



ORMEX

STANDARD PRINCIPLES AND REQUIREMENTS



ORMEX

18 bis, rue d'Anjou 75008 Paris, France

SAS, RCS PARIS: 888 173 218

TVA number: FR88888173218

contact@ormex.org – www.ormex.io

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LIST OF ACRONYMS

Acronyms	Definitions
AFOLU	Agriculture, Forestry and Other Land Use
CDM	Clean Development Mechanism
FAO	Food and Agriculture Organization
GHG	Greenhouse Gases
IAF	International Accreditation Forum
IPCC	Intergovernmental Panel on Climate Change
IPLC	Indigenous Peoples and Local communities
NDC	Nationally Determined Contributions
PDD	Project Design Description
SDGs	Sustainability Development Goals
UN	United Nations
UNFCCC	United Nations Framework Convention on Climate Change
V-ACORs	Verified Agriculture Carbon Offset Registered
VVB	Validation and Verification Body

In this document:

- ✓ The verbs “shall” and “must” are used to express mandatory commitments or obligations the Project must comply with.
- ✓ The verb “should” is used to indicate a recognized means of meeting the requirements and obligations of ORMEX STANDARD, most of the time referring to the usual best practices. In some circumstances, it can also express a best effort obligation, meaning that the Project can meet the requirements or obligations in an equivalent way, but still in connection with ORMEX STANDARD principles, Selected Methodology, VCM practices and professional behaviors that it would have to demonstrate.
- ✓ -The verb “may” is used to express that the means of implementation of the requirements or obligations is left up to the Project to decide, with no recommendation coming from ORMEX STANDARD. In some circumstances, it can also

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express no commitment or obligation, but a possibility to do so left up to the Project Holders' sole discretion.

This document was prepared with the assistance of the ORMEX STANDARD ADVISORY COMMITTEE, including scientific advisory members. It has been reviewed by a panel of experts and a carbon auditor who have contributed corrections and improvements. We would like to extend our warmest thanks to all of them for their involvement and for the wealth of their contributions.

LIST OF REFERENCED DOCUMENTS

This document is established in relation with ORMEX PROGRAM's other documents as listed hereabove.

Document Id	Title
ORM/OPR/GLO	ORMEX GLOSSARY
ORM/ORP/PROG	ORMEX PROGRAM
SEC/VVB/RQT	VALIDATION & VERIFICATION BODIES REQUIREMENTS
SEC/OST/AM	ADDITIONALITY METHODOLOGY
ORM/ORP/GTCUS-PH	GENERAL TERMS AND CONDITIONS OF USE OF THE ORMEX STANDARD REGISTRY PLATFORM AND SALES OF ASSOCIATED SERVICES -Project Holder

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INTRODUCTION

ORMEX STANDARD is a globally recognized standard on the voluntary carbon market for the certification of projects that through the implementation of regenerative practices in the agricultural sector aim to reduce GHGs emissions, naturally store carbon in the soils and contribute to the improvement of sustainable development objectives through a holistic approach that grouped the implementation of regenerative practices in the agricultural sector of *Agriculture, Forestry and Other Land Use* ("AFOLU")¹, and the contribution to the improvement of *Sustainable Development Goals* ("SDGs") according to the UN's 2030 Agenda².

Faced with the challenges of climate change and associated consequences that threaten food security, it is time to take account of the multifunctional role of agriculture.

While it is estimated that AFOLU practices worldwide are responsible for around 22% of the global GHG emissions³, it is recognized by international bodies that climate action from the agricultural sectors can influence and transform the fight against climate change⁴, and can be a driving force in achieving the UN's 2030 Agenda for sustainable development and its SDGs⁵.

In this battle, Agroecology, through its holistic and integrated approach can contribute to a transition towards ecologically sustainable, economically just, viable and socially equitable food and farming systems⁶. Agroecology with its aim to categorises "agroecosystems" intends to improve territorial dynamics and cooperation among various sciences domain (agronomic, environmental and social) in order to constitute a source of innovations for the re-construction of such agroecosystem⁷. It is based on the involvement of various stakeholders and the recognition of interdependent processes specific to a given scale. In

¹ **IPCC 2019. 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories**, Calvo Buendia, E., Tanabe, K., Kranjc, A., Baasansuren, J., Fukuda, M., Ngarize S., Osako, A., Pyrozhenko, Y., Shermanau, P. and Federici, S. (eds). Published: IPCC, Switzerland. Volume 4 dedicated to Agriculture, Forestry and Other Land Use. Publications - Publications - IPCC-TFI (iges.or.jp)

² **UN**, Transforming our world: the 2030 Agenda for Sustainable Development, Resolution adopted by the General Assembly on 25 September 2015, and the seventeen (17) objectives, [Agenda for Sustainable Development web.pdf](http://www.un.org/sustainabledevelopment/) (un.org).

³ **IPCC AR6 SYN**, Synthesis Report of the IPCC Sixth Assessment Report (AR6) Summary for Policymakers, 2023, [IPCC_AR6_SYR_SPM.pdf](https://www.ipcc.ch/report/ar6/syn/)

⁴ **IPCC, 2019**, Climate change and land. An IPCC special report on climate change, desertification, land degradation, sustainable land management, food security and greenhouse gas fluxes in terrestrial ecosystems. Summary for policy makers. 43 p. *Special Report on Climate Change and Land – IPCC site*

⁵ **Crumpler, K.**, Bloise M., Meybeck A., Salvatore M., Bernoux M., 2019B, Linking nationally determined contributions and the sustainable development goals through agriculture: a methodological framework. Rome, FAO.

⁶ **FAO**, Overview | Agroecology Knowledge Hub | Food and Agriculture Organization of the United Nations (fao.org)

⁷ **Gliessman, S.R. 2007**. Agroecology: the ecology of sustainable food systems. 2nd Edition. Boca Raton, USA, CRC Press. 384 pp, Tomich et al., 2011).

other hand, agriculture models are recognized and under evolution, like organic agriculture, biodynamic agriculture/farming, climate-smart agriculture, sustainable intensification, conservation agriculture, zero-carbon agriculture, permaculture, holistic resource management, soil conservation agriculture, nature base solution, agroforestry or regenerative agriculture⁸. All these practices and models overlap, depending on various level of actions, benefits interests related to the ecosystem scale analyzed (soil, plantations, plots, farms, landscape, ...) and/or diversity of the ecosystem objectives sought.

ORMEX STANDARD intention is that all these agriculture improvement practices and/or models can be eligible to a dedicated VCM standard. To achieve this, the ORMEX STANDARD proposes various levels of combination of practices (specifically designated as "Regenerative activities"), as well as different levels of project scope and choice on ecosystemic objectives.

Consequently, by implementing the ORMEX STANDARD, ORMEX aims to offer a dedicated VCM standard with a high-quality Project Certification and related Verification of Carbon Credits for Projects acting on:

- ✓ the implementation of Regenerative Activities included into the ecosystem concept of Agroecology⁹ and leading to a Reduction or Removal of GHG (designated hereafter of "Carbon Positive Impact"), and
- ✓ The monitoring of High-integrity Environmental, Biodiversity and Social co-benefits as part of UN's 2030 Agenda, ("SDGs Positive Impacts").

ORMEX STANDARD complies with the IPCC methods (IPCC. 2019)¹⁰. and is aligned¹¹ with most of the requirements of the International Carbon Reduction and Offset Alliance (ICROA)¹² and the *Integrity Council for the Voluntary Carbon Market (IC-VCM)*¹³.

The Definitions of the ORMEX STANDARD is under the roles and responsibilities of the STANDARD EXECUTIVE COMMITTEE of ORMEX according to the ORMEX STANDARD 's Governance rules set out in the ORMEX PROGRAM.

As set out in the ORMEX PROGRAM, this document was submitted to a prior advisory consultation of the STANDARD ADVISORY COMMITTEE before its final version 1.2 edition, and it will be submitted to a public consultation for fifteen (15) days in accordance with ORMEX

⁸ **4 per 1000**, Scientific and Technical Committee – STC Soil carbon notes – Towards a definition of Regenerative agriculture, 10/2021

⁹ **FAO, 2018**. The 10 elements of Agroecology guiding the transition of sustainable food and agricultural system, published FAO, 1-15p, [The 10 elements of agroecology \(fao.org\)](#)

¹⁰ **IPCC 2019, 2019 Refinement to the 2006**, Op. Cit.

¹¹ ORMEX is not endorsed nor elected to those international standard certifications yet

¹² **ICROA**- International Carbon Reduction and Offsetting Accreditation, (version 2.0 March 2023). ICROA Code of best Practice, [ICROA Code Best Practice v2.1 04072023.pdf](#)

¹³ **IC-VCM** -Integrity Council for the Voluntary Carbon Market, (July 2023). **Section 2**, Core Carbon Principles, , 1-19. [CCP-Section-2-R2-FINAL-26Jul23.pdf \(icvcm.org\)](#)

STANDARD's open dialogue principles.

1 PURPOSE

The ORMEX STANDARD is defined for certifying Projects and issuing verified High-Quality Carbon Credits named V-ACORs identified as Real, Measurable, Permanent, Independently Verified, Additional and Unique, in line with strong requirements on:

- ✓ ORMEX Standard principles and Project Eligibility, ([Section 7](#))
- ✓ Project Design, including, the estimation of Carbon Positive Impact, the approval of Methodology, the High-Integrity Environment, Biodiversity and Social Objectives, and the safeguard and risks managements ([Section 8](#))
- ✓ Organization of the Project implementation, and the Monitoring and Reporting process to be applied by the Project Holder for the Project Timeline ([Section 9](#)),
- ✓ Validation and Verification Phase, performed by an independent third-party assessor (VVB), with a high level of expertise in audit regenerative farm land activities and Removal and Reduction GHG statements in agricultural sector ([Section 10](#)).

The ORMEX STANDARD is applicable to Projects already started at the date of the creation of the Project in the ORMEX Platform (Past-Started Project) or Projects with a start date in near future (Future Projects).

This ORMEX STANDARD PRINCIPLES AND REQUIREMENTS defines the eligibility criteria for the Project to be Certified by the ORMEX STANDARD and the conditions the Project has to comply with for being authorized to issue Verified Carbon Credits (V-ACORs) on the ORMEX PUBLIC REGISTRY.

2 DEFINITIONS

With regard to the definitions and the drafting rule of this document, the following applies:

- ✓ All terms with a capital used in this document have their meanings set out in the PROGRAM GLOSSARY
- ✓ References to articles, sections, and appendices are, unless otherwise provided, references to the articles, sections, and appendices to this document.
- ✓ Terms in "*italics*" are citations.

- ✓ Terms in CAPITAL refer to a document of the ORMEX Program, and the references of the relevant sections of this document are specified. If the document concerned is not specified, the section reference refers to a section of the Methodology.

In addition, in this document:

- ✓ The verbs “shall” and “must” are used to express mandatory commitments or obligations the Project must comply with.
- ✓ The verb “should” is used to indicate a recognized means of meeting the requirements and obligations of the ORMEX STANDARD, most of the time referring to the usual best practices pursuant to the VCM practices. In some circumstances, it can also express a best effort obligation, meaning that the Project can meet the requirements or obligations in an equivalent way, but still in connection with ORMEX STANDARD principles, VCM practices and professional behaviors that it would have to demonstrate.
- ✓ The verb “may” is used to express that the means of implementation of the requirements or obligations is left up to the Project to decide, with no recommendation coming from ORMEX STANDARD. In some circumstances, it can also express no commitment or obligation, but a possibility to do so left up to the Project Holders’ sole discretion.

3 ORMEX STANDARD DOCUMENTATION

The ORMEX STANDARD is established in accordance with the ORMEX PROGRAM ‘s principles and consists of the following documents and any document referred to in these documents, as amended from time to time at ORMEX STANDARD’s sole discretion, as listed below:

- a) This document
- b) The ADDITIONALITY METHODOLOGY
- c) The VALIDATION & VERIFICATION BODIES REQUIREMENTS
- d) The ORMEX GLOSSARY

The ORMEX STANDARD and its associated documents are supplemented as necessary and when available by various guidance documents, or other procedural documents and templates.

Access to all documentation associated with ORMEX STANDARD is publicly available and can be downloaded at www.ormex.io .

This document is updated periodically in accordance with the documentation management outline in the ORMEX PROGRAM. The Project Holder is advised to ensure that it uses the latest version accessible on the ORMEX website.

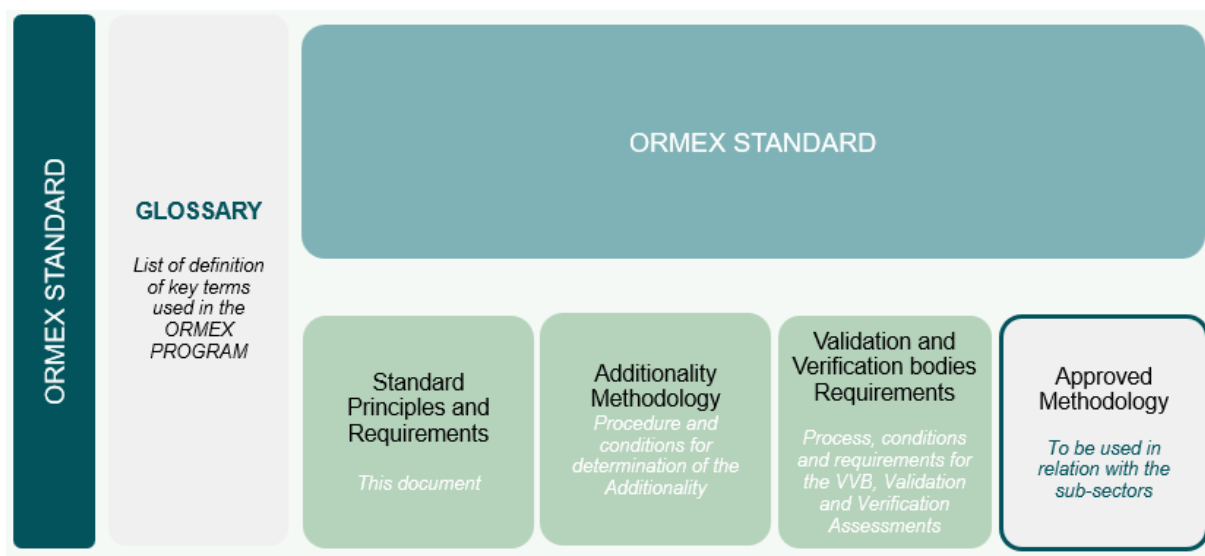
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4 ORMEX STANDARD PHASES OVERVIEW

The purpose of this Section is to clarify the subsequent stages of the ORMEX STANDARD and specify the timeline conditions of Past-Started Projects and Future Projects.

4.1 Phases Overview

4.1.1 General overview

The ORMEX STANDARD REGISTRY PLATFORM (“the Platform”), accessible at www.ormex.app, assists the Project Holder to prepare and pass the various phases of the ORMEX STANDARD as stated in this document, to reach efficiency and avoid high costs and long administrative timelines.

To get a Project certified and issue V-ACORs under ORMEX STANDARD, the Project Holder shall follow the structured steps and shall comply with a strict and rigorous assessment process as set out in this document.

The successive phases (Figure 1) for getting the ORMEX PROJECT CERTIFICATION are le following:

- ✓ Onboarding Phase (Section 4.2)
- ✓ Project Creation Phase (Section 4.3)
- ✓ Project Design Phase (Section 4.4)
- ✓ VVB Validation Phase (Section 4.5)
- ✓ Ormex Certification Phase (Section 4.6)

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The successive steps (Figure 2) for getting ORMEX VERIFIED CARBON CREDITS CERTIFICATE are the following:

- ✓ Verification Phase (Section 4.7)
- ✓ Ormex Verified Carbon Credits Certificate (Section 4.8)

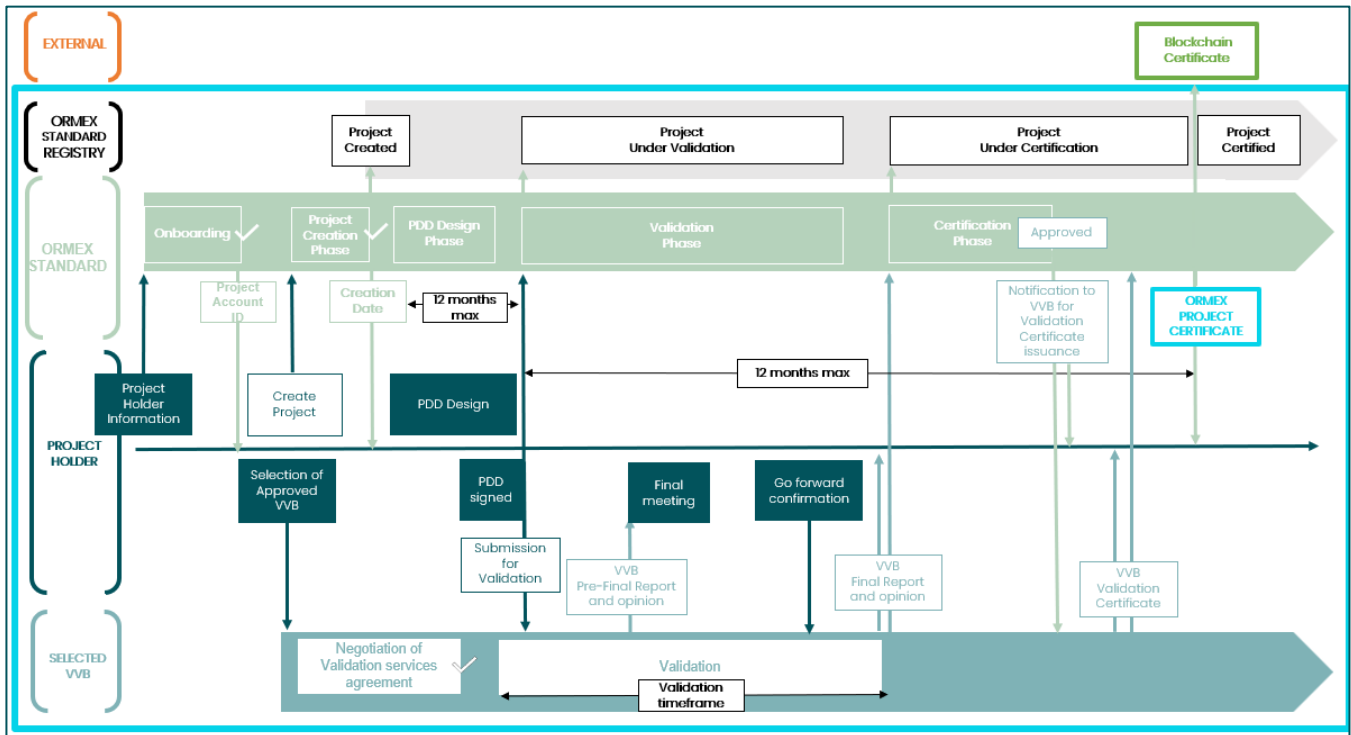


Figure 1 – Phases for Certification
 Applicable to Past-Started Project and Future Project (without time scales respected on the Figure)

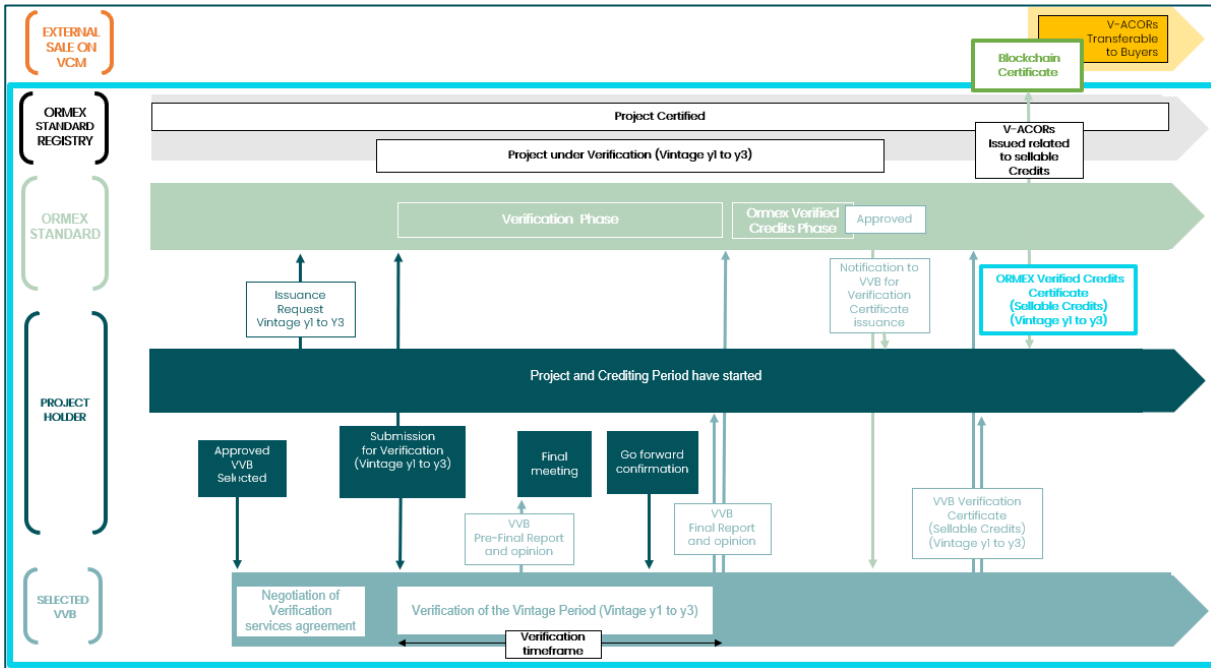


Figure 2 - Verification and Issuance associated to Vintages y1 to y3 (example).
 Same applied subsequently for following Vintages - the Project is ingoing and Crediting Period has started

4.2 Onboarding Phase

For going through all the ORMEX STANDARD Phases, the Project Holder must be first registered on the Platform in order to obtain its Project Holder Account ID and have the possibility to go forward with the following major Phase which is the Project Certification Phase.

To finalize the Onboarding Phase and obtain the Project Holder Account ID, the Project Holder has to complete the information boxes as requested by the Platform.

ORMEX may, at its sole discretion, refuse to open a Project Holder Account ID, if it appears that the information provided is inconsistent, imprecise, erroneous, or fails to comply with its obligation as per the GTCUS-PH.

Once the Project Holder has received its Project Holder Account ID it may initiate its entrance into the Project Creation Phase according to the GENERAL TERMS AND CONDITIONS OF USE OF THE ORMEX STANDARD REGISTRY PLATFORM (GTCUS-PH). The GTCUS-PH must previously be signed before being authorized to enter into the Project Creation Phase.

With the dedicated Account ID, the Project Holder organization has access to the functionalities offered by the Platform that are required to complete the Project Creation Phase.

4.3 Project Creation Phase

4.3.1 Purpose and process description

The purpose of this phase is to give the Project Holder the ability to provide general information on the purpose and scope of the planned Project in order to determine its suitability for the Certification procedure (such as Project scope, Project Surface, segmentation, Regenerative Activities, location, choice of Ecosystemic Objectives, and related SDGs).

The Project Creation Phase mainly includes the provision of the information required to:

- ✓ carry out the identification of the Stakeholders (Section 6), AND
- ✓ To acknowledge that the Project falls within AFOLU and subsectors as stated in Section 7.1 of the ORMEX STANDARD.

The Project Holder is invited to complete the fields requested by the Platform by filing the relevant information. Certain fields, corresponding to eligibility requirements for Projects, are predefined without any possibility of variation. This implies that the Project must comply with the related requirements.

It is specified that the Project Holder must ensure that it is able to provide the documentation required to justify the information declared during the Project Design Phase (Section 4.4).

Once the Project Holder considers that it has communicated all the required information, it may initiate the review by ORMEX STANDARD of the information transmitted using the "Create Project" button available on its dedicated dashboard.

Following the review done by ORMEX STANDARD, the Project Holder may receive a positive answer by email indicating successful Project Creation and confirmation of the Project Creation Date. This notification ends the Project Creation Phase and enables the Project Holder to progress to the Project Design Phase (Section 4.4).

ORMEX STANDARD may, at its sole discretion, refuse a Project Creation if it appears that the information provided is not consistent, is imprecise, erroneous, or the Project Holder does not meet the ORMEX STANDARD's AFOLU and Subsectors eligibility conditions. The Creation of the Project can also be rejected if the Project Holder does not comply with the conditions set out in GTCUS-PH.

4.3.2 Timeframe

The submission for the Creation Phase through the "Create Project" button can be done and submitted at any time, with no time limit. Nevertheless, ORMEX STANDARD may contact the Project Holder to get information for the Project status and concerns.

4.4 Project Design Phase

4.4.1 Purpose and process description

This Phase is related to the Project Design and the drafting of the related PDD.

The Platform assists the Project Holder in carrying out the Project Design Phase that it must conduct under the ORMEX STANDARD. Certification of the Project requires a precise description of the assumptions made for the design of the Project (such as Baseline Scenario, Additionality, Total Estimated Carbon Quantification). The description of the various Project assumptions requires the preparation of a document, including its appendices, known as the Project Design Description (or PDD), which will be used by the third-party independent auditor (VVB) to carry out the Validation with a view to Certification.

The functionalities of the Platform enable the Project Holders to describe their Projects via their dedicated space by proposing that they complete the fields required to draw up the PDD.

The fields to be completed proposed by the Platform follow the main information to be provided by the Project Holder in this type of document.

Without any undertaking of compliance with the ORMEX STANDARD or giving rise to any liability whatsoever on the part of ORMEX, the Platform offers assistance in understanding the requirements of the ORMEX STANDARD and the selected of Methodology, the fields to be completed by the Project Holder in drawing up the PDD, and to attach the annexes required. The Project Holder must use the PDD TEMPLATE available.

The project description phase enables the Project Holder to be assisted in the following via its dedicated dashboard:

- ✓ To draw up a first draft of the PDD, up to a version that it considers satisfactory and final, by completing the various fields that it is asked to file with information it considers relevant in relation to the purpose.
- ✓ When it considers that it has the final version and ensures that the final PDD complies with all the requirements of the ORMEX STANDARD and the provisions of the Selected Methodology, it can validate it definitively. It can also submit the documents to be appended to the PDD.
- ✓ Choose from the Approved VVB for the Validation. The application provides access to the main information concerning Approved VVB. Only Independent Auditors approved by ORMEX STANDARD according to VALIDATION & VERIFICATION BODIES REQUIREMENTS, corresponding to the AFOLU and subsector as informed by the Project Holder during the Project Creation Phase, are proposed in order to avoid any selection error.

When the Project Holder considers that it has submitted all the documents required for the Project Design Phase with regard to the ORMEX STANDARD and the Selected Methodology, and that it has chosen an Approved VVB (becoming then the “Selected VVB”), it may decide

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to continue within the Certification process by entering into the Validation Phase specified in Section 4.5, using the “Submission for Validation”.

By clicking on the “Submission for Validation” button, all information and documents submitted with the Submission for Validation will be sent to the Selected VVB.

It is specified that:

- ✓ the Project Holder has the necessary information to enter into contact with the Selected VVB for the negotiation and the signature of a Validation Services Agreement.
- ✓ The Submission for Validation is simultaneously acknowledged by ORMEX STANDARD and it irrevocably commits the Project Holder to the related payment of ORMEX Services according to the GTCUS -I.
- ✓ By drawing up and signing the final PDD and associated documents, the Project Sponsor declares that it complies with the ORMEX STANDARD 's requirements and is capable of developing and respecting the implementation and monitoring conditions specified in the Selected Methodology, and undertakes to respect them for the duration of the Project.

4.4.2 Timeframe

To continue the Certification Phase, the Project Holder must initiate the Submission for Validation by using the appropriate button available on its dedicated dashboard.

The Submission for Validation has to be done within the 12 months following the Project Creation Date. Otherwise, the Project status is automatically changed to “on hold”.

The Project Holder is regularly informed by ORMEX STANDARD through appropriate notification on its dashboard or by email, about the remaining time.

The Project Holder is invited to contact ORMEX STANDARD as soon as possible for any occurrence that may delay the Submission for Validation timeframe. ORMEX STANDARD may decide to extend the submission's deadline, if deemed appropriate considering the Project situation, and if the Project Holder agrees on a firm submission date. Nevertheless, the extension time will not exceed 6 months.

If the Project Holder fails to comply with the submission's agreed firm date, or if the Submission for Validation does not occur after 24 months from the Project Creation Date, the Project is automatically changed to “Archived”. When the Project is designated as “Archived” the Project Holder must start a new Project Creation Phase.

4.5 VVB Validation Phase

4.5.1 Purpose and process description

The Validation is related to the Validation Assessment of the Project by the Selected VVB (“the Selected VVB”). This phase is a major step in the Project Certification process. The Project Design has to be assessed by the Selected VVB to determine its Compliance with (i) ORMEX STANDARD PRINCIPLES AND REQUIREMENTS and (ii) the Selected Methodology.

All conditions and requirements relating to Validation are stated in [Section 10](#), and in VALIDATION AND VERIFICATION BODY REQUIREMENTS.

The Project Holder’s dedicated dashboard gives access to functions enabling:

- ✓ The simultaneous receipt of the Final Opinion and Final Validation Report issued by the Selected VVB, in accordance with the procedure specified in the document VALIDATION AND VERIFICATION BODY REQUIREMENTS.

The Validation Phased ends at the notification of the VVB Validation Certificate.

4.5.2 Timeframe

4.5.2.1 Deadlines

Validation timeframe

The start date of the Validation services and timeframe has to be negotiated and agreed upon between the Selected VVB and the Project Holder. There is no timeframe imposed by ORMEX STANDARD for the completion of the Validation Phase by the Selected VVB (“Validation timeframe” – is the time starting from the date agreed in the Validation Services Agreement until the notification of the Final Validation Opinion and Report). Nevertheless, they have to take into consideration that it must be completed in an appropriate time for the Project Holder to comply with the deadline related to the ORMEX PROJECT CERTIFICATION

Considering the ORMEX PROJECT CERTIFICATION must be obtained within 12 months starting from the Submission of Validation ([Section 4.6.2.1](#)) ORMEX STANDARD suggests that the Project Holder and the Selected VVB may agree on a 9 month timeframe for the completion of the Validation, and enter into the Validation Services Agreement within 3 months following the Submission of Validation, as a maximum.

4.5.2.2 Extension of Time

If agreed between the Selected VVB and the Project Holder, they must request to ORMEX STANDARD an extension of time at any time during the Validation, according to [Section 4.6.2.2](#).

4.6 ORMEX Certification Phase

4.6.1 Purpose and Description

Following receipt of the VVB Final Opinion and Report, and subject to having received full payment for the related ORMEX services, ORMEX STANDARD carries out some oversights and notifies the Selected VVB of its opinion on the issuance of the VVB Validation Certificate.

If ORMEX STANDARD agrees on the Certification of the Project, the Selected VVB is notified by ORMEX PROGRAM (with copy to the Project Holder) about its right to issue the VVB Validation Certificate. When issued by the Selected VVB, the Project Holder receives a notice of information about the VVB Validation Certificate and the ORMEX PROJECT CERTIFICATION availability on its dashboard.

With ORMEX PROJECT CERTIFICATION, the Certification of the Project comes into effect, and it is granted the rights for the Project Holder to claim and attest publicly of the Certification of the related Project under the ORMEX STANDARD.

In the event of rejection, the Project Holder and the Selected VVB receives an email with information about this decision.

The ORMEX PROJECT CERTIFICATION, Final Validation Opinion, Final Validation Report, and VVB Validation Certificate are made publicly available through the ORMEX STANDARD REGISTRY via the link to the Project summary, and they are visible on the Project Holder's dedicated dashboard.

Following the Certification, the PDD is made publicly available through the ORMEX STANDARD REGISTRY by a dedicated link going to a Project's summary sheet, with the documents attached.

The Certification enables the Project Holder to initiate assessments of the performance of the Project (Verification Phases, [Section 4.5](#)) over subsequent given periods of time (Vintage Periods) within the Crediting Period ([Section 5](#)).

4.6.2 Timeframe

4.6.2.1 Deadlines

Submission for Validation

The Project Holder must obtain the ORMEX PROJECT CERTIFICATION within the 12 months following the Submission for Validation. Otherwise, the Project status is automatically changed to "on hold", and the Project Holder and the Selected VVB are contacted by ORMEX STANDARD to identify the concern preventing to the completion of the Validation and/or the necessity to grant an extension of time ([Section 4.6.2.2](#)).

For Past-Started Project ([Section 5.2](#)), the Project Holder must combine the Validation and Verification Phases, to be initiated within the 12 months following the Project Creation Date.

For Future Projects ([Section 5.3](#)), the Project Holder must start the Project within the 24 months following the Project Creation Date.

The Project Holder receives regular reminder notifications from the ORMEX STANDARD REGISTRY PLATFORM about the Validation Phase deadline.

4.6.2.2 Extension of time

ORMEX STANDARD may decide to extend this deadline, if deemed appropriate considering the Project situation, and if the Project Holder and the Selected VVB agree on an extension of time by reason of Modified Opinion or Adverse Opinion. The extension will not exceed 3 months.

If the Project Holder fails to comply with the agreed firm date or if the ORMEX STANDARD PROJECT CERTIFICATION is still not obtained after 24 months from the Submission for Validation, the Project is automatically changed to “Archived”. When the Project is designated as “Archived” the Project Holder must start a new Project Creation Phase.

To avoid such a situation, and decide about appropriate measures, the Project Holder is invited to contact ORMEX STANDARD by emailing contact@ormex.org.

4.7 Verification Phase

4.7.1 Purpose and Description

Once Certified, the Project can issue V-ACORs that are verified by a Selected VVB following a Verification Phase according to [Sections 5, 10.3, and 10.5](#). Without this phase, the Carbon Credits are not Verified and cannot be Issued.

This section is related to the process of the Verification Phase. The Project performance has to be assessed by the Selected VVB to determine the Project’s Compliance with the PDD statements, its performance according to ORMEX STANDARD PRINCIPLES AND REQUIREMENTS and the Selected Methodology. It includes assessment of the Carbon Quantification.

The scope of the Verification assessment is related to the Vintage Period chosen by the Project Holder and submitted to the Selected VVB according to the process described below.

All the conditions and requirements of the Verification assessment are stated in [Section 10.3](#), and in the VALIDATION AND VERIFICATION BODY REQUIREMENTS.

Each Verification is initiated through a “Submission for Verification”, and for the scope of the determined Vintage Period specified in it.

The Platform assists the Project Holder in carrying out the Verification Phase of its Project that it must carry out under the ORMEX STANDARD. If positive, this Verification Phase leads to the Ormex Verified Credits Phase according to [Section 4.8](#).

Via the Platform, the Project Holder can define the Vintage Periods, provide the documents required for Verification, and initiate the Submission for Verification.

The Project Holder 's dedicated dashboard gives access to functions enabling:

- ✓ The Use of the "Issuance Request" button to define the Vintage period(s) (Vintage can be related to 1 year, up to 5 years) for which it intends to request Verification. The Issuer will then be asked to complete the information and documents required for the Verification (monitoring reports, calculation of Carbon Quantifications for this Vintage period, etc.). In particular, the Project Holder must provide the Carbon Quantification linked to the Vintage period considered by the Verification.
- ✓ Select the Approved VVB. Except as specified in [Section 10](#), It should be noted that it is not possible for the Project Holder to appoint the same Approved VVB as the one who carried out the Validation Audit.
- ✓ Using the "Submission for Verification" button to initiate its demand for Verification to the Selected VVB for the corresponding Vintage period identified in its "Issuance Request".

The Project Holder has the necessary information enabling it to contact the Selected VVB for the negotiation and the signature of the Verification Service Agreement.

Following the completion of the Verification to be carried out in accordance with [Section 10.3.1](#), especially after the Closing Meeting held between the Selected VVB and the Project Holder in accordance with the procedure specified in the VALIDATION AND VERIFICATION BODY REQUIREMENTS, the Final Verification Opinion and Report are received simultaneously by the Project Holder and ORMEX STANDARD.

4.7.2 Timeframe

4.7.2.1 Deadline

Submission for Verification

There is no deadline imposed by ORMEX STANDARD for the Submission for Verification. Only conditions related to the determination of the Vintage Period are imposed ([Sections 5.2.3](#) and [5.3.2](#))

Verification timeframe

The start date of the Verification services and timeframe has to be negotiated and agreed upon between the Selected VVB and the Project Holder. There is no timeframe imposed by ORMEX STANDARD for the completion of the Verification Phase by the Selected VVB ("Verification timeframe" – is the time starting from the date agreed in the Verification Services Agreement until the notification of the Final Verification Opinion and Report).

Nevertheless, ORMEX STANDARD suggests that the Project Holder and the Selected VVB may agree on a 9 month timeframe for the completion of the Verification, and enter into the Verification Services Agreement within 3 months following the Submission of Verification, as a maximum.

4.7.2.2 Extension of Time

Considering the Project situation, the Project Holder and the Selected VVB should agree on an extension of time by reason of Modified Opinion or Adverse Opinion as specified in the VALIDATION & VERIFICATION BODIES REQUIREMENTS. The extension period may not exceed 3 months. The Project Holder is required to inform ORMEX STANDARD about such time extension of the Verification.

4.8 Ormex Verified Credits Phase

Following receipt of the Final Verification Opinion and Report, and subject to having received full payment for the related ORMEX Services according to the GTCUS-PH, ORMEX STANDARD carries out some oversights and notifies the Selected VVB its opinion on the issuance of the VVB Verification Certificate.

If ORMEX STANDARD agrees on the Verification, the Selected VVB is notified by ORMEX PROGRAM (with copy to the Project Holder) about its right to issue the VVB Verification Certificate. When issued by the Selected VVB, the Project Holder receives a notice of information about the VVB Verification Certificate and the ORMEX VERIFIED CREDIT CERTIFICATE availability on its dashboard. In the event of rejection, the Project Holder will receive an email with information about this decision.

It is specified that only Verified Carbon Credits whose quantity is included in the Final Verification Opinion (Sellable Credits) may be the subject of an Issuance. It is specified that the Platform functionality will not allow the Project Holder to mention more Verified Carbon Credits than the quantity mentioned in the VVB Verification Certificate.

The VVB Verification Certificate and ORMEX VERIFIED CREDIT CERTIFICATE generate the issuance of the V-ACORs on the ORMEX STANDARD REGISTRY.

With the issuance of the V-ACORs on the ORMEX STANDARD REGISTRY, it is acknowledged by the ORMEX STANDARD that the Carbon Credits were verified in accordance with ORMEX STANDARD and Selected Methodology by an independent Approved VVB. The Project Holder is able to claim and attest publicly of the Verification of the related Vintage of the Project under the ORMEX STANDARD on the VCM.

In the event of rejection, the Project Holder and the Selected VVB receive an email with information about this decision.

The ORMEX VERIFIED CREDIT CERTIFICATE, Final Verification Opinion, Final Verification Report, and VVB Verification Certificate are made publicly available through the ORMEX STANDARD REGISTRY via the link to the Project summary, and visible on the Project Holder's dedicated dashboard.

4.8.1 Timeframe

4.8.1.1 Deadline

There is no deadline imposed by ORMEX STANDARD for the obtention of the ORMEX VERIFIED CREDIT CERTIFICATE.

For Past-Started Projects ([Section 5.2](#)), the Project Holder must combine the Validation and Verification Phases. Consequently, the Validation and verification Phases have to be initiated within 12 months after the Project Creation Date. The Vintage to be verified is related to past years.

5 PAST-STARTED PROJECTS AND FUTURE PROJECTS PRINCIPLES WORKFLOWS

The Purpose of this Section is to clarify the interaction among project implementation status, the eligible projects to ORMEX STANDARD, the Crediting Period that determines the issuances timeframe, and the Vintages workflow.

5.1.1 Main principles

The workflows interactions are based on the following principles to be analyzed by a project holder who would like to enter into the Certification procedure:

- The Project must not be eligible to the Certification considering the Project Start Date, some limitation of time applied. To simplify the process, ORMEX STANDARD applies a counting based on calendar year, whatever the day or month of the Project Start Date: e.g., a Project with a demonstration of the Start Date in October 2023, it is deemed to be started in year 2023.
- “Implementation Years” are taken into consideration by ORMEX STANDARD, meaning that when being certified, not all the years of the Project Timeline can be eligible for crediting issuances. This crediting time is designated as “Crediting Period”.
- Whatever the Project Timeline, V-ACORs must not be issued outside a period designated as “Crediting Period”. Within this period, the Project Holder is authorized to initiate Verification of a number of designated calendar years (Vintage) in which the emission/reduction or removal associated with a carbon credit took place. The Verification must be conducted after the Vintage year(s) elected by the Project Holder to be Verified (ex-post principle).
- Within an eligible Crediting Period, the Project Holder can identify one or more Vintages. A vintage is an identified calendar year included in the Crediting Period. If it is considered appropriate by the Project Holder, it can be grouped for Verification in a period designated “Vintage Period”.

- The number of Vintage in a Vintage Period must not exceed 5 subsequent Vintages (i.e. 5 subsequent calendar years). The Project Holder may also decide to submit to Verification only 1 Vintage.
- A renewal of Certification is applied by ORMEX STANDARD (Section 10.2.3). Even if the renewal of Certification will not impact ongoing Vintage Periods, this renewal must be considered to determine the duration of the Vintage Periods, as no Vintage Period must overlap the year of the end of the effective Certification. This principle is to simplify Certified Project management and associated V-ACORs Issuances.

Some differences apply depending on whether the Project Start Date has already occurred at the Project Creation Date (Past-Started Projects – Section 5.2) or is still to occur in the future (Future Projects – Section 5.3), as detailed below. The Project Holder shall determine the Vintage following the appropriate conditions in relation to its Project.

Whatever the differences, a strict and rigorous measurement, monitoring, and verification Assessment process outlined in Section 10 applies before the Project Holder being authorized to request the issuance of V-ACORs through the Platform procedure outlined in Section 4.7.

5.2 Past-Started Projects

5.2.1 Past-Started Project eligibility

The ORMEX STANDARD is opened to Project with a past Start Date not more than 6 calendar years at the Creation Date (the year of the start date of the Project and the year of the Creation date are not counted).

e.g.:

- for Creation Date in 2023, only Past-Started Project that can demonstrate a Start Date during the year 2016 or after, can be eligible on the Certification,
- for creation Date in 2024, only Past-Started Project that can demonstrate a Start Date during the year 2017, or after can be eligible on the Certification;
- and subsequently,

The Project Holder must demonstrate the past Start Date during the Certification Phase in accordance with the criteria set out in Section 8.2

5.2.2 Determination of the Crediting Period

For the past period, the eligible past Crediting Period shall not be more than 5 calendar years on the past before the Project Creation Date.

e.g., we are in 2023,

case 1: a Past-Started Project is able to demonstrate the Project Start Date occurred during the year 2015. This Project is not eligible to Certification.

Case 2: a Past-Started Project is able to demonstrate the Project Start Date occurred during the year 2016. The Project Holder must create the Project in the Platform before the end of the calendar year 2023 to be eligible, otherwise the Project will be rejected. If doing so, the start year 2016 and the year 2017 are deemed in any case being Implementation Years. The Crediting Period in the past identified as eligible starts with the year 2018 to year 2022 (both included). Then, the past Vintages related to the past Crediting Period are years 2018, 2019, 2020, 2021 and 2022. These Vintages must be Verified at the same time of the Validation (combined Validation and Verification). The whole Crediting Period is from year 2018 (included) to the year related to the End date of the Project. For a 30 calendar years project, the end date of the Project is December 31, 2047. The last year of the Crediting Period is then the year 2047. It is mentioned that the Certification will end on December 31, 2027 (10 calendar years of Vintages) and must be renewed by the Project Holder according to [Section 10.2.3](#) to continue to be registered in the ORMEX STANDARD REGISTRY. This case 2 is illustrated in the [Figure 3](#).

Case 3: a Past-Started Project is able to demonstrate the Project Start Date occurred during the year 2021. The Project Holder must create the Project in the Platform before the end of the calendar year 2028 to be eligible, otherwise the Project will be rejected. If doing so, the start year 2021 and the year 2022 are deemed in any case being Implementation Years. The Crediting Period in the past identified as eligible is the sole year 2023. Then, the Project Holder must identify a first Vintage related to the past the sole year 2018. This Vintage must be Verified in the same time of the Validation (combined Validation and Verification).

. To Issue Verified Carbon Credits in relation to the years following the Certification expiration (according to [Section 10.2.2](#), the Certification is granted for 10 years), the Project Holder must obtain a new Certification through the renewal procedure detailed in [Section 10.2.3](#).

5.2.3 Determination of the past Vintage Period

Within an eligible past Crediting Period, the Project Holder identifies the related past Vintages.

The following conditions must apply for the Vintage related to past years of the Crediting Period:

- ✓ A same Vintage Period (Group of Vintages) cannot include past and future Vintages (no overlapping of the Project Creation Date), except if the Project Holder has only 1 past Vintage. The year of the Creation Date is deemed to be a future Vintage, or the past Vintages, the Project Holder must group them and combine the Validation and Verification Phases. The combined Validation/Verification phase must be initiated within the 12 months deadline for initiation of the Submission for Validation/Verification ([Section 4.6](#)), except if the Project Holder has only 1 past Vintage.

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18 bis, rue d'Anjou 75008 Paris, France

SAS, RCS PARIS: 888 173 218

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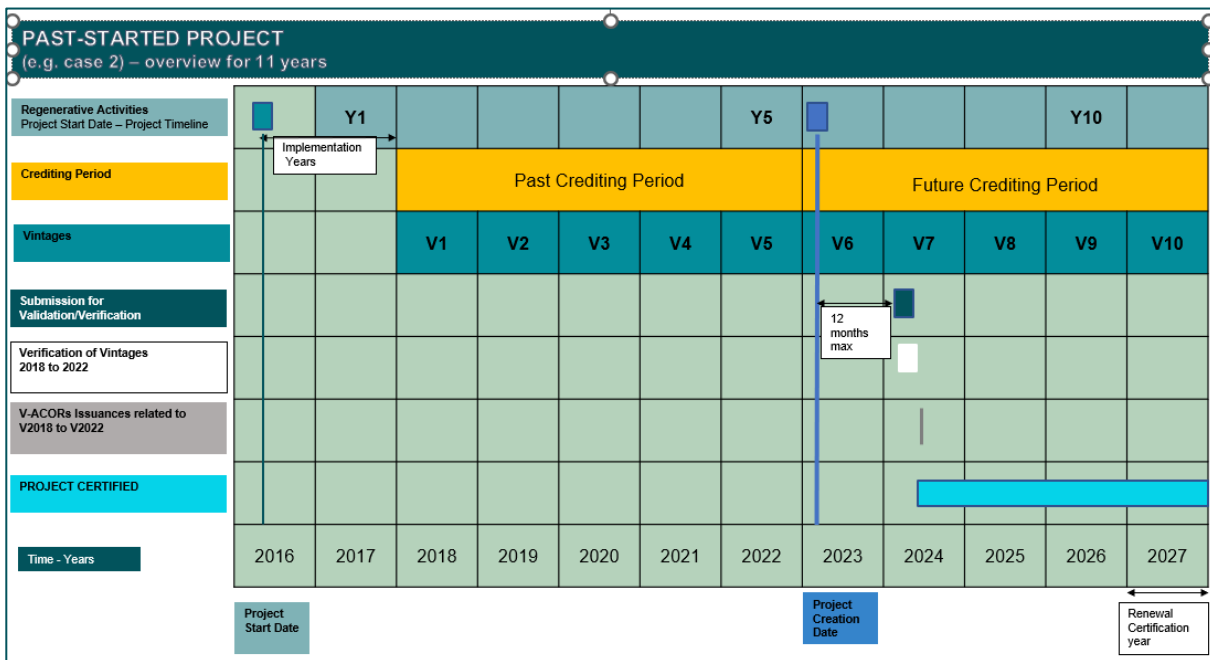


Figure 3 –Past-Started Project – Case 2

5.3 Future Projects

5.3.1 Determination of the Crediting Period

For a Future Project, the eligible Crediting Period starts after the Implementation years, The Crediting Period terminates at the Project End Date provided the Certification of the Project is renewed according to Section 10.2.3. Otherwise, the Project Holder will not be able to Issue Verified Carbon Credits in relation to the Vintages following the Certification termination.

The Project must:

- ✓ start within twenty 24 months of the Project Creation Date, AND
- ✓ have a Submission for Validation scheduled within 12 months of the Project Creation Date. (Section 4.4.2), AND
- ✓ comply with the deadlines set forth in Section 4.5.2 to avoid an “on hold” or “Archived” situation.

Therefore, the Project Holder shall appropriately identify the Project Start Date and the possible date of the Submission for Validation using reasonable estimates, according to Section 8.2.1.

5.3.2 Determination of the Vintage Periods

Within the eligible Crediting Period, the Project Holder identifies Vintages for the Project. The number of Vintage in a Vintage Period must not exceed 5 subsequent Vintages (i.e., 5

subsequent calendar years). The Project Holder may also decide to submit to Verification only 1 Vintage.

Exemple: If a Project is created on ORMEX platform during the year 2023 and the Implementation of Regenerative Activities starts the same year, then the years 2023 and 2024 are considered as implementation years and crediting period starts at the beginning of year 2025. (Figure 4)

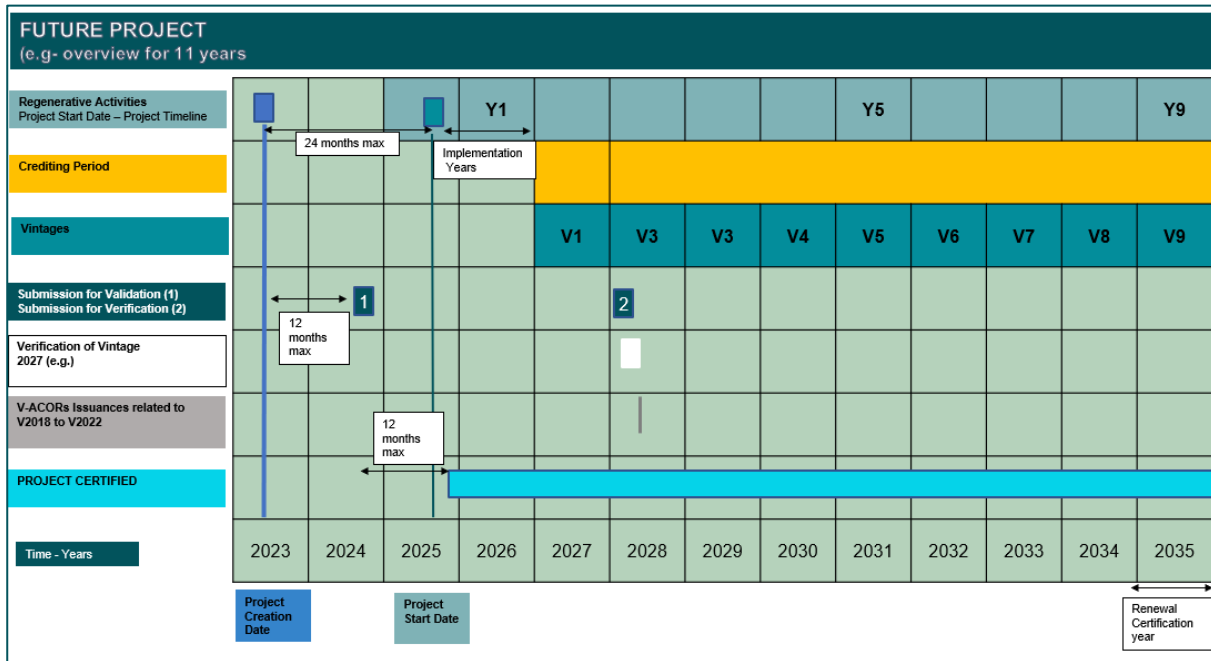


Figure 4 -Exemple Future Project

5.4 V-ACOR PRINCIPLES

V-ACORs are Verified Carbon Credits related to a Certified Project, issued under the ORMEX STANDARD and publicly registered and track in the ORMEX STANDARD REGISTRY.

Each V-ACOR and represents the achievement of reduction to or removal from the atmosphere to 1 tonne of CO2 equivalent (tCO2-eq.).

According to VCM rules, Verified Carbon Credits must represent real, measurable, additional, permanent, independently verified, conservatively estimated, uniquely numbered, and transparently listed GHG emission/reductions or removals.

Each V-ACOR is unique and issued with a dedicated serialized number.

V-ACORs issuances are publicly registered in the ORMEX STANDARD REGISTRY and all operation initiated and notified to ORMEX STANDARD by the Project Holder, or any of its subsequent holders, are registered in this registry. To initiate the V-ACORs issuances and other related operations, the Project Holder must use the Platform and comply with the

GTCUS-PH.

The ORMEX STANDARD REGISTRY is designed to have a clear overview of each Certified Project and secured tracks of the V-ACORs issuances and related operations notified to ORMEX STANDARD by the Project Holder and Buyers.

To avoid any misunderstanding of the information provided by the ORMEX STANDARD REGISTRY, clear and defined terminology is used.

5.4.1 Double Counting Avoidance principles

The purpose of this section is to determine how the ORMEX STANDARD deals with a double counting situation.

5.4.1.1 Double Counting situation

V-ACORs must be unique and held by a single party at any time.

Double counting (“Double Counting”) can result:

- ✓ in double claiming (when more than one party claims the same carbon benefit to comply with their mitigation targets), OR
- ✓ in double issuance (where more than one carbon emission/reduction or Carbon Removal unit registers for the same carbon benefit under different standard mechanisms).

5.4.1.2 Double Counting control

Unique and robust identification within the ORMEX STANDARD REGISTRY

The Double Counting (double claiming or double issuance) avoidance measures within ORMEX STANDARD are ensured by the blockchain technology used in the ORMEX STANDARD REGISTRY PLATFORM, which assigns a unique registry identification number to each Project Holder, related Projects and Issuances, which does not permit separation of V-ACORs Issuances from the Certified Project and related Transactions.

Double Counting with another Standard Mechanism

To avoid the risk of Double Counting of Carbon benefits Verified under ORMEX STANDARD, the following apply:

- The Project Holder is committed not to register the Project on other Standard Mechanism. The Project Holder must depose (or create) a Project only on one unique standard mechanism. It is required from the Project Holder to make an appropriate representation and warranty related to the depose of the Project to a unique standard mechanism for the Certification.
- ORMEX STANDARD perform its own overview,
- ORMEX STANDARD requires the Selected VVB to control any overlap, and to inform ORMEX STANDARD about any Double Counting situation with different Standard

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Mechanisms without delay.

Treatment of a Double Counting situation

If ORMEX STANDARD is made aware of a Double Counting situation, the Project is automatically put “on hold” in the ORMEX STANDARD REGISTRY, and its related V-ACORs Issuances are temporarily put on hold and secured until a further decision is made about their status according to the ORMEX’s grievance mechanism.

If the Project Holder fails to determine the appropriate solution in due time, ORMEX STANDARD may decide to cancel the Project (and related V-ACORs Issuances) from the ORMEX STANDARD REGISTRY, without liability. The Project Holder cannot have access to the ORMEX STANDARD REGISTRY PLATFORM anymore. The Project Holder has to deal with any claims issued by the Carbon Buyers and indemnify ORMEX STANDARD regarding any losses and damages.

5.4.2 Article 6 of the Paris Agreement

The Project Holder shall identify in the PDD whether the Project seeks to comply with the Article 6 Requirements for the Verified Carbon Credits authorized for use under the Paris Agreement¹⁴ (“ART6”). If so, the Project Holder must identify the national or sub-national program (Country’s NDC) and provide additional documentation to be listed on the registry as “ITMOs Authorized” (meaning, “authorized by the relevant Host Country for use as Internationally Transferred Mitigation Outcomes (ITMOs)”) according to the ART.6 requirements and specific process).

5.4.3 V-ACORs Retirements

5.4.3.1 Generality

V-ACORs can be transferred for retirement (meaning a Transfer by reason of offsetting by consideration of a Carbon Buyer who is a final user) or for reason of re-sale (when transferred to a Carbon Buyer Account for further transfer from this account to another one).

V-ACORs are retired from the Registry when the Project Holder and the Buyer – or Buyer’s counterpart in a situation of re-sale – notifies ORMEX STANDARD of a transfer for a reason of offsetting. The Project Holder and the Buyer – or the Buyer and its counterpart in a situation of re-sale) must comply with the procedure defined in the GTCUS-PH or GTCUS-B.

5.4.3.2 Transaction Registration

Based on transparency principles, Transactions on V-ACORs or Project status are registered in the ORMEX PUBLIC REGISTRY.

¹⁴ United Nations Framework Convention on Climate Change (UNFCCC) – 26th Conference of the Parties (COP26) – Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) and related decisions related to implementation of Articles 6, 13 and 4 of the Paris Agreement

ORMEX is not involved in or participating in the agreement between the Project Holder and a Carbon Buyer, - or between Carbon Buyers in a re-sale situation-. The Platform enables ORMEX STANDARD to record transactions for the sole purpose of establishing and maintaining the ORMEX PUBLIC REGISTRY as required by VCM rules and according to its quality of carbon standard.

The situation of a Project Holder's decision to leave the ORMEX STANDARD or any event preventing the registration of the operation in the registry to continue, like situation of Double Counting (Section 5.4.1), must be discussed with the Project Holder and solved on a case-by-case basis.

5.5 V-ACOR-FUT Reservation

Considering that a Project needs to secure upfront finance when it is most needed (most of the costs associated with the implementation of a Project can be significant before the Verification Phase), ORMEX STANDARD has created V-ACOR-FUT.

The Project Holder use the Platform to initiate the reservation of V-ACORs-FUT in favor of the identified Carbon Buyer and according to its related engagement.

The V-ACORs-FUT are not Verified Carbon Credits. They are not Issued, but identified as future Carbon Credits reserved for a Carbon Buyer before their Verification and transformation in V-ACORs.

The V-ACORs-FUT are only applicable for a Certified Project which is started, and for only 10 vintages, without exceeding the term of the ORMEX PROJECT CERTIFICATION.

Following completion of the Verification (Section 10.3), the reserved V-ACORs-FUT are canceled and an equivalent volume of V-ACORs is Issued on the ORMEX STANDARD REGISTRY PLATFORM for transfer to the beneficiary.

The Project Holder is fully aware that only Verified Carbon Credits (meaning V-ACORs) may be offset.

6 STAKEHOLDERS AND PROJECT SEGMENTATION

6.1 Stakeholders

6.1.1 Introduction

A Reduction or Removal Project typically involves many counterparties or organizations with different roles, responsibilities, and rights. They are designated as “Stakeholders”.

The Project Holder (Section 6.1.2) has the main roles and responsibilities, among other conditions and rights, for leading the Project. Depending on the Project’s segmentation (Simple Project/Grouped Project/Governmental/Regional Project) (Section 6.2), one or more individuals, groups, or organizations are “Project Participants”, responsible for land cropping, such as “Farmers”, and joining the Project for setting the Regenerative Activities.

Some Stakeholders are “External stakeholders”, such as expert advisors “Consultants” appointed by the Project Holder to support the Project Design for instance. Another example is “Third-Party Agents”, appointed to represent and act on behalf of the Project Holder.

Other Stakeholders are “Coordinating Stakeholders”, supporting the Project’s coordination and/or strategy, implementation, or Monitoring, such as “Technical Experts”

Finally, some Stakeholders are part of the Project ecosystem having direct or indirect identified interests or being impacted by the Project’s implementation. These Stakeholders must be consulted before Project implementation under Public Consultation, such as Indigenous Peoples and Local Communities (IPLCs), (Section 9.1.3).

The purpose of this section is to clarify the main Stakeholders in a Project that wishes to be accredited by the ORMEX STANDARD, as well as their roles and responsibilities, and the rights that may be claimed subject to compliance with the ORMEX STANDARD PRINCIPLES AND REQUIREMENTS.

6.1.2 Project Holder

6.1.2.1 Eligible Conditions

To be eligible as a Project Holder according to the ORMEX STANDARD, the Project Holder must demonstrate it has the rights to control and operate the Project for its own interest or in benefit of an organization or group of Farmers:

- ✓ by reason of its ownership of the related land by an appropriate land tenure right according to the applicable law, or by rights granted pursuant to a particular contract;
- ✓ to represent the Farmers and initiate the Project holder Account ID, and all the following subsequent ORMEX STANDARD Phases using the ORMEX STANDARD REGISTRY PLATFORM, including V-ACORs Issuance and Transfer,

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- ✓ to appoint an Agent, if any,
- ✓ to sign and be bound by the GENERAL TERMS AND CONDITIONS FOR USE OF THE ORMEX STANDARD REGISTRY AND SALE OF THE ASSOCIATED SERVICES (GTCUS – I), and claim the Certification of the Project, reservation of FUT V-ACORs, the Verification of Vintage Periods and the Issuances of V-ACORs related to the Project,
- ✓ to decide on the Project objectives related to High Environmental, Biodiversity and Social co-benefits positive impacts.

The Project Holder must be geographically located and have a registered office in the Country where the Project will be implemented. Additionally, for a private entity to qualify, it must be “controlled” by shareholders (meaning having more than 50% either by shares capital or rights to vote) who have a registered office in the Country of the Project implementation.

If the Project Holder is acting on behalf of Farmers, it must provide a signed representation deed¹⁵ or confirmation documents that indicates the appropriate representative rights of the Project Holder and its right to claim the carbon credits.

If there is no possibility to demonstrate in a sufficient way the statutory or customary rights, the Project Holder must demonstrate that it has other similar lawful rights on the carbon credits generated from other programs or contractual services according to the regulation of the Country or based on a written order of the relevant government body.

6.1.2.2 Governmental/Regional Project

For Governmental/Regional Projects, the appropriate rights as stated above can be achieved if:

- ✓ The Public Institution has statutory rights to manage and use lands according to the applicable jurisdictional public law, OR
- ✓ If Farmers’ eligibility conditions include rights to land management and/or ownership, and the Governmental/Regional Program is mainly dedicated to local Farmers. This should be demonstrated by any means, including showing that the number of non-resident Farmers who may be eligible to enter the Project is insignificant in the Country, region or relevant Project’ zones.

6.1.2.3 Representation

When Project Holders initiate Submission for Validation, they represent and agree:

- ✓ To apply and comply with the ORMEX STANDARD PRINCIPLES AND REQUIREMENTS, AND

¹⁵ Not applicable to Governmental/Regional Project

- ✓ To design the Project according to the Selected Methodology, AND
- ✓ To deal with the Project Design, Regenerative Activities stated in the PDD, Total Estimated Carbon Quantification, statement, Monitoring (including the Carbon Quantification monitoring statement), decision about Vintage Periods, related V-ACORs Issuances and Transactions.

The Project Holder is identified in the PDD, ORMEX PUBLIC REGISTRY, and in all project-related documents publicly available on www.ormex.io and ORMEX STANDARD REGISTRY PLATFORM available on www.ormex.app. Its Authorized Representative is identified in the PDD.

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Any user of the ORMEX STANDARD REGISTRY PLATFORM is requested to determine the role they have as Project Participants when starting the Onboarding Phase. All the steps to be followed by the Project Holder to complete the Onboarding Phase and all following Phases outlined in this Document, are further detailed in the GTCUS-PH related to the specified role.

The representative and signatory rules applicable under the ORMEX PROGRAM apply to all documents to be signed by the Project Holder.

The list of the information and documents to be provided by the Project Holder in relation to each ORMEX STANDARD Phases is specified in the related section of this document.

6.1.3 Third- Party Agent

If applicable, the Project Holder can decide to appoint a Third-Party Agent, to act on the Project Holder's name and behalf. The PDD must identify the appointed Third-Party Agent acting for the Project Holder. The Registry identifies Projects where a Third-Party Agent is Involved. If the Third-Party Agent is an organization, it has to identify its Authorized Representative.

6.1.4 Farmer

Farmers are mostly those who manage the lands for subsistence or agricultural production with the appropriate rights to consume, use or take benefits from the natural resources of the lands. Farmers may be the Land Owner or duly authorized to use the land's natural resources pursuant to a statutory, customary or contractual right.

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During the completion of the Validation and Verification, the Selected VVB may ask the Project Holder to provide appropriate evidence to determine if these eligibility criteria are reached.

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6.2 Project Segmentation

Projects can be structured differently. This section determines the eligibility criteria related to the Project's structure. The following Project segmentation are eligible for ORMEX STANDARD Certification.

6.2.1 Single Project

Projects are determined as being "Single Projects", when they are initiated and have only one Project Participant involved. The Project Holder can be a Farmer or an NPO engaged by contract with the Farmer. They may appoint an Agent, or others External and Coordinating Stakeholders according to [Section 6](#).

6.2.2 Grouped Project

Projects are considered as being "Grouped Projects" when they are initiated by more than one Project Participant. Usually, these are several Farmers who decide to act jointly and/or participate in a common Project. Regardless of the size of the Project Surface, the number of Sub-areas, and Stakeholders involved, the eligibility criteria are that the Agricultural Activities are/will be the same and implemented in the same way by the Project Participants involved.

Grouped Projects can be "closed", which means that the Project Participants are limited and identified in the PDD for the Project Timeline.

A Grouped Project can be "open", which means that the Project Participants can enter into the Project at any time, provided they comply with the entrance conditions and criteria detailed in the PDD.

6.2.3 Governmental/Regional Project

Projects are considered "Governmental/Regional Projects" when they are initiated by a Public Institution. The Project can have multiple geographical and/or administrative Zones and Areas. They are "open", which means that the Project Participants can enter into the Project at any time provided they comply with the entrance conditions and criteria which are detailed in the PDD.

6.2.3.1 Project that refers to a Governmental/Regional integrated regenerative program

A Governmental/Regional Project can be in relation to a voluntary integrated regenerative program when the Government/Regional political instances wish to encourage the initiation and propagation of Regenerative Activities at a National/Regional level through the

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retribution of public benefits (in different forms) and/or a system of benefit-sharing, associated with the program (in addition to other Governmental associated programs, if any).

If so, the Project must indicate on the PDD the Governmental/Regional Program, the Public Institution coordinating the Project, the national/regional level of control and monitoring of the Project to secure its implementation, and the criteria and conditions for the Project Participants to enter into the Project.

Within this context the Project Participants (Single/Grouped Projects or other lower-level regional/municipal sub-institution, if any), complying with the criteria to enter the Governmental/Regional Project should be identified as members of the Governmental/Regional Project as defined in the PDD.

- ✓ Carbon Quantification may be calculated at Zone or Areas level, considering the information available;
- ✓ The Public Institution may issue relevant V-ACORs at its name, provided the condition set forth in [Section 6.1.2.2](#) are respected; All V-ACORs are issues in the name of the Public Institution.
- ✓ The Project shall refer to the National/Regional Program and identify the benefit-sharing system to individual/collective sub-projects or lower-level regional/municipal sub-programs, if any.
- ✓ The National/Regional instances may be involved during the Validation Phase, and/or during a global Verification Phase, if the Program has determined a National/Regional Validation & Verification Framework.

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The PDD shall detail all required information for National/Regional Quantification, national/regional implementation strategy (being the reference of other national/regional plan developments, all assumptions for measuring and reporting the Project, the information safeguarding and risk monitoring strategy, and the benefit-sharing system at lower level.

The Government (or the lower Regional Level) has a reporting plan requirement for the Project and/ or lower-level regional/municipal programs implementation according to the

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National/Regional Program and may carry out global Monitoring phases and reporting by aggregation of information of the Projects and/ or lower-level regional/municipal programs.

The regional/municipal sub-level, or any other local Public Institution, is in charge of implementing the Regenerative Activities, conducting sub-monitoring and sub-reporting assessments, and relevant risks management.

The Government/Region can decide to either retribute a part of the Carbon benefits in cash or use the Carbon benefits to fund national ecosystem services, considered an indirect retribution.

All Requirements of this ORMEX STANDARD PRINCIPLES AND REQUIREMENTS apply to Governmental/Regional Project, except otherwise expressly specified in this document by expressed exception and/or when a dedicated section is mentioned.

7 PROJECT ELIGIBILITY

The Project Creation Phase, Project Design Phase, Submission for Validation, Validation Phase, and Certification Phase are dedicated phases of the ORMEX STANDARD that aim to control and assess the Project's compliance with the eligibility criteria set out in this section and those indicated in the Selected Methodology.

The purpose of this section is to determine the eligibility requirements that the Project must comply with and the relevant information and/or documents that the Project Holder must provide to become a Certified Project.

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7.1 Eligible Sectors

7.1.1 Eligible Sectors, Subsectors

ORMEX STANDARD is dedicated to the sector AFOLU, and the sub-sectoral scope associated to land use of Cropland ¹⁶ and Grassland ¹⁷.

7.1.1.1 Cropland – eligible Plantations

The Cropland eligible Plantations are defined by IPCC ¹⁸.

<p>Annual crops</p> <ul style="list-style-type: none"> ✓ Cereals ✓ Oil seeds ✓ Vegetables ✓ Root crops ✓ Forages 	<p>Perennial crops (“except where these lands meet the criteria for categorization as Forest Land”)</p> <ul style="list-style-type: none"> ✓ trees and shrubs, in combination with herbaceous crops (e.g, agroforestry) ✓ Orchards, ✓ Vineyards ✓ Plantations such as cocoa, coffee, tea, oil palm, coconut, rubber trees, and bananas
<p>Including:</p> <ul style="list-style-type: none"> ✓ “Arable land which is normally used for cultivation of annual crops, but which is temporarily used for forage crops or grazing as part of an annual crop-pasture rotation (mixed system)” <p>AND</p> <ul style="list-style-type: none"> ✓ “Temporary fallow land (i.e., land set at rest for one or several years before being cultivated again)” 	

¹⁶ IPCC 2019, 2019 Refinement to the 2006, op.cit. Volume 4, CHAPTER 5 ([iges.or.jp](https://www.iges.or.jp))

¹⁷ IPCC 2019, 2019 Refinement to the 2006, op.cit. Volume 4, CHAPTER 6 ([iges.or.jp](https://www.iges.or.jp))

¹⁸ IPCC 2019, 2019 Refinement to the 2006, op.cit.

7.2 Eligible Regenerative Activities

Considering the soil organic matter and/or organic carbon content are thus considered as key indicators of soil health, for their agricultural and environmental functions (FAO-ITPS, 2015)¹⁹. the eligible Regenerative Activities recognized by ORMEX STANDARD are established placing the soil health and associated natural resources (soil properties, water, soil biodiversity – above and below ground, Agroecological Infrastructures²⁰,...) as the main catalyst for the agroecosystem improvement: meaning from soil protection and restauration activities (level 1 and 2) to agricultural model acting as a complete ecosystemic regenerative tool increasing positively the Agroecosystem (level 3) like the Regenerative Agriculture ²¹ ²² and the Agroforestry.

The ORMEX STANDARD is intended to apply to all new models of agriculture, considering that some of which after having begun to propose better practices in soil management, increasingly integrating ecosystemic objectives, and attempting to monitor related positive impacts at different scales.

Consequently, the eligible Regenerative Activities must protect, restore, and improve the soil health and associated natural resources by providing long-term increases in Carbon Positive Impact and SDGs Positive Impacts at determined scale, meaning on the agroecosystem selected by the Project.

Consequently, Regenerative Activities must involve one or more of the following agricultural practices having the ability to protect, restore and/or improve the health of the soils and, consequently to improve Carbon Removal. The Selected Methodology must refer to the implementation of Regenerative Activities to be approved by the ORMEX STANDARD.

¹⁹ **FAO and ITPS. 2015.** Status of the World's Soil Resources (SWSR) – Technical Summary. Food and Agriculture Organization of the United Nations and Intergovernmental Technical Panel on Soils, Rome, Italy, Status of the World's Soil Resources – Technical Summary (fao.org)

²⁰ Such as bushes, forest edges, hedges, banks, low walls, ditch borders, streams, ponds, springs, isolated trees, alignments of trees and their grass strips on the edge or in plots rocks, rangelands, wastelands, groves, wetlands ...

²¹ **4 per 1000**, 2021, Op. Cit.

²² **Ken E Giller**, Renske Hijbeek, Jens A Andersson, and James Summers, Regenerative Agriculture: An agronomic perspective, Outlook on Agriculture 2021, Vol. 50(1) 13–25

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This list is not exhaustive, and additional practices can be proposed by the Methodology.

<ul style="list-style-type: none"> ✓ Reduce tilling/No tilling ✓ Cover Crops ✓ Intercropping ✓ Culture’s Rotation ✓ Reduction of Fertilizers/no Fertilizers 	<ul style="list-style-type: none"> ✓ Mulching ✓ Agroecological Infrastructures (AEI) ✓ Diversification of Cultivated Plants ✓ Manure ✓ Agroforestry ✓ Pollination
--	---

7.3 High-Integrity Environmental, Biodiversity and Social

7.3.1 High-integrity Environmental, Biodiversity and Social positive impacts and Sustainable Development Goals (SDGs)

One of the primary objectives of ORMEX STANDARD is to certify Projects that directly or indirectly contribute to improving the population’s livelihood, biodiversity, and other environmental concerns. By using and promoting Agroecology principles and certified Projects that implement Regenerative Activities as part of integrated ecosystem management, ORMEX STANDARD aims to participate in experimental demonstrations of the significant impact of these principles and practices on improving the SDGs according to the UN’s 2030 Agenda.

ORMEX STANDARD is designed to certify, in one standard, a combination of positive impacts on climate security (SDG 13) regarding carbon benefits, as well as determined Environmental, Biodiversity and Social objectives chosen by the Project Holder.

This requires the Project Holder to decide on Environmental, Biodiversity, and social objectives as per the Selected Methodology. By selecting these objectives, Project Holder agrees to monitor and take measures to improve them according to the Project’s capacities and performance.

To implement this, ORMEX STANDARD makes use of Agroecology principles with its ecosystem approach (Section 8.6.1) as a protocol governing the ORMEX STANDARD’s Project eligibility on these topics, and identifying their impacts on the Sustainable Development Goals, with related targets and Project applicable indicators.

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The Project Holder can select the ecosystemic objectives during the Project Creation Phase following the relevant boxes proposed when using the ORMEX STANDARD REGISTRY PLATFORM. They have to be confirmed on the PDD with the Submission for Validation. To help the Project Holder with their choice, the Platform indicates the indicators to be monitored.

7.4 Non-deforestation

The Project must not degrade the native ecosystem by implementing Regenerative Activities, such as through Deforestation. This section outlines the relevant requirements.

7.4.1 Land use history about Deforestation

The Project Holder must analyze the land use historic of the Project Boundaries, through all available means, and identified if the Project Boundaries were deforested within the 10 years leading to the Project Creation Date, except in cases of natural disasters or other reasons specified in the Selected Methodology.

For open Grouped Project and Governmental/Regional Project, if no detailed data of land use and the Deforestation rate is available at the Project Boundaries (Area or Sub-Area segmentation), the Project Holder can identify the Deforestation rate or surfaces being degraded for agricultural human reasons within the entire geographical Zone(s), the Region or the Country. The Project Holder must provide an explanation of the related data and assumptions in the PDD.

If according to the Land use historic analysis, the Project Boundaries Area are identified under an historic Deforestation status situation, various consequences may be identified by the Methodology, like the Deforestation surfaces (in hectares or as a percentage of the Forestry surfaces coverage of the Country, related Region, or Zones) related to the whole geographical Zone or Region, will be not counted in (data available at the Areas or sub-areas level) or reduced (data at Country, Region or Zone level) from the Project Surface identified according to [Section 8.1.1](#), before the calculation of the Estimated Carbon Quantification.

The Deforestation consequences and adjustments may be further detailed by the Methodology considering the project segmentation.

Without the above-mentioned demonstration, the Project will be rejected.

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Detailed Satellite Images²³, administrative documentation, or any other evidences recognized by the relevant jurisdiction of the Country can be provided for the demonstration.

7.5 Non-discrimination & Human Rights

7.5.1 Human Rights

When implementing the Project, the Project must respect and observe universal human rights and freedoms for all, as defined by the Universal Declaration on Human Rights²⁴. In particular, the Project must not result in population displacement.

7.5.2 Non-Discrimination

There must be no discrimination based on gender, age, ethnicity, religion, or social status when involving Project Participants. If necessary, the Project Holder must take appropriate actions to reduce potential tensions or disputes within or between communities within the Project zone.

7.6 Legal Requirements

7.6.1 Prohibited Countries and individuals

ORMEX operates under the regulation of international trade laws, and European and French laws, and must strictly observe them. These regulations may include specific or general trade restrictions (export or import ban), embargoes, financial restriction such as asset freezes, or any other measures that may be appropriate. As a result, ORMEX STANDARD must not enter into certification or otherwise engage in Regenerative Activities, on behalf of or in favor of any person, entity, territory, Country, or organization, that is subject to an embargo or trade

²³ ForestWatch or ABC Map

²⁴ The Universal Declaration on Human Rights can be accessed at <https://www.un.org/en/about-us/universal-declaration-of-human-rights>

restriction sanctions pursuant to the French, European or US authorities or other applicable sanctioned regimes, which may vary from time to time. Consequently, ORMEX STANDARD can reject, at its sole decision, any demand for Project onboarding, Project Creation, Certification or Verified Carbon credits Issuance.

A Project shall be in compliance with the applicable legal, environmental, ecological and social regulations of the Project's location. By signing the PDD, the Project Holder declares the compliance with the National, regional and international applicable Regulations.

If there is evidence that a Project is not compliant with all relevant policies, legislation and regulations, including relevant international conventions and agreements, the Project Certification and, if any the related Verified Carbon Credits issued may be withdrawn from the ORMEX STANDARD REGISTRY, or placed under security management until full compliance is demonstrated.

Any changes to policies, laws, regulations or the enabling environment that have a major effect on the Project Design or the continuity of the implementation of the Project must be notified by the Project Holder to the ORMEX STANDARD, without delay.

As agreed with ORMEX STANDARD, the Project Holder may have to revise the PDD with an Amendment document.

7.7 Permanency

The "Permanency" is a recognized principle in the VCM. It acknowledges that the effect of CO₂ emissions lasts a long time, and therefore, any efforts to compensate for their emissions with Reduction or Removal practices require similar long-term Project that prioritize identifying situations that may pose non-permanency risks.

While it's impossible to scientifically guarantee a permanent situation, it is important to consider and address the risks that may reduce all the efforts towards reduction/Emission or Removal by causing a "reversed" situation. A reverse situation occurs when unexpected event happens during the Project Timeline that accelerate GHGs emission to a level that exceeds what would have occurred had the Project never happened.

Additionally, the ORMEX STANDARD has established non-permanent rules and requirements aimed at strengthening the Project Holder's "motivation" to uphold the Regenerative Activities throughout the Project Timeline.

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To cover Project Permanency, rules and conditions governing the ORMEX STANDARD are the following:

- ✓ A project can only be certified under ORMEX STANDARD for 10 years (from its Certification Date with regard to a future Project, or related to 10 Vintages for Past-Started Project) regardless the Project Timeline. ORMEX STANDARD Certification must be renewed upon demand according to the Certification Renewal ([Section 10.2.3](#)).
- ✓ A Non-Permanency Risks analysis must be implemented by the Project Holder as part of its risks management ([Section 9.2.3](#)) and reviewed by the Selected VVB during the Validation and the Verification.
- ✓ The Non-Permanency Risks assessment is necessary to determine the Risks assumptions and risks exposures, and consequently the Risks Buffer output ([Section 8.5.2](#)),
- ✓ The Project must quantify the Risks Buffer for the Project Timeline and for every year, as outlined in [Section 7.8.2.5](#). The total Buffer Volume of tCO₂eq. and every yearly volume are identified in the PDD,
- ✓ The Non-Permanency Risks analysis must be Monitored according to the Selected Methodology, or if not specified annually. Evidence of such monitoring must be provided to the Selected VVB upon request ²⁵.
- ✓ During each Verification, the Selected VVB must identify whether the Total Estimated Carbon Quantification (Gross Quantification), as stated in the PDD, aligns with the Results statement reported in the Monitoring Reports for the same years included in the Verified Vintages ([Section 10.3](#)). In the event of “Quantification alignment” identified by the Selected VVB and confirmed in VVB Verification Certificate, a Buffer Adjustment can be applied according to [Section 7.8.2.6 c](#).

²⁵ Not applicable to past Vintages

7.8 Carbon Quantification Principles

This section defines the eligibility criteria and main principles concerning the Project's Carbon Removal or Emission/Reduction capacity and Total Estimated Carbon Quantification (Gross and net balance).

7.8.1 Carbon Quantification capacity

To be eligible for ORMEX STANDARD Certification, the Total Estimated Carbon Quantification (Gross amount) (in t. CO₂ eq.) of the Project must be equal to or greater than 1000 t.CO₂ eq, calculated according to [Sections 7.8.2 and 8.5](#).

In addition, the Project must comply with any other carbon quantification capacities or sizing criteria (such as surface criteria, if applicable) stated in the Selected Methodology.

7.8.2 Carbon Quantification main principles

7.8.2.1 Total Estimated Carbon Quantification and Carbon Positive impact

The Total Net Estimated Carbon Quantification is the net positive balance of GHGs²⁶ emission Reduction and/or Removal after comparing the Project Carbon Quantification and the Baseline Carbon Quantification of the reference scenario (Baseline Scenario), measured for the same Total Surface. It is quantified by tonne of Co₂eq, and after the deduction of the Uncertainty Rate and Risks Buffer on the Project Scenario quantification ([Section 7.8.2.5](#)).

The Project and Baseline Carbon Quantification are quantified in CO₂.eq. They are related to tCO₂eq net positive balance as a result of GHGs emission Reduction and/or Removal, generated by the Project implementation, taking into consideration a Leakage quantification if required to be measured by the Selected Methodology, within the Project Timeline.

This tCO₂eq net positive balance is designated "Carbon Positive Impact".

7.8.2.2 Total Surface

The Total Surface must be determined using the Project Surface (identified according to [Section 8.1](#)) minus the Deforestation (rate or surface value) adjustment ([Section 7.4](#)).

The Deforestation adjustment must be applied on the Project Surface related to the first year of the Crediting Period.

²⁶ Carbon Dioxide (CO₂), Methane (CH₄) and/or Nitrous Oxide (N₂O) are eligible for measurements (collectively referred to as "GHGs").

7.8.2.3 Uncertainty

The Uncertainty of the Emissions/Reduction and Removals will depend on the uncertainty associated with each data variable and parameter used related to their measurement. Uncertainty may have many types of sources of dispersion of a value used and diversity of causes of errors. The Project must reduce as much as possible the Uncertainty causes in relation with the collection of data and associated with the measurements. The Methodology may propose a combined approach regarding the availability of the data, by using measured data, published information, model outputs, and expert judgement.

Except otherwise specified in the Selected Methodology, the Project Holder must apply an Uncertainty adjustment rate related to the Tier²⁷ method used, of:

- ✓ Tier 1 ²⁸: 10%
- ✓ Tier 2/3 ²⁹: 5%

It should be noted that the ORMEX STANDARD mandates the Methodology to propose a Tier 3 or Tier 2 method (with a possibility of Tier 1 in some non-significant data).

The ORMEX STANDARD is pending approval of a dedicated framework Methodology related designated “Ecosystemic Regenerative Agriculture”. When approved, this framework Methodology will become the ORMEX STANDARD Methodology Framework and set requirements for other additional methodologies seeking approval (Section 8.4).

7.8.2.4 Leakage

The Leakage must be determined and quantified according to the Selected Methodology.

To be considered, the Leakage quantification must be identified as “*significant*”, meaning

²⁷ In the context of the IPCC Guidelines for National Greenhouse Gas Inventories, a tier represents a level of methodological complexity. Tier 1 is the basic method and Tier 2 is the intermediate in terms of complexity and data requirements. Tier 3 most demanding

²⁸ Tier 1: Equations and default parameter values (e.g., emission and stock change factors) are provided mostly by IPCC Guidelines.

²⁹ Tier 2: Data applied for measurement of emission and stock change factors are based on country- or region-specific data. Country-defined emission factors are more appropriate for the climatic regions, land-use systems. Higher temporal and spatial resolution and more disaggregated activity data are typically used.

Tier 3: It is the higher method to provide estimates with greater certainty. It is mainly comprehensive field sampling repeated at regular time intervals, and/or GIS (Geographic information system) -based computer systems for capturing, storing, checking, and displaying data related to positions on Earth’s surface. It may be related to soil data, land-use and management activity data, deforestation, or integrating several types of monitoring. Pieces of land where a land-use change occurs can usually then be tracked over time, at least statistically.

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greater than the de minimis threshold of 5 percent of the Total Estimated Carbon Quantification (Gross quantification).

7.8.2.5 Risks Buffer deduction

As outlined in [Section 7.7](#), the Risks Buffer is determined under ORMEX PROGRAM of being both a risks coverage and a Project Holder' motivation strengthened tools.

The total volume of tCO₂ eq. related to the Risks Buffer is determined during the Project Design Phase and it is identified per year according to the rules and conditions specified by the Selected Methodology.

The Risk Buffer is monitored every year for the Project Timeline in accordance with [Section 8.5.2](#).

The Risk Buffer volume for each year (Y) will determine the limit of the additional quantification if an Alignment Situation arises during the Verification of Y+10 years. ([Section 7.8.2.6. c](#))

The total Risks Buffer quantified for a Project must not be less than 5%.

The Total Estimated Carbon Quantification (Gross quantification) is reduced by the amount of the total volume of the Risks Buffer.

7.8.2.6 Buffer Adjustment situation

A Buffer Adjustment situation is identified in relation to the following events:

a. Overestimation

- ✓ If the Total Estimated Carbon Quantification Results reported in the Monitoring Report for the Verification Phase, approved by the Selected VVB, are not aligned (overestimation) with the estimated ones for that Vintage period, the volume of tCO₂eq available on the Risk Buffer is reduced by an equivalent amount of the overestimation volume of tCO₂eq.

b. Reversal event

- ✓ If a reversals situation occurs ([Section 7.7](#)), the Project must increase the Risk Buffer with an additional volume of tCO₂eq appropriate to the risks situation and the measures taken. The reversal situation is strictly monitored and the Project Holder must require from the VVB a dedicated assessment at the time of the nearest Verification.

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c. Alignment situation

- ✓ If the Total Estimated Carbon Quantification Results reported on the Monitoring Report a Verification Phase, approved by the Selected VVB, align with the estimated values for the Vintage period and the related Risks Buffer assumptions (Section 8.5.2). This Quantification Alignment means, as confirmed by the Selected VVB, that Estimated Carbon Quantification (Section 8.5) and the Project Permanency is achieved at that point, and the Carbon Positive Impact is still ongoing as it was estimated.

Consequently, the Yearly Risks Buffer volume related to the years (Y_N) included in the Verified Vintage Period is reduced by the volume of the Estimated Yearly Risks Buffer of the Y_{N-10} years. This determines the Verified Total Estimated Carbon Quantification for Issuance of the Verified Carbon Credits related to this Vintage Period.

8 PROJECT DESIGN

The purpose of this section is to determine the requirements the Project must comply with in order to have robust Project Design, and reliable and accurate assumptions based on conservatism principles.

8.1 Determination of the Project Geographical Areas

8.1.1 Geographical Project Boundaries and Project Surface

The Project must identify the geographical delimitations of the Project Boundaries, with information on their related surfaces and any relevant and sufficient details of localization.

If necessary, the Project Boundaries may include geographical segmentations, such as Zones, Areas and Sub-areas, where the Regenerative Activities are/will be implemented.

The Geographical location shall be identified as clearly as possible and the Project Boundaries must be mapped.

For “Opened” Grouped Projects or Governmental/Regional Projects, the Project Boundaries may include all initial Zones, Areas, or Sub-areas and any future predefined Zones, Areas, Sub-area extensions, and the related assumptions of the Project Surface extension per year.

The sum of the surfaces of the Project Boundaries determines the Project Surface.

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Satellite Images can be used to determine the boundaries with appropriate legend and foreseen extension(s) if necessary.

Project Boundaries can also be determined by cadastral Country information or other effective administrative documentation.

8.2 Determination of the Project Start Date and the Project Duration

8.2.1 The Project Start Date

It is important that the Project Start Date of a project can be precisely identified. This date determines the year to be taken into consideration:

- for calculating the Project Duration
- For calculating the Crediting Period

The Project Start Date shall be the major first step earliest date of the shift to new agricultural practices related to one of the Regenerative Activities listed in [Section 7.2](#).

The major first step can be the following events considering the segmentation of the Project. These events are applicable for Past and Future Projects.

	Determination of the Project Start Date
Single Projects	<ul style="list-style-type: none"> ✓ date of a culture’s Plantation based one or more Regenerative Activities in a of the farm plot, OR ✓ plant or specific equipment purchase, OR ✓ first plants with reduce or no-tilling, OR ✓ cultures year with no mineral fertilizer or reduction of used of mineral fertilizer, OR ✓ the date of the start of a field survey campaign (a collection of soil health data and/or a SOC survey at the farm plot as specified in the Selected Methodology) <p>For avoidance of doubt, ownership transfer or contracting</p>

	consultancy services are not included
Grouped Projects	<p>For Closed Grouped Project,</p> <ul style="list-style-type: none"> ✓ The agreed common Plantation date among the Farmers to shift to new Regenerative Activities. Each Farmers has to demonstrate the shift on their plots using one of the events for Single Projects (Past Projects), or common agreed evidence (Future Projects) selected within the ones for Single Projects <p>For Opened Grouped Project</p> <ul style="list-style-type: none"> ✓ The edited date of the Opened Grouped Project Requirements describing the entrance conditions of new Farmers in the Project, stating the plantation date of the shift to new Regenerative Activities and the common agreed evidence (selected within the ones for Single Projects) to be demonstrated by the Farmers for entering into the Project. The Project Holder has to demonstrate the procedure used (Past Project) or that will be used (Future Project) to identify the members of the Project.
Governmental/Regional Project	<ul style="list-style-type: none"> ✓ the date of the first Project communication (usually the Date of the Public Consultation), OR ✓ the launch date of a SOC survey campaign, OR ✓ any other reliable events that can be considered as sufficient evidence of the Project having started at such date

These events can be proved by any one or more sufficient written evidences.

GUIDANCE - EVIDENCE

The implementation of the Regenerative Activities can be evidenced by all means.

8.2.2 The Project Timeline

The Methodology shall determine the Project Timeline requirement, which must not be less than 20 calendar years. The year of the start date of the Project shall not be counted.

The Methodology shall consider the Implementation years principles outlined in [Section 5](#).

8.3 Identification of the Baseline Scenario and Additionality

The purpose of this section is to determine the Baseline Scenario and Additionality principles, requirements, and methods according to the ORMEX STANDARD.

ORMEX STANDARD proposes a combined method to define the Baseline Scenario and the Additionality. The method is described in the document BASELINE SCENARIO METHODOLOGY DEMONSTRATION AND ADDITIONALITY.

8.3.1 Identification of the Baseline Scenario

The Baseline Scenario (BS) shall be defined as the most plausible, reasonable, accurate and conservative scenario that would exist in the absence of Project implementation.

Considering this, the common practices in the relevant agricultural sectors delivering the same food production output have to be considered as potential types of Baseline Scenarios. The Selected Methodology can provide information about the common practices that can be useful to identify the Baseline Scenario to be selected.

While setting the BS, the Project Holder shall consider the following requirements:

- ✓ Among different potential scenarios possible, the Project shall choose the most likely land use and/or land management in the absence of Project implementation. If any, the degree of conservativeness and uncertainties of the selected BS shall be indicated. The Selected Methodology can provide additional information to determine the choice of the appropriate BS. If any, the process described in the Selected Methodology to determine the BS must be followed.
- ✓ The BS shall be determined so that an accurate comparison can be made between the Carbon emissions that would have occurred under the BS and the Carbon Removal/Reduction Positive impacts that were/would be achieved by implementing the Regenerative Activities. The comparison shall result in an increase in Carbon benefit figures to reach the Climate Additionality assessment ([Section 8.3.2](#)). Consequently, assumptions that might generate some risks of overestimation or underestimation shall be carefully mentioned.

- ✓ The Project shall determine any existing government policies and legal requirements that support the determination of the selected BS that might have an impact on it.
- ✓ During the Monitoring Period, any occurrence of a changing circumstance impacting the BS shall be identified and the potential impact described. The Approved VVB appointed by the Project Holder for the Verification will analyze the relevant impact of the changing circumstances on the Carbon Quantification.

8.3.2 Additionality

To be certified and to reach a high-level project quality, the Project shall demonstrate its Additionality. ORMEX STANDARD proposes a specific methodology for the determination of the Additionality assessment.

The Additionality assessment shall demonstrate with appropriate evidence that the Carbon Reduction or Removal from the implementation of the Regenerative Activities compared to the quantification of the Baseline Scenario shall be additional, i.e., they would not have occurred in the absence of the proceeds created by carbon credits revenues.

The Additionality Assessment is used to demonstrate that:

- ✓ **The project goes/will go beyond legal obligations** (“Regulatory Additionality”): this means that the Project is not implemented by cause of mandatory national, regional or international effective Regulations in the Jurisdiction where the Project is located.
- ✓ The Project **can be achieved (in full or part) through the revenue generated by the sale of the Carbon Credits** (“Financial Additionality”): this means that without the purchase of certified Carbon Credits, the Regenerative Activities would not have taken place.
- ✓ **The Project shall go beyond other barriers** (“Barriers Additionality”): this means to consider that the Project has to face some barriers not faced by at least one of an alternative Scenario (likely the selected Baseline Scenario) and these identified barriers would be overcome by the implementation of the Project and the expectation of revenue coming from the sale of Carbon Credits
- ✓ The Project shall demonstrate an increase of the emission/reduction and/or Removal through the Carbon Quantification (“Climate Additionality”): this means comparing the Carbon Quantification of the selected Baseline Scenario and the one resulting from the implementation of the Project.

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The demonstration of the Additionality has to be assessed by VVB for the Validation Phase and subsequently with every Verification Phase.

The Additionality has to be maintained during the Project Timeline and must be re-assessed at least every 10 years throughout the Certification Renewal.

8.3.3 Demonstration

To support the above requirements, ORMEX STANDARD proposes a methodology to go forward step by step on the determination of the Additionality Assessment. When passing each step, the level of the Additionality threshold increases or decreases, considering the demonstration capacity of the Project Holder in consideration of the three Additionality domains set forth in [Section 8.3.2](#).

The proposed methodology refers to a first step (Step 1) classification as the input of the demonstration based on the “*likelihood of Additionality*” proposed by IC-VCM. ³⁰

Using the proposed ORMEX STANDARD methodology, the Project shall apply the following steps to determine Additionality threshold levels in relation with the determined Baseline scenario:

- ✓ Step 1: Likelihood of Additionality
- ✓ Step 2: Demonstration of Mandatory Regulation
- ✓ Step 3: Financial Additionality
- ✓ Step 4: Barriers Additionality
- ✓ Step 5: Baseline Scenario and Carbon Quantification comparison

8.4 Methodology

The Project must demonstrate a Carbon Positive Impact.

The measurability of Carbon Positive Impact, including relevant Carbon Reduction or Carbon Removal, must be based on robust and transparent Methodologies approved by ORMEX STANDARD and selected by the Project Holder.

³⁰ IC-VCM – Framework Assessment –section 8

8.4.1 Methodology requirements and approval process

8.4.1.1 Requirements

The Methodology must be within the scope of AFOLU – Cropland, Grassland and Wetland (Section 7.1), and introduce Regenerative Activities (Section 7.2), that prioritizes High-integrity Environmental, Biodiversity, and Social co-benefits (Section 7.3).

The Methodology must also be based on IPCC protocol and strong scientific research references. If possible, the Methodology shall refer to local scientific references.

The Methodology must propose recognized measurement tools and/or methods, in compliance with this Section 7.8.2, that:

- ✓ Identify the Deforestation adjustment and its application rules,
- ✓ Quantify appropriately all GHG emissions, reduction and removal, including identification of the Carbon Pool, and adjustments for Uncertainty,
- ✓ Quantify Leakage (if appropriate),
- ✓ Quantify the Risks assessment and Risks Buffer, for the determination of the total volume of the Risk Buffer, and the yearly segregation.

It is specified that the ORMEX STANDARD requires a Tier 2/Tier 3 method to be proposed by the Methodology (with a possibility of Tier 1 in some non-significative data). ORMEX STANDARD is under approval of a dedicated Regenerative Activities Framework Methodology. This framework Methodology, when approved, will become the ORMEX STANDARD METHODOLOGY FRAMEWORK. This Methodology Framework will be the base of additional Methodology with proposed improvements in relation to Regional or local specificities, agricultural crops, additional regenerative activities, methods of data collection, Scientific sources.

These additional Methodologies will follow the approval process.

8.4.1.2 Methodology approval process

To be approved by ORMEX STANDARD, the Methodology must undergo an analysis and approval process according to the governance rules of the ORMEX PROGRAM. Once approved, the Approved Methodology will be subject to a public consultation period of thirty (30) calendar days.

If ORMEX STANDARD becomes aware of an overestimation of Carbon Positive Impact when using an Approved Methodology, changes may be enforced at any time. ORMEX STANDARD will inform the Project Holder and determine the appropriate transition measures.

The Approved Methodologies are publicly available on www.ormex.io

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GUIDANCE - EVIDENCE

Before initiating the Project Creation, it is recommended to have used the foreseen Methodology and have a first estimation of the Carbon Positive Benefits

8.4.2 Methodology selection by the Project Holder

The Project Holder must select an appropriate Approved Methodology from the selection listed in the Platform.

If no appropriate Approved Methodology is available, the Project Holder can propose his own Methodology provided it is issued from agriculture experts, research organizations or other expert consultancy entity, and it complies with the requirements set out in [Section 8.4.1](#). This Methodology must be approved before any Submission for Validation.

If no appropriate Methodology is available on the Platform, and the Project Holder does not have their own Methodology to propose, they can select another methodology already approved by another Standard Mechanism. This Methodology must undergo analysis according to [Section 8.4.1](#) to identify its consistency with the ORMEX STANDARD.

The Selected Methodology is specified in the PDD.

8.4.3 Methodology improvements

The Project Holder may propose improvements to the Selected Methodology, ("the Methodology Improvement") related to accurate project data, parcel work progression, learning time on regenerative agriculture, etc.

The Methodology Improvements are analyzed by the Approved VVB according to the VALIDATION/VERIFICATION BODIES REQUIREMENTS.

The PDD must identify the source references of the improvement, such as improvements resulting from experts' views, research organizations, etc., and detail their impacts on the Selected Methodology.

8.4.4 Methodology revisions

The Approved Methodology used by the Project Holder must be the latest effective version publicly available on www.ormex.io at the Date of the Submission for Validation (first Certification or Certification Renewal).

The following clarification or exceptions apply:

- ✓ If a revised version of the Approved Methodology is under review for Approval as publicly specified, the Project Holder must postpone the finalization of the Project Design and the related Submission for Validation until the publication of the new version of the Selected Methodology. The postponed time will not be counted within the timeframe for Certification³¹,
- ✓ If there is no information about ongoing revisions, and the Project fails to finalize the Project Design and initiate the Submission for Validation within the Certification timeframe, the Project Holder must use any new version of the Selected Methodology that may be publicly available within this timeframe.

8.5 Estimation of the Carbon Positive Impact

8.5.1 Estimation requirements

The Project must demonstrate a net positive balance compared to a reference scenario (Baseline Scenario) and must be measured for the same Total Surface of the Project Scenario.

The measurements must meet the following requirements:

- ✓ For Single or Grouped Projects: In the case of multi-Sub-Areas, the measurement must be done per Sub-Area, followed by an aggregation of the Results to determine the Total Estimated Carbon Quantification for the Total Surface (Section 8.1).
- ✓ For Governmental/Regional Projects: The measurement should be identified by Zones (especially if the Project Holder used a Sampling approach) – with or without site sampling.
- ✓ The Project Surface eligible for the measurement must be determined according to Section 8.1.1 and the Total Surface must be considered (Section 7.8.2.2).
- ✓ The Project must clearly state all assumptions, Carbon Pools, and sources of data used to estimate the expected Carbon Positive Impact, and demonstrate that these meet the requirements of the Selected Methodology.
- ✓ The Uncertainty adjustment must be applied. If the Selected Methodology does not define the Uncertainty, the carbon measurements shall consider the default value of

³¹ The Submission for Validation has to be done within the twelve (12) months following the Project Creation Date.

Uncertainty outlined in [Section 7.8.2.3](#),

- ✓ The method of calibration and sampling frequency of direct measurements must be detailed,
- ✓ Risks Buffers assumptions must be identified according to [Section 8.5.2](#),
- ✓ The Total Estimated Carbon Quantification (a total volume of tCO₂-eq) must be calculated using the calculation methods (and tools) outlined in the Selected Methodology, after deductions for Leakage (if any – [Section 7.8.2.4](#)), and the Risks Buffer ([Section 7.8.2.5](#))
- ✓ The Project must apply the Safeguard principles outlined in [Section 8.7](#) for the determination of the Total Estimated t. CO₂eq. (if any).

The indicators that will be used to monitor Carbon Positive Benefits must be identified in the PDD.

The Carbon Positive Impact shall be regularly monitored as per the Monitoring Plan outlined in the Selected Methodology, and verified according to Verification.

The Total Estimated Total t. CO₂eq for the Project Timeline must be reassessed and updated at least every 10 years throughout the Certification Renewal ([Section 10.2.3](#)).

8.5.2 Identification of an accurate Risks buffer

The purpose of the Risks Buffer is to address inaccuracies or risk events that are identified as potential risks according the Selected Methodology, which could have a negative impact on the Total Estimated Carbon Quantification. It includes risks identified in Risks Management as outlined in the Project assumptions.

The Selected Methodology may define one or several specific Risks Buffers. The Project Holder must deduct from the Estimated Carbon Quantification all Risks Buffers required by the Selected Methodology that are not a recommendation.

For any recommendation proposed by the Selected Methodology for a Risk assumption, the Project Holder should identify positive or negative adjustments of the risks according to the Project assumptions.

The total Risks Buffer must not be less than 5% ([Section 7.8.2.5](#)).

The Selected Methodology can identify specific rules and thresholds for the Risks Assessment and categorization of the exposure, such as the following:

- ✓ Low risks exposure: 5%
- ✓ Medium risks exposure: 10%

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- ✓ High risks exposure: 20%
- ✓ Very-high risks exposure: 25%

GUIDANCE – EVIDENCES

For instance, if a 5% Risks Buffer is applicable: for a volume of 100 t. of CO2 eq., only 95 t. of CO2 eq. will be considered in the Total Estimated Carbon Quantification and consequently for the V-ACORS Issuances, if the estimation is confirmed by the Verification of the Selected VVB.

The 5 t. of CO2 eq. are left in the Project Buffer.

A Project Holder can see the Project Buffer per Project in its dedicated dashboard in the Platform.

8.6 High-Integrity Environment, Biodiversity and Social Objectives

This purpose of this section is to define the Ecosystemic Objectives and associated co-benefits and determine how the Project Holder must introduce them in the Project Design.

8.6.1 Agroecology Ecosystem

Being a Certified Project under ORMEX STANDARD requires consideration of the Project's impact on the Project's ecosystem. With the Project's Ecosystem Objectives determination, the Project Holder agrees to have the Project be part of an integrated system contributing to the SDG within the Agroecology as outlined by the Food and Agriculture Organization of the United Nations (FAO)³² and by GTAE-AgroParisTech CIRAD-IRD³³.

Agroecology is an integrated approach that applies ecological and social concepts and principles to the design and management of food and agricultural systems. *"Based on bottom-up and territorial processes, it helps to solve local problems through context-specific solutions. Agroecological innovations are based on the joint production of knowledge, combining science with the traditional, concrete and local knowledge of*

³² FAO, the 10 Elements of Agroecology op.cit.

³³ L. Levard, B. Mathieu, P. Masse (Coordination), (March 2019). Handbook for the evaluation of agroecology, A method to evaluate its effects and the conditions for its development, GTAE-AgroParisTech CIRAD-IRD

producers. By strengthening their autonomy and adaptive capacity, agroecology empowers producers and people to be key actors of change. Rather than adjusting the practices of unsustainable agricultural systems, agroecology aims to transform food and agricultural systems, addressing the root causes of problems in an integrated way and providing holistic solutions that are sustainable. This includes an explicit focus on the social and economic aspects of food systems. Agroecology places the rights of women, youth and indigenous peoples at its core.³⁴

It is requested of the approved Methodology to consider these methods and to determine the mandatory or optional Environmental, Biodiversity and Social Ecosystem Objectives specified hereafter.

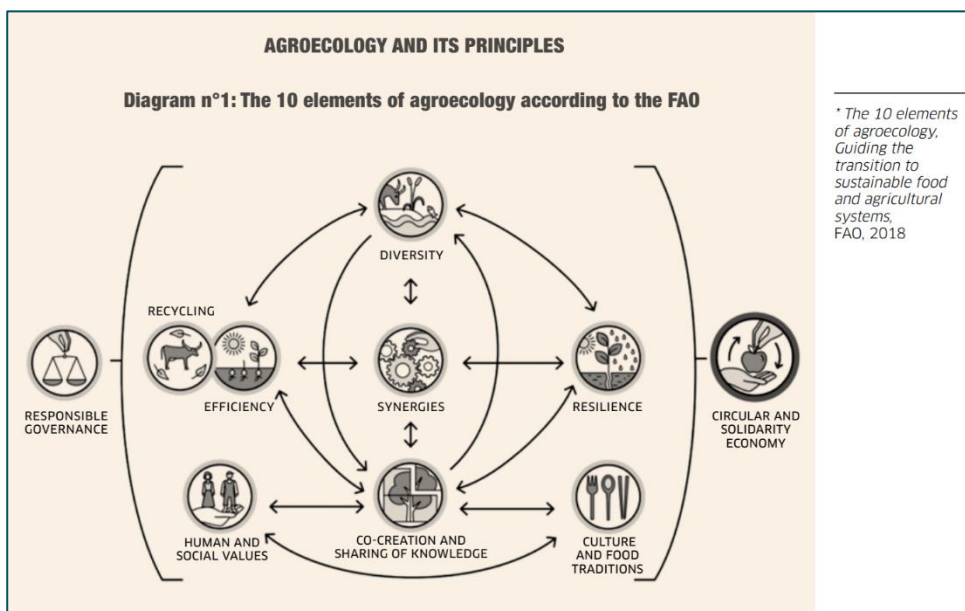


Figure 5 ³⁵ – Agroecology and its 10 elements – FAO

³⁴ FAO, the 10 Elements of Agroecology, op.cit

³⁵ L. Levard, B. Mathieu, P. Masse (Coordination), Handbook for the evaluation of agroecology, A method to evaluate its effects and the conditions for its development, GTAE-AgroParisTech CIRAD-IRD, March 2019

8.6.2 The Ecosystemic Objectives

The Project Holders must select their Ecosystemic Objectives from the following considering the mandatory and optional ones:

- ✓ **Environmental integrity**
 - Improving agricultural yield and its regularity(mandatory)
 - Improving soil health(mandatory)
 - Mitigation of GHG emissions through Carbon Removals (mandatory)
 - Efficiency & use of water resources (mandatory)
 - End Deforestation & restore degraded arable lands (optional)
 - Climate change measures policy & planning (optional)
 - Knowledge & capacity to meet climate change (optional)
- ✓ **Biodiversity maintenance**
 - Maintenance of soil biodiversity (mandatory)
 - Maintenance of above-soil biodiversity (mandatory)
 - Fertilizer balance (optional)
 - Effectiveness of pest & disease control (optional)
- ✓ **Social & economic improvements**
 - Agricultural yields according to stakeholders (mandatory)
 - Economic performance from the Farmer's perspective (mandatory)
 - Employment and well-being (mandatory)
 - Food and nutritional security (optional)
 - Women's empowerment(optional)
 - Attractiveness agriculture for young people(optional)
 - Commodities and Trade Organization (optional)
 - Autonomy (optional)

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In relation to each Ecosystemic Objectives, one or more impacted SDGs (and SDG's targets) are identified³⁶.

Selected Ecosystemic Objectives shall be easily verified by the Approved VVB during the Validation and Verification.

8.7 Safeguard

8.7.1 Safeguard vigilance

The Project Holder must design its Project not to cause environmental, biodiversity or social adverse effects when the Project will be implemented.

The following requirements must be respected:

- ✓ The Project shall be designed carefully to avoid causing environmental, biodiversity or social adverse effects during implementing and throughout its duration. If any negative impacts are identified during the Project Design, the Project Holder shall identify measures or modify the Project to avoid or limit such negative impacts.
- ✓ The implementation of the Regenerative Activities in the Project Boundaries and the surrounding landscape must be regularly screened to identify potential environmental, biodiversity or social risks and related negative impacts. This Safeguard assessment is part of the Risks Management of the Project Holder and Monitoring Plan.
- ✓ For each risk of adverse impacts identified during the Monitoring, the Project Holder shall propose mitigation actions to eliminate, reduce or bypass the risk.
- ✓ The Monitoring Plan of the Project Holder must identify that any environmental, biodiversity or social negative impacts must be recorded as soon as they become known or in due time. In the event of adverse effects, the Project Holder must take all appropriate measures to eliminate or reduce the related negative consequences.
- ✓ The Project shall demonstrate how the Safeguard vigilance requirements are implemented and organized. This demonstration has to be done during the Validation and Verification.

³⁶ L. Levard, op.cit

8.7.2 Project grievance mechanism

The grievance mechanism helps to ensure that the Project has implemented management processes and/or tools to become aware of and be able to respond to any unforeseen negative impacts or any major other concerns that could have an impact on the implementation of the Project and/or the Total Estimated Carbon Quantification and/or the Ecosystemic Objectives.

The grievance mechanism is also applicable to address situations where non-Compliance with the Project assumptions is identified at any time during the Project Timeline, or in the event of claims, complaints or disputes events set out in [Section 9.4](#).

For the issues and/or non-conformance raised, relevant mitigation/resolution/bypass actions shall be identified and documented within the Monitoring phase.

8.8 Project Design Re-Assessment and update

The Project assumption must be re-assessed and updated as necessary, and at the Certification Renewal ([Section 10.2.3](#)).

9 PROJECT IMPLEMENTATION

The Project Scenario has to be robust, with clear assumptions and a clear implementation plan.

The purpose of this section is to determine the requirements of the ORMEX STANDARD in relation to the implementation plan of the Project.

9.1 Project organizational management

9.1.1 Project Participants identification

Sufficient details on the Project Participants involved in the Project implementation is mandatory to give sufficient transparency and reality for the Project implementation. This contributes to a clear understanding of the Project.

The PDD must detail the information of the Project Participants categories and designations involved in the implementation of the Project, like technical experts or consultants supporting the implementation of the Project with information on their role and responsibilities.

With regard to Grouped Projects or Governmental/Regional Projects, the PDD must only detail the principal technical experts or consultants involved with direct contractual relationship with the Project Holder.

9.1.2 Appropriate Project management

The Project must be managed and coordinate appropriately, considering its segmentation (Section 6.2).

The Selected VVB shall identify whether the project organization, management and degree of Project Participants involvement are appropriate and accurate.

9.1.3 Indigenous Peoples and Local Communities (IPLCs) involvement ³⁷

The Project shall specify whether the Regenerative Activities are developed in collaboration with IPLCs.

The Project grievance mechanism (Section 8.7.2) must identify how the IPLCs can address alternatives options or issues related to the Project implementation, and how the Project will analyze and answer to the option and issues.

9.1.4 Project Governance

The Project must have a clear governance structure and decision-making process.

9.1.5 Public Consultation

The Project shall have a general contact information publicly available.

The Project Holder shall indicate if a Public Consultation took/will take place before the Project Start Date.

For the Past-Started Project, the Public Consultation must have been held before the Project Creation Date.

In any case, the public must have the opportunity to provide feedback or information and raise issues or concerns about potential negative impacts of the Project through the Project grievance mechanism.

9.1.6 Identification of supporting agriculture and Regenerative Activities expertise

ORMEX STANDARD does not impose that external experts be appointed to support the Project (for the Project Design and/or implementation Phase). Nevertheless, such appointment

³⁷ Not applicable for Governmental/Regional Project

should be useful for complex projects or when a Project intends to use its own Methodology, as set forth in [Section 8.4.2](#)

Any external expert who was/will be appointed to support the Project will be identified in the list of Stakeholders in the PDD.

The Project Holder shall at least indicate under which kind of expertise and/or proper training programs the Project has used/will use to support the Project Design and implementation.

9.2 Project implementation

9.2.1 Project plan

The Project Plan shall describe;

- ✓ The key assumptions of the Project
- ✓ the organization in place - or that will be created - for the coordination of the Project implementation, according to [Section 9.1](#)
- ✓ the detailed roles and responsibilities of the Projects Participants, and their coordination
- ✓ the Monitoring organization, timeline, and indicators
- ✓ the Risks Management

For Grouped Projects or Governmental/Regional Projects, the Project Plan may be established at a Grouped or Governmental/Regional level (whatever the number of Zones or Sub-Areas), provided there is no substantial difference between the Plan assumptions. In the event of substantial differences, a sub-Area or Zone dedicated Project Plan should be presents.

GUIDANCE - EVIDENCE

The Project Plan shall be disclosed to the Approved VVB during the Validation/Verification ([Section 10](#)). A Project Plan summary has to be provided in the PDD.

9.2.2 Regenerative Activities methods

The Project designs and performs the Regenerative Activities practices, methods, planification, and/or inputs according to the Selected Methodology.

If appropriate, the Project Holder may identify different scenario with implementation of Regenerative Activities planification evenly per Zone or Sub-Area.

9.2.3 Risk management

The Project shall determine the risks and all mitigation measures in the event of reversals, and/or any negative environmental, biodiversity or social impacts (Section 8.7), as well as any implementation and/or monitoring issues (including unavailability of data and restriction of data collection).

For each risk of adverse impacts arising, the Project shall identify mitigation actions to eliminate, reduce or bypass the risk. The identified potential risk and the mitigation action are monitored during the Monitoring Phase (Section 9.3).

9.2.4 Financial Plan and annual audit

All costs for long-term implementation of the Project and source(s) of finance that the Project expects to access are to be identified on the Project Plan.

The financial Plan shall include:

- ✓ a realistic estimate of the full costs of implementing the Regenerative Activities
- ✓ an estimation of the risk mitigation measures, if any
- ✓ plans for financing the Project operation and management costs,
- ✓ all obligations/expenses related to Project Participants, if any

The Finance Plan must have transparent financial procedures for managing incomes and expenditure of finance generated from the sale of V-ACORs.

An annual audit of Project finances must be conducted by an independent financial auditor certified by a nationally recognized regulatory body within 12 months of the end of each financial year ³⁸.

GUIDANCE – EVIDENCE

Financial details of the Project will not be made publicly available. It shall be disclosed only to the Selected VVB for the Validation/Verification.

³⁸ Not applicable for Governmental/regional Project

The Project plan has to be consistent with the benefit sharing assumptions and the Project Scenario.

9.3 Monitoring and Reporting Plan

9.3.1 Monitoring organization and procedure

Demonstration of Project reality goes through a strong Monitoring organization and procedure.

Evidence about having a Project dully monitored with real and verified outcomes is strictly necessary for a chance to receive Validation/Verification from the Selected VVB.

The Monitoring procedure is determined for the whole Project Timeline.

If necessary, considering the different Regenerative Activities implementation or the Project Segmentation, a sub-monitoring approach may be implemented by the Project Holder. The Project Plan shall then explain this choice.

A simplified Monitoring and Reporting Plan should be presented as part of the PDD for Validation and shall form the basis of the Monitoring Reports that shall be presented for Verification.

GUIDANCE - EVIDENCE

Monitoring organizations and processes have to be available to the Selected VVB for review during the Validation/Verification.

9.3.2 Monitoring Indicators and data collection

The Project must be monitored by using Progress Indicators. When necessary, correctives measures shall be implemented in due time.

The Project Holder shall identify any restriction/limitation associated with the data collection and/or monitoring and/or reporting.

GUIDANCE - EVIDENCES

Demonstration of all metrics or variables determined within the PDD are monitored and reported on the Monitoring Reports, with the frequency, method of collection of data and details about the collection organization, participants involved and tools used.

The Monitoring Report can set out the application of quality control approaches, if any.

9.3.3 Monitoring Period, frequency and Reporting Plan

Monitoring Periods start at the Project Start Date and are repeated over the course of the Crediting Period.

The frequency of Monitoring activities is scheduled in accordance with the Indicators to be monitored and in compliance with the requirements of the Selected Methodology.

If there is no Monitoring and Reporting Procedure identified in the selected Methodology, the Project shall implement a yearly Monitoring, with appropriate data collection and annual Monitoring Reports.

Whatever the Monitoring Plan, the Project Holder shall initiate the Verification according to Section 10.3.

Verification cannot be initiated without a first Monitoring Report duly filed by the Project Holder, except for the Past-Started Projects, where the Monitoring Report related to the past Vintage Period is part of the PDD.

9.3.4 Monitoring of the Ecosystemic Objectives

The Environmental, Biodiversity and Social Co-benefits shall be monitored and reported as per the targets and parameters identified in the Selected Methodology.

9.3.5 Risks monitoring

The Project Holder must do a yearly Risk Management review.

9.3.6 Monitoring Reports

The Monitoring Report shall detail:

- ✓ The Regenerative Activities' implementation status
- ✓ The Project Design modifications, if any
- ✓ The recording data, methods used (Tier 2, 3 or 1), parameters, and Results

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- ✓ The Carbon Quantification generated for that Monitoring Period
- ✓ The Risks management review
- ✓ The Project disputes, and/or issues
- ✓ The Risk Buffer re-assessment and, if any, requests for proper adjustments

All Monitoring Reports are publicly available on the ORMEX PUBLIC REGISTRY.

9.4 Project Disputes

9.4.1 Dispute reporting

All Project disputes, including any land title/tenure disputes arising during the Project Timeline shall be reported in the Monitoring Report with an indication of its impact. If necessary and appropriate, a Risks Buffer Adjustment set out [Section 7.8.2.6](#) may be considered.

Arising land tenure disputes before the Project Start Date are to be resolved prior to further implementing the Regenerative Activities in the related Sub-areas. If the dispute is not definitively resolved at the Project Start Date, the relevant Sub-Area cannot be considered for the calculation of the Carbon Positive Impact.

10 PROJECT CERTIFICATION AND VERIFICATION

The robustness of Project's audits is a key objective of the ORMEX STANDARD. Confidence in the Project, consistency, transparency, and integrity cannot be achieved without high-quality auditing and verification processes.

The following sections set out the conditions of the ORMEX STANDARD to comply with in relation to:

- ✓ the Validation and Verification main principles and requirements,
- ✓ the Validation and Verification Body (VVB) eligibility conditions and requirements to be approved by ORMEX STANDARD (Approved VVB),
- ✓ The requirements to comply with the Approved VVB when performing the assessments (Assessments) under Validation or Verification,
- ✓ the Project Certification, and its renewal (Certification Renewal),

✓ The Verification

The VALIDATION & VERIFICATION BODIES REQUIREMENTS gives additional clarification and requirements on these topics.

Section 4 details the related processes, steps and deadlines.

10.1 Project Certification and Verification principles

10.1.1 Robust Validation and Verification requirements: Assurance

OTMEX STANDARD requires that the degree of confidence associated with respect to material errors, omissions and misrepresentations shall be a “high” or “positive” assurance (“Assurance”). This Assurance shall be applied for both Validation and Verification.

The Approved VVB shall select samples of data and information to be validated or verified as necessary to comply with this level of Assurance and apply the Materiality Threshold applicable to the Project (Section 10.4).

The Validation and Verification shall be carried out by the Selected VVB in conformance with ISO 14064-3:2006 and ISO 14065:2013 and according to the VALIDATION AND VERIFICATION BODY REQUIREMENTS.

10.1.2 VVB eligibility and requirements

10.1.2.1 VVB Roles and responsibilities

It is crucial that an Approved VVB will be able to provide a free and independent conclusion about Project’s compliance with ORMEX STANDARD PRINCIPLES AND REQUIREMENTS, like the conditions of the Project’s eligibility (Section 7) and compliance with the Selected Methodology.

The VVB plays a key role in ensuring that the Project is well organized and monitored to meet the requirements of the ORMEX STANDARD, especially in a complex and long-term project. The VVB ensures that the planned Regenerative Activities, Carbon Positive Impact, and Ecosystem Objectives are fully implemented as described in the PDD along the Project Timeline.

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10.1.2.2 VVB Approval Procedure

For being approved by ORMEX STANDARD, the VVB has to be an independent party acting with strict impartiality. It must be able to assign appropriate Assessors with expertise in AFOLU subsectors and conduct strong assessments in accordance with ISO 14064-3 rules and guidance.

The VVB must provide information and documentation required by the VVB Approval Procedure and be engaged by the VALIDATION AND VERIFICATION BODY (VVB) GENERAL TERMS AND CONDITIONS, to be approved by ORMEX STANDARD.

Among other eligibility conditions set out in the VALIDATION & VERIFICATION BODIES REQUIREMENTS, the VVB must demonstrate:

- ✓ Its international Accreditation by the UNFCCC CDM executive board, or accreditation in relation to the current edition of ISO 14065 and ISO 14066 by a member body of the International Accreditation Forum (IAF),
- ✓ Its capacity to assign proper expertise on AFOLU subsectors
- ✓ An appropriate organization and resources for the delivery of Validation or Verification Services
- ✓ Appropriate internal processes on Conflicts of interest and Impartiality assessments
- ✓ The implementation of Internal quality process and risks management
- ✓ The existence of a grievance procedure

The VVB shall have effective professional insurance with proper level coverage and must communicate its insurance certificate during the VVB Approval Procedure, at the coverage renewal date, and on ORMEX STANDARD's first demand.

The VVB Approval Procedure is further described in the VALIDATION & VERIFICATION BODIES REQUIREMENTS.

It is approved for the duration of its international Accreditation. Consequently, its status of Approved VVB terminates with the terms of its Accreditation and it has to renew it to be able to continue to perform Validation and Verification Services under ORMEX STANDARD. The Project Holder can find the termination date of the Approval, and the ongoing renewal information on www.ormex.io and on the Platform.

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10.1.2.3 Appointment of an Approved VVB by the Project Holder

The appointment of an Approved VVB by the Project Holder shall comply with the rules set forth in the VALIDATION & VERIFICATION BODIES REQUIREMENTS. ORMEX STANDARD provides a list of Approved VVBs, updated on a case by case basis, and publicly available on www.ormex.io.

The Validation or Verification must not start before a Validation and/or Verification Services Agreement is signed between the Project Holder and the Selected VVB.

10.1.2.4 Assessments

The Approved VVB shall perform the audit and assessments in accordance with the requirements detailed in the VALIDATION & VERIFICATION BODIES REQUIREMENTS.

10.1.3 **ORMEX oversights**

ORMEX STANDARD is organized and have determined processes for:

- ✓ managing Approved VVB performance during the Validation and Verification Phase, including a specific oversights step during the ORMEX Certification Phase and Ormex Verified Credits Phase
- ✓ address dedicated improvement measures when poor VVB performance is reported to ORMEX EXECUTIVE COMMITTEE, (by Project Holder or Accreditation Body). The poor performance identified by ORMEX may be reported to the Accreditation body if the Approved VVB does not implement corrective actions,
- ✓ the suspension or the VVB Role revocation, through the termination of the VALIDATION VERIFICATION BODY TERMS AND CONDITIONS signed with the VVB.

All opinions and Validation or Verification Reports submitted by the Approved VVB will be reviewed by the STANDARD EXECUTIVE COMMITTEE.

The STANDARD EXECUTIVE COMMITTEE can issue any necessary questions, which must be answered by the Approved VVB without undue delay or within the timeframe required by the committee. Should the Approved VVB fail to provide a proper answer within the specified time, the STANDARD EXECUTIVE COMMITTEE may, at its sole discretion, decide to postpone the issuance the Validation/Verification Certificate. In such an event, ORMEX will inform the Project Holder of such situation.

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10.2 Project Certification

10.2.1 Validation Assessments

10.2.1.1 Purpose

The Project is required to successfully pass the Validation and consequently obtain a positive certificate from the Selected VVB (VVB Validation Certificate) for being certified by the ORMEX STANDARD.

The Validation is a Project Design Assessment.

The Validation is under the Approved VVB's role and responsibilities outlined in the VALIDATION & VERIFICATION BODIES REQUIREMENTS.

10.2.1.2 Submission for Validation

To initiate the Validation Phase, the Project Holder shall submit a "Submission for Validation" using the Platform, within the timeframe and in accordance with [Section 4.5](#).

The Approved VVB appointed by the Project Holder (Selected VVB) cannot start the Validation without being notified through the receipt Submission for Validation ([Section 4.5](#).)

10.2.1.3 Validation

The Selected VVB must act in a professional manner and without delay to enter into contact with the Project Holder and have the Validation Services Agreement signed in a reasonable time ([Section 4.5.2.1](#)).

Validation shall be done in accordance with the effective version of the ORMEX STANDARD at the date of the Validation Start Date ([Section 4.5.2.1](#)).

The Validation determines whether the Project Design complies with the eligibility requirements and conditions set forth in the ORMEX STANDARD and the Selected Methodology, and has robust, reasonable and conservative assumptions, statements, methods, and organization supporting the statements outlined in the PDD.

The Validation does not include verification of the performance of the Project, meaning that it does not ensure that the Carbon Positive Impact and the selected Ecosystemic Objectives (Environmental, Biodiversity and/or Social) are achieved or will be achieved. The audit of the performance of a Project occurs during the Verification ([Section 10.3](#)).

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10.2.2 Certification

Once the Selected VVB issues the VVB Validation Certificate, the Project enters in the Certification Phase under which ORMEX STANDARD oversees the document (Section 4.6) to identify if all of the Assessment topics are covered, with the necessary information according to the VALIDATION & VERIFICATION BODIES REQUIREMENTS.

Once the oversight is performed, ORMEX STANDARD issues the ORMEX PROJECT CERTIFICATION for a duration of 10 calendar years (meaning 10 years from the Certification Date with regard to a Future Project, and 10 Vintages with regard to a Past-Started Project).

The Project becomes a “Certified Project” and it is authorized to claim its Certification under ORMEX STANDARD.

It is recorded as such on the ORMEX STANDARD REGISTRY. From this event, it is transparently publicly available with its related documentation.

10.2.3 Certification Renewal

The Project Holder shall renew the Certification before its term, in order for the Project to remain a Certified Project pursuant to ORMEX STANDARD.

During Certification Renewal, the Project Holder must not initiate a Verification Phase and any delay may postpone the following V-ACORs Issuances.

The same process of Certification applies (Section 10.2.2) based on the effective versions of the ORMEX STANDARD and the Selected Methodology, if any. In addition, the Project Holder shall make an Internal Audit related to the following topics, and may have to update the PDD as necessary:

- ✓ the Project Design and eligibility requirements
- ✓ the Baseline Scenario and the Project Scenario
- ✓ the Regenerative Activities
- ✓ the Methodology and Carbon Positive Impact
- ✓ the Additionality, including the Project Financial assessment.

Any major changes have to be underlined and explained. They shall be detailed with the relevant impact on the Carbon Quantification, if any.

Changes coming from incorporation of an update version of ORMEX STANDARD shall be identified with the relevant consequences on the Carbon Quantification, if any.

10.3 Project Verification

10.3.1 Verification Assessments

For V-ACORs Issuances, the Project is required to go through a successful Verification and consequently obtain a positive certificate from the Selected VVB (“VVB Validation Certificate”).

The Verification is under the Approved VVB's role and responsibilities outline in the VALIDATION & VERIFICATION BODIES REQUIREMENTS.

To initiate the Verification Phase, the Project Holder shall previously create an "Issuance Request" to define the Vintage period(s) and submit a "Submission for Verification" using the Platform, in accordance with [Section 4.5](#).

The Selected VVB cannot start the Validation without being notified through the receipt of the "Submission for Verification" ([Section 4.5](#)).

The Verification Phase shall be requested by the Project Holder at its convenience throughout the Project Timeline, in compliance with the conditions set forth in [Sections 5.2.3](#) (for Past-Started Projects) and [5.3.2](#) (For Future Projects) for determination of the Vintage Periods.

The Verification will be related to the determined Vintage Period defined in the "Issuance Request".

It is reminded that for the Verification:

- ✓ the Project Holder must communicate to the Selected VVB, the Monitoring Report(s) related to the Year included in the Vintage Period to be verified (except for a joined Validation/Verification).
- ✓ For a joined Validation/Verification, the Validation timeframe applies ([Section 4.5](#)).

The Selected VVB must act in a professional manner and without delay to enter into contact with the Project Holder and have the Verification Services Agreement signed in a reasonable time. ([Section 4.7.2.1](#)).

Verification shall be done in accordance with the effective version of the ORMEX STANDARD at the date of the Verification Start Date ([Section 4.7.2](#)) regardless of the version used for the Validation Phase.

The Verification analyzes the status of the implementation of the Project and makes an assessment of its performance in relation to the Carbon Positive Impact and the Ecosystemic Objectives as a result of the Project implementation during the Vintage Period.

10.3.2 Carbon Positive Impact Assessment

The Monitoring Report(s) communicate by the Project Holder for the Verification should confirm the Total Estimated Carbon Quantification ([Section 8.5](#)) and the related Risks Buffer assumptions ([Section 8.5.2](#)) or identify new values. If any, these new values have to be confirmed by the Selected VVB in its Verification Assessment. In the event of Selected VVB disagrees with the values proposed on the Monitoring Report(s), the Selected VVB shall identify corrective values with all relevant explanations.

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If the Verification Assessment identifies a lower value of the Total Estimated Carbon Quantification than the one identified in the Project Scenario, the sur-estimated statement value of Carbon Quantification is decreased through a Buffer Adjustment (Section 7.8.2.6).

10.4 Materiality Threshold

10.4.1 Materiality

ORMEX STANDARD states the Materiality Threshold with respect to the aggregate of errors, omissions, misrepresentations and discrepancies relative to the total reported GHG emission/reductions and/or removals at 5%.

10.4.2 Methodology non-Compliance or deviation

In the event the Project does not fully comply with the Selected Methodology, The Selected VVB shall determine whether it is a Methodology deviation not specified by the Project Holder or a Methodology Non-Compliance, and the case shall be handled accordingly according to the VALIDATION & VERIFICATION BODIES REQUIREMENTS.

10.4.3 New Selected Methodology

If the Project applies for Validation or Verification a previous version of an Approved Methodology which is no longer effective, the elected VVB shall duly justify whether material changes have occurred and can affect the integrity of the current Methodology implemented. If it is the case, the Selected VV Selected VVB must reject the Validation or the Verification, as the case may be.

10.4.4 Non-Compliance with the ORMEX STANDARD PRINCIPLES AND REQUIREMENTS

In the event the Project does not meet the principles and requirements of the ORMEX STANDARD set out in this document and any supplemented documents (Section 3), including the Validation/Verification Phases, those Non-Compliances are identified being Material shall be handled according to the VALIDATION & VERIFICATION BODIES REQUIREMENTS & VERIFICATION BODIES REQUIREMENTS.

10.4.5 Consequence of an Adverse Opinion

In the situation of Adverse Opinion, the Project shall be ineligible for ORMEX Certification and/or V-ACORs registration until the correction actions are implemented. The Project Holder shall initiate a new Validation or Verification Phase.

The new Validation/Verification Phase shall be performed by the same Selected VVB.

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10.5 VVB Validation/Verification – Final Opinion and Report

Like the PDD, the Final Opinion and Report issued by the Selected VVB must meet the transparency principle. They will become publicly available and, consequently strengthen confidence in the VCM.

Among other requirements set out in the VALIDATION & VERIFICATION BODY REQUIREMENTS, the Selected VVB must write clear statements of its Final Opinions with no risk of wrong understanding and issue complete, properly documented and justified Final Reports.

10.5.1 Final Opinion

The **Final Validation Opinion** issued by the Selected VVB shall include the information sets out in the VALIDATION & VERIFICATION BODY REQUIREMENTS, in particular:

- ✓ Its statement on the measurement of the Total Estimated Carbon Quantification for the Project Timeline, and on the compliance with the Selected Methodology to achieve this volume (Section 8.5.1); it must include the Gross Carbon Quantification, the Net Carbon Quantification, the Uncertainty and Buffer, AND
- ✓ Its statement on the risks assumptions and rating applied by the Project Holder, and the associated Risks Buffer value (Section 8.5.2).

The Final Verification Opinion issued by the Selected VVB must include the information sets out in the VALIDATION AND VERIFICATION BODY REQUIREMENTS, in particular:

- ✓ Its statement on the measurement of the Carbon Quantification related to the verified Vintage Period (Section 8.5.1), AND
- ✓ Its statement on the monitoring of the risk assumptions by the Project Holder, the risks rating applied or modified by the Project Holder, and the associated Risks Buffer value (Section 8.5.2), AND
- ✓ Its statement on the Alignment situation and the related Buffer Adjustment Situation (Section 7.8.2.6), AND
- ✓ Its statement on the number of eligible Verified Carbon Credits that can be issued as V-ACORs for the relevant verified Vintage Period designated as the “Sellable Carbon Credits”.

10.5.2 Final Report

The Final Validation Report or the Final Verification Report issued by the Selected VVB must include the information set out in the VALIDATION AND VERIFICATION BODY REQUIREMENTS, in particular:

- ✓ A description of the Validation or Verification method used by the Selected VVB, especially the sampling method, AND
- ✓ A description of any major concerns faced during the Validation or Verification, and measures implemented, AND
- ✓ Any major (whether identified as Material or not) findings raised during Validation or Verification, and the measures implemented to eliminate, reduce or bypass them, AND
- ✓ A conclusion

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More information is provided in the document VALIDATION AND VERIFICATION BODIES REQUIREMENTS

10.6 Record requirements

The Approved VVB is committed to apply data record management according to the VALIDATION & VERIFICATION BODY REQUIREMENTS.

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Please check this table to ensure you are using the latest version of a given document. The document, as updated below, is effective at the Issuance date.

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