

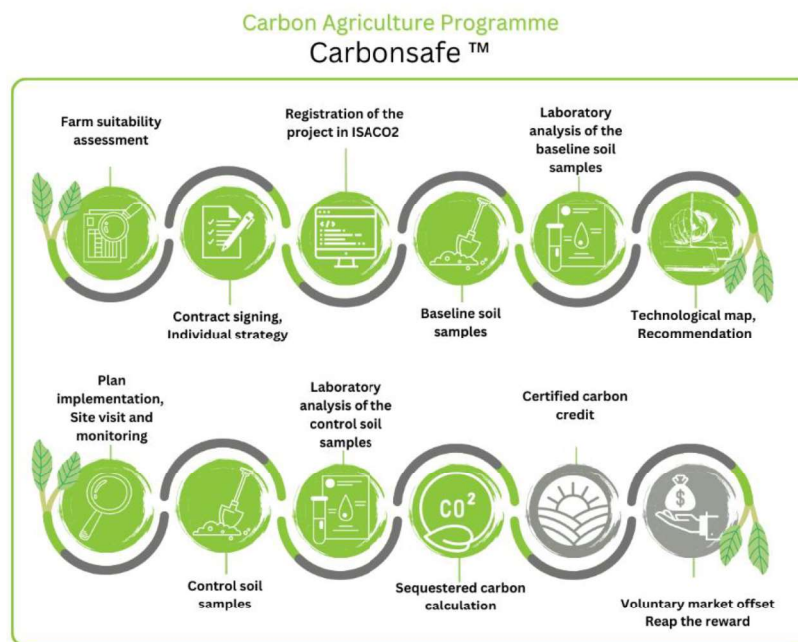
GUIDELINES FOR CARBONSAFE APPLICATIONS IN THE AGRICULTURAL SECTOR

CONTENT

1. PROGRAM	2
2. PROJECT	2
3. CODE NAMES	2
4. ELIGIBLE CANDIDATES	3
5. OPERATORS	3
6. CONTROLLING ORGANIZATION OF PROJECTS AND PROGRAMS	3
7. TERRITORIAL SCOPE	4
8. ORDER OF APPLICATION	4
9. ORDER OF PROJECT IMPLEMENTATION, OBLIGATIONS AND RESPONSIBILITIES OF THE AGRICULTURAL HOLDING	5
10. PROHIBITED ACTIVITIES	5
11. OBLIGATIONS AND RESPONSIBILITIES OF THE PROGRAM	5
12. ADDITIONAL INFORMATION	5
13. APPENDICES DOCUMENTATION	6
14. ORGANIZATION CHART	7

1. PROGRAM

The CARBONSAFE program is based on a methodology for improving and reporting the level of carbon sequestered in the soil in the agricultural sector. The reporting method is carried out by taking georeferenced soil samples and their examination through laboratory tests. Carbon credit certificates are issued for test results that meet the conditions. The certificates are traded on a voluntary market and/or the own pollution from the activity is zeroed out.



2. PROJECT

The current Methodology of the CARBONSAFE program is implemented in one project "Bulgaria" - BG, which is divided into 6 project areas on a territorial basis - Planning areas according to "NUTS II codes". A project has a duration of at least 5 business years. Project No. 1 starts from 01.10.2022 of the first year and ends on 30.09.2027 of the fifth year. All candidates who are registered during this period are included in the corresponding 5-year period 23/27. In case there are applicants who are already registered but wish to join with new areas and/or there are new applicants in the period 01.10.2023, they will join project No. 2 24/28 with an implementation period of 01.10.2023/30.09.2028 The following projects are formed according to the same scheme.

3. CODE NAMES

The present Methodology groups the participants in one project on a territorial basis, based on the legal basis for the use of agricultural land. Each Operator is a registered agricultural producer

and applies the Methodology for a minimum of 5 years for the same areas/plots, for which purpose it is allocated in a project area. It is permissible for one Operator to participate in several project areas. The identification of each individual participant is created by an algorithm as follows: <CSBG-42SC-23/27-AGRI-0001> where – CS - is the name of the program, BG is the name of the project, 42SC - is an abbreviation of the planning area – 23/27 – is the relevant five-year monitoring period - AGRI – is the Program implementation sector – 0001 – is another operator/participant in the project.

4. ELIGIBLE CANDIDATES

All registered agricultural producers in the sectors Plant breeding and combined - Plant breeding with Livestock, who meet the following criteria:

Eligible areas for participation

Minimum area 2000 decares and cell/plot size from 40 decares to 250 decares for Group I crops:

- - cereal crops.
- - cereal and leguminous crops.
- - root and tuber crops.
- - oil crops.
- - fibrous crops.
- - taste cultures.
- - fodder crops.

Minimum area 500 decares and cell/plot size from 40 decares to 250 decares for Group II crops:

- - essential oil crops.
- - vegetable crops.
- - decorative plants.
- - fruit crops.
- - vineyards.



The applicant must meet at least one of the above area eligibility criteria.

Minimum term for participation in the program - 5 years, and the project should be implemented on the same land.

Shape files are required for the areas that will participate in the program.

5. OPERATORS

Participants who are registered Farmers according to Ordinance No. 3 of January 29, 1999, for the creation and maintenance of a register of farmers and are Legal Entities and/or Individuals and develop their activities in the sectors of Plant Breeding and combined Plant Breeding with Livestock Breeding. Agricultural holdings must carry out their activities on the territory of the Republic of Bulgaria.

The methodology is not applicable to Agricultural holdings from the Livestock sector that do not cultivate agricultural land.

6. CONTROLLING ORGANIZATION OF PROJECTS AND PROGRAMS

The activity of controlling, monitoring, and reporting the projects and programs is carried out by "CARBONSAFE" OOD, in its capacity as the owner of the Methodology.

"CARBONSAFE" Ltd. is a legal entity with an economic purpose for private benefit, registered in the Commercial Register at the Registration Agency of the Republic of Bulgaria. No parts, as well

as the entire Methodology, can be used by third parties without the express knowledge of "CARBONSAFE" OOD, as its owner.

"CARBONSAFE" Ltd. is a private organization and is not tied to any state institutions and/or political organizations.

7. TERRITORIAL SCOPE

The program is applied to areas in the land use system on the territory of the Republic of Bulgaria.

8. ORDER OF APPLICATION

Any farmer who wishes to participate in the program needs to send an inquiry by e-mail. An authorized employee of "Carbonsafe" OOD will send a reply with an attached application for participation and additional information. After filling it out, the farmer returns the application in one with the Registration Name of a Legal Entity/Natural Person; UIN/Bulstat; Address; MRP (Materially responsible person); E-mail address for logging into the system; Contact person and phone number; Current documents for the re-registration of an agricultural producer - a green card and a survey map for the areas and a table with the plots and maps from SFA (State fund agriculture) EMS (Electronic management system) /ISAC (Integrated system for administration and control); Inventory of used agricultural equipment and inventory; Shape files of the areas.

Authorized employees review the received documents and prepare an assessment of the farm's suitability. In the event of a positive evaluation, a price proposal and participation contract will be sent. If the assessment is negative, a prescription for adaptation is drawn up. After removing the objections, one can apply again.

After signing a contract, an Operator profile is created in a specialized web-based software, from which the farmer has the right to track project activities on his farm. All activities under the program are tailored to the agrotechnical requirements of the crops grown on the farm. A qualified agronomist prepares an Individual Management Strategy for the areas participating in the program.

For the implementation of a project under the carbon farming program, activities are carried out in the following sequence - individual area management strategy, georeferenced automated soil sampling, laboratory testing of soil samples, agronomic recommendation. The first year of the project is called the base year, and the rest the control year. The listed activities are repeated annually to measure the sequestered carbon in the soil.

Sampling is carried out by an authorized employee, according to a predetermined schedule according to weather conditions and crop development. Samples are carried out with one drilling stitch at three depths 0-30, 30-60 and 60-90 cm, considering the requirement of not less than 25 separate stitches in one cell. A sampling cell cannot exceed 25 ha (3% tolerance allowed). After the completion of the sampling, the Operator receives a protocol for the performed sampling as an e-mail attachment.

Laboratory tests are performed in a specialized laboratory. Soil tests are for micro (Cu, Mn, Zn, B, Fe, Mo, Na) and macro (K, Ca, N, Mg, P, S) elements at 0-30 cm and 30-60 cm (for permanent plantations) and organic carbon content in three depths 0-30, 30-60 and 60-90 cm.

After receiving the results from the laboratory, an Agronomic Recommendation is prepared for the optimization of soil improvers and the fight against diseases and enemies.

The goal is to implement good and proven agricultural practices that:

- - contribute to improving soil health.
- - contribute to increasing the amount of captured carbon and its sustainable storage in the soil.
- - contribute to increasing the yield of cultivated crops.

- - contribute to optimizing the production costs of agricultural producers.

RECOMMENDED PRACTICES FOR PROJECT PARTICIPATION	
<ul style="list-style-type: none"> <input type="checkbox"/> 1. Conservation without tillage. <input type="checkbox"/> 2. Treatment of beds. <input type="checkbox"/> 3. Minimal treatments. <input type="checkbox"/> 4. Biological agriculture. <input type="checkbox"/> 5. Integrated production. <input type="checkbox"/> 6. Precision agriculture. <input type="checkbox"/> 7. Diversification of crops. <input type="checkbox"/> 8. Fertilization with microbial fertilizers. <input type="checkbox"/> 9. Green fertilization (Sideration). <input type="checkbox"/> 10. Cultivation of nitrogen-fixing crops. <input type="checkbox"/> 11. Mulching treatment. 	<ul style="list-style-type: none"> <input type="checkbox"/> 12. Use of organic/natural pesticides. <input type="checkbox"/> 13. Stripes tillage. <input type="checkbox"/> 14. Pasture and/or Crop rotation and crop rotation management. <input type="checkbox"/> 15. Grass weeding of the rows in perennial crops and vineyards. <input type="checkbox"/> 16. Joint cultivation of more than one agricultural crop. <input type="checkbox"/> 17. Implementation of agricultural belts. <input type="checkbox"/> 18. Improvement measures in permanently grassed areas.

9. ORDER OF PROJECT IMPLEMENTATION, OBLIGATIONS AND RESPONSIBILITIES OF THE AGRICULTURAL HOLDING

Every year, the farmer - Operator under the program applies for annual re-registration. The annual re-registration serves to update the information regarding the development of the surveyed plots in the farm. The operator also fills out a technological map according to the model for the agrotechnical activities carried out on the surveyed plots.

To comply with the prescriptions in the individual strategy.

To allow, after prior notification, authorized employees to carry out monitoring of the parcels included in the program, as well as audit missions of external auditing companies that are a "third party" in the certification process.

Within 10 days, the Operator is obliged to inform in writing about any force majeure event that has occurred on the plots that are included in the program. A document issued by the relevant institution must be presented for the event.

10. PROHIBITED ACTIVITIES

Deliberate flooding, burning (including stubble burning), plowing and any other action that would cause carbon dioxide to leak back into the atmosphere.

Unregulated introduction of soil improvers - fertilizers and plant protection preparations, as well as any other activities that are not agreed with authorized representatives of Carbonsafe Ltd, and which may hinder the implementation to achieve an optimal result under the Program.

11. OBLIGATIONS AND RESPONSIBILITIES OF THE PROGRAM

To carry out the activities of the program precisely and impartially. To issue documents with reliable results based on facts. To control and report the set parameters in the projects. To assist in the implementation of good agricultural practices to improve the activity in the agricultural holding.

12. ADDITIONAL INFORMATION

Every year, after reporting the results of the soil samples and with a positive result, an international audit mission is initiated to validate the project and verify the issuance of carbon

credit certificates. The certificates are issued in the name of the Operator participating in the project. A 5% buffer is deducted from the amount of issued certificates to guarantee the permanence and sustainability of the projects, also serving as insurance against force majeure events. It acts as a guarantee fund that covers all risks of possible leaks (returning carbon dioxide back into the atmosphere).

13. APPENDICES DOCUMENTATION

Application for CARBONSAFE certification.

Annual re-registration CARBONSAFE.

Technology map.



14. ORGANIZATION CHART

Basic requirements for participation in Carbonsafe™ Carbon Farming Programme



Location

Your farm is located on the territory of the Republic of Bulgaria and you are a registered PE, according to ORDER No. 3 OF JANUARY 29, 1999 ON CREATING AND MAINTAINING A REGISTER OF FARMERS



Farm area

Minimum total area requirements of 2000 decares for cereals/ technical/ fodder crops/ fallow areas/ perennial medicinal and aromatic crops and/or 500 decares for perennial crops



Plot area

Plots with a minimum area of 40 decares/crop are considered eligible



Legal grounds

Minimum term for participation in the program - 5 years, and the project should be implemented on the same land



Opportunities to use new production practices

You have not yet implemented some of the good agricultural practices, in line with regenerative/conservation agriculture and others



Farm type

Your farm is crop-growing or mixed - crop-growing and animal-growing