CarbonMinus

SOC 2 TYPE II Report

For The Period,
1st February, 2024 to 1st August, 2024

Independent Service Auditors' Report on Management's Description of a Service Organization's System Relevant to Security, Confidentiality and Availability and the Suitability of the Design and Operating Effectiveness of Controls

Prepared by: **Accorp Partners**

SECTION 1

INDEPENDENT SERVICE AUDITOR'S REPORT

Independent Service Auditor's Report

To: Management of Enerlly Inc (CarbonMinus)

Scope

We have examined the attached Enerlly Inc's (CarbonMinus) description of the system titled "Energy & Resource management system." (description) throughout the period 1st February, 2024 to 1st August, 2024 included in Section 3, based on the criteria set forth in the Description Criteria DC Section 200 *2018 Description Criteria for a Description of a Service Organization's System in a SOC 2 Report* (description criteria) and the suitability of the design and operating effectiveness of controls included in the description throughout the period 1st February, 2024 to 1st August, 2024 to provide reasonable assurance that CarbonMinus service commitments and system requirements would be achieved based on the trust service criteria for Security, Confidentiality, and Availability set forth in TSP Section 100, 2017 Trust Services Principles and Criteria for *Security, Availability, Processing Integrity, Confidentiality and Privacy* (applicable trust services criteria).

The information included in Section 5, "Other Information Provided by CarbonMinus is presented by the management of CarbonMinus to provide additional information and is not a part the description. Information about CarbonMinus management response to exceptions noted has not been subjected to the procedures applied in the examination of the description, the suitability of the design of controls, and the operating effectiveness of the controls to achieve CarbonMinus's service commitments and system requirements based on the applicable trust services criteria.

The description indicates that certain applicable trust services criteria specified in the description can be achieved only if complementary user-entity controls contemplated in the design of CarbonMinus controls are suitably designed and operating effectively, along with related controls at the service organization. Our examination did not extend to such complementary user-entity controls, and we have not evaluated the suitability of the design or operating effectiveness of such complementary user-entity controls.

As indicated in the description, CarbonMinus uses subservice organization AWS for data center services. The description in Section 3 includes only the controls of CarbonMinus and excludes controls of the various subservice organizations. The description also indicates that certain trust services criteria can be met only if the subservice organization's controls, contemplated in the design of CarbonMinus controls, are suitably designed and operating effectively along with related controls at the service organization. Our examination did not extend to controls of various subservice organizations for data center services.

Service Organization's Responsibilities

CarbonMinus is responsible for its service commitments and system requirements and for designing, implementing, and operating effective controls within the system to provide reasonable assurance that the service commitments and system requirements were achieved.

CarbonMinus has provided the accompanying assertion titled, Management of CarbonMinus. Assertion (Assertion) about the presentation of the Description based on the Description Criteria and suitability of the design and operating effectiveness of the controls described therein to provide reasonable assurance that the service commitments and system requirement would be achieved based on the applicable trust services criteria if operating effectively. CarbonMinus is responsible for (1) preparing the Description and Assertion; (2) the completeness, accuracy, and method of presentation of the Description and Assertion; (3) providing the services covered by the Description; (4) identifying the risks that would threaten the achievement of the service organization's service commitments and system requirements; and (5) designing, implementing, and documenting controls that are suitably designed and operating effectively to meet the applicable trust services criteria stated in the Description.

Service Auditor's Responsibilities

Our responsibility is to express an opinion on the presentation of the description based on the description criteria set forth in CarbonMinus assertion and on the suitability of the design and operating effectiveness of the controls to meet the applicable trust services criteria, based on our examination. We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our examination to obtain reasonable assurance about whether, in all material respects, (1) the description is presented in accordance with the description criteria and (2) the controls are suitably designed and operating effectively to meet the applicable trust services criteria stated in the description throughout the period 1st February, 2024 to 1st August, 2024.

Our examination involved performing procedures to obtain evidence about the fairness of the presentation of the description based on the description criteria and the suitability of the design and operating effectiveness of those controls to meet the applicable trust services criteria. Our procedures included assessing the risks that the description is fairly presented and that the controls were suitably designed or operating effectively to meet the applicable trust services criteria. Our procedures also included testing the operating effectiveness of those controls that we consider necessary to provide reasonable assurance that the applicable trust services criteria were met. Our examination also included evaluating the overall presentation of the description. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Inherent Limitations

The description is prepared to meet the common needs of a broad range of users and may not, therefore, include every aspect of the system that each individual user may consider important to his or her own particular needs. Because of their nature, controls at a service organization may not always operate effectively to meet the applicable trust services criteria. Also, conclusions about the suitability of the design and operating effectiveness of the controls to meet the applicable trust services criteria are subject to the risks that the system may change or that controls at a service organization may become ineffective.

Opinion

In our opinion, in all material respects, based on the description criteria described in CarbonMinus assertion and the applicable trust services criteria:

a. the description fairly presents the system that was designed and implemented throughout the period 1st February, 2024 to 1st August, 2024.

b. the controls stated in the description were suitably designed to provide reasonable assurance that the applicable trust services criteria would be met if the controls operated effectively throughout the period 1st February, 2024 to 1st August, 2024, and the subservice organization and user entities applied the controls contemplated in the design of CarbonMinus controls throughout the period 1st February, 2024 to 1st August, 2024.

c. The controls operated effectively to provide reasonable assurance that the applicable trust services criteria were met throughout the period 1st February, 2024 to 1st August, 2024, and user entities and subservice organizations applied the controls contemplated in the design of CarbonMinus controls, and those controls operated effectively throughout the period 1st February, 2024 to 1st August, 2024.

Description of Test of Controls

The specific controls we tested, and the nature, timing, and results of our tests are presented in section 4 of our report titled "Independent Service Auditors' Description of Test of Controls and Results".

Restricted Use

This report, including the description of controls and results thereof in Section 4 of this report, is intended solely for the information, and use of CarbonMinus; user entities of CarbonMinus systems during some or all of the period 1st February, 2024 to 1st August, 2024; and those prospective user entities, independent auditors and practitioners providing services to such user entities, and regulators who have sufficient knowledge and understanding of the following:

- The nature of the service provided by the service organization
- How the service organization's system interacts with user entities, subservice organizations or other parties
- Internal control and its limitations
- User entity responsibilities, Complementary user-entity controls and how they interact with related controls at the service organization to meet the applicable trust services criteria
- The applicable trust services criteria
- The risks that may threaten the achievement of the applicable trust services criteria and how controls address those risks

This report is not intended to be and should not be used by anyone other than these specified parties.

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SECTION 2

MANAGEMENT ASSERTION

Management of Enerlly Inc Assertion

We have prepared the accompanying description of Enerlly Inc (CarbonMinus) system titled Energy & Resource management system throughout the period 1st February, 2024 to 1st August, 2024 (description), based on the criteria set forth in the Description Criteria DC Section 200 2018 Description Criteria for a Description of a Service Organisation's System in a SOC 2 Report (description criteria).

The description is intended to provide users with information about Energy & Resource management system that may be useful when assessing the risks arising from interactions with CarbonMinus system, particularly information about the suitability of design of CarbonMinus' controls to meet the criteria related to Security, Availability and Confidentiality set forth in TSP Section 100, 2017 Trust Services Principles and Criteria for Security, Availability, Processing Integrity, Confidentiality and Privacy.

CarbonMinus uses Amazon Web Services that provides data center services. The description includes only the controls of CarbonMinusand excludes controls of the subservice organizations. The description also indicates that certain trust services criteria specified therein can be met only if the subservice organization controls contemplated in the design of CarbonMinus controls are suitably designed and operating effectively along with related controls at the service organization. The description does not extend to controls of the subservice organizations.

The description also indicates that certain trust services criteria specified in the description can be met only if complementary user entity controls contemplated in the design of CarbonMinus' controls are suitably designed and operating effectively, along with related controls at the service organization. The description does not extend to controls of user entities.

We confirm, to the best of our knowledge and belief, that

a. the description fairly presents the Energy & Resource management system throughout the period 1st February, 2024 to 1st August, 2024 based on the following description criteria:

i. The description contains the following information:
1) The types of services provided
2) The components of the system used to provide the services, which are as follows:
   a. Infrastructure. The physical structures, IT, and other hardware (for example, facilities, computers, equipment, mobile devices, and other telecommunications networks).
   b. Software. The application programs and IT system software that support application programs (operating systems, middleware, and utilities).
   c. People. The personnel involved in the governance, operation, and use of a system (developers, operators, entity users, vendor personnel, and managers).
   d. Procedures. The automated and manual procedures.
   e. Data. Transaction streams, files, databases, tables, and output used or processed by the system.
3) The boundaries or aspects of the system covered by the description.
4) For information provided to, or received from, subservice organizations or other parties,
   a. How such information is provided or received and the role of the subservice organization and other parties and
   b. The procedures the service organization performs to determine that such information and its processing, maintenance, and storage are subject to appropriate controls.
5) The applicable trust services criteria and the related controls designed to meet those criteria, including, as applicable, the following:
   a. Complementary user entity controls contemplated in the design of the service organization's system.
   b. When the inclusive method is used to present a subservice organization, controls at the subservice organization
6) If the service organization presents the subservice organization using the carve out method,
   a. The nature of the services provided by the subservice organization and

b. Each of the applicable trust services criteria that are intended to be met by controls at the subservice organization, alone or in combination with controls at the service organization, and the types of controls expected to be implemented at carved-out subservice organizations to meet those criteria.

7) Any applicable trust services criteria that are not addressed by a control at the service organization or a subservice organization and the reasons.

ii. The description does not omit or distort information relevant to the service organization's system while acknowledging that the description is prepared to meet the common needs of a broad range of users and may not, therefore, include every aspect of the system that each individual user may consider important to his or her own particular needs.

b. the controls stated in the description were suitably designed throughout the period 1st February, 2024 to 1st August, 2024 to provide reasonable assurance that the applicable trust services criteria would be met if the controls operated as described and if user entities applied the complementary user entity controls, and the subservice organization applied the controls contemplated in the design of CarbonMinus controls.

Sincerely,

SECTION 3

SYSTEM DESCRIPTION

Background and Overview of Services

Background and Description of Services provided

CarbonMinus are on a mission to empower businesses with cutting-edge energy and sustainability management solutions. Leveraging their innovative platform, CarbonMinus enables companies to achieve net-zero emissions, ensure compliance, and foster sustainability, all while driving profitability.

Significant Changes during the Review Period

No significant changes have occurred to the services provided to user entities during the audit period.

Subservice Organizations

CarbonMinus utilizes the following subservice providers for data center services that are not included within the scope of this examination. However, CarbonMinus' responsibilities for the applications and services run at these cloud services are covered as part of the audit and in scope. The responsibility matrix is defined as part of the SLA and agreements with these sub-service organizations.

Amazon Web Services (AWS)

AWS has provided an Independent Service Auditors Report (SOC2).

The Criteria that relate to controls at the subservice organizations included all criteria related to the Trust Service Principles of Security, Confidentiality, and Availability. The types of controls that are necessary to meet the applicable trust services criteria, either alone or in combination with controls at CarbonMinus include:

- The system is protected against unauthorized access (both physical and logical).
- The system is available for operation and use and in the capacities as committed or agreed.
- Policies and procedures exist related to security and availability and are implemented and followed.

Principal Service Commitments and System Requirements

CarbonMinus designs its processes and procedures related to the System to meet its objectives. Those objectives are based on the service commitments, related laws and regulations of products and services, and financial, operational, and other compliance requirements that have been established for such services. Security commitments to user entities are documented and communicated in customer agreements, as well as in the description of the service offering provided online. CarbonMinus establishes operational requirements that support the achievement of security commitments, relevant laws and regulations, and other system requirements. Such requirements are communicated in CarbonMinus' system policies and procedures, system design documentation, and contracts with customers.

Information security policies define an organization-wide approach as to how the systems and data are protected. These include policies around how the service is designed and developed, how the system is operated, how the internal business systems and networks are managed and how employees are hired and trained. In addition to these policies, standard operating procedures have been documented on how to carry out specific manual and automated processes required in the operation and development of the System.

Specific security, availability, and confidentiality commitments include the following:

- Maintain technical and organizational measures, internal controls, and data security routines to protect customer data.
- Protection of data at rest and in transit.
- Protection of information systems from unauthorized access, use, modification, disclosure, destruction, threats, or hazards.
- Continuous communication of the CarbonMinus platform service availability.
- Ability to recover and restore customer data in the event of a business disruption or disaster.
- Maintain customer data as confidential and not disclose information to any unauthorized party.
- Customer data is removed from CarbonMinus systems upon customer request or as per the agreed terms in the contract.

CarbonMinus has also established system requirements that support the achievement of the principal service commitments relevant to the security, availability, and confidentiality trust services categories and relevant laws and regulations. These requirements are communicated internally via the information security policies and procedures and regular security awareness training documentation, and externally via the CarbonMinus public-facing website.
These requirements include, but are not limited to, defined processes around the following:

- Employees undergo background checks as per the requirements
- Employees undergo mandatory security awareness training upon hire, and annually thereafter.
- Roles and responsibilities for CarbonMinus employees who have access to confidential data and the responsibility for protecting the information and information systems.
- Access control policies for employees with access to CarbonMinus' production environment and source code such that access levels are approved prior to credentials being issued, reviewed at predefined intervals, and based on legitimate business need based on the principle of least privilege.
- Software development lifecycle (SDLC) policies for any changes to the production environment to ensure that key processes and security checks are consistently performed from change initiation through release.
- Risk assessment practices to assist in identifying and managing potential internal or external risks that could negatively affect CarbonMinus' critical business processes and their ability to provide reliable services to their customers.
- Incident management process to address data breaches and security events related to CarbonMinus' products and services in an efficient and timely manner.
- Disaster recovery and business continuity plans to prepare CarbonMinus in the event of extended service outages caused by factors beyond their control and to restore services to the widest extent possible in a minimal timeframe.

Components of the System

The System is comprised of the following components:

- Infrastructure including the physical structures, Information Technology (IT), and other hardware.
- Software including application programs and IT system software that support application programs.
- People including executives, sales and marketing, client services, product support, information processing, software development, IT, Finance, and Human resources.
- Procedures (automated and manual).
- Data including transaction streams, files, databases, tables, and output used or processed by the system.

The System boundaries include the applications, databases, and infrastructure required to directly support the services provided to CarbonMinus' clients. Any infrastructure, software, people, procedures, and data that indirectly support the services provided to CarbonMinus' customers are not included within the boundaries of its system.

Boundaries of the System

The specific products, services, and locations that are included in the scope of the report are given below. All other products, services, and locations are not included.

Products and Services in Scope	
Products CarbonMinus **Services** Energy & Resource Management System Detailed Energy Audits Preparedness for ISO50001 ENMS, ISO14064 GHG Accounting Sustainability Reporting	
Geographic Locations in Scope	
US	16192 Coastal Highway, Lewes, Delaware 19958 Country of Sussex

All the above material activities and operations in scope are performed from the above office location. Unless otherwise mentioned, the description and related controls apply only to the location covered by the report.

Description of Control Environment, Control Activities, Risk Assessment, Monitoring and Information, and Communication

Control Environment

CarbonMinus' internal control environment reflects the overall attitude, awareness, and actions of management concerning the importance of controls, and the emphasis given to controls in the Company's policies, procedures, methods, and organizational structure.

The Chief Executive Officer, the Senior Management Team, and all employees are committed to establishing and operating an effective Information Security Management System in accordance with its strategic business objectives. The Management is committed to the Information Security Management System and ensures that IT Security policies are communicated, understood, implemented, and adhered to at all levels of the organization and regularly reviewed for continual suitability.

Integrity and Ethical Values

CarbonMinus requires directors, officers, and employees to observe high standards of business and personal ethics in conducting their duties and responsibilities. Honesty and integrity are core principles of the Company, and all employees are expected to fulfill their responsibilities based on these principles and comply with all applicable laws and regulations. CarbonMinus promotes an environment of open communication and has created an environment where employees are protected from any kind of retaliation should a good-faith report of an ethics violation occur. Executive management has the exclusive responsibility to investigate all reported violations and to take corrective action when warranted.

Management's Philosophy and Operating Style

The Executive Management team assesses risks prior to venturing into business ventures and relationships. The Executive Management team to interact with operating management on a daily basis.

Risk Management and Risk Assessment

Risk assessments are performed annually to identify current risk levels, with recommendations to minimize those risks that are determined to pose an unacceptable level of risk to CarbonMinus. As part of this process, security threats are identified and the risk from these threats is formally assessed.

CarbonMinus has operationalized a risk assessment process to identify and manage risks that could adversely affect their ability to provide reliable processing for User Organizations. This process consists of the Information Security team identifying significant risks in their areas of responsibility and implementing appropriate measures to address those risks.

The following steps are involved in performing risk assessments

- Risk identification for each asset in a process and at the Organizational level.
- Risk analysis & evaluation for each asset in a process & at the Organizational level.
- Risk treatment & residual risk.

Risk assessment comprises calculating the level of risk associated with assets belonging to a particular business process. It is done in a manner to assess and evaluate the criticality of impact on business by a particular risk and also to identify the areas where the organization needs to focus on information security. Apart from the asset-based risk assessment, the Company has also conducted organization-based risk assessment which is based on internal as well as external issues, needs, and expectations of interested parties, etc. The threats, and vulnerabilities associated with every asset are evaluated along with threat impact, probability of occurrence, and chances of detection (on a rating basis) of the threat. This determines the Risk Factor, which is then put into an equation to derive a risk value. The risk value is then compared to the organizational threshold (i.e., accepted risk value) which is treated appropriately (i.e., treat, transfer, avoid, accept). The identified risks will be treated (mitigated) so that risk levels are reduced. The output of a risk assessment will include a complete risk register and risk treatment plan. Any action plans are tracked to completion. Regular management meetings are held to discuss the security level, changes, technology trends, occurrence of incidents, and security initiatives.

Monitoring

Monitoring is a critical aspect of internal control in evaluating whether controls are operating as intended and whether they are modified as appropriate for changes in business conditions. Management and Information Security personnel monitor the quality of internal control performance as a routine part of their activities. Performance monitoring reports cover server parameters such as disc space, incoming/outgoing network traffic, packet loss, CPU utilization, etc. These system performance reports are reviewed by management on a periodic basis. In addition, a self-assessment scan of vulnerabilities is performed prior to every release to the production or on a yearly basis. Vulnerabilities are evaluated and remediation actions are monitored and completed. Results and recommendations for improvement are reported to management.

Information and Communication

CarbonMinus has documented procedures covering significant functions and operations for each major work group. Policies and procedures are reviewed and updated based on suggestions from security personnel and approval by management. Departmental managers monitor adherence to policies and procedures as part of their daily activities. The management holds departmental status meetings, along with strategic planning meetings, to identify and address service issues, customer problems, and project management concerns. The CISO is the focal point for communication regarding the IT environment. Additionally, there are personnel that

have been designated to interface with the customer if processing or systems development issues affect customer organizations. Electronic messaging has been incorporated into many of CarbonMinus' processes to provide timely information to employees regarding daily operating activities and to expedite management's ability to communicate with employees.

Electronic Mail (e-Mail)

Communication to Customer organizations and project teams is through e-mail. Important corporate events, employee news, and cultural updates are some of the messages communicated using e-mail. E-mail is also a means to draw the attention of employees towards adherence to specific procedural requirements. CarbonMinus requires two-factor authentications from employees to access their e-mails.

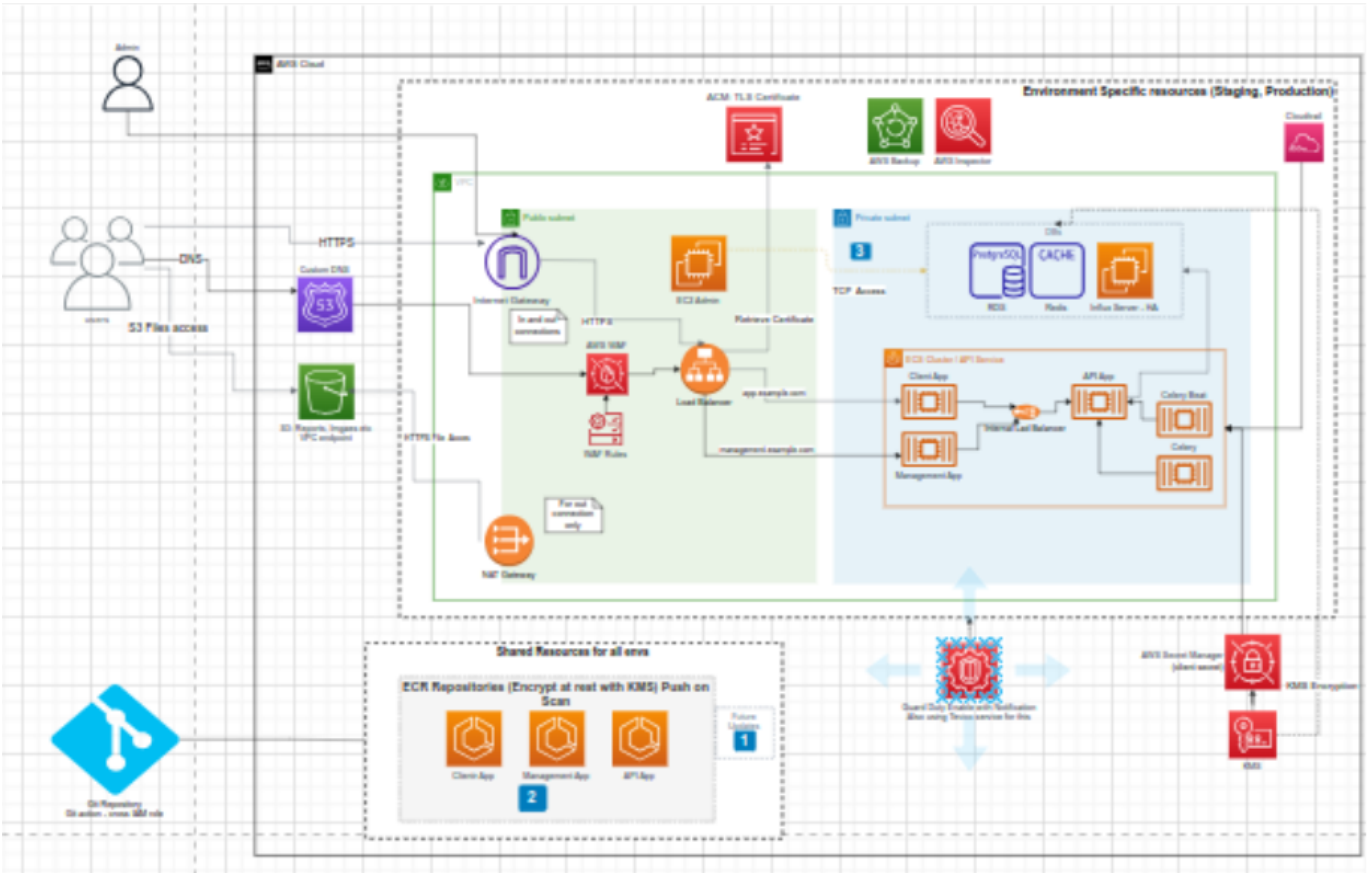
Components of the System

Infrastructure

The infrastructure comprises physical and hardware components of the System including facilities, equipment, and networks.

Network Segmentation Overview

CarbonMinus' offices are equipped with the latest hardware, software, and networking infrastructure. All the offices are linked through high-speed communication channels, backed up by redundant networks.



Software

Firewalls

The production system at AWS is protected by security group rules (virtual firewall) set up for the virtual private cloud (VPC) provided by AWS. VPC is used to protect all Production systems hosted at AWS. Any change to configuration is overseen by the IT Security team. All configurations, backups, and rules have been documented for compliance.

Network & Endpoint Protection

All systems and devices are protected by the comprehensive endpoint protection system. The endpoints include antivirus, anti-malware, and Trojan protection from any source. This also includes the e-mail scanning of the systems which prevents malicious scripts and viruses from the e-mails. Apart from this, all systems are restricted to the internet with the content filtering system routed through the proxy server.

Monitoring

Management monitors controls to ensure that they are operating as intended and that controls are modified as conditions change. CarbonMinus' management performs monitoring activities to continuously assess the quality of internal control over time. Necessary corrective actions are taken as required to correct deviations from company policies and procedures. Employee activity and adherence to company policies and procedures are also monitored. This process is accomplished through ongoing monitoring activities, separate evaluations, or a combination of the two.

On-Going Monitoring

CarbonMinus' management conducts quality assurance monitoring on a regular basis and additional training is provided based upon results of monitoring procedures. Monitoring activities are used to initiate corrective action through department meetings, internal conference calls, and informal notifications.

Management's close involvement in CarbonMinus' operations helps to identify significant variances from expectations regarding internal controls. Upper management evaluates the facts and circumstances related to any suspected control breakdown. A decision for addressing any control's weakness is made based on whether the incident was isolated or requires a change in the company's procedures or personnel. The goal of this process is to ensure legal compliance and to maximize the performance of CarbonMinus' personnel.

Capacity Management

Capacity management controls are put in place so as to monitor, tune and project certain CarbonMinus' resources to ensure system performance meets the expected service levels and minimize the risk of systems failure and capacity-related issues. The addition of new information systems and facilities, upgrades, new versions, and changes are subject to formal system analysis, testing, and approval prior to acceptance.

Patch Management

The respective vertical team ensures that all patches to network device/servers operating systems are tested for stability & availability issues before deploying to the production environment. The patch management activity is done regularly or as and when any critical event occurs and required updates or patches are installed to ensure efficient working of the servers, desktops, and critical network devices. Operating system patches related and marked critical, and security are managed and applied as they become available, windows systems are managed through the patch management system, and the network device's OS patching is managed automatically while renewing.

Vulnerability Scans & Security Audits

As per the Audit calendar, all the network devices and services are audited for vulnerabilities by doing periodic vulnerability scans. These scans are done by the internal IT Infrastructure team.

Virus Scans and Endpoint Security

CarbonMinus ensures antivirus is installed with the feature of scanning the device automatically in all the systems and log reports are reviewed by the IT Head. Updates to the virus definition files are managed and downloaded by the software itself on a daily basis from the vendor website at specific intervals.

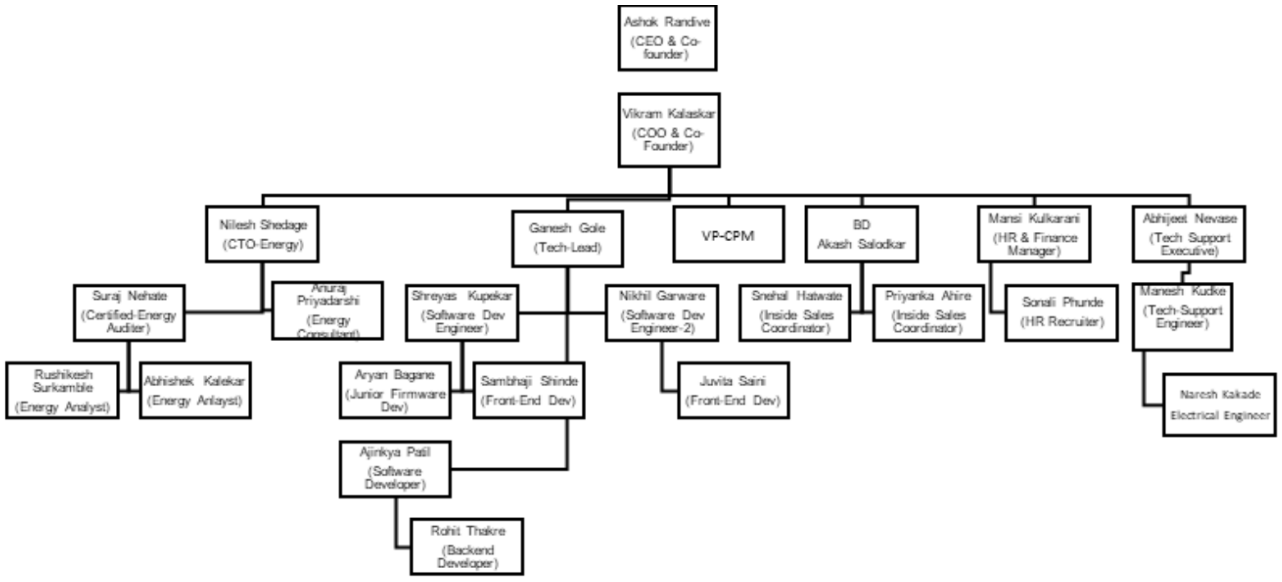
People

Organizational Structure

The organizational structure provides the overall framework for planning, directing, and controlling operations. It has segregated personnel and business functions into functional groups according to their job responsibilities. This approach helps to enable the organization to define responsibilities, lines of reporting, and communication and helps facilitate employees to focus on the specific business issues impacting clients.

The management team meets regularly to review business unit plans and performances. Meetings with the CEO and department heads are held to review operational, security, and business issues, and plans for the future.

CarbonMinus' Information Security policies define and assign responsibility/accountabilities for information security. Regular management meetings are held to discuss the security level, changes, technology trends, occurrence of incidents, and security initiatives.



The following are the responsibilities of key roles.

- **Executive management** - Responsible for overseeing company-wide activities, establishing, and accomplishing goals, and overseeing objectives.
- **Human resources (HR)** - Responsible for HR policies, practices, and processes with a focus on key HR department delivery areas (e.g., talent acquisitions, employee retention, compensation, employee benefits, performance management, employee relations and training, and development).

- **IT and DevOps** - Responsible for installation, configuration, operation, monitoring, and maintenance of IT and DevOps.
- **IT Security** – Responsible for Information Security including implementing, managing, and monitoring the information security program along with IT Risk Management.
- **Development** - Responsible for the development, testing, deployment, and maintenance of code for internally developed applications

PROCESSES AND PROCEDURES

Formal IT policies and procedures exist that describe physical security, logical access, computer operations, change control, and data communication standards. All teams are expected to adhere to the CarbonMinus policies and procedures that define how services should be delivered. These are located on the Company's intranet and can be accessed by any CarbonMinus team member.

Administrative Level Access

Administrative rights and access to administrative accounts are granted to individuals that require that level of access in order to perform their jobs. All administrative level access, other than to IT team, must be justified to and approved by IT team.

Confidentiality

Secure procedures are established to ensure safe and secure disposal of media when no longer required. The level of destruction or disposal of media would depend on the information or data stored in the media and the criticality of the information as per the information classification guideline.

Backup and Recovery of Data

CarbonMinus has developed formal policies and procedures relating to backup and recovery. Backup is defined in the Backup Policy. Suitable backups are taken and maintained. The backup processes are approved by the business owners and comply with the requirements for business continuity, and legal & regulatory requirements. All backup and restoration logs are maintained for retention periods as defined in the "Backup Policy".

Applicable Trust Services Criteria and related Controls

The Security, Confidentiality and Availability trust services categories and CarbonMinus related controls are included in section 4 of this report, "Independent Service Auditor's Description of Tests of Controls and Results".

Complimentary User-Entity Control Considerations

The following complementary user entity controls should be implemented by user entities to provide additional assurance that the Trust Services Criteria described within this report are met. As these items represent only a part of the control considerations that might be pertinent at the user entities' locations, user entities' auditors should exercise judgment in selecting and reviewing these complementary user entity controls.

1. User entities are responsible for understanding and complying with their contractual obligations to CarbonMinus.
2. User entities are responsible for notifying CarbonMinus of changes made to technical or administrative contact information.
3. User entities are responsible for maintaining their own system(s) of record.
4. User entities are responsible for ensuring the supervision, management, and control of the use of CarbonMinus services by their personnel.

5. User entities are responsible for developing their own disaster recovery and business continuity plans that address the inability to access or utilize CarbonMinus services.
6. User entities are responsible for providing CarbonMinus with a list of approvers for security and system configuration changes for data transmission.
7. User entities are responsible for immediately notifying CarbonMinus of any actual or suspected information security breaches, including compromised user accounts, including those used for integrations and secure file transfers.

SECTION 4

DESCRIPTION OF TEST OF CONTROLS AND THEREOF

Trust Services Security, Confidentiality and Availability, Criteria & Related Controls and Test of effectiveness and Results of Test

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
Control Environment			
CC1.1	**COSO Principle 1: The entity demonstrates a commitment to integrity and ethical values.**		
CC1.1.1	Terms of employment and ethical and behavioral values and expectations are communicated via employment contracts and the code of conduct.	Inspected the code of conduct and an example employment contract to determine that terms of employment and CarbonMinus' ethical and behavioral values and expectations were communicated via employment contracts and the code of conduct.	No Exceptions Noted
CC1.1.2	Mandatory security awareness training includes security requirements and expectations of employees in achieving internal control responsibilities to meet business and regulatory objectives.	Inspected the security and privacy awareness training material to determine that mandatory security awareness training included security requirements and expectations of CarbonMinus employees in achieving internal control responsibilities to meet business and regulatory objectives.	No Exceptions Noted
CC1.1.3	Employees receive code of conduct training on at least an annual basis to ensure that employees acknowledge the policies that comprise the code of conduct and the importance of the code of conduct to CarbonMinus' business practices.	Inspected the code of conduct training material and results for a sample of current employees to determine that training was completed during the period for each employee sampled to ensure that employees acknowledged the policies that comprised the code of conduct and the importance of the code of conduct to CarbonMinus' business practices.	No Exceptions Noted

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
CC1.1.4	Employees receive security and privacy awareness education and refresher training at least on an annual basis.	Inspected the security and privacy awareness education and refresher training results for a sample of current employees to determine that security and privacy awareness education and training was completed during the period for each employee sampled.	No Exceptions Noted
CC1.1.5	Employees receive security and privacy awareness education and training upon hire.	Inspected the security and privacy awareness training results for a sample of employees hired during the period to determine that security and privacy awareness education and training was completed upon hire for each employee sampled.	No Exceptions Noted
CC1.1.6	Employees agree to the acceptable use policy before they are granted access to CarbonMinus information assets.	Inspected the signed IT acceptable use policy for a sample of employees hired during the period to determine that each employee sampled agreed to the IT acceptable use before they were granted access to CarbonMinus information assets.	No Exceptions Noted
CC1.1.7	All new employees have to read and sign the Confidentiality Agreement/NDA upon joining.	Selected a sample of new joiners and inspected personnel files to determine that Confidentiality agreements / NDAs are signed.	No Exceptions Noted
CC1.1.8	Agreements are established with third parties or subcontractors that include clearly defined terms, conditions, and responsibilities for third parties and subcontractors.	Selected a sample and inspected the vendor agreements to determine that the agreements define the terms, conditions, and responsibilities of these vendors and their subcontractors.	No Exceptions Noted
CC1.1.9	Customer can provide their issues, complaints, or feedback through email to Business Heads. Employees can raise their complaints and grievances to HR.	Inspected customer resolution clauses in a sample of customer Statement of Work (SOW) and Client Contracts and determined that customers have a mechanism to communicate with CarbonMinus.	No Exceptions Noted

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
CC1.2	**COSO Principle 2: The board of directors demonstrates independence from management and exercises oversight of the development and performance of internal control.**		
CC1.2.1	Management Review Meetings are held every year to discuss the security level, Internal Audit results, Risks, changes, technology trends, occurrence of incidents, and security initiatives.	Selected a sample of Management Review Meetings held and inspected the minutes to determine that these are held on annually.	No Exceptions Noted
CC1.2.2	The Management team meets monthly and discusses the business as well as operational issues.	Selected a sample of management meetings held and inspected the minutes to determine that management meetings are held on a periodic basis.	No Exceptions Noted
CC1.3	**COSO Principle 3: Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.**		
CC1.3.1	Organization charts are established that depict authority, reporting lines, and responsibilities for the management of its information systems. These charts are communicated to employees and are updated as needed.	Inspected the organization chart for an understanding of the organization structure. Enquired with the management to determine that organization charts are updated periodically.	No Exceptions Noted
CC1.3.2	Conflicting duties and areas of responsibility are segregated to reduce opportunities for unauthorized or unintentional modification or misuse of the organization's assets.	Inspected the organization chart to determine that conflicting duties and areas of responsibility were segregated to reduce opportunities for unauthorized or unintentional modification or misuse of the organization's assets.	No Exceptions Noted
CC1.3.3	Organization has Information security policies and procedures that describe information security processes, practices.	Inspected Information Security policies and procedures to determine that these are documented, approved and reviewed by the management at least annually.	No Exceptions Noted

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
CC1.3.4	A security governance structure for information security is defined, and the defined roles and responsibilities are allocated to accountable leadership.	Inspected the security governance group charter to determine that information security was defined, and the defined roles and responsibilities were allocated to accountable leadership.	No Exceptions Noted
CC1.4	**COSO Principle 4: The entity demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.**		
CC1.4.1	Organization has established HR policies and procedures including recruitment, training, and exit	Inspected the HR Policies and procedures to determine that Policies and procedures including recruitment, training, and exit are established.	No Exceptions Noted
CC1.4.2	Job descriptions are in place which define roles and responsibilities, skills, knowledge levels and required competencies.	Inspected the job description for a sample of current employees to determine that documented job descriptions were in place for each employee sampled and defined roles and responsibilities, skills, knowledge levels and required competencies.	No Exceptions Noted
CC1.4.3	New employees sign the offer letter as their agreement and acceptance of broad terms of employment including a brief description of the position and other terms.	Selected a sample of new joiners and inspected the appointment letter to determine that new joiners accept the terms of employment.	No Exceptions Noted
CC1.4.4	Management evaluates the need for additional resources in order to achieve business objectives as part of its periodic management meetings	Inspected Manpower Planning meeting invite to determine that resource planning is reviewed periodically.	No Exceptions Noted

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
CC1.4.5	Background verification checks on candidates for employment or contract work are carried out in accordance with relevant laws and regulations, and are conducted in proportion to business requirements, the classification of the information to be accessed, and the perceived risks.	Inspected the completed background verification checks for a sample of employees and contractors hired during the period to determine that background verification checks were completed for each sampled employee or contractor in accordance with relevant laws and regulations and were in proportion to business requirements, the classification of the information to be accessed, and the perceived risks.	No Exceptions Noted
CC1.4.6	Employees receive security and privacy awareness education and training upon hire.	Inspected the security and privacy awareness training results for a sample of employees hired during the period to determine that security and privacy awareness education and training was completed upon hire for each employee sampled.	No Exceptions Noted
CC1.4.7	Employees receive security and privacy awareness education and refresher training at least on an annual basis.	Inspected the security and privacy awareness education and refresher training results for a sample of current employees to determine that security and privacy awareness education and training was completed during the period for each employee sampled.	No Exceptions Noted
CC1.5	**COSO Principle 5: The entity holds individuals accountable for their internal control responsibilities in the pursuit of objectives.**		

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
CC1.5.1	CarbonMinus leadership demonstrates leadership and commitment to the effectiveness of the information security management system by: 1) Ensuring its information security policy and objectives are compatible with organization's strategy, and that security objectives are achieved 2) Making sure the information security management system is integrated into organization's business processes and the required resources are available 3) Communicating the importance of conforming to requirements to ensure effective information security 4) Supporting management to provide leadership and directing and supporting people to contribute to the effectiveness of the information security management system 5) Promoting continual improvement	Inspected the Information security policy to determine that CarbonMinus leadership demonstrated leadership and commitment to the effectiveness of the information security management system by: 1) Ensuring its information security policy and objectives were compatible with organization's strategy, and that security objectives were achieved 2) Making sure the information security management system was integrated into organization's business processes and the required resources were available 3) Communicating the importance of conforming to requirements to ensure effective information security 4) Supporting management to provide leadership and directing and supporting people to contribute to the effectiveness of the information security management system 5) Promoting continual improvement	No Exceptions Noted
CC1.5.2	Job descriptions are reviewed by entity management on an annual basis as part of performance appraisals.	Inspected updated job descriptions to determine that job descriptions and roles and responsibilities are revised as and when required.	No Exceptions Noted
CC1.5.3	Performance appraisals are performed at least annually.	Inspected the evidence for performance appraisal for sampled employees to determine that Performance appraisals are performed at least annually.	No Exceptions Noted
Communication and Information			
CC2.1	**COSO Principle 13: The entity obtains or generates and uses relevant, quality information to support the functioning of internal control.**		

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
CC2.1.1	CarbonMinus has defined and applies an information security risk assessment process. CarbonMinus has a risk management framework established to identify, report, and manage risks across key risk categories, including operational, strategic, legal, and financial.	Inspected a sample of internal audit reports & the corrective action taken to determine that an effective internal audit process is in place.	No Exceptions Noted
CC2.1.2	Risk assessments are performed on in-scope CarbonMinus assets for the information security management system and take into account threats to and vulnerabilities of the asset. The results of the risk assessments are reviewed by management at least annually.	Inspected the CarbonMinus asset register, the most recent risk register, and the Management Review meeting invite and agenda determine that risk assessments were performed on in-scope assets during the period and took into account threats to and vulnerabilities of the asset, and the results of the risk assessments were reviewed by management.	No Exceptions Noted
CC2.1.3	CarbonMinus has developed and implemented an ISMS for ensuring the confidentiality, integrity, and availability of its services and information assets. The ISMS operates within the context of organization’s activities, and is documented, maintained, and continually improved.	Inspected the ISMS framework to determine that CarbonMinus developed and implemented an ISMS for the confidentiality, integrity, and availability of its services and information assets that operated within the context of organization’s activities, and was documented, maintained, and continually improved.	No Exceptions Noted
CC2.1.4	CarbonMinus evaluates the information security performance and the effectiveness of the ISMS on at least an annual basis.	Inspected the most recent internal audit report and ISMS management review to determine that CarbonMinus evaluated the information security performance and the effectiveness of the ISMS during the period.	No Exceptions Noted

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
CC2.1.5	CarbonMinus has an internal business assurance function which provides independent and objective assurance and advice on CarbonMinus' organisational governance, risk management, and internal control processes.	Inspected the security assurance, performance, and compliance framework to determine that an internal business assurance function provided independent and objective assurance and advice on CarbonMinus' organisational governance, risk management and internal control processes.	No Exceptions Noted
CC2.2	**COSO Principle 14: The entity internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control.**		
CC2.2.1	System boundaries in terms of logical and physical boundaries are documented and network architecture diagrams are in place. System Boundaries are shared with the customers when it is required.	Inspected the network architecture diagram to determine that system boundaries in terms of logical and physical boundaries are documented.	No Exceptions Noted
CC2.2.2	Customer responsibilities and appropriate system descriptions are provided in client contracts.	Inspected sampled client contracts to determine that terms related to brief requirements of the system and customer responsibilities are documented.	No Exceptions Noted
CC2.2.3	A ticketing system is in place which allows internal and external system users to report security failures, incidents, and concerns. Incidents and security incidents are responded to and managed to resolution by the incident response manager and the security operations team, respectively.	Inspected the incident ticket for a sample of incidents during the period to determine that a ticketing system was in place which allowed internal and external system users to report security failures, incidents and concerns, and incidents, and security incidents were responded to and managed through to resolution.	No Exceptions Noted
CC2.2.4	CarbonMinus communicates its commitment to security as a top priority for its customers via contracts.	Inspected client contracts of sampled customers to determine CarbonMinus communicates its commitment to security as a top priority for its customers via contracts.	No Exceptions Noted

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
CC2.2.5	Changes to CarbonMinus' organisation, business processes, information processing facilities and systems that affect information security are controlled, and change details are communicated to relevant persons.	Inspected the path to production standard and sync up call meeting documentation to determine that changes to CarbonMinus' organisation, business processes, information processing facilities and systems that affected information security were controlled, and change details were communicated to relevant persons.	No Exceptions Noted
CC2.2.6	New employees hired at senior levels are communicated to stakeholders by HR through Email.	Enquired that senior management hires are communicated internally and if necessary, externally.	No Exceptions Noted
CC2.3	**COSO Principle 15: The entity communicates with external parties regarding matters affecting the functioning of internal control.**		
CC2.3.1	The organization's security, availability, and confidentiality commitments regarding the system are included in the client contracts and service agreements.	Inspected sample of client SOW, MSA, and NDA and determined that terms related to delivery of services are covered.	No Exceptions Noted
CC2.3.2	CarbonMinus requires employees as part of signing their employment contract, and contractors, to sign agreements that include non-disclosure provisions and asset protection responsibilities, upon hire.	Inspected the signed NDA for a sample of employees and contractors hired during the period to determine that CarbonMinus required employees to sign agreements that included non-disclosure provisions and asset protection responsibilities, upon hire, for each employee sampled.	No Exceptions Noted

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
CC2.3.3	NDAs are established with third parties during the procurement process where sensitive information is included within the scope of the services to be provided to CarbonMinus.	Inspected the NDA established with a sample of vendors onboarded during the period to determine that NDAs were established during the procurement process for each vendor sampled where sensitive information was included within the scope of the services to be provided to CarbonMinus.	No Exceptions Noted
CC2.3.4	Customer responsibilities are described in client contracts.	Inspected a sample of client contracts to determine explicit responsibilities of customer are documented .	No Exceptions Noted
CC2.3.5	Employees are informed of the process for reporting complaints and security breaches during induction Security Training.	Selected a sample of new employees and inspected evidence to determine that details related to reporting complaints and security breaches is covered as part of induction process.	No Exceptions Noted
CC2.3.6	Customer can provide their issues, complaints, or feedback through email to Business Heads.	Inspected customer resolution clauses in a sample of customer Statement of Work (SOW) and escalation matrix and determined that customers have a mechanism to communicate with CarbonMinus.	No Exceptions Noted
CC2.3.7	Changes to system boundaries, network systems are communicated to clients, if it impacts their operations.	Enquired with the management that system boundaries, network systems are communicated to clients, if it impacts their operations.	No Exceptions Noted
CC2.3.8	Incidents impacting external users are communicated to them through emails along with root cause analysis, if required.	Enquired with the management that Incidents impacting external users are communicated to them through emails along with root cause analysis, if required.	No Exceptions Noted
Risk Assessment			
CC3.1	**COSO Principle 6: The entity specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives.**		

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
CC3.1.1	Risk Assessment Scales (Risk Rating scales) are defined to evaluate and assess the significance of Risk. This is part of the Risk Management Framework.	Inspected Risk Assessment and Risk Treatment procedure to determine that Risk Assessment Scales (Risk Rating scales) are defined to evaluate and assess the significance of Risk.	No Exceptions Noted
CC3.1.2	Risk Assessment and Risk Treatment Procedure related to risk management are developed, implemented, and communicated to personnel.	Inspected Risk Assessment and Risk Treatment Procedures to determine that the CarbonMinus has a defined and documented risk assessment process.	No Exceptions Noted
CC3.1.3	Management evaluates the need for additional resources in order to achieve business objectives as part of its periodic management meetings	Inspected a sample of Manpower Planning sheet to determine that resource planning is reviewed periodically.	No Exceptions Noted
CC3.2	**COSO Principle 7: The entity identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed.**		
CC3.2.1	Risk Assessment and Risk Treatment Procedure related to risk management are developed, implemented, and communicated to personnel.	Inspected Risk Assessment and Risk Treatment Procedure to determine that the CarbonMinus has a defined and documented risk assessment process.	No Exceptions Noted
CC3.2.2	A risk assessment is performed annually or whenever there are changes in security posture. As part of this process, threats to security are identified and the risk from these threats is formally assessed.	were Inspected Risk Assessment and Risk Treatment were performed during the audit period to determine updating of asset inventory, threats and risks and to determine that risk assessment is carried out at least on an annual basis.	No Exceptions Noted
CC3.2.3	Identified risks are rated and get prioritized based on their likelihood, impact, priority, and the existing control measures.	Inspected Risk Assessment performed during the year to determine identified risks are rated.	No Exceptions Noted
CC3.2.4	All information assets are identified in an asset inventory.	Inspected the Asset Inventory to determine that all information assets are identified in an asset inventory.	No Exceptions Noted

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
CC3.3	**COSO Principle 8: The entity considers the potential for fraud in assessing risks to the achievement of objectives.**		
CC3.3.1	The IT department maintains an up-to-date listing of all software and the security patches related to OS and application and patches are monitored.	Inspected sampled laptops to determine that latest patches are updated.	No Exceptions Noted
CC3.3.2	A List of all hardware is maintained as part of the asset register.	Inspected the asset register list to determine that all assets are recorded.	No Exceptions Noted
CC3.3.3	CarbonMinus has defined a formal Risk Assessment and Risk Treatment procedure for evaluating risks based on identified Probability, Impact, Risk Rating, Risk Priority, and mitigating controls.	Inspected Risk Assessment and Risk Treatment procedure to determine that the CarbonMinus has a defined and documented risk assessment process.	No Exceptions Noted
CC3.4	**COSO Principle 9: The entity identifies and assesses changes that could significantly impact the system of internal control.**		
CC3.4.1	Changes to CarbonMinus' organisation, business processes, information processing facilities and systems that affect information security are controlled, and change details are communicated to relevant persons.	Inspected the path to production standard and sync up call meeting documentation to determine that changes to CarbonMinus' organisation, business processes, information processing facilities and systems that affected information security were controlled, and change details were communicated to relevant persons.	No Exceptions Noted

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
CC3.4.2	Change management processes are in place to ensure that changes are recorded, evaluated authorised, planned, communicated, tested, and implemented successfully, before being deployed to production, in order to reduce the business impact of failed changes on CarbonMinus operation and its customers.	Inspected the change ticket for a sample of changes implemented during the period to determine that change management processes were in place to ensure that changes were recorded, evaluated authorised, planned, communicated, tested, and implemented successfully, before being deployed to production, in order to reduce the business impact of failed changes on CarbonMinus operation and its customers.	No Exceptions Noted
CC3.4.3	A risk assessment is performed annually or whenever there are changes in security posture. As part of this process, threats to security are identified and the risk from these threats is formally assessed.	Inspected Risk Assessment and Risk Treatment were performed during the audit period to determine updating of asset inventory, threats and risks and to determine that risk assessment is carried out at least on an annual basis.	No Exceptions Noted
CC3.4.4	A business continuity policy is defined to safeguard good service to CarbonMinus' customers, enhance the safety of staff, and protect the interests of other stakeholders.	Inspected the business continuity policy to determine that a business continuity policy was defined to safeguard good service to our customers, enhance the safety of staff, and protect the interests of other stakeholders.	No Exceptions Noted
CC3.4.5	The high availability and disaster recovery strategy align with the company strategy and are reviewed at least annually.	Inspected the high availability and disaster recovery strategy to determine that the high availability and disaster recovery strategy aligned with the company strategy and were reviewed during the period.	No Exceptions Noted
Monitoring Activities			
CC4.1	**COSO Principle 16: The entity selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.**		

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
CC4.1.1	Information systems are reviewed on at least an annual basis for compliance with CarbonMinus' information security policies and standards.	Inspected the most recent internal audit report to determine that information systems were reviewed during the period for compliance with CarbonMinus' information security policies and standards.	No Exceptions Noted
CC4.1.2	IT system access is reviewed on a quarterly basis.	Inspected the information security policies containing access controls to determine that these are documented. Inspected evidence for access control reviews to determine that access rights are reviewed regularly, and user access lists are reconciled against active HR records.	No Exceptions Noted
CC4.1.3	Vulnerability assessment & penetration tests of the Network are performed at least annually by a third party.	Inspected the latest vulnerability assessment and penetration test report performed by a third party and determined that these are carried out at least annually and that vulnerabilities were closed.	No Exceptions Noted
CC4.1.4	CarbonMinus has an internal business assurance function which provides independent and objective assurance and advice on CarbonMinus' organisational governance, risk management, and internal control processes.	Inspected the security assurance, performance, and compliance framework to determine that an internal business assurance function provided independent and objective assurance and advice on CarbonMinus' organisational governance, risk management and internal control processes.	No Exceptions Noted
CC4.2	**COSO Principle 17: The entity evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate.**		

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
CC4.2.1	CarbonMinus evaluates the information security performance and the effectiveness of the ISMS on at least an annual basis.	Inspected the most recent internal audit report and management review meeting minuted to determine that CarbonMinus evaluated the information security performance and the effectiveness of the ISMS during the period.	No Exceptions Noted
CC4.2.2	Vulnerability assessment & penetration tests of the Network are performed at least annually by a third party.	Inspected the latest vulnerability assessment /penetration test report performed by a third party and determined that VA/PT have carried out at least and that vulnerabilities were closed.	No Exceptions Noted
CC4.2.3	All internal audit issues are tracked until closure to ensure that these are closed.	Inspected the Internal Audit results that issues are tracked until closure to ensure that these are closed.	No Exceptions Noted
CC4.2.4	A ticketing system is in place which allows internal and external system users to report security failures, incidents, and concerns. Incidents and security incidents are responded to and managed to resolution by the incident response manager and the security operations team, respectively.	Inspected the incident ticket for a sample of incidents during the period to determine that a ticketing system was in place which allowed internal and external system users to report security failures, incidents and concerns, and incidents, and security incidents were responded to and managed through to resolution.	No Exceptions Noted
Control Activities			
CC5.1	**COSO Principle 10: The entity selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.**		
CC5.1.1	Conflicting duties and areas of responsibility are segregated to reduce opportunities for unauthorized or unintentional modification or misuse of the organization’s assets.	Inspected the organization chart to determine that conflicting duties and areas of responsibility were segregated to reduce opportunities for unauthorized or unintentional modification or misuse of the organization’s assets.	No Exceptions Noted

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
CC5.1.2	Information systems are reviewed on at least an annual basis for compliance with CarbonMinus' information security policies and standards.	Inspected the most recent internal audit report to determine that information systems were reviewed during the period for compliance with CarbonMinus' information security policies and standards.	No Exceptions Noted
CC5.1.3	A risk assessment is performed annually or whenever there are changes in security posture. As part of this process, threats to security are identified and the risk from these threats is formally assessed.	Inspected Risk Assessment and Risk Treatment were performed during the audit period to determine updating of asset inventory, threats and risks and to determine that risk assessment is carried out at least on an annual basis.	No Exceptions Noted
CC5.2	**COSO Principle 11: The entity also selects and develops general control activities over technology to support the achievement of objectives.**		
CC5.2.1	CarbonMinus has defined and documented access control policy that outline processes for identifying and authenticating authorized users, restricting user access to authorized system components, and preventing and detecting unauthorized system access.	Inspected the access control policy to determine that CarbonMinus defined and documented standards for access control that outlined processes for identifying and authenticating authorized users, restricting user access to authorized system components, and preventing and detecting unauthorized system access.	No Exceptions Noted
CC5.2.2	Policies and procedures related to risk management are developed, implemented, and communicated to personnel.	Inspected Risk Assessment & Treatment Procedure to determine that the organization has a defined and documented risk assessment process.	No Exceptions Noted
CC5.3	**COSO Principle 12: The entity deploys control activities through policies that establish what is expected and in procedures that put policies into action.**		

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
	Information security policies are reviewed at planned intervals, or if significant changes in the CarbonMinus environment occur, to ensure their continuing suitability, adequacy, and effectiveness.	Inspected the Information security policies to determine that information security policies were reviewed during the period, or if significant changes in the CarbonMinus environment occurred, to ensure their continued suitability, adequacy, and effectiveness.	No Exceptions Noted
	All policies and procedures clearly define the roles, responsibilities, and accountability for executing policies and procedures.	Inspected the policies roles to determine that roles, responsibilities are present for execution.	No Exceptions Noted
	CarbonMinus has an internal business assurance function which provides independent and objective assurance and advice on CarbonMinus' organisational governance, risk management, and internal control processes.	Inspected the security assurance, performance, and compliance framework to determine that an internal business assurance function provided independent and objective assurance and advice on CarbonMinus' organisational governance, risk management and internal control processes.	No Exceptions Noted
Logical and Physical Access Controls			
CC6.1	**The entity implements logical access security software, infrastructure, and architectures over protected information assets to protect them from security events to meet the entity's objectives.**		
CC6.1.1	CarbonMinus has documented procedures for logical access controls.	Inspected the access control policy and procedure and determined that these are documented.	No Exceptions Noted
CC6.1.2	Access is granted on least privileges basis as default and any additional access needs to be approved.	Inspected access control procedure document and determined that access is granted on a least privileges basis as default and any additional access needs to be approved.	No Exceptions Noted

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
CC6.1.3	The Engineering team has formally documented standard build procedures for installation and maintenance of the database and code repository that includes the requirement for access control systems to enforce logical access.	Inspected the evidence to determine that the Engineering team has formally documented standard build procedures for installation and maintenance of database and code repository that includes the requirement for access control systems to enforce logical access	No Exceptions Noted
CC6.1.4	CarbonMinus has established hardening standards in production infrastructure that include requirements for the implementation of security groups, access control, configuration settings, and standardized policies.	Inspected the hardening standards to determine that hardening standards have been established.	No Exceptions Noted
CC6.1.5	Production hosts and Security Groups (which are the equivalent of Firewalls) are hardened according to Industry best practices. Only the required ports are opened for inbound access at the load balancer level.	Inspected AWS settings to determine that VPC has been set up and all production servers are within the private subnet. Inspected the IAM settings and security groups to determine that only the production group has access to production resources.	No Exceptions Noted
CC6.1.6	The in-scope systems and applications are configured to authenticate users with a unique user account and enforce minimum password requirements or SSH public key authentication.	Inspected the evidence to determine that the in-scope systems and applications are configured to authenticate users with a unique user account and enforce minimum password requirements or SSH public key authentication.	No Exceptions Noted
CC6.1.7	Cloud infrastructure is configured to use the AWS's identity and access management system (IAM). Relevant groups have been added to IAM.	Inspected the IAM settings and security groups to determine that several groups have been formed for different teams and only the production group has access to production resources.	No Exception Noted

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
CC6.1.8	For AWS console access, Multi-Factor Authentication is implemented.	Inspected the user settings in the AWS console for the production group members to determine that multifactor authentication has been enabled.	No Exceptions Noted
CC6.1.9	All Assets are assigned owners who are responsible for evaluating access based on job roles. The owners define access rights when assets are acquired or changed.	Inspected the asset register and determined that assets and their owners are clearly documented.	No Exceptions Noted
CC6.1.10	Privileged access is allocated to users on a need-to-use basis in line with their job responsibilities and is controlled as per the access control policy.	Inspected the access control policy, listing of AWS administrators to determine that privileged access was allocated to users on a need-to-use basis in line with their job responsibilities and was controlled as per the access control policy.	No Exceptions Noted
CC6.1.11	Predefined security groups are in place for in-scope systems using role-based access privileges.	Inspected the listing of AWS user groups to determine that predefined security groups were in place for in-scope systems using role-based access privileges.	No Exceptions Noted
CC6.1.12	Data storage mechanisms are configured to encrypt data at rest in accordance with the cryptography standard.	Inspected the data at rest encryption configurations to determine that data storage mechanisms were configured to encrypt data at rest in accordance with the cryptography standard.	No Exceptions Noted
CC6.2	**Prior to issuing system credentials and granting system access, the entity registers and authorizes new internal and external users whose access is administered by the entity. For those users whose access is administered by the entity, user system credentials are removed when user access is no longer authorized.**		

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
CC6.2.1	Permissions to individual accounts are restricted based on roles and job requirements.	Inspected the user access request for a sample of requests to the in-scope data systems and services during the period to determine that permissions to individual accounts was restricted based on roles and job requirements.	No Exceptions Noted
CC6.2.2	Access to in-scope systems requires users to authenticate via an individual user account using multi-factor or two-step authentication.	Inspected the AWS management and authentication configurations to determine that access to in scope systems required users to authenticate via an individual user account using multi-factor or two-step authentication.	No Exceptions Noted
CC6.2.3	On the day of joining, HR will send a mail to the IT Help desk providing the details of the new joiners. The IT then provides necessary access as per the request. Employee user accounts are removed from various applications and network systems as of the last date of employment manually based on access revocation requests sent by the HR department.	Inspected the Access Control policy to determine that granting, modifying, or deactivating access is only done against written authorization. Inspected access request forms/emails for a sample of employees to determine that written authorization is in place.Inspected access revocation request /exit checklist for a sample of employees to determine that written authorization for deactivation is in place.	No Exceptions Noted
CC6.2.4	When an employee leaves the organization, the employee’s manager initiates the 'Exit Process'. HR informs respective teams / IT teams within 24 hours to deactivate/delete the user ID from the email system and all applications.An exit checklist is used to ensure compliance with termination procedures.	Selected a sample of exited users and inspected Email from HR to IT and Exit Checklist to determine that the exit process and related account deactivation is as per defined procedures. Inspected AWS IAM to determine that the exited user has disabled status.	No Exceptions Noted

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
CC6.2.5	Access to data, systems and services in-scope systems is reviewed on a quarterly basis to confirm access is still appropriate.	Inspected the user access review for a sample of quarters to determine that access to data, systems and services in-scope systems was reviewed for each quarter sampled to confirm access was still appropriate.	No Exceptions Noted
CC6.3	**The entity authorizes, modifies, or removes access to data, software, functions, and other protected information assets based on roles, responsibilities, or the system design and changes, giving consideration to the concepts of least privilege and segregation of duties, to meet the entity's objectives.**		
CC6.3.1	A role based security process has been defined with in AWS infrastructure based on job requirements.	Inspected the AWS console screens to determine that security groups based on departments and roles have been defined.	No Exceptions Noted
CC6.3.2	Access to data, systems and services in-scope systems is reviewed on a quarterly basis to confirm access is still appropriate.	Inspected the user access review for a sample of quarters to determine that access to data, systems and services in-scope systems was reviewed for each quarter sampled to confirm access was still appropriate.	No Exceptions Noted
CC6.3.3	Permissions to individual accounts are restricted based on roles and job requirements.	Inspected the user access request for a sample of requests to the in-scope data systems and services during the period to determine that permissions to individual accounts was restricted based on roles and job requirements.	No Exceptions Noted
CC6.3.4	Company does not allow reactivation of ID belonging to an exited employee.	Enquired with IT Head that reactivation of IDs it is prohibited.	No Exceptions Noted
CC6.4	**The entity restricts physical access to facilities and protected information assets (for example, data center facilities, back-up media storage, and other sensitive locations) to authorized personnel to meet the entity's objectives.**		
CC6.4.1	Entry to all office premises is restricted to authorized personnel. Physical access control system has been implemented to secure the facilities.	Observed that the entry to premises is restricted by physical security and access control.	No Exceptions Noted

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
CC6.4.2	Physical access to office premises is monitored through CCTV installed at key points within the premises.	Observed that the CCTV are located at entry exit only which is working fineThere is no camera installed inside the office premise.	No Exceptions Noted
CC6.4.3	All visitors have to register their details in the visitor log system.	Inspected the visitor logs for sampled employees to determine that visitor log system is maintained.	No Exceptions Noted
CC6.4.4	Visitor badges are for identification purposes only and do not permit access to the facility.	Observed that visitor badges are for identification purposes only and do not permit access to any secured areas of the facility.	No Exceptions Noted
CC6.4.5	Physical access is set up for the new joiners as part of onboarding process. Access cards by default do not have access to any of the sensitive areas.	Selected a sample of new joiners and inspected that the access rights were granted in the physical access system only to authorized new joiners.	No Exceptions Noted
CC6.4.6	Physical access to sensitive areas is granted only to privileged users. Access to such restricted zone is given against written request by the IT Manager.	Selected a sample of privileged users and determined that access to restricted area was approved by the IT Manager.	No Exceptions Noted
CC6.4.7	Periodic review of physical access to sensitive areas against the active employee list is carried out by IT Manager at least on quarterly basis.	Inspected a sample of physical access review reports for sensitive areas to determine that access rights are reviewed regularly.	No Exceptions Noted
CC6.4.8	Upon the last day of employment, the HR Team sends an exit email requesting for deactivation of physical access for terminated employees. Physical access is deactivated by the Admin Team	Inspected system to determine that the employee ID numbers for the sample of exited employees were deleted from the electronic access control system.	No Exceptions Noted

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
CC6.4.9	Employees are required to complete their exit clearance process on the last day, and all access is disabled within 1 business day.	Inspected the exit checklist for a sample of terminated employees to determine that access is disabled. Inspected the electronic access control system to ensure that access of terminated employees has been revoked within 1 business day.	No Exceptions Noted
CC6.5	**The entity discontinues logical and physical protections over physical assets only after the ability to read or recover data and software from those assets has been diminished and is no longer required to meet the entity's objectives.**		
CC6.5.1	Media Handling Policy is implemented for procedures relating to disposal of information assets.	Inspected Media Handling Policy to determine that procedures relating to disposal of information assets are implemented.	No Exceptions Noted
CC6.5.2	All data is erased from laptops and other media prior to destruction disposal	Enquired with IT Head that all data is erased from laptops and other media prior to destruction disposal	No Exceptions Noted
CC6.6	**The entity implements logical access security measures to protect against threats from sources outside its system boundaries.**		
CC6.6.1	The production system at AWS is protected by security group rules (virtual firewall) set up for the virtual private cloud (VPC) provided by AWS. VPC is used to protect all Production systems hosted at AWS.	Inspected AWS settings to determine that VPC has been set up and direct access to production instances is only through 2048-bit SSH keys.	No Exceptions Noted
CC6.6.2	Access to modify security group rules is restricted by IT Head to administrators.	Inspected the user list on IAM to determine that access to modify security group rules is restricted to only administrators.	No Exceptions Noted
CC6.6.3	Connections to the AWS-hosted servers are through authenticated SSH sessions or authenticated secure browser sessions using HTTPS.	Inspected AWS settings to determine that direct access to production instances is only through SSH keys.	No Exceptions Noted
CC6.7	**The entity restricts the transmission, movement, and removal of information to authorized internal and external users and processes, and protects it during transmission, movement, or removal to meet the entity's objectives.**		

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
CC6.7.1	The cryptography standard defines the security controls and operational practices applicable to customer data at rest, end user devices, backups, and web communication sessions. The standard also defines requirements for the annual generation, use, protection, audit, and rotation of cryptographic keys.	Inspected the cryptography and encryption policy to determine that it defined the security controls and operational practices applicable to customer data at rest, end user devices, backups, and web communication sessions and the requirements for the annual generation, use, protection, audit, and rotation of cryptographic keys.	No Exceptions Noted
CC6.7.2	Information involved in application services which passes over public networks is encrypted as per the established standards for data controls and for cryptography.	Inspected the cryptography and encryption policy, the TLS encryption certificate, and SSL labs report to determine that information involved in application services which passes over public networks was encrypted as per the established standards for data controls and for cryptography.	No Exceptions Noted
CC6.7.3	Transport encryption requirements are defined within the cryptography standard and comply with legal and regulatory requirements.	Inspected the cryptography and encryption policy to determine that transport encryption requirements were defined within the cryptography standard and complied with legal and regulatory requirements.	No Exceptions Noted
CC6.7.4	Data storage mechanisms are configured to encrypt data at rest in accordance with the cryptography standard.	Inspected the data at rest encryption configurations to determine that data storage mechanisms were configured to encrypt data at rest in accordance with the cryptography standard.	No Exceptions Noted
CC6.8	**The entity implements controls to prevent or detect and act upon the introduction of unauthorized or malicious software to meet the entity's objectives.**		

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
CC6.8.1	Antivirus protection is enabled on end-user devices and virus definitions are updated automatically. Network traffic is inspected for malware, application, and server vulnerabilities, insider threats and unwanted application traffic.	Inspected the antivirus configurations to determine that antivirus protection was enabled on end-user devices and virus definitions were updated automatically and that network traffic was inspected for malware, application and server vulnerabilities, insider threats and unwanted application traffic.	No Exceptions Noted
CC6.8.2	Security monitoring systems are in place to monitor and analyse the in-scope systems for possible or actual security breaches.	Inspected the logging and monitoring application configurations and example alerts generated during the period to determine that security monitoring systems were in place to monitor and analyse the in-scope systems for possible or actual security breaches.	No Exceptions Noted
CC6.8.3	Systems in the production environment are hardened, based on CIS benchmarks.	Inspected the CIS benchmark and hardening guidelines to determine that systems in the production environment were hardened, based on CIS benchmarks.	No Exceptions Noted
System Operations			
CC7.1	**To meet its objectives, the entity uses detection and monitoring procedures to identify (1) changes to configurations that result in the introduction of new vulnerabilities, and (2) susceptibilities to newly discovered vulnerabilities.**		
CC7.1.1	Management has defined configuration standards and hardening standards.	Inspected the system hardening checklist to determine that Management has defined configuration standards and hardening standards.	No Exceptions Noted
CC7.1.2	CarbonMinus monitors infrastructure and software for non-compliance with the standards, which could threaten the achievement of the organization's objectives.	Inspected the CloudWatch dashboard to determine entity monitors infrastructure and software for noncompliance with the standards.	No Exceptions Noted

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
CC7.1.3	Vulnerability assessment & penetration tests are performed at least annually by a third party.	Inspected the latest vulnerability assessment /penetration test report performed by a third party and determined that these are carried out at least and that vulnerabilities were closed.	No Exceptions Noted
CC7.2	**The entity monitors system components and the operation of those components for anomalies that are indicative of malicious acts, natural disasters, and errors affecting the entity's ability to meet its objectives; anomalies are analyzed to determine whether they represent security events.**		
CC7.2.1	Documented incident response procedures are in place to guide personnel that handle incidents and include the process for informing the entity about actual and potential events that impact system security and for submitting complaints as well as roles and responsibilities for teams involved. Procedures are communicated to employees and customers as required.	Inspected the security incident response plan and procedures to determine that documented procedures were in place to guide personnel in the handling of incidents and included the process for informing the entity about actual and potential events that impacted system security and for submitting complaints as well as roles and responsibilities for teams involved, and procedures were communicated to employees and customers.	No Exceptions Noted
CC7.2.2	The IT team receives requests for support through phones, emails, and the Trello which may include requests to reset user passwords, etc.	Inspected a sample of IT support ticket emails reported by users to determine that support tickets are logged as Trello tickets.	No Exceptions Noted
CC7.2.3	Vulnerability assessment & penetration tests are performed at least annually by a third party.	Inspected the latest vulnerability assessment /penetration test report performed by a third party and determined that these are carried out at least annually and that vulnerabilities were closed.	No Exceptions Noted
CC7.3	**The entity evaluates security events to determine whether they could or have resulted in a failure of the entity to meet its objectives (security incidents) and, if so, takes actions to prevent or address such failures.**		

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
CC7.3.1	A formal, defined incident management Policy is documented as part of Information Security Policies for evaluating reported events.	Inspected Incident Management Policy to determine that the incident management process is documented.	No Exceptions Noted
CC7.3.2	Incidents are reported to the IT team by email. These are tracked through the Incident logs.	Inspected the screenshot of the incident log to determine that incidents are tracked.	No Exceptions Noted
CC7.3.3	Reported incidents are logged in Excel/Incident form and include the following details: • Incident Type • Data and Time of incident • Details • Action Taken • Root Cause (For select high-risk incidents)	Inspected a sample of the incident report to determine that incidents covered the following: • Incident Type • Data and Time of incident • Details • Action Taken • Root Cause (For select high-risk incidents)	No Exceptions Noted
CC7.4	**The entity responds to identified security incidents by executing a defined incident response program to understand, contain, remediate, and communicate security incidents, as appropriate.**		
CC7.4.1	All security incidents are also reviewed and monitored by the Information Security Group. Corrective and preventive actions are completed for incidents.	Inspected minutes MRM meeting minutes to determine that discussion on incidents takes place.	No Exceptions Noted
CC7.4.2	All incidents are evaluated and necessary action taken to close the threat/vulnerability.	Inspected Incident Management Procedure and determined that necessary action is taken to close the threat/vulnerability.	No Exceptions Noted
CC7.4.3	Protocols for communicating security incidents and actions taken to affected parties are developed and implemented to meet the entity's objectives.	Inspected Incident Management Procedure and determined that necessary action is taken for communicating security incidents and actions taken to affected parties are developed and implemented	No Exceptions Noted

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
CC7.4.4	Management reviews all incidents that occurred during the year as part of Management Review Meeting.	Inspected MRM meeting minutes to determine that annually management reviews all incidents that occurred during the year is conducted.	No Exceptions Noted
CC7.4.5	HR policies include a code of conduct and disciplinary policy for employee misconduct.	Inspected the Code of Conduct and Disciplinary Policy to determine that these are established.	No Exceptions Noted
CC7.5	**The entity identifies, develops, and implements activities to recover from identified security incidents.**		
CC7.5.1	All incidents are evaluated and necessary action is taken to close the identified vulnerability/threat.	Inspected Incident Management Policy and determined that necessary action is taken to close the identified threat/vulnerability.	No Exceptions Noted
CC7.5.2	Root cause analysis is performed for major incidents.	Inspected the screenshot of the incident log and related root cause description for some incidents to determine that incidents are tracked.	No Exceptions Noted
Change Management			
CC8.1	**The entity authorizes, designs, develops acquires, configures, documents, tests, approves, and implements changes to infrastructure, data, software, and procedures to meet its objectives.**		
CC8.1.1	Application development and testing on CarbonMinus platform are done in separate environments from production.	Inspected the evidence to determine that the platform application development and testing are done in separate environments from production.	No Exceptions Noted
CC8.1.2	CarbonMinus uses a version control system to manage source code, documentation, release labeling, and other change management tasks. Access to the system must be approved by a system admin.	Inspected the screenshot from the version control/code repository to determine that CarbonMinus uses a version control system to manage source code, documentation, release labeling, and other change management tasks. Access to the system must be approved by a system admin.	No Exceptions Noted

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
CC8.1.3	Application code changes, code reviews, and tests are performed by someone other than the person who made the code change.	Inspected the company records to determine that CarbonMinus' application code changes, code reviews, and tests are performed by someone other than the person who made the code change.	No Exceptions Noted
CC8.1.4	Authorized CarbonMinus personnel can push or make changes to production code.	Inspected the company records to determine that authorized CarbonMinus personnel can push or make changes to production code.	No Exceptions Noted
CC8.1.5	All change requests are submitted with Risk Assessment, implementation, and rollback plans. The code repository & deploy tool has a turnover process that includes back out steps commit is to be reverted.	Inspected a sample of change requests to determine that they had Risk Assessment, implementation, and rollback plans included.	No Exceptions Noted
CC8.1.6	Changes are communicated to the appropriate client and user community if the change has any potential impact on the user base.	Enquired with IT Head that changes are communicated to clients and end users if it has an impact on those users.	No Exceptions Noted
CC8.1.7	Change management policies and procedures are in place to guide personnel in the request, documentation, testing, and approval of changes. The policies and procedures also outline the requirement for segregation of duties such that authorization, development, testing and implementation are segmented functions within the process.	Inspected the change management policies and procedures to determine that these were in place to guide personnel in the request, documentation, testing, and approval of changes. The policies and procedures also outline the requirement for segregation of duties such that authorization, development, testing and implementation are segmented functions within the process.	No Exceptions Noted
Risk Mitigation			
CC9.1	**The entity identifies, selects, and develops risk mitigation activities for risks arising from potential business disruptions.**		

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
CC9.1.1	CarbonMinus has a documented Business Continuity Procedure & Plan including Disaster Recovery guidelines to be used in the event of an event necessitating systems infrastructure recovery.	Inspected the Business Continuity Procedure & Plan to determine that a plan and procedure have been documented with clear responsibilities on those required to respond.	No Exceptions Noted
CC9.1.2	Business continuity and disaster recovery plans, including restoration of backups, are tested annually.	Inspected the Business Continuity Planning Policy and determined that BCP plans are tested at least annually.	No Exceptions Noted
CC9.2	**The entity assesses and manages risks associated with vendors and business partners.**		
CC9.2.1	CarbonMinus management reviews the annual SOC report for its sub-processors to confirm that outsourced controls are appropriately designed and operating effectively.	Inspected the company records to determine that CarbonMinus management reviews the annual SOC report for its sub-processors to confirm that outsourced controls are appropriately designed and operating effectively.	No Exceptions Noted
CC9.2.2	A vendor management process is in place and requires signed contracts for vendors and includes (1) scope of services and product specifications, (2) roles and responsibilities, (3) compliance requirements, and (4) service levels where applicable.	Inspected the company records to determine that a vendor management process is in place and requires signed contracts for vendors and includes (1) scope of services and product specifications, (2) roles and responsibilities, (3) compliance requirements, and (4) service levels where applicable.	No Exceptions Noted
CC9.2.3	A formal contract is executed between the Company and Third-Party Service Providers before the work is initiated. The agreement includes terms of confidentiality and responsibilities of both parties.	Inspected a sample of vendor contracts to determine that vendor's contracts are in place which includes terms of confidentiality and responsibilities of both parties.	No Exceptions Noted
CC9.2.4	All customer & vendor contracts have signed NDA.	Inspected signed NDA and vendor contracts for sample vendors to determine that they NDA is signed.	No Exceptions Noted
ADDITIONAL CRITERIA FOR AVAILABILITY			

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
A1.1	**The entity maintains, monitors, and evaluates current processing capacity and use of system components (infrastructure, data, and software) to manage capacity demand and to enable the implementation of additional capacity to help meet its objectives.**		
A1.1.1	A monitoring system is utilized to monitor system performance and operations, including unusual activities, system uptime, system processing, CPU usage, and memory storage.	Inspected the CloudWatch dashboard to determine that a monitoring system is utilized to monitor system performance and operations, including unusual activities, system uptime, system processing, CPU usage, and memory storage.	No Exceptions Noted
A1.1.2	Load balancing is enforced to distribute network traffic across multiple infrastructure resources within the cloud IT environment.	Inspected the evidence to determine that load balancing is enforced to distribute network traffic across multiple infrastructure resources within the cloud IT environment.	No Exceptions Noted
A1.1.3	Auto-scaling is enforced within the cloud IT environment to automatically scale infrastructure resources to support network workload and facilitate continued operations.	Inspected the company records to determine that auto-scaling is enforced within the cloud IT environment to automatically scale infrastructure resources to support network workload and facilitate continued operations.	No Exceptions Noted
A1.1.4	Processing capacity for cloud infrastructure is monitored on an ongoing basis.	Inspected dashboard of CloudWatch settings to determine that alerts & thresholds have been setup for abnormal conditions such as low CPU utilization, network outage, free storage, etc.	No Exceptions Noted
A1.2	**The entity authorizes, designs, develops, or acquires, implements, operates, approves, maintains, and monitors environmental protections, software, data backup, and recovery infrastructure to meet its objectives.**		
A1.2.1	Environmental controls have been installed to protect the perimeter area. CCTV are installed at key points for surveillance. Devices are checked on a periodic basis.	Observed environmental conteols like fire extinguishers across all office premises that are in working condition and CCTV are installed at key points.	No Exceptions Noted

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
A1.2.2	A Fire drill is conducted annually.	Inspected the fire drill report and verified that there were no exceptions noted.	No Exceptions Noted
A1.2.3	Uninterruptible Power Supply devices are in place to secure critical IT equipment against power failures and fluctuations.	Observed the UPS installed at the premises to determine that they are in good working condition.	No Exceptions Noted
A1.2.4	Organization has multiple ISPs in place to provide redundancy in case of link failure	Inspected the network diagram to determine that the company has multiple ISPs in place.	No Exceptions Noted
A1.2.5	Incremental and full backup procedures are performed on production databases, on a daily basis to store duplicate copies of data for system availability and data restoration in the event of a business disruption or security incident.	Inspected the evidence to to determine that incremental and full backup procedures are performed on production databases, on a daily basis to store duplicate copies of data for system availability and data restoration in the event of a business disruption or security incident.	No Exceptions Noted
A1.2.6	The CarbonMinus platform is implemented in a high-availability configuration which uses multiple, redundant availability zones and is based on the good practice guidelines set by the cloud provider.	Inspected the AWS server and database configurations to determine that the AWS platform was implemented in a high-availability configuration which used multiple, redundant availability zones based on the good practice guidelines set by AWS.	No Exceptions Noted
A1.3	**The entity tests recovery plan procedures supporting system recovery to meet its objectives.**		

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
A1.3.1	Management performs annual testing of the Business Continuity and Disaster Recovery (BCDR) plan to evaluate the effectiveness of its defined procedures. Issues identified during testing procedures are investigated and remediated to remediate identified issues.	Inspected the evidence to determine that management performs annual testing of the Business Continuity and Disaster Recovery (BCDR) plan to evaluate the effectiveness of its defined procedures. Issues identified during testing procedures are investigated and remediated to remediate identified issues.	No Exceptions Noted
A1.3.2	Business continuity plans, including restoration of backups, are tested at least annually.	Inspected backup restoration test report to determine that restoration tests are conducted at least annually.	No Exceptions Noted
ADDITIONAL CRITERIA FOR CONFIDENTIALITY			
C1.1	**The entity identifies and maintains confidential information to meet the entity's objectives related to confidentiality.**		
C1.1.1	Management has established a Data Retention and Disposal Policy to define procedures for the appropriate retention, disclosure, and disposal of sensitive, confidential, and personal information	Inspected the evidence to determine that management has established a Data Retention and Disposal Policy to define procedures for the appropriate retention, disclosure, and disposal of sensitive, confidential, and personal information.	No Exceptions Noted
C1.2	**The entity disposes of confidential information to meet the entity's objectives related to confidentiality.**		
C1.2.1	Management has established a Data Retention and Disposal Policy to define procedures for the appropriate retention, disclosure, and disposal of sensitive, confidential, and personal information.	Inspected the evidence to determine that management has established a Data Retention and Disposal Policy to define procedures for the appropriate retention, disclosure, and disposal of sensitive, confidential, and personal information.	No Exceptions Noted

Control #	Control Activity Specified by the Service Organization	Test Procedures Applied by the Service Auditor	Test Results
C1.2.2	CarbonMinus securely deletes Customer Data upon termination of services.	Inspected the evidence to determine that CarbonMinus securely deletes Customer Data upon termination of services as per the contractual requirements.	No Exceptions Noted

SECTION 5

OTHER INFORMATION PROVIDED BY CARBONMINUS

Other Information Provided by CarbonMinus

The information provided in this section is provided for informational purposes only by CarbonMinus. Independent Auditor has performed no audit procedures in this section.

Disaster and Recovery Services

The AICPA has published guidance indicating that business continuity planning, which includes disaster recovery, is a concept that addresses how an organization mitigates future risks as opposed to actual controls that provide user auditors with a level of comfort surrounding the processing of transactions.

In addition to the physical controls, CarbonMinus has implemented logical controls to safeguard against interruption of service. CarbonMinus has developed a number of procedures that provide for the continuity of operations in the event of an availability zone failure by spinning up multiple servers across all availability zones.

The disaster recovery plan defines the roles and responsibilities and identifies the critical IT application programs, operating systems, personnel, data files, and time frames needed to ensure high availability and system reliability based on a business impact analysis.

Signature Certificate

Reference number: DVAAJ-VITQT-ZFTEU-Q6RXV

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Email: vikram@carbonminus.com		
Sent:	30 Aug 2024 10:55:42 UTC	
Viewed:	30 Aug 2024 11:59:09 UTC	
Signed:	30 Aug 2024 12:04:36 UTC	
Recipient Verification:		
✔Email verified	30 Aug 2024 11:59:09 UTC	

IP address: 106.196.21.133
Location: Bengaluru, India

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