWP_g$ ), according to VMD0013 v1.3 Equation 1. Will be monitored before every verification event at least every 05 years.

No biomass burning is expected to take place in the project scenario. Then, for ex-ante estimation the value is zero.

No fertilizers will be applied in the project scenario. GHG emissions from fossil fuel combustion are not significant

**$\Delta C_{WPS-REDD}$**

***Net GHG emissions in the REDD project scenario up to year  $t$ .***

Calculated based on net carbon stock change as a result of deforestation in the project area in the project case in stratum  $i$  in year  $t$  ( $\Delta C_{P,DefPA,i,t}$ ), Net carbon stock change as a result of degradation in the project area in the project case in stratum  $i$  in year  $t$  ( $\Delta C_{P,Deg,i,t}$ ), Net carbon stock change as a result of natural disturbance in the project area in the project case in stratum  $i$  in year  $t$  ( $\Delta C_{P,DistPA,i,t}$ ) and Greenhouse gas emissions as a result of deforestation and degradation activities within the project area in the project case in stratum  $i$  in year  $t$  ( $GHG_{P-E,i,t}$ ), according to VMD0015 v2.2, Equation

01. Will be monitored before every verification event at least every 05 years.

No deforestation activities will be carried out in the project scenario. Furthermore, is not expected that degradation related to fuelwood or charcoal extraction is going to be present in the project, as the proponent has committed to not deforest or generate a negative impact in the project area. No biomass burning is expected to take place in the project scenario. No fertilizers will be applied in the project scenario. GHG emissions from fossil fuel combustion are not significant. Therefore:  $\Delta C_{P,DefPA,i,t}$ ,  $\Delta C_{P,Deg,i,t}$ ,  $\Delta C_{P,DistPA,i,t}$ ,  $GHG_{P,E,i,t}$  are zero for ex-ante estimation; then, Net GHG emissions in the REDD project scenario ( $\Delta C_{WPS-REDD}$ ) equals to zero.

**$\Delta C_{LK-AS,planned}$**

**Net GHG emissions due to activity shifting leakage for projects preventing planned deforestation up to year  $t^*$ .**

Calculated based on the area of activity shifting leakage in stratum  $i$  in year  $t$  ( $LK_{Aplanned,i,t}$ ), the net carbon stock changes in all pre- deforestation pools in baseline stratum  $i$ , ( $\Delta C_{BSL,i}$ ) and the Greenhouse gas emissions as a result of leakage of avoiding deforestation activities in stratum  $i$  in year  $t$  ( $GHG_{LK,E,i,t}$ ), according to VMD0009 v1.3, Equation 01. Will be monitored before every verification event at least every 05 years.

No activity shifting is considered in the project scenario. Then, the value for ex-ante estimation is zero.

**$NER_{REDD}$**

**Total net GHG emission reductions of the REDD project activity up to year  $t$  ( $tCO_2e$ ).**

Calculated based on the net GHG emissions in the REDD baseline scenario up to year  $t$  ( $\Delta C_{BSL-REDD}$ ), the net GHG emissions in the REDD project scenario up to year  $t$  ( $\Delta C_{WPS-REDD}$ ) and the net GHG emissions due to leakage from the REDD project activity up to year  $t$  ( $\Delta CLK-REDD$ ), according to VM0007 v1.6 Equation 2. Will be monitored before every verification event at least every 05 years.

Complete steps to calculate emission reduction are detailed in section 3.2 of the CCB-VCS-PD. Validation team assessed the emission reduction calculation spreadsheet /128/; and applied methodology and modules /111//112//113//114//115//116//117//118//119//120/. Valuation team confirms that the GHG emission reduction are in accordance with applied methodology and the spreadsheet of emission reduction calculation /128/ are well supported by relevant literature values of stated evidences /129//130//131//132//133//135//136//137//138/.

**$Buffer_{Planned}$**

**Buffer withholding for avoiding planned deforestation project activities.**

Estimated as per Nonperformance risk report tool /6/. Will be monitored before every verification event at least every 05 years.

Validation team assessed the non-performance risk report / 141/ and confirmed the value (10). The complete assessment is detailed in section 3.3.10.

**$Uncertainty_{REDD-BSL,SS}$**

**Total uncertainty in the combined carbon stocks and greenhouse gas sources in the REDD baseline scenario.**

Calculated based on the percentage uncertainty in the combined carbon stocks and greenhouse gas sources. Will be monitored before every verification event at least every 05 years.

Validation team assessed the procedure stated in module VMD0017 Estimation of uncertainty for REDD+ project activities /119/ and supporting evidence /132//133//135//136//137//138/, confirmed ex-ante values.

**Uncertainty<sub>REDD-WPS</sub>**

**Total uncertainty in the REDD project scenario.**

Calculated according to the percentage uncertainty in the combined carbon stocks and greenhouse. Will be monitored before every verification event at least every 05 years.

Validation team assessed the procedure stated in module VMD0017 Estimation of uncertainty for REDD+ project activities /119/ and supporting evidence /132//133//135//136//137//138/, confirmed ex-ante values. t

**NER<sub>REDD+ERROR</sub>**

**Cumulative uncertainty for the REDD+ project activities up to year.**

Calculated based on Cumulative uncertainty in REDD baseline scenario. Will be monitored before every verification event at least every 05 years.

Validation team assessed the procedure stated in module VMD0017 Estimation of uncertainty for REDD+ project activities /119/ and supporting evidence /132//133//135//136//137//138/, confirmed ex-ante values.

**Adjusted\_NER<sub>REDD+</sub>**

**Total net GHG emission reductions of the REDD+ project activities up to year t\* adjusted to account for uncertainty.**

Calculated based on the total net GHG emission reductions of the REDD project activity up to year t ( $NER_{REDD}$ ), and the cumulative uncertainty for the REDD+ project activities up to year t ( $NER_{REDD+ERROR}$ ). Will be monitored before every verification event at least every 05 years.

Validation team assessed the spreadsheet of emission reduction calculation /128/ to verify whether the adjustment were applied as per applied methodology /119/.

**VCUt**

**Number of Verified Carbon Units at year t\* or t2 - t1.**

Calculated based on the total net GHG emission reductions of the REDD+ project activity up adjusted to account for uncertainty and the total permanence risk buffer. Will be monitored before every verification event at least every 05 years.

Validation team assessed the spreadsheet of emission reduction calculation /128/ to verify whether the adjustment were applied as per applied methodology /119/.

After the review of evidence provided by project proponent /128//129//130//131//132//133//135//136//137//138//139//140/ and applied modules /111//112//113//114//115//116//117//118//119//120/, Validation teams confirm that data and parameters available at validation (fixed) correspond to the algorithms and formulae provided in the methodology, tools, and modules. Moreover, all data and parameters are well supported by official sources and publication.

In addition, monitoring plan includes an organization structure with a multidisciplinary team, including a general project coordinator, territorial security specialist, and community relations coordinator. The implementation is overseen by the coordinator, who collaborates with technical field staff, specialized SIG specialists, and GIS experts for emissions and deforestation calculations. Monitoring plan also details the analysis of deforestation procedure; quality assurance and Internal audit procedures.

Therefore, AENOR confirms that monitoring arrangements described in the monitoring plan are feasible within the project design and that the means considered for the implementation, including data management, quality and assurance control procedures, are sufficient to ensure that the GHG net anthropogenic removals achieved resulting from the proposed project activity can be reported ex post and verified. Therefore, in opinion of the AENOR validation team the PP will be able to implement the monitoring plan.

### 3.3.9 Dissemination of Monitoring Plan and Results (CL4.2)

According to the CCB-VCS-PD Last Habitat REDD+ reports and progress will be communicated to local communities and stakeholders, including local authorities and BAM staff. Offline channels will include information brochures, maps, and monthly bulletins, with contact information for the team. Public meetings and workshops will be held at mutually agreed-upon locations, ensuring direct communication with the team. The company's telephone number and email will be maintained for direct communication.

The Last Habitat REDD+ project will utilize various online channels, including Facebook, YouTube, and the BAM website. The Facebook page will feature brochures, bulletins, photos, videos, and testimonials. The YouTube channel will feature videos and testimonials. Relevant news and articles will be published in the BAM blog section. More details are provided in the Communications Plan.

All project documentation, including the Project Description Document and Monitoring Reports, is readily available to project partners, community leaders, and other stakeholders. You can request these documents through various communication channels, including the formal grievance mechanism, in person at the office, or via digital media (email, WhatsApp). Additionally, complete documents are accessible on the Verra registry (<https://registry.verra.org/app/projectDetail/VCS/3344>), and project monitoring results are disseminated online through BAM's website (<https://www.bosques-amazonicos.com/>).

Validations team reviewed links provided in the PD, in section 3.3., confirming the access and information about project monitoring plan dissemination. Moreover, validation team assessed the Community communication plan /142/, which detail the disseminations result process.

### 3.3.10 Non-Permanence Risk Analysis

PP has elaborated VCS Non-permanence Risk Report /141/ for the validation process according to the AFOLU Non-Permanence Risk Tool<sup>4</sup>, v4.0 /6/. Below, it is explained the assessment of the non-permanence risk rating determined by the project participant in the report version 1, dated 16 September 2021, and issues raised to them in this regard.

| Internal Risk             | Risk Factor and/or Mitigation Description                                                                                                                                                                                                                        | Risk Rating | DOE Assessment                               |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|----------------------------------------------|
| <b>Project Management</b> | a) <i>Species planted (where applicable) associated with more than 25% of the stocks on which GHG credits have previously been issued are not native or proven to be adapted to the same or similar agro-ecological zone(s) in which the project is located.</i> | 0           | Not applicable. Is not a forestation project |
|                           | b) <i>Ongoing enforcement to prevent encroachment by outside actors is required to protect more</i>                                                                                                                                                              | 0           | The project to date has                      |

<sup>4</sup> PP has requested an extension of the deadline to apply the version 4.0 of the template. Verra has accepted this requirement with a letter dated on 01 March 2024, which states that: "Verra grants an exemption to Project 3344 from the effective date (01 Jan 2024) of version 4.2 of the AFOLU Non-Permanence Risk Tool. Please note, this exemption applies to sections 3.2.10 and 3.2.11 of the VCS Standard, v4.5, and is only applicable to the joint validation and verification".

| Internal Risk | Risk Factor and/or Mitigation Description                                                                                                                                                                                                                                                                       | Risk Rating | DOE Assessment                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|               | <i>than 50% of stocks on which GHG credits have previously been issued.</i>                                                                                                                                                                                                                                     |             | not issued any carbon credit.<br><br>External threats to the project area, including selective illegal logging and land invasion, are controlled through surveillance activities and monitored by company personnel. The main deforestation agent is under control, ensuring environmental protection                                                                                                                 |
|               | <i>c) Management team does not include individuals with significant experience in all skills necessary to successfully undertake all project activities (ie, any area of required experience is not covered by at least one individual with at least 5-year experience in the area).</i>                        | 0           | The project management team comprises staff with 5 years of experience in specific areas, including the director, coordinator, science and conservation program leader, legal department coordinator, community relations coordinator, and territorial security coordinator. Verification team reviewed the Curriculum vitae of key personnel /85//86//87//88//89//90/ in order to confirm the management experience. |
|               | <i>d) Management team does not maintain a presence in the country or is located more than a day of travel from the project site, considering all parcels or polygons in the project area.</i>                                                                                                                   | 0           | The project proponent have an office (1) in Ucayali (Pucallpa), where the project is developing.                                                                                                                                                                                                                                                                                                                      |
|               | <i>e) Mitigation: Management team includes individuals with significant experience Management team includes individuals with significant experience in AFOLU project design and implementation, carbon accounting and reporting (eg, individuals who have successfully managed projects through validation,</i> | -2          | The project management team comprises staff with 5 years of experience in specific areas, including the director, coordinator, science and conservation program leader, legal                                                                                                                                                                                                                                         |

| Internal Risk | Risk Factor and/or Mitigation Description                                                              | Risk Rating | DOE Assessment                                                                                                                                                                                                                                                                                                                                                |
|---------------|--------------------------------------------------------------------------------------------------------|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|               | <i>verification and issuance of GHG credits) under the VCS Program or other approved GHG programs.</i> |             | department coordinator, community relations coordinator, and territorial security coordinator. Verification team reviewed the Curriculum vitae of key personnel /85//86//87//88//89//90/ in order to confirm the management experience.                                                                                                                       |
|               | <i>f) Mitigation: Adaptive management plan in place</i>                                                | 0           | Not applicable. Adaptive mitigation is not considered in the project activities. However, Project activities involve identifying, monitoring, and evaluating risks through informative meetings with communities and annual participatory workshops. These activities help identify lessons learned, adjust strategies, and establish cooperation agreements. |
|               | <b>Total Project Management (PM): (a + b + c + d + e + f): -2</b><br>Total may be less than zero.      |             |                                                                                                                                                                                                                                                                                                                                                               |

Audit team have conducted a comprehensive evaluation of the project's monitoring and implementation framework. This review process examined all critical components to ensure proper functionality and alignment with project objectives, including:

- **Monitoring Plan Assessment.** The monitoring plan was verified to include all essential data collection methodologies. Audit team confirmed the established reporting frequencies and quality control measures are sufficient to track progress effectively. The plan's design adequately supports decision-making processes and adaptive management when required.
- **Organizational Structure Review.** The project's organizational framework demonstrates clear lines of responsibility and accountability. All team members have well-defined roles that correspond to their expertise and authority levels. This structure promotes efficient coordination between different implementation units and stakeholders. All assigned personnel possess the necessary qualifications

and experience to fulfill their designated functions. Responsibilities are appropriately distributed according to individual competencies and positional authority within the organizational hierarchy.

- **Procedures and Data Management.** Procedures of the monitoring plan were found to be properly documented and compliant with technical requirements. Audit assessment of data management systems confirmed they maintain complete, accurate records with appropriate security measures. The systems allow for reliable data analysis and reporting.

Based on this thorough review, we confirm the current monitoring framework is fully appropriate for project needs. All components meet quality standards and demonstrate implementation capacity. In accordance with provided evidence, BAM has over 17 years of experience in carbon projects and commercialization of VCUs. BAM has been conducting a restoration and reforestation program with native species, certified under the VCS standard. BAM is the first Peruvian forestry company to enter the Lima Stock Exchange and successfully place green/sustainable debt instruments. Strategic partners provide greater scalability responsibilities. BAM staff has extensive experience in designing and implementing AFOLU projects, successfully achieving validation and verification under VCS and CCB standards. The project has a dedicated team of experts providing permanent assistance and support to all concessionaires, specializing in various project areas.

Management team engaged carbon project developer team has extensive technical expertise in developing AFOLU projects, as well as in-depth knowledge of national and international carbon market.

In AENOR's opinion, total project management risk rating (-2) is properly justified and in accordance with the AFOLU Non-Permanence Risk Tool: VCS V4.0.

| Internal Risk              | Risk Factor and/or Mitigation Description                                                                              | Risk Rating | DOE Assessment                                                                                       |
|----------------------------|------------------------------------------------------------------------------------------------------------------------|-------------|------------------------------------------------------------------------------------------------------|
| <b>Financial Viability</b> | a) <i>Project cash flow breakeven point is greater than 10 years from the current risk assessment</i>                  | 0           | No applicable. The breakeven point is expected to occur in Year 2.                                   |
|                            | b) <i>Project cash flow breakeven point is between 7 and up to less than 10 years from the current risk assessment</i> | 0           | Not applicable. The breakeven point is expected to occur in Year 2                                   |
|                            | c) <i>Project cash flow breakeven point between 4 and up to less than 7 years from the current risk assessment</i>     | 0           | No applicable. The breakeven point is expected to occur in Year 2                                    |
|                            | d) <i>Project cash flow breakeven point is less than 4 years from the current risk assessment</i>                      | 0           | The breakeven point is expected to occur in Year 2. Validation team assessed the Financial Cash flow |

| Internal Risk | Risk Factor and/or Mitigation Description                                                                                                      | Risk Rating | DOE Assessment                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------------|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|               |                                                                                                                                                |             | /57/ confirming the expected breakeven                                                                                                                                                                                                                                                                                                                                                                                           |
|               | e) <i>Project has secured less than 15% of funding needed to cover the total cash out before the project reaches breakeven</i>                 | 0           | Not applicable. Project has secured the 100% of the funding.                                                                                                                                                                                                                                                                                                                                                                     |
|               | f) <i>Project has secured 15% to less than 40% of funding needed to cover the total cash out required before the project reaches breakeven</i> | 0           | Not applicable. Project has secured the 100% of the funding.                                                                                                                                                                                                                                                                                                                                                                     |
|               | g) <i>Project has secured 40% to less than 80% of funding needed to cover the total cash out required before the project reaches breakeven</i> | 0           | Not applicable. Project has secured the 100% of the funding.                                                                                                                                                                                                                                                                                                                                                                     |
|               | h) <i>Project has secured 80% or more of funding needed to cover the total cash out before the project reaches breakeven</i>                   | 0           | The project has guaranteed 100% of the budget necessary for the beginning of the activities. . It was verified against cash flow /57/ and supporting evidence of incomes and outcomes<br><br>The cash flow for the project area, including an opportunity cost of 38 million dollars and a direct cost of 0.5 million dollars, is not an effective disbursement, and the net incomes are 100% covered by BAM financial capacity. |
|               | i) <i>Mitigation: Project has available as callable financial resources at least 50% of total cash out before project reaches breakeven</i>    | 0           | Project has available as callable financial resources of 100% of total cash out before project reaches                                                                                                                                                                                                                                                                                                                           |

| Internal Risk | Risk Factor and/or Mitigation Description                                                             | Risk Rating | DOE Assessment |
|---------------|-------------------------------------------------------------------------------------------------------|-------------|----------------|
|               |                                                                                                       |             | breakeven      |
|               | <b>Total Financial Viability (FV): (a + b + c + d + e + f): 0</b><br>Total may not be less than zero. |             |                |

In accordance with provided evidence, the project has secured the funding needed to cover the total cash out required before the project reaches breakeven. It was verified against Financial statements /55/; Annual report 2022 /56/; Financial Cash flow /57/; BAM budget /58/; and Land valuation/59/. Then, in AENOR's opinion, total financial viability risk rating (0) is properly justified and in accordance with the AFOLU Non-Permanence Risk Tool: VCS v4.0.

| Internal Risk           | Risk Factor and/or Mitigation Description                                                                                                                                                                                                                   | Risk Rating | DOE Assessment                                                                                                                                                                                                                                                                                                                                 |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Opportunity Cost</b> | a) NPV from the most profitable alternative land use activity is expected to be at least 100% more than that associated with project activities; or where baseline activities are subsistence-driven, net positive community impacts are not demonstrated   | 0           | Not applicable.                                                                                                                                                                                                                                                                                                                                |
|                         | b) NPV from the most profitable alternative land use activity is expected to be between 50% and up to 100% more than from project activities                                                                                                                | 0           | No applicable.                                                                                                                                                                                                                                                                                                                                 |
|                         | c) NPV from the most profitable alternative land use activity is expected to be between 20% and up to 50% more than from project activities                                                                                                                 | 0           | No applicable.                                                                                                                                                                                                                                                                                                                                 |
|                         | d) NPV from the most profitable alternative land use activity is expected to be between 20% more than and up to 20% less than from project activities; or where baseline activities are subsistence-driven, net positive community impacts are demonstrated | 0           | An independent assessment of the project area determined the opportunity cost at USD 19,616,505 (see Section 3.1.5 of the PD). In comparison, the project's Net Present Value (NPV), including carbon income, was calculated at USD 17,106,254. This indicates that the alternative land use represents a 14.67% higher profitability than the |

| Internal Risk | Risk Factor and/or Mitigation Description                                                                                                                                                         | Risk Rating | DOE Assessment                                                                                                                                                                                                                                     |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|               |                                                                                                                                                                                                   |             | project under the assessed conditions.<br><br>Validation team assessed Financial statements /55/; Annual report 2022 /56/; Financial Cash flow /57/; BAM budget /58/; and Land valuation/59/; Additionality Investment Analysis. Spreadsheet /163/ |
|               | <i>e) NPV from project activities is expected to be between 20% and up to 50% more profitable than the most profitable alternative land use activity</i>                                          | 0           | Not applicable.                                                                                                                                                                                                                                    |
|               | <i>f) NPV from project activities is expected to be at least 50% more profitable than the most profitable alternative land use activity</i>                                                       | 0           | Not applicable.                                                                                                                                                                                                                                    |
|               | <i>g) Mitigation: Project proponent is a non-profit organization</i>                                                                                                                              | 0           | Not applicable. BAM is not a non-profit organization.                                                                                                                                                                                              |
|               | <i>h) Mitigation: Project is protected by legally binding commitment to continue management practices that protect the credited carbon stocks over the length of the project crediting period</i> | -2          | The project area has a legally binding agreement between BAM and JCC /100/, which states that the land will remain a forest area as long as a REDD+ project.                                                                                       |
|               | <i>i) Mitigation: Project is protected by legally binding commitment to continue management practices that protect the credited carbon stocks over at least 100 years.</i>                        | 0           | The project area is not legally obliged to remain a forest land but is legally permitted to convert it into agrarian and pasture lands.                                                                                                            |
|               | <b>Total Opportunity Cost (OC) (a, b, c, d, e or f) + (g + h or i): -2</b><br>Total may be less than 0.                                                                                           |             |                                                                                                                                                                                                                                                    |

Project activity is developed in private area, granted by JCC Inversiones SAC – Resolution on property adjudication N° 001-2009-GRU-P-DRSAU /96/; JCC Inversiones SAC – Registration certificate given by SUNARP (national superintendence of public records) /97/; Procurement contract - between BAM and Regional Directorate of agriculture of Ucayali /98/; Bosques Amazonicos SA – Registration certificate given by SUNARP (national superintendence of public records) /99/.

The project area has a legally binding agreement between BAM and JCC /100/, which states that the land will remain a forest area as long as a REDD+ project. An independent assessment of the project area determined the opportunity cost at USD 19,616,505 (Additionality Investment Analysis. Spreadsheet /163/). In comparison, the project's Net Present Value (NPV), including carbon income, was calculated at USD 17,106,254. This indicates that the alternative land use represents a 14.67% higher profitability than the project under the assessed conditions.

Then, in AENOR's opinion, total opportunity cost risk rating (-2) is properly justified and in accordance with the AFOLU Non-Permanence Risk Tool, v4.0.

| Internal Risk            | Risk Factor and/or Mitigation Description                                            | Risk Rating | DOE Assessment                                                                                                                                                                         |
|--------------------------|--------------------------------------------------------------------------------------|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Project Longevity</b> | a) <i>Without legal agreement or requirement to continue the management practice</i> | 0           | The project area has been converted into a private conservation area, requiring a voluntary legal agreement between the landowner and the government to continue management practices. |
|                          | b) <i>With legal agreement or requirement to continue the management practice</i>    | 10          | Project is protected by legally binding commitment to continue management practices that protect the credited carbon stocks over at least 100 years /100/.                             |
|                          | <b>Total Project Longevity (PL): 10</b>                                              |             |                                                                                                                                                                                        |

Project activity is developed in private area, granted by JCC Inversiones SAC – Resolution on property adjudication N° 001-2009-GRU-P-DRSAU /96/; JCC Inversiones SAC – Registration certificate given by SUNARP (national superintendence of public records) /97/; Procurement contract - between BAM and Regional Directorate of agriculture of Ucayali /98/; Bosques Amazonicos SA – Registration certificate given by SUNARP (national superintendence of public records) /99/. Furthermore, the Peruvian Environmental Ministry by Ministerial resolution N° 193-2022-NIMANM /101/ Recognize the project area as Private Conservation Area for a period of forty (40) years.

The project area has a legally binding agreement between BAM and JCC /100/, which states that the land will remain a forest area as long as a REDD+ project.

Then, in AENOR's opinion, Total Project Longevity (10) is properly justified and in accordance with the AFOLU Non-Permanence Risk Tool, v4.0.

Therefore, **total internal risk** is calculated as the sum of (PM + FV + OC + PL), totalling 6.

| External Risk            | Risk Factor and/or Mitigation Description                      | Risk Rating | DOE Assessment                                                                                                |
|--------------------------|----------------------------------------------------------------|-------------|---------------------------------------------------------------------------------------------------------------|
| <b>Land and Resource</b> | a) <i>Ownership and resource access/use rights are held by</i> | 0           | The project's proponent holds a property title, ensuring legal certainty over land tenure rights and resource |

| External Risk | Risk Factor and/or Mitigation Description                                                                                                                                | Risk Rating | DOE Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| tenure        | <i>same entity(s).</i>                                                                                                                                                   |             | access, following regulations and procedures.<br><br>Validation team assessed Resolution on property /96/ /98/ and public certification registry /97/ /99/, confirming that PP has the land tenure rights.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|               | <i>b) Ownership and resource access/use rights are held by different entity(s) (eg, land is government owned and the project proponent holds a lease or concession).</i> | 0           | The project's proponent holds a property title, ensuring legal certainty over land tenure rights and resource access, following regulations and procedures.<br><br>Validation team assessed Resolution on property /96//98/ and public certification registry /97//99/, confirming that PP has the land tenure rights.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|               | <i>c) In more than 5% of the project area, there exist disputes over land tenure or ownership.</i>                                                                       | 0           | PP reported three disputes due to overlap, but they were already resolved.<br><br>Validation team assessed public final decision of competent authorities regarding states disputes, including: Regional Directorate of Agriculture of Ucayali resolutions: 28-2019-OPDR-ABOG/AAR /104/; Regional Directorial Resolution No.155-2020-GRU-DRA /105/ and No. 002-2022-GRU-DRA/DISAFILPA/PSCR-TUPA /106/. Furthermore, during the on-site visit a representative of Agriculture Regional Directorate – DRA Ucayali were interviewed in order to confirm that there is no ongoing disputes.<br><br>There are no disputes over land or property ownership since it is a recognized and registered private area /96//97//98//99///100/.<br><br>In addition, in the project region there is a legal process, which is underway to determine potential land overlapping limits, but they are less |

| External Risk | Risk Factor and/or Mitigation Description                                                                                                                                                                                                                               | Risk Rating | DOE Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|               |                                                                                                                                                                                                                                                                         |             | than 5%. This fact was corroborated with interviewed with a representative of Agriculture Regional Directorate – DRA Ucayali.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|               | d) <i>There exist disputes over access/use rights (or overlapping rights).</i>                                                                                                                                                                                          | 5           | <p>PP reported three disputes due to overlap, but they were already resolved.</p> <p>Validation team assessed public final decision of competent authorities regarding states disputes, including: Regional Directorate of Agriculture of Ucayali resolutions: 28-2019-OPDR-ABOG/AAR /104/; Regional Directorial Resolution No.155-2020-GRU-DRA /105/ and No. 002-2022-GRU-DRA/DISAFILPA/PSCR-TUPA /106/. Furthermore, during the on-site visit a representative of Agriculture Regional Directorate – DRA Ucayali were interviewed in order to confirm that there is no ongoing disputes.</p> <p>There are no disputes over land or property ownership since it is a recognized and registered private area /96//97//98//99///100/.</p> |
|               | e) <i>WRC projects unable to demonstrate that potential upstream and sea impacts that could undermine issued credits in the next 10 years are irrelevant or expected to be insignificant, or that there is a plan in place for effectively mitigating such impacts.</i> | 0           | Not applicable. This is not a WRC project.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|               | f) <i>Mitigation: Project area is protected by legally binding commitment (eg, a conservation easement or protected area) to continue management practices that protect carbon stocks over the length of the project crediting period.</i>                              | -2          | <p>The project area is not legally obliged to remain a forest land but is legally permitted to convert it into agrarian and pasture lands /96/ /98/.</p> <p>The project area has a legally binding agreement between BAM and JCC /100/, which states that the land will remain a forest area as long as a</p>                                                                                                                                                                                                                                                                                                                                                                                                                            |

| External Risk                                                                                      | Risk Factor and/or Mitigation Description                                                                                                                                                                                     | Risk Rating | DOE Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                    |                                                                                                                                                                                                                               |             | REDD+ project.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|                                                                                                    | g) <i>Mitigation: Where disputes over land tenure, ownership or access/use rights exist, documented evidence is provided that projects have implemented activities to resolve the disputes or clarify overlapping claims.</i> | -2          | <p>PP reported three disputes due to overlap, but they were already resolved.</p> <p>Validation team assessed public final decision of competent authorities regarding states disputes, including: Regional Directorate of Agriculture of Ucayali resolutions: 28-2019-OPDR-ABOG/AAR /104/; Regional Directorial Resolution No.155-2020-GRU-DRA /105/ and No. 002-2022-GRU-DRA/DISAFILPA/PSCR-TUPA /106/. Furthermore, during the on-site visit a representative of Agriculture Regional Directorate – DRA Ucayali were interviewed in order to confirm that there is no ongoing disputes.</p> <p>There are no disputes over land or property ownership since it is a recognized and registered private area /96//97//98//99///100/.</p> <p>In addition, in the project region there is a legal process, which is underway to determine potential land overlapping limits, but they are less than 5%. This fact was corroborated with interviewed with a representative of Agriculture Regional Directorate – DRA Ucayali.</p> |
| <b>Total Land Tenure (LT) ((a or b) + c + d + e + f +g): 1</b><br>Total may not be less than zero. |                                                                                                                                                                                                                               |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

Project activity is developed in private area, granted by JCC Inversiones SAC – Resolution on property adjudication N° 001-2009-GRU-P-DRSAU /96/; JCC Inversiones SAC – Registration certificate given by SUNARP (national superintendence of public records) /97/; Procurement contract - between BAM and Regional Directorate of agriculture of Ucayali /98/; Bosques Amazonicos SA – Registration certificate given by SUNARP (national superintendence of public records) /99/. Furthermore, the Peruvian Environmental Ministry by Ministerial resolution N° 193-2022-NIMANM /101/ Recognize the project area as Private Conservation Area for a period of forty (40) years.

PP reported three disputes due to overlap, but they were already resolved. Validation team assessed public final decision of competent authorities regarding states disputes, including: Regional Directorate of

Agriculture of Ucayali resolutions: 28-2019-OPDR-ABOG/AAR /104/; Regional Directorial Resolution No.155-2020-GRU-DRA /105/ and No. 002-2022-GRU-DRA/DISAFILPA/PSCR-TUPA /106/. Furthermore, during the on-site visit a representative of Agriculture Regional Directorate – DRA Ucayali were interviewed in order to confirm that there is no ongoing disputes. There are no disputes over land or property ownership since it is a recognized and registered private area /96//97//98//99///100/.

In addition, in the project region there is a legal process, which is underway to determine potential land overlapping limits, but they are less than 5%. This fact was corroborated with interviewed with a representative of Agriculture Regional Directorate – DRA Ucayali.

The project area has a legally binding agreement between BAM and JCC /100/, which states that the land will remain a forest area as long as a REDD+ project.

Then, in AENOR's opinion, total land tenure (1) is properly justified and in accordance with the AFOLU Non-Permanence Risk Tool, v4.0.

| External Risk               | Risk Factor and/or Mitigation Description                                                                                                                                        | Risk Rating | DOE Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Community Engagement</b> | a) <i>Less than 50 percent of households living within the project area who are reliant on the project area, have been consulted.</i>                                            | 0           | Not applicable. Project area is private and there is no population settlements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                             | b) <i>Less than 20 percent of households living within 20 km of the project boundary outside the project area, and who are reliant on the project area, have been consulted.</i> | 0           | No local communities or households reside within a 20 km radius of the project boundary that depend on the area for essential resources (e.g., food, fuel, or medicine). However, the project has identified potential risks from illegal or temporary activities—such as unauthorized logging—and has established mitigation measures in Section 2.1.18 of the PDD. These actions not only address risks but also aim to generate net positive impacts for surrounding communities<br><br>Around 20 km from the project area, 10 local communities have direct relationships with forest resources but engage in illegal activities, such as tree extraction and palm fruit exploitation. These activities are recorded in technical reports and complaints. BAM field staff conduct regular communication and consultation with neighbouring |

| External Risk | Risk Factor and/or Mitigation Description                                                                                                                                            | Risk Rating | DOE Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|               |                                                                                                                                                                                      |             | <p>communities and authorities to address these issues and reach a reciprocity agreement, as proposed in the project's activities.</p> <p>Validation team reviewed the Social initial diagnosis report 67/ and social baseline report /19/ in order to identify needs of the communities, confirming the consulting process.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|               | <p>c) <i>Mitigation: The project generates net positive impacts on the social and economic well-being of the local communities who derive livelihoods from the project area.</i></p> | 0           | <p>The project area contains no permanent settlements or communities dependent on its resources for livelihoods. However, comprehensive social assessments with neighboring populations have been conducted to identify potential impacts, evaluate local needs and priorities, and ensure the delivery of net positive community benefits in alignment with CCB Standards.</p> <p>The project aims to improve the socioeconomic situation of interest groups in the project area through cooperation agreements, improved social services, local governance, sustainable resource management, and sustainable economic alternatives. BAM generates local employment and provides social support through medical campaigns and fire control training.</p> <p>Verification team reviewed reviewed the community development plan /51/ and its implementation schedule /52/; Community activity matrix /53/; cooperation agreement with communities /61//62//63/ /64//65/ and deeds recording donation /66/. Then validation team confirms strategy of productive activities, including the benefits, costs and risks. Activities carried out by PP were contrasted</p> |

| External Risk | Risk Factor and/or Mitigation Description                                              | Risk Rating | DOE Assessment           |
|---------------|----------------------------------------------------------------------------------------|-------------|--------------------------|
|               |                                                                                        |             | during the on-site visit |
|               | <b>Total Community Engagement (CE), (a + b + c): 0</b><br>Total may be less than zero. |             |                          |

During the on-site visit, Verification team confirms that local stakeholders participated in the different workshops carried out by project proponent; also, it was confirmed that consultations were carried out in site of the project area (as per stated in the PD). Validation team, also reviewed the community development plan /51/ and its implementation schedule /52/; Community activity matrix /53/; cooperation agreement with communities /61//62//63/ /64//65/ and deeds recording donation /66/. Then validation team confirms strategy of productive activities, including the benefits, costs and risks. Activities carried out by PP were contrasted during the on-site visit

Then, in AENOR's opinion, total community engagement (0) is properly justified and in accordance with the AFOLU Non-Permanence Risk Tool, v4.0.

| External Risk         | Risk Factor and/or Mitigation Description                                                                     | Risk Rating | DOE Assessment                                                                                                                                                                           |
|-----------------------|---------------------------------------------------------------------------------------------------------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Political Risk</b> | a) Governance score of less than - 0.79                                                                       | 0           | Not applicable.                                                                                                                                                                          |
|                       | b) Governance score of -0.79 to less than -0.32                                                               | 0           | Not applicable.                                                                                                                                                                          |
|                       | c) Governance score of -0.32 to less than 0.19.                                                               | 2           | The score was obtained from the "Governance score", calculated by "World Bank Institute's Worldwide Governance Indicators (WGI). The average value is -0.10 for the period of 2016-2020. |
|                       | d) Governance score of 0.19 to less than 0.82.                                                                | 0           | Not applicable.                                                                                                                                                                          |
|                       | e) Governance score of 0.82 or higher.                                                                        | 0           | Not applicable.                                                                                                                                                                          |
|                       | f) Mitigation: Country is implementing REDD+ Readiness or other activities, as set out in this Section 2.3.3. | -2          | Perú is in the REDD+ Readiness process, financed by the World Bank                                                                                                                       |
|                       | <b>Total Political (PC) ((a, b, c, d or e) + f): 0</b><br>Total may not be less than zero.                    |             |                                                                                                                                                                                          |

Verification team confirms the governance score against the world bank platform: <http://info.worldbank.org/governance/wqi/Home/Reports>; the average indicator was calculated for 5

year (from 2016 to 2020). Then, in AENOR's opinion, total political risk (0) is properly justified and in accordance with the AFOLU Non-Permanence Risk Tool, v4.0.

Therefore, **total external risk** is calculated as the sum of (LT + CE + PC), totalling 0.

| Natural Risk                      | Score (LS) | Mitigation | DOE Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------|------------|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Fire</b>                       | 2          | 0.25       | <p>The Amazon region, including the department of Ucayali and the project area, experiences low incidence of natural fires due to high humidity, annual average rainfall, and moderate temperatures. In Peru, forest fires are 100% anthropic and primarily caused by grazing and burning agriculture.</p> <p>According to the INDECI (National Civil Defence Institute) report /143/ <i>forest fires are typically caused by poor agricultural practices or neglect in activities, such as picking a fire or making a fire in the cultivation field, or in rare cases, natural causes like lightning strikes.</i></p>         |
| <b>Pest and Disease Outbreaks</b> | 0          | 1          | <p>The tropical rain forest, due to its diverse species, is highly resistant to plagues and endemic diseases, particularly in homogeneous vegetation like plantations. However, there are no reports of plagues or endemic diseases in the natural forests of Ucayali in the Amazon forest.</p> <p>No information on pests and diseases has been recorded by the National Agricultural Health Service - SENASA, in the project area. (<a href="https://www.gob.pe/senasa">https://www.gob.pe/senasa</a>)</p>                                                                                                                   |
| <b>Extreme weather</b>            | 0          | 1          | <p>INDECI statistics show numerous meteorological events as natural emergencies, with floods being the most common, affecting agricultural, grassland, and urban areas. Forests experience periodic flooding as part of their natural dynamics and do not represent carbon change risk stocks. Cold waves, cyclical events involving polar air masses, sudden temperature drops, cloudiness, winds, and atmospheric pressure, also affect the population but do not pose a threat to standing forest permanence.</p> <p>Verification team reviewed the official reports from National Statistics Institute (INEI) /144/ to</p> |

| Natural Risk                                                                                         | Score (LS) | Mitigation | DOE Assessment                                                                                                                                                                                                                                                          |
|------------------------------------------------------------------------------------------------------|------------|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                      |            |            | confirm this issue.                                                                                                                                                                                                                                                     |
| <b>Geological Risk</b>                                                                               | 0          | 1          | Ucayali is a geologically stable department. This is because it is far from the Fire Belt and the main seismic epicentres of the country.<br><br>Verification team reviewed the official reports from National Statistics Institute (INEI) /144/ to confirm this issue. |
| <b>Total Natural Risk (as applicable, F + PD + W + G + ON): 0.5</b><br>Determined by $LS \times M$ . |            |            |                                                                                                                                                                                                                                                                         |

Validation team reviewed Forest fires: causes and impacts report /143/ and INDECI statistical compendium /144/ to confirm natural risks associated to the project activity. In AENOR's opinion, **total natural risk** (0.5) is properly justified and in accordance with AFOLU Non-Permanence Risk Tool, v4.0.

Therefore, overall non-permanence risk rating and buffer determination are calculated as follow:

| Risk Category                                                                          | Rating   |
|----------------------------------------------------------------------------------------|----------|
| a) <i>Internal Risk</i>                                                                | 6        |
| b) <i>External Risk</i>                                                                | 1        |
| c) <i>Natural Risk</i>                                                                 | 0.5      |
| <b>Overall Risk Rating (a + b + c)</b><br><b>(The minimum risk rating shall be 10)</b> | <b>8</b> |

AENOR has checked that information provided in the Non-Permanence Risk Report version 3 /141/, for the monitoring period is consistent with supporting documents provided. The assumptions and justifications provided to determine the risk rating of each risk factor are developed and they are based on provided documents using conservative assessments. AENOR deems that information provided is reliable and appropriate from official sources, thus, the overall risk rating is credible and realistic.

### 3.3.11 Optional Gold Level: Regional Climate Change Scenarios (GL1.1)

Not applicable.

### 3.3.12 Optional Gold Level: Climate Change Impacts (GL1.2)

Not applicable.

### 3.3.13 Optional Gold Level: Measures Needed and Designed for Adaptation (GL1.3)

No applicable.

### 3.4 Community

#### 3.4.1 Descriptions of Communities at Project Start (CM1.1)

The project is situated in Ucayali, the region with the highest deforestation rate in the Peruvian Amazon. It involves maintaining and conserving forest cover in two private properties, Selva Maestra (SM) owned by Bosques Amazónicos S.A. and Nuestro Señor Jesús (JSC) owned by JCC Inversiones SAC, both registered in Pucallpa's Register of Property.

Section 4.1.1 of the CCB-VCS-PD details the communities identified in the project area, including: Nuevo Belen; Nuevo San Juan; Pucallpillo; CCNN Nuevo Paraíso, located in Ucayali region; and San Antonio de Honoria, Located in Huánuco region. Community characteristics and diversity within the community are addressed in the CCB-VCS-PD.

The project's social diagnosis was developed through surveys, interviews, and secondary sources to describe the socioeconomic situation of the identified communities, highlighting their general characteristics and their initial socioeconomic status, detailed in the PD and supporting evidence /19/. /67/. Validation team reviewed the Social initial diagnosis report /67/ and social baseline report /19/ in order to identify characterization of relevant communities to the project, which details Well-being information; Community characteristics and Diversity within the community; also detail the needs of the communities; and economic situation, confirming the consulting process and description of the communities.

Well-being was assessed, community characteristics and diversity within the community were assessed against Social initial diagnosis report /67/ and social baseline report /19/.

Social initial diagnosis report /67/, involves the analysis of the geographic and demographic context, identifying key stakeholders (institutions, leaders, and vulnerable groups) and prioritizing their problems and needs (such as unemployment or access to services), along with their causes and perceptions. It also assesses local resources and strengths (infrastructure, social networks) and the relevant legal framework, using methodologies like surveys or interviews to conclude with a synthesized overview that guides future social interventions and social baseline report /19/ in order to identify characterization of relevant communities to the project; needs of the communities; and economic situation, confirming the consulting process and description of the communities. Social baseline report /19/; includes:

The Social Baseline Report /19/ establishes the socio-economic conditions (e.g., demographics, employment, education, infrastructure, and cultural dynamics). It combines secondary data (censuses, reports) with primary methods (surveys, interviews) to identify vulnerabilities, social risks, and community needs. This baseline supports impact monitoring, and informed decision-making—for example, revealing land conflicts or service gaps that require mitigation.

In AENOR's opinion, description of the community stated in the CCB-VCS-PD is in line with VCS and CCB requirements. Provided information was confirmed during the on-site visit through interviews with local authority and local stakeholders.

#### 3.4.2 Interactions between Communities and Community Groups (CM1.1)

Interaction between the identified communities exist between groups such as farmers forming associations for support programs, women participating in social food programs, and collaboration in the "Mothers Club". The communities also share links with neighbouring rural settlements through family ties, shared use of health, education, and recreational activities.

The assessment of the interaction between the communities and groups presented in section 4.1.1. of the CCB-VCS-PD at the Project start was carried out through surveys, interviews, and secondary sources to describe the socioeconomic situation of the identified communities.

Validation team reviewed the Social initial diagnosis report /67/ and social baseline report /19/ in order to identify characterization of relevant communities to the project; needs of the communities; economic situation; and their interaction, confirming the consulting process.

The community interactions were confirmed during the on-site visit. Community members from Nuevo Paraiso; Nuevo Belen; Pucallpillo; AAHH Nuevo Belen; Amplicacion Tupac Amaru 1era Etapa; and CP San Antonio (section 2.4 details the activities and topics covered) in order to confirm the start of integration between the communities and community groups described in Section 4.1.1 and 4.1.2 of the project description. Then, AENOR's validation team confirms that what is reported in the CCB-VCS-PD are properly addressed.

### 3.4.3 High Conservation Values (CM1.2)

PP has identified *Shipibo-Konibo's (Nuevo Paraiso native community) ancestral land* as HCV. Indigenous people have strong connections to their ancestral land, which is crucial for their cultural, spiritual, social, and economic well-being. Protecting the territory of the Nuevo Paraiso native community is essential for their livelihoods, preserving traditional knowledges, and identity.

Validation team reviewed validation team reviewed Validation team reviewed the Social initial diagnosis report /67/ and social baseline report /19/; Community development plan /51/; Community development plan - implementation schedule – BAM /52/; Community activity matrix /53/ and considers that the protection of the project lands and well-being of communities will be improved due project activity. In addition, during the site visit, validation team interviewed some members of nuevo Paraiso community, confirming activities developed by PP well-being of high conservation value identified in section 4.1.3 of the VCS-PD.

### 3.4.4 Without-Project Scenario: Community (CM1.3)

In the without-project scenario, deforestation would degrade critical ecosystem services provided by Pucallpa's last remaining forest - including water and temperature regulation, and climate change mitigation. This would directly threaten local communities by increasing exposure to extreme weather events, health risks from pests (e.g., dengue fever), food insecurity, and water scarcity - exacerbating vulnerabilities in the face of the ongoing climate crisis.

In the absence of the project, surrounding communities would face diminished sustainable livelihood options, becoming increasingly dependent on environmentally damaging activities such as agro-industrial expansion, illegal logging, and speculative land conversion for agriculture.

Validation team reviewed the Social initial diagnosis report /67/ and social baseline report /19/. Also, validation team interviewed local stakeholders (interviewed and treated topics are detailed in section 2.4) in order to confirm the plausible scenario without project.

AENOR's validation team through review of project documentation /19//67/, these documents details the well-being conditions and other characteristics of communities and community groups under the without-project land use scenario; it was also supported by site visit interviews, confirms that the expected changes to community well-being in the without project scenario as identified in the CCB-VCS-PD are appropriate and that scenario described is the most likely.

### 3.4.5 Expected Community Impacts (CM2.1)

The community impacts of the project have been identified based on ongoing consultations and constant informational meetings. PP has identified two groups Rural settlements and a Native community (identified in section 4.1.1 of the PD). Identified impact includes:

Rural settlements:

- Conservation of the forests in the project area will benefit the surrounding community's well-being by conserving key ecosystem services in the region.
- Improvement in the quality of life of the communities by strengthening their socioeconomic situation and their access to basic services.

Native community

- Forest ecosystems in the community's territory is less vulnerable to risks of deforestation and environmental crimes.
- Conservation of the forests in the project area will benefit the surrounding community's well-being by conserving key ecosystem services in the region.
- Improvement in the quality of life of the Native community by strengthening their socioeconomic situation and their access to basic services.

In both cases (rural settlements and native community) the net impact of the Project is positive, as the project aims to improve the well-being of communities by conserving ecosystem services and enhancing their capacity for sustainable activities, while also fostering positive change in the communities surrounding the project who voluntarily benefit from its activities. Also, the project aims to improve the well-being of the native community by protecting their territories through cooperation and constant communication with BAM. It also aims to conserve ecosystem services through forest maintenance and enhance their capacity for sustainable activities, thereby fostering voluntary acceptance and benefit.

The project generates net positive impacts on the well-being of communities and the community groups over the project lifetime. This fact was verified against Social initial diagnosis report /67/; social baseline report /19/; Community development plan /51/; Community development plan /52/; Community activity matrix /53/; community agreements /61//62//63//64//65//; and donation deeds /66/. In addition to reviewing provided evidence, community well-being high conservation value areas identified in section 4.1.3 of the PD were confirmed during the on-site visit through interviews with local stakeholders by asking whether the project would have positive impact in their community. Then, AENOR's validation team confirms that the information reported in the CCB-VCS-PD are properly addressed.

### 3.4.6 Negative Community Impact Mitigation (CM2.2)

Communities and groups are informed that their participation in project activities is voluntary, as they are indirect beneficiaries and do not limit their land use or incur significant opportunity costs. However, PP has identified a potential negative impacts and outlines the mitigation strategies. Identified potential negative impact is: *Institutional problems and conflicts involving communities or community groups.*

To mitigate this possible impact, the project will handle complaints and suggestions mechanism related to problems or conflicts between communities or impacted populations. It will engage in constant dialogue and consultation through informational meetings with communities and legitimate representatives to gather relevant inputs and interests. Clear communication of project area and limits is essential to prevent

territorial or land conflicts. If concerns arise, a field visit will be scheduled with community participation and leaders to confirm the exact location of boundaries.

Validation team reviewed community monitoring plan (section 3.4.12 and section 4.4.1 of CCB-VCS-PD), social baseline report /19/ and Social initial diagnosis report /67/. Also, local stakeholders were consulted about the activities carried out by PP and confirm the measures taken to mitigate possible negative impact to communities.

Therefore, it is the opinion of AENOR that the PP has adequately identified the potential negative impacts to the community well-being and has developed the adequate measures to mitigate them in an effective manner.

### **3.4.7 Net Positive Community Well-Being (CM2.3, GL1.4)**

In a scenario without a project, communities lack sufficient conditions for development and improvement, leading to unsatisfied basic needs and socioeconomic instability. However, with the project activity, development opportunities increase, access to basic needs is improved, for example Nuevo Paraíso native community gains support and allyship for monitoring its territory. Activities aimed at climate, biodiversity, and community objectives, including workshops promoting conservation practices and sustainable forest management, are expected to have positive impacts on well-being. Project activities will improve access to services and income by supporting sustainable production chains, compared to a scenario without a project, where communities remain in social and economic dynamics, engaging in deforestation and maintaining low quality of life.

Section 4.2.3 of the CCB-VCS-PD describes the net well-being impacts of the project. The audit team during the interviews with the community members confirms a net positive impact in the community well-being derived from the project, for example the activities carried out will increase the skills and employment opportunities amongst local communities.

Thus, the audit team deems the net impact of the project on the community wellbeing is positive and there was no evidence found on the contrary. The list of benefits described in the CCB-VCS-PD is considered as credible and achievable by the audit team.

### **3.4.8 High Conservation Values Protected (CM2.4)**

Identified HCV is the native community in Nuevo Paraíso, outside the project area, focusing on the northwestern border. They are involved in constant communication and cooperation to protect the environment and improve their well-being. The project's proximity allows for monitoring and control strategies to reduce pressure on their land, preventing agricultural frontier reach and increasing risks. The project's activities will not negatively affect the community's territory, but rather protect existing environmental and social values.

Therefore, in AENOR's opinion the Project activities represent an opportunity to better protect the HCVs identified in step 3.4.3 of this report by implementing the activities described in section 4.2.4 of the CCB-VCS-PD.

### **3.4.9 Impacts on Other Stakeholders (CM3.1)**

The project's proposed activities do not have negative impacts on other stakeholders, including environmental institutions and regional authorities (stated in section 2.8.1 of the PD), who are aligned with the project's objectives and purpose. Cooperation and joint work enable positive social and environmental results beyond the project's area, ensuring a harmonious relationship.

Therefore, in AENOR's opinion the potential impacts would impact in favourable manner in well-being of the other local stakeholders.

#### **3.4.10 Mitigation of Negative Impacts on Other Stakeholders (CM3.2)**

No negative impacts on other stakeholder were identified by project proponent. In AENOR's opinion the potential impacts would impact in favourable manner in well-being of the other local stakeholders.

#### **3.4.11 Net Impacts on Other Stakeholders (CM3.3)**

According to the information contained in the description documents of the communities adjacent to the project area, the interviews conducted; and following the CCB standard, it is possible to affirm that the net impact of the Project is positive. In AENOR's opinion the potential impacts would impact in favourable manner in well-being of the other local stakeholders.

#### **3.4.12 Community Monitoring Plan (CM4.1, CM4.2, GL1.4, GL2.2, GL2.3, GL2.5)**

Final version of CCB-VCS-PD (section 4.4.1) has included information related to the monitoring plan. The monitoring plan outlines the communities, groups, and actors to be monitored, their variables, measurement methods, and reporting frequency. The project's strategic lines develop monitoring and indicator activities. The community component aims to positively impact social well-being. A system is required to review, collect, analyze, evaluate, and propose adjustments. The plan outlines indicators, methodologies, techniques, and data collection schedules.

To ensure compliance with CCB Standards, the monitoring plan was evaluated to confirm its participatory design, involving local communities through workshops, consultations, and integration of traditional knowledge. Documentation such as meeting minutes, attendance records, and training materials was reviewed to verify active engagement in selecting relevant indicators (detailed in section 4.4.1 of the PD). This step confirmed that the plan reflects community priorities and aligns with CCB requirements.

The audit team, also assessed the effective implementation and adaptive management and confirmed that the monitoring plan aligns with CCB's core principle, promoting equity, biodiversity conservation, and community benefits. Transparent documentation ensures the plan not only meets CCB standards but also remains sustainable and meaningful for local stakeholders. The evaluation concluded that all requirements were successfully addressed.

Therefore, AENOR's validation team, after reviewing the final version of the CCB-VCS-PD and the community monitoring plan and confirmed that the plan includes all CCB requirements.

#### **3.4.13 Monitoring Plan Dissemination (CM4.3)**

According to CCB-VCS-PD (section 4.4.2), the results of the monitoring plan will involve community consultation and data collection, with results disseminated in periodic meetings using summaries and other communication materials. The annual project reports, including monitoring results, will be publicly available on BAM's website ([www.bosques-amazonicos.com](http://www.bosques-amazonicos.com)).

Validations team reviewed links provided in the PD, confirming the access and information about project monitoring plan dissemination. Moreover, validation team assessed the Community communication plan /142/, which detail the disseminations result process.

**3.4.14 Optional Gold Level: Exceptional Community Criteria (GL2.1)**

Not applicable.

**3.4.15 Optional Gold Level: Short-term and Long-term Community Benefits (GL2.2)**

Not applicable

**3.4.16 Optional Gold Level: Community Participation Risks (GL2.3)**

Not applicable.

**3.4.17 Optional Gold Level: Marginalized and/or Vulnerable Community Groups (GL2.4)**

Not applicable.

**3.4.18 Optional Gold Level: Net Impacts on Women (GL2.5)**

Not applicable.

**3.4.19 Optional Gold Level: Benefit Sharing Mechanisms (GL2.6)**

Not applicable.

**3.4.20 Optional Gold Level: Benefits, Costs, and Risks Communication (GL2.7)**

Not applicable.

**3.4.21 Optional Gold Level: Governance and Implementation Structures (GL2.8)**

Not applicable

**3.4.22 Optional Gold Level: Smallholders/Community Members Capacity Development (GL2.9)**

Not applicable.

**3.5 Biodiversity****3.5.1 Existing Conditions (B1.1)**

Original biodiversity conditions in the Project Zone and expected changes under the without-project land use scenario are described in section 5.1.1 of the CCB-VCS-PD. In order to validate the original conditions validation team assessed the reports of studies conducted and developed report conducted by project proponent.

Peru, one of the seventeen megadiverse countries, has 70% of the planet's biodiversity. Its diverse ecosystems, flora and fauna, and genetic diversity contribute to global development and sustainability. The Ucayali department significantly contributes to Peru's biodiversity with its 9,262,764 ha of forests. Research has identified 1,600 species of flora in the Sierra del Divisor National Park, including 377 fish, 402 amphibians, 82 reptiles, 782 birds, and 257 mammals /145/.

The project area's existing conditions were evaluated using primary and secondary sources, using the Rapid Assessment Program (RAP) from Conservation International. Field work was conducted in October 2021 in three forest areas: Quinillal Camp, Milagros Camp, and Palmeras Camp. A total of ten days of sampling were spent on four main groups: mammals, birds, herpetofauna, and flora. These groups were

chosen based on their ecological importance, ease of sampling, performance in biodiversity assessments, sensitivity to habitat alterations, taxonomic knowledge, and frequent use in baseline, biological monitoring, and environmental impact studies. PP conducted studies in the project area on mammal, flora, herpetology, and birds.

The mammal study recorded 35 species, 20 families, and 9 orders in three evaluation areas. The most important families for large and small non-flying mammals were Cebidae with 4 Primates species and Dasypodidae with 3 Rodentia species. For small flying mammals, only Chiroptera had 5 Phyllostomidae species. The Milagros area had the highest dominance of larger and smaller non-flying mammals, inversely proportional to the Simpson index. Quinillal y Palmeras had a more diverse population than Milagros.

The bird study recorded 112 species, 35 families, and 18 orders in three evaluation areas, with Thamnophilidae, Tyrannidae, and Thraupidae being the most representative families with 14, 12, and 10 species, respectively.

Herpetology study found 57 species in the area, with 28 in the Amphibia class and 29 in the Reptilia class. With 67 man-hours and 8 days of trapping, 428 individuals were found between amphibians and reptiles. *Leptodactylus petersii* and *Boana fasciata* were the most abundant species, with 77 and 46 individuals respectively. *Boana fasciata* and *Anolis scypheus* were the most frequent species per sampling unit, present in 27 (40.30%) and 20 (29.85%) of the 67 sampling units. In 2020, a study in Quinillal recorded 42 species, with 23 belonging to the Amphibian class and 19 to the Reptilia class. The amphibian group had 364 individuals, with *Leptodactylus leptodactyloides* being the most abundant. In reptiles, *Gonatodes humeralis* was the most abundant, followed by *Ameiva ameiva* and *Kentropyx pelviceps*. The most abundant species were *Leptodactylus leptodactyloides* (27.20%), *Scinax ruber* (11.26%), and *Dendropsophus triangulum* (10.44%). The study highlights the diversity of reptile species in the Quinillal region.

The floristic component was evaluated in Pucallillo, Tupac Amaru, and Macutay Lake, corresponding to the sampling areas of Quinillal, Milagros, and Palmeras. These areas are located in the low terrace forest types of Coronel Portillo province, in Calleria and Manantay districts. A total of 201 individuals were registered, with 62 species, 30 genera, and 25 families found in the floristic inventory. The study reveals a higher diversity of families in the Milagros sampling area, with 21 out of 25 registered in the three sampling zones, with the most representative families being Fabaceae (24.87%), Myristicaceae (13.43%), Arecaceae (8.46%), Euphorbiaceae (6.96%), Malvaceae (5.97%), Lauraceae (4.97%), and Lecythidaceae (4.48%). In the Quinillal area, it was possible to show that the five most representative forest species based on the Importance Value Index (IVI) are the *Viola calophylla* (11.38%), *Hura crepitans* (10.32%), *Viola Pavonis* (10.09%), *Ceiba pentandra* (9.30%) and *Garcinia brasiliensis* (6.05%). Which represent the following families: Myristicaceae, Euphorbiaceae, Malvaceae and Clusiaceae. In the Milagros area, the five most representative forest species are *Sapium marmieri* (7.15%), *Yryanthera laevis* (6.37%), *Pourouma minor* (5.56%), *Apeiba membranacea* (5.25%) and *Terminalia amazonica* (4.69%). These species represent the following families: Euphorbiaceae, Myristicaceae, Urticaceae, Malvaceae and Combretaceae. In the case of the Palmeras area, the five most representative forest species are *Eschweilera coriacea* (9.78%), *Hura crepitans* (9.69%), *Inga peizifera* (8.96%), *Inga alba* (6.78%) and *Triplaris americana* (4.83%). Which represent the following families: Lecythidaceae, Euphorbiaceae, Fabaceae and polygonaceae.

Validation team assessed reported results and index detailed in section 5.1.1. of the PD against report of flora evaluation results 2021/146/; report of herpetology evaluation results 2021/147/; report of birds

diversity in Campo Verde sector – Pucallpa 2021/148/; report of mammalogy evaluation results 2021/149/;

About Threats to biodiversity, the Peruvian Amazon's forest loss is causing ecosystem fragmentation, habitat loss, and species extinction. The main cause is land use change due to migratory slash-and-burn agriculture. Between 2001-2020, 2,636,585 ha of forests were lost in the region, with 17.8% of Ucayali and 13.3% of Huánuco being the most affected. This puts them in 2nd and 4th place in forest loss in the country, respectively, according to the GEOBOSQUES platform from MINAM. The removal of forests for agro-industrial crops and cattle raising will lead to the loss of native flora species and habitat destruction, affecting most fauna species.

The assessment identified species were compared against national and international conservation status datasets. It includes, the national list of endangered wildlife species was updated through Supreme Decree DS N°004-2014-MINAGRI, The International Union for Conservation of Nature (IUCN); and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). PP listed species present in the project area according to their category of threat or national/international protection.

Validation team assessed Flora database record /150/; Herpetology database records /151/; Birds diversity database records /152/; Mammals database records /153/; and Supreme Decree approving the updating of the list of classification and categorization of legally protected endangered species of wildlife (Supreme Decree N° 004-2014-MINAGRI) /154/. In addition, provided information of CITES Category and IUCN Category were constated against public information from the International Union for Conservation of Nature's Red List of Threatened Species (IUCN red list) and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

In AENOR's opinion, CCB-VCS-PD gives a complete description of the biodiversity within the project zone and threats to biodiversity; also include biodiversity strategy and studies developed by PP in the project zone. The identified threats to the biodiversity come from forest loss, which is causing ecosystem fragmentation, habitat loss, and species extinction. The audit team has reviewed the evidence provided and considered that considers that the project design document complies with information requirement of CCB standard.

### **3.5.2 High Conservation Values (B1.2)**

PP has states that the project area is a high conservation value due to its diverse forests sustaining endemic and threatened species. A desk exercise was conducted to screen specific High Conservation Values areas, identifying threats and highlighting urgent needs for urgent action.

Identified HCV is an area called "Aguajales". The project area spans 4,162.3 ha of flooded alluvial forest, primarily dominated by "Aguaje" palms. Other palm tree species include "Cashapona", "Huacrapona", "Huasaí", "Huicungo", "Inayuga", "Pona", and "Ungurahui". This area holds significant potential for non-timber resources, habitats for herpetofauna, and large mammals. This ecosystem was declared a Fragile Ecosystem in the Huánuco region (through Executive Resolution N° 00004-2020-MINAGRI-SERFOR-DE /155/), for the North Honoria zone, where part of the project is located. The preservation of wetlands in Puerto Inca province is crucial due to the presence of endangered species like the "Red Howler Monkey" (*Alouatta seniculus*), "Woolly Monkey" (*Lagothrix lagotricha*), "Red Deer" (*Mazama americana*), "Otorongo" (*Panthera onca*) and "Sachavaca" (*Tapirus terrestris*). It also presents a biological corridor of the "Otorongo".

Provided information of CITES Category and IUCN Category were constated against public information from the International Union for Conservation of Nature's Red List of Threatened Species (IUCN red list) and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). Also, Peruvian Categorization of legally protected endangered species of wildlife was reviewed.

The audit team has reviewed the evidence provided and considered that the information detailed in the CCB-VCS-PD describe the HCV in the project zone properly.

### 3.5.3 Without-project Scenario: Biodiversity (B1.3)

Original biodiversity conditions in the project zone and expected changes under the without-project land use scenario are described in section 5.1.3 of CCB-VCS-PD, which gives a complete description of the biodiversity within the project zone and threats to that biodiversity. In the non-project scenario, it could lead into significant land-use changes, causing the loss of natural habitats and impacting wildlife and ecosystem services. Other risks include deforestation, illegal logging, and unsustainable harvesting of forest resources. The project area would be easily absorbed by surrounding land-use trends, facilitated by the increased access and proximity of Pucallpa, a major city.

Considering the sources of the information provided by the PP and the rationale of the causal relations described in the CCB-VCS-PD, the audit team found no inconsistencies in the description of the potential without-project scenario and considers expected changes to biodiversity conditions in the without-project scenario were well defined and are in compliance with the CCB requirements. Therefore, validation team considers that the CCB-VCS-PD describes the project scenario of biodiversity in the project zone properly.

### 3.5.4 Expected Biodiversity Changes (B2.1)

The project is expected to have a positive impact on biodiversity, The biodiversity inventories carried out in the project area have made it possible to identify species of flora and fauna that are in threat categories by national legislation, CITES and IUCN. In this scenario, the project seeks to protect threatened and vulnerable species to maintain the ecological system and the ecosystem's food chain, avoiding the loss of species. Species sighted includes "Neotropical Otter" (*Lontra longicaudis*), "Otorongo" (*Panthera onca*), "Spectacled Caiman" (*Caiman crocodilus*), and "Sachavaca" (*Tapirus terrestris*) as priorities due to their threat status.

The validation of the key assumptions, rationale and methodological choices used to anticipate changes in biodiversity resulting from project activities under the with-project scenario were validated against report of flora evaluation results /146/; report of herpetology evaluation results /147/; Report of birds diversity in Campo Verde sector – Pucallpa/148/; and report of mammalogy evaluation results /149/. The expected biodiversity impacts identified in the project description are reasonable.

### 3.5.5 Mitigation Measures (B2.3)

The project aims to manage and conserve forest biodiversity and wildlife, reducing threats to the ecosystem. Monitoring and surveillance will be implemented to reduce deforestation and forest degradation, strengthening inter-institutional alliances with control entities and local surveillance committees. The project will not generate negative impacts on biodiversity.

The project aims to educate local populations about the threat of biodiversity loss on vulnerable species, highlighting the potential for species to disappear and no longer be able to feed on them. Hunting

activities should be restricted for local consumption, not commercial ones that promote species extinction and ecological problems.

Those activities were validated against Community monitoring plan /36/; Biodiversity monitoring plan /37/; Community development plan /51/. Then, validation team considers these strategies reasonable to mitigate any potential negative impacts on biodiversity. Also, is able to confirm that PP is taken measures needed for maintenance or enhancement of the HCV attributes.

### 3.5.6 Net Positive Biodiversity Impacts (B2.2, GL1.4)

The project aims to maintain fauna populations in their natural conditions and prevent species loss. It will enhance local residents' knowledge of biological diversity and control against coca growers, illegal loggers, and agents causing forest cover loss. The project will conduct studies to evaluate flora and fauna conservation status, enabling forest actors to invest in sustainable projects. This will help protect biodiversity and inform the investment of funds for sustainable development in the region.

Those activities were validated against Community monitoring plan /36/; Biodiversity monitoring plan /37/; Community development plan /51/. Therefore, validation team considers that the key assumptions, rationale and methodological choices used to anticipate net impacts on biodiversity in the project zone will be positive compared with conditions under the without-project land use scenario

### 3.5.7 High Conservation Values Protected (B2.4)

The project will not impact any HCV Forest. Following the identification of the most representative water bodies and forests (*low terrace and aguajales*) in the project area, these sites will be periodically monitored. A surveillance committee will be put in place, and efforts will be coordinated with local committees. This will ensure that the HCVs are maintained and prevent any disturbances that would change the local wild fauna.

The activities proposed in the project will not affect the High Conservation Values, as it aims to maintain fauna populations in their natural conditions and prevent species loss. Therefore, validation team considers that activities proposed in the framework of the project do not affect the High Conservation Values since they will be implemented taking into account the biodiversity monitoring plan /37/ and in compliance with the regulations.

### 3.5.8 Species Used (B2.5)

The project will not introduce exotic species in the established area. The project aims to restore deforested areas by installing native species in areas identified through satellite images and verified forest cover loss. This will help rehabilitate soils and integrate biological corridors for fauna, addressing the fragmentation caused by openings and promoting recovery through the installation of forest plantations.

According to the inventory carried out in 2012 /130/ to value the forests in the project area, the following high-value commercial species were identified, among them: Cedro (*Cedrela odorata*), Estoraque (*Myroxylon balsamun*), Ishpingo (*Amburana cearensis*), Shihuahuaco (*Dipteryx odorata*) and Tahuari (*Tabebuia serratifolia*). Those of medium commercial value we can mention: Huayo sugar (*Hymenaea oblongifolia*), Cachimbo (*Cariniana decandra*), Capirona (*Calycophyllum spruceanum*), Copaiba (*Copaifera officinalis*), Huayruro (*Ormosia amazónica*), among others. These two groups could be prioritized in afforestation and reforestation campaigns in deforested areas.

The project will use native species as per forest inventory /130/. The species used and described in the CCB-VCS-PD were validated during the visit to the nursery and interviewing the forestry specialist.

**3.5.9 Impacts of Non-native Species (B2.6)**

Not applicable. No non-native species will be used.

**3.5.10 GMO Exclusion (B2.7)**

Not applicable. GMO species will not be used to reduce GHG emissions.

**3.5.11 Inputs Justification (B2.8)**

Not applicable. No fertilizers or biological control agents will be used.

**3.5.12 Waste Products (B2.9)**

The project aims to implement the REDD mechanism in the AFOLU sector and develop other activities related to afforestation, reforestation, and revegetation (RVV) and improved forest management (MFI) with low negative impacts. It will implement a protocol for inventory, monitoring, and surveillance, requiring the removal of containers, wrapping, and waste. Residents and project specialists will collect waste and residues, and they will either take it to the city or send it to a public or private center. Inorganic waste burning will be prohibited, and silos will be built for sanitation and organic waste services. After activities, waste will be collected and deposited in collection centers. It is forbidden to dump organic or inorganic waste into watercourses to prevent water chemical conditions and affect hydrobiological resources and fauna.

Validation team, by observing the waste management process, during the site visit, is able to confirm the project proponent classify and manage all waste products resulting from project activities.

**3.5.13 Negative Offsite Biodiversity Impacts (B3.1) and Mitigation Measures (B3.2)**

No negative impacts are expected outside the Project zone. The project recognizes the existence of external risks such as invasions, land trafficking, illegal logging, non-timber product extraction, and unsustainable expansion of the agricultural frontier, as described in Section 2.1.18 and Table 2.9 of the PDD (Project Design Document). Nonetheless, these factors are considered pre-existing external threats that are independent of the project's implementation and are not under the control of the Project Proponent

The project's mitigation measures focus on reducing external pressures via an integrated Monitoring, Control, and Verification (MCV) system. This includes satellite tools, territorial patrols, and cooperation with authorities for early detection of illegal activities. Additionally, demarcating project boundaries and promoting sustainable livelihoods in nearby communities' help preserve forest integrity within and around the project area

In this regard, the displacement of illegal activities to external areas that could generate negative impacts on biodiversity is not foreseen. On the contrary, the project strengthens local governance and territorial control capacity, generating positive indirect effects by reducing pressures from deforestation, illegal logging, and non-timber product extraction within its zone of influence.

In AENOR's opinion, project proponent adopted resorbable and likely measures. Validation team, by reviewing Community monitoring plan /36/; biodiversity monitoring plan /37/; Fire prevention and control plan /39/; Forest conservation training activities report /40/; and Territorial security report /41/, confirms that the net effect of the project on biodiversity is positive and any potential negative impact are mitigated.

### 3.5.14 Net Offsite Biodiversity Benefits (B3.3)

The project aims to conserve the forest and its biodiversity through strategies that strengthen conservation processes and sustainable use, while also promoting socio-economic development in communities. Benefit of the project includes: Wildlife refuge area and connectivity. The project aims to promote ecological connectivity by conserving primary and “aguajal” forests, preventing deforestation and degradation agents from displaced areas, and promoting good conservation status. Also, the project aims to conserve biodiversity by training local residents in forest management of timber and non-timber forest resources, specifically “aguaje”. Monitoring and vigilance will ensure the conservation of primary forests and “aguajales”, which are crucial ecosystems housing numerous wildlife species and are of great importance to the local ecosystem. This approach has no negative impacts outside the project area, and has significant potential benefits.

In AENOR’s opinion, project proponent adopted resorbable and likely measures. Validation team, by reviewing the biodiversity monitoring plan /37/ and site observation confirms that the net effect of the project on biodiversity is positive and any potential negative impact are mitigated.

### 3.5.15 Biodiversity Monitoring Plan (B4.1, B4.2, GL1.4, GL3.4)

The project proponent has developed a comprehensive monitoring plan, which includes environmental, social and economic aspects of the project. Final version of CCB-VCS-PD (section 5.4.1) includes information related to the biodiversity indicators, frequency and means of verification. Monitoring plan elements for the biodiversity component includes: Flora (forest), Large mammals, Birds and Herpetofauna.

Audit team has thoroughly reviewed the key aspects of the biodiversity monitoring plan and confirmed that they are appropriate and robust in meeting CCB requirements. The auditors verified that the plan aligns with CCB Criteria, emphasizing that:

- The selected indicators (keystone species, critical habitats) and monitoring methods (transects, camera traps) are scientifically sound and capable of reliably assessing the project’s impacts on biodiversity.
- The established baseline provides a clear reference for tracking changes over time, ensuring measurable conservation outcomes.
- The monitoring frequency for the indicators are sufficient to ensure effective tracking.

In conclusion, the plan complies with CCB Standards and ensures accurate and periodic biodiversity assessment. The reporting system is accessible and detailed. Therefore, AENOR deems that the biodiversity monitoring plan identifies biodiversity variables to be monitored, the areas to be monitored, the sampling methods and the frequency of monitoring and reporting following the CCB requirements in this regard. The monitoring variables are directly linked to the project’s biodiversity objectives and the expected effectiveness of the measures taken to maintain or enhance identified high conservation values related to nationally significant biodiversity present in the project zone. Thus, AENOR deems the biodiversity monitoring plan was elaborated according to the CCB requirements.

### 3.5.16 Biodiversity Monitoring Plan Dissemination (B4.3)

The project will implement periodic information campaigns on the biological monitoring plan’s results, with local inhabitants and native communities participating. Workshops will explain the importance of conserving HCVs, bodies of water, and wetlands as priority spaces using a didactic methodology,

accompanied by primers and newsletters. The BAM website ([www.bosques-amazonicos.com](http://www.bosques-amazonicos.com)) will also be used for dissemination, featuring photos and images of the main species of flora and fauna being conserved and their importance in the local ecosystem.

Validations team reviewed links provided in the PD, confirming the access and information about project monitoring plan dissemination. Moreover, validation team assessed the Community communication plan /142/, which detail the disseminations result process.

### **3.5.17 Optional Gold Level: High Biodiversity Conservation Priority Status (GL3.1)**

The biophysical characteristics of the project area provide some high conservation values (HCVs) linked to biodiversity, either as ecosystems or as threatened species:

- a) "Bosque Aluvial Inundable - Honoria Norte", whose location includes the Selva Maestra property. In 2020, it was selected as a Fragile Ecosystem of the Huánuco region according to Resolution RDE N° D 0004-2020-MINAGRI-SERFOR-DE /155/. It was incorporated into the Sectorial List of Fragile Ecosystems, based on evaluations, technical studies, and available scientific information. The project is situated in a flooded alluvial plain, surrounded by aguajales, which provide ecosystem services like water and erosion regulation. The towns of Tierra Roja and other nearby areas use these benefits for rice cultivation and consumption. The project aims to conserve forest cover and preserve temporary streams and creeks that benefit local communities in the surrounding area, thereby preserving the ecosystem services and the benefits of the project.

Threatened species: biological assessments carried out in the project area have recorded one specie in the endangered category (EN) under the IUCN Red List, the "Tahuarí" (*Handroanthus serratifolius*), that is classified as Vulnerable (VU) according to national legislation (DS 004-2014 MINAGRI) and is included in the Appendix II of CITES. Among the Vulnerable (VU) category of the IUCN Red List, there were found the "Sachavaca" (*Tapirus terrestris*), categorized as Near Threatened (NT) in national classification; and the "Black-tailed antbird" (*Myrmoborus melanurus*). Mammals in the Red List Near Threatened (NT) category include the "Otorongo" (*Panthera onca*), "Machin blanco" (*Cebus albifrons*), and the "River otter" (*Lontra longicaudis*). Finally, the "Monkey friar" (*Saimiris boliviensis ssp peruvianus*) is registered as a species endemic to Peru. Large mammals like "Otorongo" and "Sachavaca" are known for their "umbrella" behaviour, occupying large areas for their food and habitat needs. They may disperse outside the project area, using them as migration routes or temporary refuges due to threats or pressures from nearby areas. These species are part of biological corridors connecting national and regional conservation areas, such as El Sira Communal Reserve and Imiría Regional Conservation Area, which are close to the project area.

Validation team assessed Flora database record /150/; Herpetology database records /151/; Birds diversity database records /152/; Mammals database records /153/; and Supreme Decree approving the updating of the list of classification and categorization of legally protected endangered species of wildlife (Supreme Decree N° 004-2014-MINAGRI) /154/. In addition, provided information of CITES Category and IUCN Category were constated against public information from the International Union for Conservation of Nature's Red List of Threatened Species (IUCN red list) and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). Therefore, in AENOR opinion the project meets the CCB criteria for gold level.

### **3.5.18 Optional Gold Level: Trigger Species Population Trends (GL3.2, GL3.3)**

PP has identified as Trigger Species:

- “Tahuari amarillo” (*Handroanthus serratifolius*). Endangered (EN) species under the IUCN Red List, classified as Vulnerable (VU) according to Peruvian legislation and in Annex II of CITES. This species is one of the most vulnerable to logging in Amazonian forests due to its low natural density and low growth rates. The *genus Handroanthus*, classified as globally "endangered" on the IUCN Red List of Threatened Species, is facing a decline in its natural populations due to the demand for timber. The species is projected to experience a 50% population decline over the next 100 years. Despite its large size, its wide distribution is decreasing.. Sustainable management of *Handroanthus* requires a combination of enrichment plantings and natural regeneration in exploited areas, as natural regeneration alone is not sufficient. In Peru, *H. serratifolius* has become the preferred roofing wood. In November 2022, CITES approved the inclusion of *Handroanthus* species in Appendix II. In the flora evaluation carried out /146/ /150/ in the project area, only one individual with a DBH equal to 10 cm was recorded in the Palmeras sector, with a density of 10 trees/ha in the low terrace forest type.
- “Black-tailed antbird” (*Myrmoborus melanurus*). The black-tailed antbird, weighing under 20 grams, is a small insectivorous bird found in forests with scrub (*varzea*) near water bodies, with limited knowledge and reduced distribution. *M. melanurus*, a rare bird, has no known population size, diet, or other biological aspects. However, estimates suggest minimum population sizes can be estimated using other species. The species' territories should be between 2 and 4 ha, depending on vegetation quality. A 5 ha habitat is required to support 20 adult individuals (10 breeding pairs). Field work indicates more habitat is available within the project area. The species was recorded on 16 occasions in the Quinillal sector in 2020 and 2021, indicating a significant habitat presence.

Without-project scenario, Deforestation and illegal logging pose significant threats to the species in the area, and the absence of continuous presence at key access points makes it challenging to control unwanted entries and events. Furthermore, deforestation, forest degradation, and forest fires harm species' habitats damage biological processes and disrupt populations, causing significant disturbances in the project area.

Validation team assessed Flora database record /150/; Herpetology database records /151/; Birds diversity database records /152/; Mammals database records /153/; and Supreme Decree approving the updating of the list of classification and categorization of legally protected endangered species of wildlife (Supreme Decree N° 004-2014-MINAGRI) /154/. In addition, provided information of CITES Category and IUCN Category were constated against public information from the International Union for Conservation of Nature's Red List of Threatened Species (IUCN red list) and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). Then the projected trends in trigger species populations and that the projections meet the CCB requirements (GL3.2 and GL3.3).

#### 4 VALIDATION CONCLUSION

AENOR has performed a validation of the REDD+ project: "THE LAST HABITAT REDD+ PROJECT" and has verified that the project is in compliance with the Verified Carbon Standard version v4.6; the VCS Methodology Requirements, v4.3; and Climate, Community & Biodiversity Standards, v3.1 without qualifications or limitations.

The validation process has been conducted by AENOR in accordance with ISO 14064-3:2019, on the basis of all issues and criteria of CCB and VCS standards. The conclusions of this report show that the project, as it was described in the project documentation, is in line with all criteria applicable for the validation.

The validation consisted of the following three phases: i) a desk review of the project design and the baseline and Monitoring Plans; ii) follow-up interviews with project stakeholders; iii) the resolution of outstanding issues and the issuance of the final validation report and opinion. In the course of the validation process corrective actions and clarifications were raised; all have been successfully closed as explained in the validation protocol annexed to this report.

The Project participant applied the VM0007 REDD+ Methodology Framework (REDD+MF) Version 1.6. Besides, the following tools are applied, VT0001 Tool for the Demonstration and Assessment of Additionality in VCS Agriculture, Forestry and Other Land Use (AFOLU) Project Activities, version 3.0 and AFOLU Non-Permanence Risk Tool, v4.0

In line the tool VT0001, the CCB-VCS-PD provides the simple cost analysis to demonstrates that the proposed project activity is not a likely baseline scenario. GHG net anthropogenic removals by sinks attributable to the project are, hence, additional to any that would occur in the absence of the project activity.

The review of the project design documentation and additional documents related to baseline and monitoring methodology; and the subsequent background investigation, follow-up interviews and review of comments by parties have provided AENOR with sufficient evidence to validate the fulfilment of the stated criteria.

The conclusions are summarised as follows:

- The project is in line with all criteria of the VCS Standard v4.6; VCS Methodology Requirements, v4.3; and Climate, Community & Biodiversity Standards, v3.1.
- The project additionality is sufficiently justified in the CCB-VCS-PD.
- The Monitoring Plan is transparent and adequate.

The analysis of the baseline emission, project emissions and leakage has been carried out in a transparent and conservative manner, so that project activity will prevent the emissions of 411,740tCO<sub>2</sub>e per year, on average which corresponds to approximately 8,234,790 tCO<sub>2</sub>e in the 20-year life of the project (without discounting buffer emissions).

Date: 12 March 2026



Lead Auditor  
Richard Daniel GONZALES TOLEDO



Climate Change Director  
Jose Luis Fuentes Perez

## APPENDIX I: List of evidence

| N° | Documents reviewed or referenced                                                                                                                                                                                                                                              |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | VCS Program Guide v4.4                                                                                                                                                                                                                                                        |
| 2  | VCS Standard v4.6                                                                                                                                                                                                                                                             |
| 3  | VCS Methodology requirements v4.4                                                                                                                                                                                                                                             |
| 4  | VCS Programme definition v4.4                                                                                                                                                                                                                                                 |
| 5  | VCS Validation and verification manual v3.2                                                                                                                                                                                                                                   |
| 6  | VCS AFOLU Non-Permanence Risk Tool, v4.2                                                                                                                                                                                                                                      |
| 7  | Climate, Community & Biodiversity Standards, v3.1                                                                                                                                                                                                                             |
| 8  | CCB Program Rules, v3.1                                                                                                                                                                                                                                                       |
| 9  | CCB-VCS-PD, project description, initial version (version 1, dated on 23 June 2023)                                                                                                                                                                                           |
| 10 | CCB-VCS-PD, project description, final version (version 9, dated on 20 Feb 2026)                                                                                                                                                                                              |
| 11 | Climate Map of Peru - Interactive resource of the National Service of Meteorology and Hydrology ( <a href="https://www2.senamhi.gob.pe/main.php?dp=ucayali&amp;p=mapa-climatico-del-peru">https://www2.senamhi.gob.pe/main.php?dp=ucayali&amp;p=mapa-climatico-del-peru</a> ) |
| 12 | Inter-basin water resources assessment 49917-Ucayali proved by Water National Authority ( <a href="https://repositorio.ana.gob.pe/handle/20.500.12543/4695">https://repositorio.ana.gob.pe/handle/20.500.12543/4695</a> )                                                     |
| 13 | National Map of Ecosystems of Peru by Environmental ministry – descriptive report ( <a href="https://sinia.minam.gob.pe/mapas/mapa-nacional-ecosistemas-peru">https://sinia.minam.gob.pe/mapas/mapa-nacional-ecosistemas-peru</a> )                                           |
| 14 | Ucayali Environmental indicators 2013 by ministry of the environment                                                                                                                                                                                                          |
| 15 | Regional environmental diagnosis of Huánuco 2018 MINAM                                                                                                                                                                                                                        |
| 16 | Forest Inventory 2007                                                                                                                                                                                                                                                         |
| 17 | Huánuco territorial information - Government report                                                                                                                                                                                                                           |
| 18 | Ucayali territorial information - Government report                                                                                                                                                                                                                           |
| 19 | Social baseline report                                                                                                                                                                                                                                                        |
| 20 | Region map                                                                                                                                                                                                                                                                    |
| 21 | Project area map                                                                                                                                                                                                                                                              |
| 22 | Proxy area map                                                                                                                                                                                                                                                                |
| 23 | KLM files                                                                                                                                                                                                                                                                     |
| 24 | GIS Data                                                                                                                                                                                                                                                                      |
| 25 | Citizen participation workshop report                                                                                                                                                                                                                                         |
| 26 | Flyers of project diffusion                                                                                                                                                                                                                                                   |
| 27 | Stakeholders meeting reports                                                                                                                                                                                                                                                  |
| 28 | Project diffusion reports                                                                                                                                                                                                                                                     |
| 29 | Presentation project diffusion                                                                                                                                                                                                                                                |
| 30 | Field income planning                                                                                                                                                                                                                                                         |
| 31 | 2022 statistical compendium of the national statistical institute – Ucayali Region                                                                                                                                                                                            |
| 32 | 2022 statistical compendium of the national statistical institute – Huánuco Region                                                                                                                                                                                            |

| N° | Documents reviewed or referenced                                                                                                               |
|----|------------------------------------------------------------------------------------------------------------------------------------------------|
| 33 | Monitoring, control, and surveillance system                                                                                                   |
| 34 | The 35 state policies of the national accord                                                                                                   |
| 35 | Climate monitoring plan                                                                                                                        |
| 36 | Community monitoring plan                                                                                                                      |
| 37 | Biodiversity monitoring plan                                                                                                                   |
| 38 | Signed agreement between BAM and CORBIDI                                                                                                       |
| 39 | Fire prevention and control plan                                                                                                               |
| 40 | Forest conservation training activities report                                                                                                 |
| 41 | Territorial security report 2020                                                                                                               |
| 42 | Drone overflight photographs                                                                                                                   |
| 43 | First biodiversity expedition report                                                                                                           |
| 44 | COVID plan and medical campaign                                                                                                                |
| 45 | signed agreement with UNALM/                                                                                                                   |
| 46 | Camara traps report 2021                                                                                                                       |
| 47 | Camara traps report 2022                                                                                                                       |
| 48 | Early fire alerts report                                                                                                                       |
| 49 | Commitment agreement between PP and Pucallpillo community 2022                                                                                 |
| 50 | Rising from the ashes: A new treefrog ( <i>Anura, Hylidae, Scinax</i> ) from a wildfire-threatened area in the Amazon lowlands of central Peru |
| 51 | Community development plan                                                                                                                     |
| 52 | Community development plan - implementation schedule - BAM                                                                                     |
| 53 | Community activity matrix                                                                                                                      |
| 54 | BAM science plan - Amazonian forests                                                                                                           |
| 55 | Financial statements                                                                                                                           |
| 56 | Annual report 2022                                                                                                                             |
| 57 | Financial Cash flow                                                                                                                            |
| 58 | BAM budget                                                                                                                                     |
| 59 | Land valuation                                                                                                                                 |
| 60 | Biodiversity activity matrix                                                                                                                   |
| 61 | Agreement with Pucallpillo community                                                                                                           |
| 62 | Agreement with San Antonio community                                                                                                           |
| 63 | Agreement with Ampliación Belen community                                                                                                      |
| 64 | Agreement with Lupun community                                                                                                                 |
| 65 | Agreement with Pucallpillo community 2023                                                                                                      |
| 66 | Deeds recording donation                                                                                                                       |
| 67 | Social initial diagnosis report                                                                                                                |

| N° | Documents reviewed or referenced                                                                                                                       |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| 68 | Official policy against any type of discrimination                                                                                                     |
| 69 | Mechanism for handling complaints or suggestions                                                                                                       |
| 70 | Internal working procedure                                                                                                                             |
| 71 | Internal working rules                                                                                                                                 |
| 72 | Workers training records                                                                                                                               |
| 73 | Corporate Sustainability Policy                                                                                                                        |
| 74 | Hiring procedure                                                                                                                                       |
| 75 | Risks assessment of worker safety REDD+ The Last Habitat                                                                                               |
| 76 | Hazard Identification and Risk Assessment and Controls matrix (IPERC matrix)                                                                           |
| 77 | Occupational health and safety plan                                                                                                                    |
| 78 | Occupational safety policy /                                                                                                                           |
| 79 | Accidents and incidents report                                                                                                                         |
| 80 | Law N° 26842 General Health Law                                                                                                                        |
| 81 | Law No. 28783: Occupational Health and Safety Law; its modification (Law 30222)                                                                        |
| 82 | Supreme Decree 020-2001-TR: Regulation of the General Law on labor inspection and defense of the worker (Legislative Decree No. 910 and its Amendment) |
| 83 | DS N° 009-2005-TR health and safety regulation                                                                                                         |
| 84 | DS N°148-2007-TR regulation of committee for supervision of security and health at work                                                                |
| 85 | Curriculum vitae of Conservation and Carbon Markets Manager                                                                                            |
| 86 | Curriculum vitae of Project coordinator                                                                                                                |
| 87 | Curriculum vitae of Territorial Security                                                                                                               |
| 88 | Curriculum vitae of Head of Community Relations                                                                                                        |
| 89 | Curriculum vitae of Head of Biodiversity                                                                                                               |
| 90 | Curriculum vitae of Specialist of Biodiversity                                                                                                         |
| 91 | Curriculum vitae of PASKAY's (executive director)                                                                                                      |
| 92 | Curriculum vitae of PASKAY's MRV Chief                                                                                                                 |
| 93 | Curriculum vitae of PASKAY's MRV Specialist                                                                                                            |
| 94 | Curriculum vitae of PASKAY's Forestry Specialist                                                                                                       |
| 95 | Internal Rules of Conduct                                                                                                                              |
| 96 | JCC Inversiones SAC – Resolution on property adjudication (Directorial Resolution N°001-2009-GRU-P-DRSAU)                                              |
| 97 | JCC Inversiones SAC – Registration certificate given by SUNARP (national superintendence of public records)                                            |
| 98 | Procurement contract - between BAM and Regional Directorate of agriculture of Ucayali (Directorial Resolution N° 452-98)                               |
| 99 | Bosques Amazonicos SA – Registration certificate given by SUNARP (national superintendence of public records)                                          |

| N°  | Documents reviewed or referenced                                                                                                                                                                                           |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 100 | Carbon transfers right contract in favour of Bosques Amazonicos SA from JCC Inversiones SAC                                                                                                                                |
| 101 | Ministerial resolution N° 193-2022-NIMANM, Recognition of the Private Conservation Area "Campo Verde"                                                                                                                      |
| 102 | Prior Consultation Law. No. 29785,                                                                                                                                                                                         |
| 103 | Forest and Wildlife Law, Law No, 29763                                                                                                                                                                                     |
| 104 | Regional Directorate of Agriculture of Ucayali resolution: 28-2019-OPDR-ABOG/AAR                                                                                                                                           |
| 105 | Regional Directorate of Agriculture of Ucayali resolution: 155-2020-GRU-DRA                                                                                                                                                |
| 106 | Regional Directorate of Agriculture of Ucayali resolution: 002-2022-GRU- RA/DISAFILPA/PSCR-TUPA                                                                                                                            |
| 107 | General Environment Law, Law No. 28611                                                                                                                                                                                     |
| 108 | National Environmental Policy approved by Supreme Decree No. 12-2009-MINAM                                                                                                                                                 |
| 109 | Organic Law for the sustainable use of Natural Resources, Law No. 26821                                                                                                                                                    |
| 110 | Regulation for forest management approved by Supreme Decree No. 018-2015-MINAGRI                                                                                                                                           |
| 111 | VCS approved methodology VM0007, Version 1.6, 08 September 2020, Sectoral Scope 14, "REDD+ Methodology Framework (REDD+ MF)"                                                                                               |
| 112 | VMD0001 Estimation of carbon stocks in the above- and belowground biomass in live tree and non-tree pools (CP-AB), Version 1.3, 08 September 2020, Sectoral Scope 14.                                                      |
| 113 | VMD0004 Estimation of stocks in the soil organic carbon pool (CP-S), Version 1.0, Sectoral Scope 14.                                                                                                                       |
| 114 | VMD0006 Estimation of baseline carbon stock changes and greenhouse gas emissions from planned deforestation/forest degradation and planned wetland degradation (BL-PL). Version 1.3, 08 September 2020, Sectoral Scope 14. |
| 115 | VMD0009 Estimation of emissions from activity shifting for avoiding planned deforestation/forest degradation and avoiding planned wetland degradation (LK-ASP), Version 1.2, 08 September 2020, Sectoral Scope 14.         |
| 116 | VMD0013 Estimation of greenhouse gas emissions from biomass and peat burning (E-BPB), Version 1.3, 08 September 2020, Sectoral Scope 14.                                                                                   |
| 117 | VMD0015 Methods for monitoring of greenhouse gas emissions and removals in REDD project activities (M-REDD), Version 2.2, 08 September 2020, Sectoral Scope 14.                                                            |
| 118 | VMD0016 Methods for stratification of the project area (X-STR), Version 1.2, 08 September 2020, Sectoral Scope 14.                                                                                                         |
| 119 | VMD0017 Estimation of uncertainty for REDD+ project activities (X-UNC), Version 2.2, 08 September 2020, Sectoral Scope 14.                                                                                                 |
| 120 | CMD Tool for testing significance of GHG emissions in A/R CDM project activities (T-SIG), Version 1.                                                                                                                       |
| 121 | VT0001 Tool for the demonstration and assessment of additionality in VCS agriculture, forestry, and other land use (AFOLU) project activities                                                                              |
| 122 | UNFCCC Forest definition - Definitional issues related to reducing emissions from deforestation in developing countries (2006)                                                                                             |
| 123 | National Forest and Wildlife Inventory (SERFOR, 2020)                                                                                                                                                                      |
| 124 | Nuestro Señor Jesucristo Technical Economic Feasibility Study                                                                                                                                                              |

| N°  | Documents reviewed or referenced                                                                                                                                                    |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 125 | Selva Maestra Project Profile                                                                                                                                                       |
| 126 | Dynamics of carbon stored in the different land use systems in the Peru (Instituto Nacional de Innovación Agraria INIA, 2016)                                                       |
| 127 | Reference Level of Forest Emissions from Gross Deforestation of Peru in the Amazon Biome (MINAM, 2022)                                                                              |
| 128 | Spreadsheets calculations of the emissions reductions                                                                                                                               |
| 129 | Forest inventories conducted in 2006                                                                                                                                                |
| 130 | Forest inventories conducted in 2012                                                                                                                                                |
| 131 | Forest management plan                                                                                                                                                              |
| 132 | Forest Reference Emission Levels, FREL 2021                                                                                                                                         |
| 133 | Carbon dynamics stored in different land use systems in Peru (Cuellar & Salazar 2016)                                                                                               |
| 134 | Geo-referenced data platform of Peru: <a href="https://visor.geoperu.gob.pe/">https://visor.geoperu.gob.pe/</a>                                                                     |
| 135 | Environmental storage and carbon sequestration services of the Aguajal ecosystem in the Pacaya Samiria National Reserve, Loreto – Peru (Freitas et al. 2006)                        |
| 136 | carbon storage of planted individuals of the shrubby “camu camu” [Myrciaria dubia (H.B.K) Mc Vaugh] in the San Miguel Experimental Center, Iquitos, Peru (Díaz-Córdova et al. 2015) |
| 137 | Effect of weight and seed size on Moringa and Ricinus seedlings (Valdez-Rodriguez et al. 2018)                                                                                      |
| 138 | 2006 IPCC Guidelines for National Greenhouse Gas Inventories Volume 4 Agriculture, Forestry and Other Land Use                                                                      |
| 139 | Fifth Assessment Report (AR5)                                                                                                                                                       |
| 140 | Risk scenario for forest fires in the Ucayali region (CENEPRED, Julio 2022)                                                                                                         |
| 141 | Non-performance risk report, version 03, 6 May 2025                                                                                                                                 |
| 142 | Community communication plan                                                                                                                                                        |
| 143 | Forest fires: causes and impacts (INDECI, 2020)                                                                                                                                     |
| 144 | INDENCI Statistical compendium 2021                                                                                                                                                 |
| 145 | Ucayali regional climate change strategy / updated 2019 – 2022 (MINAM, ARA, DAR SERNAMP, among others)                                                                              |
| 146 | Report of flora evaluation results 2021                                                                                                                                             |
| 147 | Report of herpetology evaluation results 2021                                                                                                                                       |
| 148 | Report of birds diversity in Campo Verde sector – Pucallpa 2021                                                                                                                     |
| 149 | Report of mammalogy evaluation results 2021                                                                                                                                         |
| 150 | Flora database record                                                                                                                                                               |
| 151 | Herpetology database records                                                                                                                                                        |
| 152 | Birds diversity database record                                                                                                                                                     |
| 153 | Mammals database records                                                                                                                                                            |
| 154 | Supreme Decree approving the updating of the list of classification and categorization of legally protected endangered species of wildlife (Supreme Decree N° 004-2014-MINAGRI)     |
| 155 | Executive Resolution N° N° 00004-2020-MINAGRI-SERFOR-DE                                                                                                                             |

**N° Documents reviewed or referenced**

- 156 Delivery act of the first security camp in the Quinillal sector, dated on 1 January 2020.
- 157 Memorandum of understanding between BAM and JCC Inversiones SA
- 158 Letter N°813-2024-GRU-DRA
- 159 Report No. 053-2024-GRU-DRA-OAJ
- 160 Palm oil production statist report 202
- 161 A systematic comparison of deforestation drivers and policy effectiveness across the Amazon biome (Hänggli A., et al 2023)
- 162 Ucayali Regional Government (GORE) report 2018
- 163 Additionality spreadsheet: REDD TLH Additionality Investment Analysis
- 164 National Agrarian Survey (INEI, 2018)
- 165 “Determinación del stock de carbono en aguajales de la cuenca del río Aguaytía, Ucayali – Perú” (Garcia, Honorio & Del Castillo 2012)
- 166 Legislative Decrees No. 653 (1992)
- 167 Legislative Decrees No. No. 838 (1996)
- 168 Land use change management plan
- 169 Agreement JCC & BAM, Nov 2019.
- 170 ART TREES Jurisdictional program documentation
- 171 Land award document issued and accepted by the Regional Agrarian Directorate of Ucayali (DRAU).
- 172 Methodological Protocol for Forest Loss Detection
- 173 Letter N° 007-2019-GG
- 174 Letter S/N-2019-GG
- 175 Investment Plan 2019–2024 for Selva Maestra
- 176 Investment Plan 2019–2024 for Inversiones JCC
- 177 Memorandum of Understanding with Andean Crown (June 2019)
- 178 2019 agreement between BAM and JCC Inversiones S.A.C.
- 179 Board of Directors Minutes dated January 21, 2019

## APPENDIX II: Validation protocol (findings)

### Corrective action request (CARs)

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |           |                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------------------|
| <b>CAR ID</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>01</b> | <b>Date: 18/07/2023</b> |
| <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                         |
| According to paragraph 1.2.1 of VCS standard v4.6: <i>"The operating language of the VCS Program is English. The project and program description, validation report, monitoring report, verification report, and all other documentation (including all and any appendices) required under the VCS Program shall be in English."</i> Then, PP is requested to provide the simple cost analysis spreadsheet and emission reduction calculation completely in English. Also, tables, figures, foot notes, etc. of project design document will include English information. |           |                         |
| <b>Project proponent response</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |           | <b>Date: 14/09/2023</b> |
| All required information was translated to English.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |           |                         |
| <b>Documentation provided by Project proponent</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |           |                         |
| <b>VVB Assessment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |           | <b>Date: 31/10/2023</b> |
| PP has provided all information as per VCS requirements. Then, <b>CAR 1 is closed</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |           |                         |

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|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------------------|
| <b>CAR ID</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>02</b> | <b>Date: 18/07/2023</b> |
| <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |           |                         |
| According to the VCS requirement, the project proponent shall adhere to all instructional text within the template. However, PP has modified the format and some subtitles. Furthermore, some sections of the CCB-VCS-PD have not been filled following the instructions included in the project description template. i.e:<br>In the cover page:<br>Project name is not as per VERRA registry platform<br>VVB information are not properly filled<br>Some tables, figures, maps, etc. of the VCS-CCB-PD contains Spanish information. According to the paragraph 1.2.1 of VCS standard v4.6, the operating language is English.<br>Section 1.1. The subtitle has been modified<br>Section 1.2. was deleted.<br>Section 2.1.1. does not include:<br><i>A brief description of the scenario existing prior to the implementation of the project</i><br>Section 2.1.4. does not include all entities Involved in the Project<br>Section 2.1.5. does not include<br><i>Topography (slope, aspect, geological features, etc.).</i><br><i>Soil (mineral, organic, arable, upland, etc.).</i><br><i>Hydrology.</i><br><i>Types of vegetation (providing, at minimum, estimates of the area of land under different management types).</i><br>Section 2.1.6. does not include<br><i>Main settlements (towns, villages, or household clusters where communities reside).</i><br><i>Land use and economic activities (farming and pastoral practices or culture, areas of use for collection, fishing or hunting, managed and conservation lands, etc.).</i><br><i>Relevant historic conditions.</i><br><i>Socio-cultural information (ethnicity, gender, age, household income, land ownership, education, health statistics, migration patterns, etc.).</i><br>Section 2.1.7. does not include:<br><i>Areas where offsite climate impacts are predicted.</i><br><i>Areas where other stakeholders will be impacted (Section 4.3).</i><br><i>Areas where offsite biodiversity impacts are predicted (Section 5.3).</i><br>Section 2.1.10. refers to grouped project. In addition, AFOLU project category nor activity type are properly described.<br>Section 2.2.1. does not describe the range of potential land use scenarios nor the associated drivers of |           |                         |

land use changes most likely to occur within the project zone in the absence of the project.

Section 2.2.2. does not describe the most likely land-use scenario within the project zone in the absence of the project as per CCB requirements (Section G2.1 of CCB standard)

Section 2.3.1. does not describe how full project documentation, including project description documentation and monitoring reports, as they become available through the project lifetime, has been and will be made accessible to communities and other stakeholders.

Section 2.3.2. does not Describe how the summary of project documentation, including information required for G1.1-9, has been actively disseminated to communities. Neither describe how summary information on monitoring results will be actively disseminated to communities.

Section 2.3.4. does not explain how relevant and adequate information about potential costs, risks and benefits to communities – identified using a participatory and transparent process – has been provided to communities in a form they understand and in a timely manner prior to any decision they may be asked to make with respect to participation in the project.

Section 2.3.7. does not Describe how communities, including all the community groups and other stakeholders, have influenced project design. Neither is documented consultations, indicating if and how project design has been affected by stakeholder input. (refer to section G3.4. of CCB standard).

Section 2.3.9. does not demonstrate that all consultations and participatory processes have been undertaken directly with communities and other stakeholders or through their legitimate representatives. Neither is provided justification that adequate levels of information sharing has occurred.

Section 2.3.16. does not describe the measures needed and designed to inform workers about their rights.

Section 2.4.2. does not document key technical skills required to implement the project successfully, including community engagement, biodiversity assessment and carbon measurement and monitoring skills.

Section 2.4.7. does not detail what sensitive information has been excluded from the public version of the project description nor is briefly described the items to which such information pertains

Section 2.5.8. does not document that the project has approval from appropriate authorities.

Section 4.1.4. does not describe the expected changes in the well-being conditions and other characteristics of communities and community groups under the without-project land use scenario.

Section 4.2.4. does not demonstrate that none of the HCVs related to community well-being will be negatively affected by the project.

Section 5.1.3. was modified

Section 5.1.4. was modified

**Project proponent response**

**Date: 14/09/2023**

Format was corrected in the new version to match the template. All the information was translated to English, except for the proper nouns.

Sections 1.1 and 1.2: Were corrected.

Section 2.1.1: A brief description of the pre-project conditions was included.

Section 2.1.4: Information of the company JCC, owner of one of the properties forming the project area, was added.

Section 2.1.5: Updated to include the biophysical characteristics.

Section 2.1.6: The requested details were made for each identified stakeholders.

Section 2.1.7: Native Community “Nuevo Paraiso” was identified as an area outside the project area where other stakeholders will be positively impacted. No offsite biodiversity and climate impacts are predicted.

Section 2.1.10: Sectoral scope was described in more detail.

Section 2.2.1: The description of alternative land use scenarios was added.

Section 2.2.2: The most likely land use scenario is described.

Section 2.3.1: Means for project information diffusion were included.

Section 2.3.2: Means for project information diffusion were included.

Section 2.3.4: The communities are not part of the project area, so all project initiatives aimed at improving their well-being are presented during the information meetings held with them, and their participation is decided by them on a voluntary basis.

section 2.3.7: The communication strategies used are described and the documents that demonstrate and support the information are indicated.

section 2.3.9: Supporting documentation is indicated in the section (cooperation agreements with

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|------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| communities).                                                                                                                      |                         |
| Section 2.3.16: Information on this regard was added.                                                                              |                         |
| Section 2.4.2: Key technical skills and positions are detailed.                                                                    |                         |
| Section 2.4.7: The company financial statements are sensitive information which is available for the auditing team.                |                         |
| Section 2.5.8: More details were described on this matter.                                                                         |                         |
| Section 4.1.4: The description of the non-project scenario has been specified for the stakeholders of the project.                 |                         |
| Section 4.2.4: The HVC has been specified in sections 4.1.3 and this section describes the effects that the project will generate. |                         |
| Sections 5.1.3 and 5.1.4: were corrected.                                                                                          |                         |
| <b>Documentation provided by Project proponent</b>                                                                                 |                         |
| Above mention sections of PD.                                                                                                      |                         |
| <b>VVB Assessment</b>                                                                                                              | <b>Date: 27/10/2023</b> |
| PP has updated the project design document properly. <b>Then, CAR 2 is closed.</b>                                                 |                         |

|                                                                                                                                                                                                                                                                                                                   |           |                         |
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| <b>CAR ID</b>                                                                                                                                                                                                                                                                                                     | <b>03</b> | <b>Date: 18/07/2023</b> |
| <b>Description</b>                                                                                                                                                                                                                                                                                                |           |                         |
| PP has not demonstrated neither justified the financial mechanisms adopted to provide an adequate actual and projected flow of funds for project implementation and to achieve the project's climate, community and biodiversity benefits (section 2.1.20 of CCB-VCS-PD). Refer to section G1.12 of CCB standard. |           |                         |
| <b>Project proponent response</b>                                                                                                                                                                                                                                                                                 |           | <b>Date: 14/09/2023</b> |
| Section 2.1.20 was updated to clarify the financial sustainability of the project.                                                                                                                                                                                                                                |           |                         |
| <b>Documentation provided by Project proponent</b>                                                                                                                                                                                                                                                                |           |                         |
| Section 2.1.20 of PD.                                                                                                                                                                                                                                                                                             |           |                         |
| <b>VVB Assessment</b>                                                                                                                                                                                                                                                                                             |           | <b>Date: 31/10/2023</b> |
| PP has updated the CCB-VCS-PD including the flow of fund for project implementation and provided supporting evidences. <b>Then, CAR 3 is closed.</b>                                                                                                                                                              |           |                         |

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| <b>CAR ID</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>04</b> | <b>Date: 18/07/2023</b> |
| <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |           |                         |
| According to the project design document the project activity correspond to a grouped project. However, the eligibility criteria have not been established as per VCS standard requirement v4.6, section 3.6.16 (refer to sections 3.6.10 to 3.6.21 of VCS standard). It has also not been considered the requirements for grouped projects of CCB standard (sections G1.13 to G1.15). Moreover, requested information by template has not been included (section 2.1.21 of CCB-VCS-PD) |           |                         |
| In addition, the project description for grouped projects has not followed the requirements of section 3.6.22 of VCS standard v4.6.                                                                                                                                                                                                                                                                                                                                                     |           |                         |
| <b>Project proponent response</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                       |           | <b>Date: 14/09/2023</b> |
| Section 2.1.21 was updated to clarify the eligibility criteria and geographical space for new project instances.                                                                                                                                                                                                                                                                                                                                                                        |           |                         |
| <b>Documentation provided by Project proponent</b>                                                                                                                                                                                                                                                                                                                                                                                                                                      |           |                         |
| Section 2.1.21 of PD.                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |           |                         |
| <b>VVB Assessment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |           | <b>Date: 31/10/2023</b> |

PP has not followed all the requirement applicable to grouped projects as per requirement of VCS standard. Project design document has not included the assessment of Baseline Scenario and Additionality of new instances (section 3.6.10 to 3.6.15). Project design document does not describe how the PP will ensure that the new project activity instances comply with eligibility criteria stated in section 3.6.16 (1 to 5). Listed eligibility criteria does not considered the requirement described in section 3.6.17 (1 to 10). The reequipments for AFOLU grouped project are not included in the project design document, section 3.6.19 to 3.6.21. Project Description for grouped projects do not included the requirements included in section 3.6.22 (1 to 5).

Therefore, **CAR 04 remains open**

**Project proponent response**

**Date: 14/11/2023**

*Project design document has not included the assessment of Baseline Scenario and Additionality of new instances (section 3.6.10 to 3.6.15).*

Sections 3.6.10 to 3.6.15 do not require that baseline and additionality of new project activity instances be described in the PD. Instead:

Section 3.6.10 requires the definition of a geographic area within which new project activity instances will be developed.

Section 2.1.21 and Figure 2.7 of PD show the geographic area where it is expected new instances will be located. At the moment, there are no new instances so their specific location can not be described.

Section 3.6.11 requires that determination of baseline and demonstration of additionality are based upon the initial project activity instances. Also, it clarifies which instances are considered initial project activity instances.

There is only 1 initial project activity instance that is made up by the Selva Maestra and Nuestro Señor Jesucristo properties. Once new potential project activity instances are identified, the baseline and additionality conditions will be checked to ensure they match with the ones from the initial project activity instance.

Section 3.6.12 indicates that a grouped project can incorporate multiple project activities, for which it must designate which geographic areas will hold each project activity.

As mentioned before, a geographic area has been delimited in Section 2.1.21 of PD. Given that there is only one project activity (APD) included in the project, there is no need to separate/stratify the geographic area.

Section 3.6.13 and 3.6.14 require that the baseline scenario and additionality are determined and demonstrated for each designated geographic area. If a single baseline cannot be determined and the additionality cannot be demonstrated for the entirety of each geographic area, it shall be redefined or divided.

The designated geographic area in Section 2.1.21 of PD is diverse in ownership and management conditions, so a detailed baseline determination and additionality assessment cannot be performed at this point. However, an identification was made of areas under specific land-tenure categories, inside the geographic area previously described, were the same baseline (and therefore, additionality) as applied by the project cannot be demonstrated. Hence, these areas are being excluded and are deemed not eligible to join the project.

Specific demonstrations will be done each time a potential new project activity instance is identified.

Section 3.6.15 requires that, where factors relevant to the determination of baseline or demonstration of additionality have to be assessed across a given area, it shall be at minimum the designated geographic area.

The geographic area where the initial project activity instance is located has the same regulatory framework, common practices, and similar deforestation trends (upwards).

*Project design document does not describe how the PP will ensure that the new project activity instances comply with eligibility criteria stated in section 3.6.16 (1 to 5).*

Section 2.1.21(1) "Eligibility criteria" include:

"The possible new instances will also have to comply with the standards' requirements and the **methodological applicability conditions**", as per requested in 3.6.16 (1).

"**Accept the implementation of the project activities** and the periodic development of their monitoring", and "**The project activities described in this PD are the same as those that will be implemented in future instances of the project**", as per requested in 3.6.16 (2 and 3).

"Possess legal authorization from the competent authorities to change forest cover in part or all of the

area over which ownership can be demonstrated” and “Land use change must be allowed for the development of agricultural activities (agriculture and/or cattle raising)”, as per required in 3.6.16 (4). A new criterion is being added to cover requirement 3.6.16 (5). Also, language is being modified to improve clarity.

*Listed eligibility criteria does not considered the requirement described in section 3.6.17 (1 to 10).* Many of these requirements are included in the eligibility criteria, and for those not explicitly included, more bullets were added.

*The reequipments for AFOLU grouped project are not included in the project design document, section 3.6.19 to 3.6.21.*

The risk analysis was performed based on the initial project activity instance which is inside the only geographic area determined for the grouped project. In the future, when new instances are added, as part of the assessment it will be determined if the risk conditions are different to require stratification.

*Project Description for grouped projects do not included the requirements included in section 3.6.22 (1 to 5).*

A geographic area has been defined In Section 2.1.21. Now, a KML file is being attached. There is only one project activity (APD) being considered in the project, and the baseline and additionality demonstration is based on the initial project activity instance. PP will assess and corroborate that new project activity instance comply to these conditions prior its acceptance to the project. In addition, a set of eligibility criteria was presented (and has been updated) in the PD. There is no need for additional sets of criteria, as there is only one project activity and one geographic area.

#### **Documentation provided by Project proponent**

PD, section 2.1.21 and KML file.

#### **VVB Assessment**

**Date: 1/12/2023**

PP is requested to provide a summary table, indicating how each of the requirements will met section 3.6.16 (1 to 5) and 3.6.17 (1 to 10).

#### **CAR 04 remains open.**

#### **Project proponent response**

**Date: 12/12/2023**

The requested summary table is attached indicating how each of the requirements of section 3.6.16 (1 to 5) and 3.6.17 (1 to 10) will be met. Section 2.1.21 of the PD has also been updated.

#### **Documentation provided by Project proponent**

Excel “TLH\_CAR04”

#### **VVB Assessment**

**Date: 18/12/2023**

PP has assessed all the requirements applicable to grouped projects as per requirement of VCS standard. **Therefore, CAR 04 is closed.**

#### **CAR ID**

**05**

**Date: 18/07/2023**

#### **Description**

PP has not provided an assessment of the risks to worker safety nor the measures needed to minimize risks (section 2.3.17 of the CCB-VCS-PD)

#### **Project proponent response**

**Date: 14/09/2023**

Section 2.3.17 now includes more information about the possible risks and measures taken for workers' safety.

#### **Documentation provided by Project proponent**

Section 2.3.17 of PD.

#### **VVB Assessment**

**Date: 31/10/2023**

Project design document does not provide an assessment of substantial risks to worker safety that could arise due to project implementation. Therefore, **CAR 05 remains open**

#### **Project proponent response**

**Date: 14/11/2023**

A table is being added with risks and mitigation measures related to the project activities, in Section

2.3.17.

|                                                                         |                  |  |
|-------------------------------------------------------------------------|------------------|--|
| Documentation provided by Project proponent                             |                  |  |
| Section 2.3.17 of PD.                                                   |                  |  |
| VVB Assessment                                                          | Date: 01/12/2023 |  |
| PP has included requested information in the PD. Then, CAR 5 is closed. |                  |  |

|                                                                                                                                                                                                                                                                                                                                                                                                                           |                  |                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| CAR ID                                                                                                                                                                                                                                                                                                                                                                                                                    | 06               | Date: 18/07/2023 |
| Description                                                                                                                                                                                                                                                                                                                                                                                                               |                  |                  |
| PP has not demonstrated neither justified how the project activity meets each of the applicability conditions of the methodology and applied modules/tools (section 3.1.2. CCB-VCS-PD). Moreover, PP has not included all applied modules/tools.                                                                                                                                                                          |                  |                  |
| Project proponent response                                                                                                                                                                                                                                                                                                                                                                                                |                  | Date: 14/09/2023 |
| Section 3.1.2 was updated and shows in detail all modules and tools used, as well as the conformance with their applicability conditions.                                                                                                                                                                                                                                                                                 |                  |                  |
| Documentation provided by Project proponent                                                                                                                                                                                                                                                                                                                                                                               |                  |                  |
| Section 3.1.2 of PD.                                                                                                                                                                                                                                                                                                                                                                                                      |                  |                  |
| VVB Assessment                                                                                                                                                                                                                                                                                                                                                                                                            | Date: 31/10/2023 |                  |
| PP has not demonstrated how the project qualifies as forest for at least the 10 years prior to the project start date. Then, CAR 6 remains open.                                                                                                                                                                                                                                                                          |                  |                  |
| Project proponent response                                                                                                                                                                                                                                                                                                                                                                                                |                  | Date: 14/11/2023 |
| Table 3.1. (REDD+ MF - REDD) was updated to explain the areas considered as project area. Figure 3.1. was also updated to increase clarity.                                                                                                                                                                                                                                                                               |                  |                  |
| Finally, in the evidence folder "REDD+THE LAST HABITAT (CAMPO VERDE)/02.Project area map", a new subfolder was added, called "Forest-Non Forest maps of Project Area", that contains an excel file and maps showing the forest area evolution inside the project properties. Forest area, as defined by the GEOBOSQUES maps, is referred to the forestlands that continue to be forests since benchmark map of year 2000. |                  |                  |
| Note that this same forest area was used in the carbon calculations in excel file CV_BSL Validation.                                                                                                                                                                                                                                                                                                                      |                  |                  |
| Documentation provided by Project proponent                                                                                                                                                                                                                                                                                                                                                                               |                  |                  |
| Updated sections of PD.                                                                                                                                                                                                                                                                                                                                                                                                   |                  |                  |
| "Forest-Non Forest maps of Project Area" subfolder, in the evidence folder: REDD+THE LAST HABITAT (CAMPO VERDE)/02.Project area map.                                                                                                                                                                                                                                                                                      |                  |                  |
| VVB Assessment                                                                                                                                                                                                                                                                                                                                                                                                            | Date: 01/12/2023 |                  |
| PP has not described clearly how the project met the requirement of forest definition as per VCS Methodology Requirements V4.4., section A1.5.                                                                                                                                                                                                                                                                            |                  |                  |

CAR 6 remains open

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------------------|
| Project proponent response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  | Date: 04/12/2023 |
| The definition of forest adopted by GEOBOSQUES ( <a href="https://geobosques.minam.gob.pe/geobosque/view/index.php">https://geobosques.minam.gob.pe/geobosque/view/index.php</a> ) is based on the establishment of a forest baseline for the year 2000, which was established following the criteria detailed in the "Descriptive Memory of the Map of Forest/Non Forest 2000 and Map of Loss of Amazonian Rainforests of Peru 2000-2011", where it is detailed that the definition established in the Methodological Framework of the National Forest Inventory is used, as a "predominantly arboreal ecosystem that must have an area larger than 0.5 ha, with a minimum width of 20 m and a minimum canopy cover of 10%. The predominant vegetation is represented by trees of woody consistency that have a minimum height of 2 meters in its adult state for the coast and highlands, and 5 meters for the Amazon rainforest". The base unit is based on the identification of a pixel (30 m x 30 m). In order to achieve consistency between the theoretically defined, an operational definition of forest is also established, where it is considered as such the vegetal formations conformed by Aguajales, Varillales forest, Pacales forest, Riparian forest, Terrace forest, Hill forest and Mountain forest, and a combination of geospatial criteria in the selection of training areas that allow complying with the proposed definition, which includes: |  |                  |
| - Brightness - hue: closely related to the spectral behavior of the different canopies.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |                  |
| - Color: The most common shades correspond to the following canopies:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |                  |
| Red-magenta: denotes vigorous vegetation, such as irrigated crops, deciduous forests and rainfed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |                  |

herbaceous crops.

Pink: shows less dense vegetation areas and/or vegetation in early growth stage. White: areas with little or no vegetation, but maximum reflectivity: clouds, sands, bare soil, snow, etc.

Dark blue to black: surfaces totally or partially covered by water: rivers, canals, lakes, reservoirs.

Gray to metallic blue: cities or populated areas.

Brown: shrubby vegetation, variable depending on the density and shade of substrate.

Beige-gold: identifies transition zones, dry meadows, often associated with sparse material.

- Texture: relationship between object size and sensor resolution.

- Spatial context: Discrimination in interpretation based on geographic location.

- Other criteria: Shadows, spatial organization, shape, or contour of a particular feature.

Finally, given that the operative unit is 1 pixel (0.09 ha), and that year after year the baseline forest has been losing areas, a final filtering of the GEOBOSQUES data was performed, considering forest only to those groups of pixels that have a minimum aggregation of 6 cells (0.54 ha), under a criterion of 8-connectivity (pixels connected to others by a complete side or by a vertex), those formations that did not exceed the threshold were catalogued as non-forest.

It is important to mention that GEOBOSQUES presents a Forest/Non-Forest benchmark map from the year 2000, on which it monitors and reports forest loss annually (results available for the period 2001-2021). Due to the type of methodology used, GEOBOSQUES does not detect deforested areas that at some point in time could have recovered their forest cover; rather, it reports the "gross" loss of forest. Similarly, the Forest area that is updated year after year comes from the subtraction of the 2000 Forest minus the annual losses, so the annual Forest area represents the "primary" forest that continued to be forest (did not suffer deforestation). With this, it is concluded that the forest areas that make up the project area meet the eligibility criteria for REDD projects. More detail can be reviewed in GEOBOSQUES' protocols "Protocolo metodológico detección pérdida de bosque" and "Memoria Descriptiva del Mapa de Bosque/No Bosque año 2000 y Mapa de pérdida de los Bosques Húmedos Amazónicos del Perú 2000-2011", both available in:

<https://geobosques.minam.gob.pe/geobosque/view/descargas.php?122345gxxe345w34gg>

#### Documentation provided by Project proponent

Changes in section 3.1.2 of Applicability of Methodology. Including the evidence of the Descriptive Memory of the Map of Forest/Non Forest 2000 and Map of Loss of Amazonian Rainforests of Peru 2000-2011 ("Memoria Descriptiva del Mapa de Bosque/No Bosque año 2000 y Mapa de pérdida de los Bosques Húmedos Amazónicos del Perú 2000-2011").

#### VVB Assessment

Date: 18/12/2023

PP has demonstrated properly that the project met the requirement of forest definition as per VCS Methodology Requirements V4.4., section A1.5. **Therefore, CAR 06 is closed.**

#### CAR ID

07

Date: 18/07/2023

#### Description

The baseline scenario has not been determined following the applied methodology (VM0007). Section 3.1.4 of project description does not include all procedures as per applied methodology.

#### Project proponent response

Date: 14/09/2023

The use of the methodology was clarified. Methodology VM0007 procedures are being followed, in specific the guidance of Module VMD0006 for planned deforestation.

#### Documentation provided by Project proponent

Section 3.1.4 of PD.

#### VVB Assessment

Date: 31/10/2023

Section 3.1.4. does not identify neither justify the baseline scenario for the GHG reduction and/or removal activities, in accordance with the procedure set out in the applied methodology and any relevant tool. Then, **CAR 7 remains open.**

#### Project proponent response

Date: 14/11/2023

It has been clarified that the baseline scenario is the planned land use conversion for the installation of agro-industrial crops and pastures, as allowed in the legal documents celebrated between the landowners and the State. The justification is precisely the purchase contracts of the project properties.

| Documentation provided by Project proponent                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |    |                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|------------------|
| VVB Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |    | Date: 01/12/2023 |
| PP has updated the PD, including the baseline scenario. <b>Then, CAR 7 is closed.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |    |                  |
| CAR ID                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 08 | Date: 18/07/2023 |
| Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |    |                  |
| The assessment and demonstration of additionality has not been determined following the applied methodology (refer to section 7 of VM0007). Section 3.1.5. of project description does not include all procedures as per applied methodology.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |    |                  |
| Project proponent response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |    | Date: 14/09/2023 |
| Additionality was assessed with the “Tool for the demonstration and assessment of additionality in VCS agriculture, forestry, and other land use (AFOLU) project activities, version 3.0” as demanded by the Standard. All steps are being detailed in Section 3.1.5.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |    |                  |
| Documentation provided by Project proponent                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |    |                  |
| Section 3.1.5 of PD.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |    |                  |
| VVB Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |    | Date: 31/10/2023 |
| Not all procedures of applied tool are justified in the additionality assessment. PP has not described:<br>Outcome of Sub-step 1a<br>Sub-step 1c. Selection of the baseline scenario does not describe the selected baseline scenario (most plausible)<br>Income Flows spreadsheet (Table 3.9) and supporting evidence were not provided<br>Then, <b>CAR 8 remains open</b>                                                                                                                                                                                                                                                                                                                                                                                                                                          |    |                  |
| Project proponent response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |    | Date: 14/11/2023 |
| Outcome of sub-step 1a is being highlighted in bold, as well as the other sub-steps’ outcomes to improve clarity.<br>Selection of the baseline scenario was added to Sub-step 1c.<br>Income flows information from Table 3.8 can be reviewed in the excel file 20230806_BAM_Budget_REDD+The Last Habitat.xlsx located in the evidence folder REDD+THE LAST HABITAT (CAMPO VERDE)/16. Financial Sustainability.                                                                                                                                                                                                                                                                                                                                                                                                       |    |                  |
| Documentation provided by Project proponent                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |    |                  |
| VVB Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |    | Date: 01/12/2023 |
| PP has updated the PD, including all steps required by additionality tool. <b>Then, CAR 8 is closed.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |    |                  |
| CAR ID                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 09 | Date: 18/07/2023 |
| Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |    |                  |
| The quantification of GHG Emission Reductions (baseline, project and leakage emissions), described in section 3.2. has not detailed all steps included in the methodology VM0007 and applied tools and modules.<br>The project description does not include procedure for quantification of baseline emissions, project emission, leakage emissions and buffers, <u>including all relevant equations</u> and summary of results, from applied methodology, tools, modules, uncertainty, allometric equation, etc.; explaining and justifying all relevant methodological choices.<br>In addition, reviewed spreadsheets are not in accordance with values reported in the project design document (there are several different values). Then, PP is requested to update all section where these values are included. |    |                  |
| Project proponent response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |    | Date: 14/09/2023 |
| Section 3.2 was a detailed presentation of all steps taken to estimate baseline, project, and leakage emissions, as well as calculation of uncertainties and risk buffer, ending in the presentation of estimated VCUs. The spreadsheet was revised and corrected for any inconsistencies.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |    |                  |
| Documentation provided by Project proponent                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |    |                  |
| Section 3.2 of PD and validation spreadsheet.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |    |                  |
| VVB Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |    | Date: 31/10/2023 |
| PP has updated section 3.2 of project design properly. <b>Then, CAR 9 is closed</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |    |                  |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |           |                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------------------|
| <b>CAR ID</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>10</b> | <b>Date: 17/07/2023</b> |
| <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |           |                         |
| Community monitoring plan was not established as per CCB requirements. <u>It does not identify communities, community groups and other stakeholders to be monitored, variables to be monitored, types of measurements and sampling methods, and the frequency of monitoring and reporting for each type and method. It is not assessed the differentiated impacts for each of the community groups. Neither is assessed the effectiveness of measures taken to maintain or enhance all identified HCVs related to community well-being.</u> |           |                         |
| <b>Project proponent response</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |           | <b>Date: 14/09/2023</b> |
| The monitoring plan was modified and the variables and indicators were specified.                                                                                                                                                                                                                                                                                                                                                                                                                                                           |           |                         |
| <b>Documentation provided by Project proponent</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |           |                         |
| PD section 4.4.1 Community Monitoring Plan.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |           |                         |
| <b>VVB Assessment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |           | <b>Date: 31/10/2023</b> |
| Updated monitoring plan considers CCB requirements. Then, <b>CAR 10 is closed.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                          |           |                         |

|                                                                                                                                                                                                                                                           |           |                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------------------|
| <b>CAR ID</b>                                                                                                                                                                                                                                             | <b>11</b> | <b>Date: 17/07/2023</b> |
| <b>Description</b>                                                                                                                                                                                                                                        |           |                         |
| Many sections of the VCS-CCB-PD refers to annexes (1 to 29) and appendices (I to III; 1 to 3). However, they are not included at the end of the CCB-VCS-PD. Therefore, many section of the project design document includes missing information.          |           |                         |
| <b>Project proponent response</b>                                                                                                                                                                                                                         |           | <b>Date: 14/09/2023</b> |
| Annexes were deleted and all evidence documentation can be found in the REDD+ THE LAST HABITAT (CAMPO VERDE) digital folder, that was made available to the auditing team. The appropriate sub-folders are indicated along the PD, for more transparency. |           |                         |
| <b>Documentation provided by Project proponent</b>                                                                                                                                                                                                        |           |                         |
| REDD+ THE LAST HABITAT (CAMPO VERDE) digital folder.                                                                                                                                                                                                      |           |                         |
| <b>VVB Assessment</b>                                                                                                                                                                                                                                     |           | <b>Date: 31/10/2023</b> |
| PP has included missing information in the updated VC-CCB-PD- Then, <b>CAR 11 is closed</b>                                                                                                                                                               |           |                         |

Clarification requests (CLs)

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |           |                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------------------|
| <b>CL</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>01</b> | <b>Date: 18/07/2023</b> |
| <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |           |                         |
| PP is requested to clarify the analysis conducted to identify <u>communities; community groups and other stakeholders</u> (section 2.1.8 of CCB-VCS-PD). Detailing:<br>The assessment of rights, interests and relevance to the project for each stakeholder group.<br>Defined groups, including Indigenous peoples, mobile peoples and other local communities—who derive income, livelihood or cultural values and other contributions to well-being from the project area at the start of the project and/or under the with-project scenario.<br>Groups other than communities who can potentially affect or be affected by the project activities and who may live within or outside the project zone.<br>In addition, PP is requested to list all communities (section 2.1.9 of CCB-VCS-PD), community groups, and other stakeholders, including a description of how each stakeholder was identified and <u>their relevance to project activities</u> .<br>Refer to section G1.5 and G1.6 of CCB standard. |           |                         |
| <b>Project proponent response</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |           | <b>Date: 14/09/2023</b> |
| The stakeholders and other stakeholders of the Project were updated and specified.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |           |                         |
| <b>Documentation provided by Project proponent</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |           |                         |
| PD section 2.1.8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |           |                         |
| <b>VVB Assessment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |           | <b>Date: 31/10/2023</b> |
| PP has clarified the procedure for identifying the community, community groups and other stakeholder and are in accordance with CCB requirements. Then, <b>CL 1 is closed</b> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |           |                         |
| <b>CL</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>02</b> | <b>Date: 18/07/2023</b> |
| <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |           |                         |
| PP is requested to clarify how the start date of the project activity meets the definition described in the <i>VCS Program Definitions v4.3: The start date of an AFOLU project or jurisdictional REDD+ program is the date on which activities that led to the generation of GHG emission reductions or removals are implemented</i> (e.g., planting, changing agricultural or forestry practices, rewetting, restoring hydrological functions, or implementing management or protection plans).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |           |                         |
| <b>Project proponent response</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |           | <b>Date: 14/09/2023</b> |
| The start date was updated to January 1 <sup>st</sup> 2020 and the appropriate evidence of this is described in Section 2.1.14.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |           |                         |
| <b>Documentation provided by Project proponent</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |           |                         |
| Section 2.1.14 of PD.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |           |                         |
| <b>VVB Assessment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |           | <b>Date: 31/10/2023</b> |
| PP has updated the start date to January 1, 2020. January 2020, the company starts with greater force field monitoring activities such as patrolling and boundary marking of the area, which also reinforce efforts to prevent deforestation and reduce emissions. Then, <b>CL 2 is closed</b> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |           |                         |
| <b>CL</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>03</b> | <b>Date: 18/07/2023</b> |
| <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |           |                         |
| PP is requested to clarify the measures needed and taken to maintain and enhance the climate, community and biodiversity benefits <u>beyond the project lifetime</u> . (Section 2.1.19 of CCB-VCS-PD).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |           |                         |
| <b>Project proponent response</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |           | <b>Date: 14/09/2023</b> |
| Section 2.1.19 was updated to clarify the measures to maintain in the long run the project benefits.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |           |                         |
| <b>Documentation provided by Project proponent</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |           |                         |
| Section 2.1.19 of PD.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |           |                         |
| <b>VVB Assessment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |           | <b>Date: 31/10/2023</b> |

The project aims to improve access to basic services for surrounding communities, preventing migration and deforestation. It also aims to generate positive habits and provide training in conservation and sustainable production practices, aiming to change community behavior and environmental relationship in the long term. Then, **CL 3 is closed**

|                                                                                                                                                                                                                              |           |                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------------------|
|                                                                                                                                                                                                                              | <b>04</b> | <b>Date: 18/07/2023</b> |
| <b>Description</b>                                                                                                                                                                                                           |           |                         |
| PP is requested to provide evidence of <i>Long-term Viability</i> of project activity (section 2.1.20 of CCB-VCS-PD), as per section G1.12 of CCB standard. PP is requested to provide the analysis of stated business plan. |           |                         |
| <b>Project proponent response</b>                                                                                                                                                                                            |           | <b>Date: 14/09/2023</b> |
| Section 2.1.20 was updated and the supporting documents are available in the stated sub—folders.                                                                                                                             |           |                         |
| <b>Documentation provided by Project proponent</b>                                                                                                                                                                           |           |                         |
| Financial Sustainability file – Financial Analysis)                                                                                                                                                                          |           |                         |
| <b>VVB Assessment</b>                                                                                                                                                                                                        |           | <b>Date: 31/10/2023</b> |
| PP has provided the financial flow of the project activity, demonstrating the long-term viability. Then, <b>CL 4 is closed</b>                                                                                               |           |                         |

|                                                                                                                                                                                                                                                                                              |           |                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------------------|
|                                                                                                                                                                                                                                                                                              | <b>05</b> | <b>Date: 18/07/2023</b> |
| <b>Description</b>                                                                                                                                                                                                                                                                           |           |                         |
| PP is requested to provide evidence of management and partnership team's expertise regarding prior experience implementing land management and carbon projects at the scale of this project (e.g. resume of key team members, including consultants). Refer to section G4.2 of CCB standard. |           |                         |
| <b>Project proponent response</b>                                                                                                                                                                                                                                                            |           | <b>Date: 14/09/2023</b> |
| Sections 2.4.2, 2.4.3 and 2.4.4 were updated to show the project team expertise and support from allies.                                                                                                                                                                                     |           |                         |
| <b>Documentation provided by Project proponent</b>                                                                                                                                                                                                                                           |           |                         |
|                                                                                                                                                                                                                                                                                              |           |                         |
| <b>VVB Assessment</b>                                                                                                                                                                                                                                                                        |           | <b>Date: 31/10/2023</b> |
| PP has provided sufficient information regarding team expertise and support from allies. Then, <b>CL 5 is closed</b>                                                                                                                                                                         |           |                         |

|                                                                                                                                                                                                                                                                                                                                                                                                                 |           |                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------------------|
| <b>CL</b>                                                                                                                                                                                                                                                                                                                                                                                                       | <b>06</b> | <b>Date: 18/07/2023</b> |
| <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                              |           |                         |
| PP is requested to provide evidence regarding financial health of the implementing organization (section 2.4.5 of CCB-VCS-PD) to ensure adequate financial support over the project lifetime.                                                                                                                                                                                                                   |           |                         |
| <b>Project proponent response</b>                                                                                                                                                                                                                                                                                                                                                                               |           | <b>Date: 14/09/2023</b> |
| Section 2.4.5 was updated.                                                                                                                                                                                                                                                                                                                                                                                      |           |                         |
| <b>Documentation provided by Project proponent</b>                                                                                                                                                                                                                                                                                                                                                              |           |                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                 |           |                         |
| <b>VVB Assessment</b>                                                                                                                                                                                                                                                                                                                                                                                           |           | <b>Date: 31/10/2023</b> |
| PP has provide information about financial health. In this sense, BAM, Peru's first forestry company, successfully entered the Lima Stock Exchange and placed around \$17 million in the market in 2021. The company also certified a green debt instrument under the Climate Bonds Standard. BAM's financial health is supervised by the Superintendence of the Securities Market. Then, <b>CL 6 is closed</b> |           |                         |

|                                                                                                                                                                                                                                                                                                                    |           |                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------------------|
| <b>CL</b>                                                                                                                                                                                                                                                                                                          | <b>07</b> | <b>Date: 18/07/2023</b> |
| <b>Description</b>                                                                                                                                                                                                                                                                                                 |           |                         |
| According to the project design document the land tenure are Selva Maestra and Nuestro Señor Jesucristo. However, the project developer is Bosques Amazónicos; then, PP is requested to provide evidence regarding project ownership, in accordance with VCS requirements (refer to section 3.7.1 of VCS standard) |           |                         |
| <b>Project proponent response</b>                                                                                                                                                                                                                                                                                  |           | <b>Date: 14/09/2023</b> |
| NUESTRO SEÑOR JESUCRISTO, located in Manantay district, is owned by the company JCC Inversiones S.A.C. (part of the Bosques Amazónicos group) as recorded in the Peruvian Real Estate                                                                                                                              |           |                         |

Registry. JCC Inversiones S.A.C. is a company that has assigned its present and future forest carbon rights to Bosques Amazónicos S.A. (hereinafter BAM), including the authorization to trade the carbon credits generated on NUESTRO SEÑOR JESUCRISTO's land and to receive the corresponding revenues through a Forest Carbon Rights Assignment Agreement signed between both entities (see file: Property rights evidence).

SELVA MAESTRA is privately owned by Bosques Amazónicos S.A., as recorded in the SUNARP, National Property Registry Office (see file: Property rights evidence).

The property rights of both SELVA MAESTRA and NUESTRO SEÑOR JESUCRISTO were established through a purchase-sale contract approved by the Regional Directorate of Agriculture of Ucayali (see file: property rights evidence). All payments to the State have been made. Therefore, all property rights are recognized, respected, and supported.

Regarding NUESTRO SEÑOR JESUCRISTO property, there is no overlap or ongoing disputes, no other landowners or land rights holders are affected. The project does not lead nor will lead to the involuntary removal or relocation of property rights holders from their lands and does not force rights holders to relocate activities in the NUESTRO SEÑOR JESUCRISTO property.

Regarding the area of SELVA MAESTRA property considered for this project, there is no overlap or ongoing disputes in this area, no other landowners or land rights holders are affected. Furthermore, there is no one living in the area allocated for the REDD+ project. BAM have all property rights regarding the Selva Maestra property.

**Documentation provided by Project proponent**

**VVB Assessment**

**Date: 31/10/2023**

PP has justified and clarified the property right in favour of project developer. Then, **CL 7 is closed**

## Forward Action Requests (FARs)

|                                                                                                                                                                                                                                                 |           |                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------------------|
| <b>FAR</b>                                                                                                                                                                                                                                      | <b>01</b> | <b>Date: 05/11/2025</b> |
| <b>Description</b>                                                                                                                                                                                                                              |           |                         |
| PP is requested that, as an integral part of the verification plan for the future verification periods, a specific assessment designed to confirm the absence of double counting or double claiming associated with the Peru ART TREES program. |           |                         |
| <b>Project proponent response</b>                                                                                                                                                                                                               |           | <b>Date: DD/MM/YYYY</b> |
| -                                                                                                                                                                                                                                               |           |                         |
| <b>Documentation provided by Project proponent</b>                                                                                                                                                                                              |           |                         |
| -                                                                                                                                                                                                                                               |           |                         |
| <b>VVB Assessment</b>                                                                                                                                                                                                                           |           | <b>Date: DD/MM/YYYY</b> |
| -                                                                                                                                                                                                                                               |           |                         |

**APPENDIX III: list of persons interviewed during the on-site visit**

**Persons interviewed on 20 June 2023**

ASISTENCIA A REUNION  
DIA 20 DE JUNIO 2023  
BOSQUES AMAZONICOS S.A.

| APELLIDOS Y NOMBRES        | D.N.I.   | INSTITUCION      | FIRMA       |
|----------------------------|----------|------------------|-------------|
| Gonzales Toledo Richard    | 41509103 | Auditor / ABJORE | [Signature] |
| WOO POQUIMTA NATALIA       | 4397375  | Paskay           | [Signature] |
| RUIZ ALVARADO EDW          | 00070644 | PASKAY           | [Signature] |
| Carcamo Avila Luciano      | 40244482 | Paskay           | [Signature] |
| Marín Díaz, Jesús          | 74747202 | PASKAY           | [Signature] |
| Leopoldo Lagüe Sakom       | 05668490 | Ban / Ucayali    | [Signature] |
| María Alejandra Cantuarias | 46420773 | BAM              | [Signature] |
| Lita Pire Vizcarra         | 4409225  | BAM              | [Signature] |
| Fabiola Rojas Ruiz         | 42460378 | BAM              | [Signature] |
| Sebastian Verano Tolano    | 70746697 | BAM              | [Signature] |

ASISTENCIA A REUNION  
DIA 20 DE JUNIO 2023  
BOSQUES AMAZONICOS S.A.

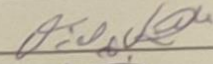
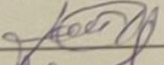
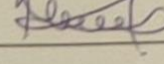
| APELLIDOS Y NOMBRES     | D.N.I.   | INSTITUCION | FIRMA       |
|-------------------------|----------|-------------|-------------|
| Valles Tapallina Manuel | 21149442 | NVO Paraiso | [Signature] |
| Cauper Bivaldes Alina   | 00105579 | NVO Paraiso | [Signature] |
| Taly Camapa Ruiz        | 44022893 | NVO Paraiso | [Signature] |
| Yainas Ramirez Giovanni | 23160282 | NVO Paraiso | [Signature] |

ASISTENCIA A REUNION  
DIA 20 DE JUNIO 2023  
BOSQUES AMAZONICOS S.A.

| APELLIDOS Y NOMBRES       | D.N.I.   | INSTITUCION                   | FIRMA       |
|---------------------------|----------|-------------------------------|-------------|
| MEDINA FLORES EVA Liliana | 21140874 | Dir. Reg. Agricultura UCAYALI | [Signature] |

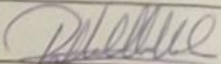
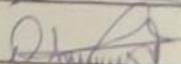
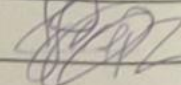
**Persons interviewed on 21 June 2023**

ASISTENCIA A REUNION  
DIA 21 DE JUNIO 2023  
BOSQUES AMAZONICOS S.A.

| APELLIDOS Y NOMBRES   | D.N.I.   | INSTITUCION | FIRMA                                                                               |
|-----------------------|----------|-------------|-------------------------------------------------------------------------------------|
| Mela Romina Ticiovia  | 28127076 | BAM         |  |
| Lopez Lopez Laurencia | 41915782 | BAM         |  |
| Rosal Risa M. Fabiola | 42462378 | BAM         |  |

**Persons interviewed on 22 June 2023**

ASISTENCIA A REUNION  
DIA 22 DE JUNIO 2023  
BOSQUES AMAZONICOS S.A.

| APELLIDOS Y NOMBRES             | D.N.I.    | INSTITUCION                      | FIRMA                                                                                 |
|---------------------------------|-----------|----------------------------------|---------------------------------------------------------------------------------------|
| Callalli Crisanto Ralph Brayans | 72835211  | BAM - Investigación y desarrollo |  |
| Flores Dámaris Deligay          | 40916658  | BAM-SA Manejo Sostenible         |  |
| Hernandez Principe Boris Naita  | 45910811  | BAM-SA - VIVERO                  |  |
| José Pablo Gamboa Zúñiga        | 109240592 | BAM-SA Gerente                   |  |

ASISTENCIA A REUNION  
DIA 22 DE JUNIO 2023  
BOSQUES AMAZONICOS S.A.

| APELLIDOS Y NOMBRES      | D.N.I.   | INSTITUCION | FIRMA       |
|--------------------------|----------|-------------|-------------|
| Cris Gomez Perez         | 47038811 | Pucallpillo | [Signature] |
| Genaro Lopez Rios        | 21142364 | Pucallpillo | [Signature] |
| IRLO Soaveira Huano      | 45720088 | Pucallpillo | [Signature] |
| Ivan Garcia Puyo         | 41390004 | Pucallpillo | [Signature] |
| ERWIN JUAN GOMEZ PEREZ   | 76236045 | Pucallpillo | [Signature] |
| Luis Beavedra Chavez     | 00044271 | Pucallpillo | [Signature] |
| ANAYIAS M. LARA BARTISTA | 22821159 | Pucallpillo | [Signature] |
| Gledys A. Gomez Perez    | 43551964 | Pucallpillo | [Signature] |

ASISTENCIA A REUNION  
DIA 22 DE JUNIO 2023  
BOSQUES AMAZONICOS S.A.

| APELLIDOS Y NOMBRES         | D.N.I.   | INSTITUCION | FIRMA       |
|-----------------------------|----------|-------------|-------------|
| 2 PLACILHUA MACHO A LUIS    | 60437475 | NUEVO BELEN | [Signature] |
| FRANCISCO TAPULLIMA PIZANGO | 44803863 | NUEVO BELEN | [Signature] |

ASISTENCIA A REUNION  
DIA 22 DE JUNIO 2023  
BOSQUES AMAZONICOS S.A.

| APELLIDOS Y NOMBRES       | D.N.I.   | INSTITUCION       | FIRMA       |
|---------------------------|----------|-------------------|-------------|
| Linares Del Aguila Frisia | 73240270 | AA-HH Nuevo Belen | [Signature] |
| Pimchi Ruiz Alex          | 44080259 | AA-HH Nuevo Belen | [Signature] |

**Persons interviewed on 23 June 2023**

ASISTENCIA A REUNION  
DIA 23 DE JUNIO 2023  
BOSQUES AMAZONICOS S.A.

| APELLIDOS Y NOMBRES             | D.N.I.   | INSTITUCION                | FIRMA              |
|---------------------------------|----------|----------------------------|--------------------|
| Leydi Quintero Trujillo Reigifo | 70399153 | Amplacion Tupac<br>I etapa | <i>[Signature]</i> |
|                                 |          |                            |                    |