

Puro Standard, Compliance requirement: 2.1.3 [Additionality](#)

1.2.3. CO2 Removal Supplier shall be able to demonstrate additionality, meaning that the project must convincingly demonstrate that the CO2 removals are a result of carbon finance. Even with substantial non-carbon finance support, projects can be additional if investment is required, risk is present, and/or human capital must be developed. To demonstrate additionality, CO2 removal Supplier must provide full project financials and counterfactual analysis based on Baselines that shall be project-specific, conservative and periodically updated. Suppliers must also show that the project is not required by existing laws, regulations, or other binding obligations.¹⁸

Note: In Puro Standard and related verification, a project specific additionality assessment is required. Puro Standard does not work with automatic additionality criteria or positive lists.

Notice. These answers are public information

#	Additionality	No/yes. If yes, describe	Project response
	Is the project required by existing laws, regulations, or other binding obligations	No	
	Is the Project dependent on carbon finance?	Yes	OBIO's current operation at Rudshøgda and the project's expansion plans are dependent on carbon finance. See cost analysis
	Is investment required	Yes	Investment in equipment, human resources, distribution channels, R&D activities.
	Is there a need to develop human capital, is there lack of skilled activity locally?	Yes	Yes, there is a clear need to develop human capital, in the form of know-how, partner distribution networks, etc. There is certainly a general lack of awareness of biochar locally (Norway)
	Is your project first-of-its-kind?		It is the first commercial scale biochar and energy in Norway.
	How is the project economically not feasible without carbon finance?	-----	OBIO's current operation at Rudshøgda, and the expansion plans are dependent on carbon finance to break even. See cost analysis. Carbon revenue makes up approximately 20% of total revenue, without which the project is not profitable.

Attach a simple cost analysis and sensitivity analysis.	-----	The attached confidential document shows realized figures for 2022 and forecast up to 2026. The realized figures and forecast show that the project would be loss-making at the EBITDA-level without carbon credit revenues.
What are the key variables impacting the cost analysis?	-----	Labour costs, feedstock costs, operational efficiency, biochar price, CORC price.
What else is preventing your project implementation? For example, do you have to change industry norms or market practises or to build new infrastructure to carry out the project ?	-----	Significant work must be done to change farming practises to adopt biochar. OBIO has done ground breaking development using biochar as a feed additive for piglets and calfs, with very promising results. Biochar is now replacing zink as a feed additive for pigs to prevent diarrhoea. OBIO is also involved in 6 different soil and compost development projects and has partnered with concrete and materials companies to developing new applications. Current construction regulation and industry norms are certainly delaying expansion.
What is the baseline activity and related emissions and removals that would occur if this activity did not take place (business-as-usual, counterfactual)?	-----	The is no shortage of PEFC certified feedstock. The feedstock is widely used in the bio-energy industry. The baseline for the feedstock is combustion with energy recovery, either thermal or CHP, resulting in emissions of CO2. With the biochar process carbon is stabilized as documented by the LCA.
Attach a simple emission and removal analysis.	-----	See LCA

Project signature and date

I hereby declare that all information provided is truthful and precise to the best of my knowledge.



Einar Stuve

May 8, 2023