



ORMEX

PROGRAM Overview



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LIST OF ACRONYMS

Acronyms	Definitions
AFOLU	Agriculture, Forestry and Other Land Use
FAO	Food and Agriculture Organization
GHG	Greenhouse Gases
GTCUS-PH	GENERAL TERMS AND CONDITIONS OF USE OF THE ORMEX STANDARD REGISTRY PLATFORM -PROJECT HOLDER
GTCUS-B	GENERAL TERMS AND CONDITIONS OF USE OF THE ORMEX STANDARD REGISTRY PLATFORM -BUYER
IPCC	Intergovernmental Panel on Climate Change
PDD	Project Design Description
SDG	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

LIST OF REFERENCED DOCUMENTS

Document Id	Title
ORM/OPR/COE	ORMEX CODE OF ETHICS
ORM/OPR/GLO	ORMEX GLOSSARY
ORM/OPR/PROG	ORMEX PROGRAM
ORM/OPR/GM	ORMEX GRIEVANCE MECHANISM
SEC/VVB/RQT	VALIDATION & VERIFICATION BODIES REQUIREMENTS
SEC/OST/AM	ADDITIONALITY METHODOLOGY
SEC/METH/AGR-MF01	METHODOLOGY FRAMEWORK "ECOSYSTEMIC REGENERATIVE AGRICULTURE"
ORM/ORP/GTCUS-PH	GENERAL TERMS AND CONDITIONS FOR USE OF THE ORMEX STANDARD REGISTRY PLATFORM -PROJECT HOLDER (GTCUS-PH)
ORM/ORP/GTCUS-B	GENERAL TERMS AND CONDITIONS FOR USE OF THE ORMEX STANDARD REGISTRY PLATFORM -PROJECT HOLDER (GTCUS-B)
SEC/VVB/GTC	VVB GENERAL TERMS AND REQUIREMENTS

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information or damages resulting from the use of this information or any decision made, or action taken in reliance on this information.

This document is for potential applicants to the ORMEX STANDARD to learn more about the ORMEX Program principles, ORMEX's proprietary tools and how to participate.

For more information about the ORMEX STANDARD, please refer to the ORMEX STANDARD documents.

1 INTRODUCTION

ORMEX is a new global digital Voluntary Carbon high-integrity Standard & Registry for carbon emission reduction and removal related to the regenerative agricultural practices built on low carbon blockchain solution.

ORMEX provides an offsetting solution for industrial groups and corporations (Carbon Buyers), by allowing them to finance sustainable and ecosystemic regenerative agriculture and claim high integrity removal carbon credits to achieve their long-term net zero commitment, to balance residuals carbon emission, and/or to go beyond net zero targets.

The 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 GHG emissions, naturally store carbon in the soil and contribute to the improvement of

sustainable development objectives through a holistic approach that groups 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 sector 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. Agriculture- as part of land-use

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 \(un.org\)](http://www.un.org/sustainabledevelopment/web.pdf)

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](https://www.ipcc.ch/report/special-report-on-climate-change-and-land/)

⁵ **Crumpler, K.**, Bloise M., Meybeck A., Salvatore M., Bernoux M., 2019B, Linking nationally determined contributions and the sustainable development

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management and through the regenerative activities (as among others, no tilling, cover crops, intercropping, culture's rotation, reduction of fertilizers and planting bushes)- is a key sector for reaching the Paris Agreement goals and potential removing up to 60 Gt CO₂ by 2050⁶.

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 systems⁷. Agroecology, with its aim to categorise "agroecosystems", intends to improve territorial dynamics and cooperation among various science domains (agronomic, environmental and social) in order to constitute a source of innovation for the re-construction of such agroecosystem⁸.

Beyond its carbon positive impact ORMEX proposes an ecosystem approach in line with agroecology principles. Consequently, a High Environmental and Social Integrity linked to SDGs is fully integrated in the ORMEX STANDARD. The SDG positive impact assessment is publicly available for each Project.

In parallel, by using the ORMEX STANDARD REGISTRY PLATFORM (Platform), ORMEX offers project holders (farmers, cooperatives, grouped project or governmental/regional program) an automated process, to easily and timely create and design their project, initiate the validation and verification phases by an independent third-party assessor and, after being recognised by ORMEX STANDARD of having successfully passed the project Certification and Verification, to order V-ACORs issuances.

Digitalization helps to simplify practices and tools without impacting the credibility and integrity of certified projects. Furthermore, improving them with immutability of data of the blockchain protocol is a real necessity to make carbon markets scalable and attain the net zero goals within the next decades.

ORMEX PUBLIC REGISTRY's originally design with blockchain solution makes Project more trustworthy and tradeable.

goals through agriculture: a methodological framework. Rome, FAO.

⁶ Mind the Gap: How Carbon Dioxide Removals Must Complement Deep Decarbonisation to Keep 1.5°C Alive, March 2022 Version 1.1

⁷ FAO, Overview | Agroecology Knowledge Hub | Food and Agriculture Organization of the United Nations (fao.org)

⁸ Gliessman, S.R. 2007. Agroecology: the ecology of sustainable food systems. 2nd Edition. Boca Raton, USA, CRC Press. 384 pp, Tomich et al, 2011).

To succeed in their mission, ORMEX has determined this ORMEX PROGRAM.

2 ORMEX PROGRAM VISION

With the ORMEX PROGRAM, ORMEX offers- on the Voluntary Carbon Market (VCM)- a dedicated, global, high-quality standard for ecosystemic regenerative agricultural projects, acting to reduce GHG emissions and/or remove and naturally store carbon in the soils, generating high-integrity environmental and social projects and real and valuable carbon credits labelled by the ORMEX STANDARD as “Verified Agriculture Carbon Offsets Registered (V-ACORs)”.

ORMEX Program intends to:

- continuously bring new regenerative agriculture organizations, programs and people into the VCM, give them the necessary confidence to participate and receive an appropriate share value of their implication on the agriculture transition.
- be a dedicated VCM Standard for agriculture that recognizes the need of transition and major transformation of the agricultural and food system, take into account the various challenges facing farmers, and fully include maintaining yields and productivity as a major performance and incentive of agriculture transition.
- follow a holistic and integrated approach, fully recognising (through the certification, verification, and performance indicators of Project) to respond to a sufficient account of the needs of local populations in decision-making, benefit-sharing, subsistence levels or living conditions.
- promote that the sole objective of carbon sequestration cannot be the only motivating factor in getting various players involved. The multitude and choice of objectives, greater visibility for project leaders of the various ecosystem issues on which they interact, directly or indirectly, and monitoring of the performance of their actions and results are decisive factors in getting people into action. Agroecology makes it possible to approach performance and results at various levels (plot, farm, landscape/territory, national territory).
- improve the understanding of the direct and indirect causal links between the practices implemented and the achievement of the Sustainable Development Goals (SDGs). The 13 agroecological principles and 10 agroecological elements⁹ will help to achieve this.
- propose a framework methodology that is itself based on an integrated approach,

⁹ The 10 elements of Agroecology approved by FAO Committee - ca7173en.pdf (fao.org)

enabling synergies in data management and recognition of the Project by the various systems and expectations. The homogeneity of procedures, indicators and data typologies with other systems with which the project holder also wishes to interact is a source of added value for the time spent preparing Projects, monitoring indicators and collecting the associated data. A framework methodology favours comparative approaches that encourage synergies between reporting systems.

- develop methodical tools that are easy to understand, accessible to all, effective and simplified as needed.

The imperatives of transition and transformation of agricultural and food systems require greater investment and financial efforts in the design and implementation of innovative approaches and practices involving Agroecology (HLPE, 2019).

3 HIGHT INTEGRITY PROGRAM AND STANDARD

ORMEX has determined the following principles that govern its decision and activities.

TRANSPARENCY AND INTEGRITY

Transparency and integrity are the first values for ORMEX. The ORMEX CODE OF ETHICS will be applied in any activities and decision made by ORMEX. ORMEX- independency from any stakeholders (Project Holder, VVB, Carbon Buyer)- is continuously upheld by the ORMEX PROGRAM. A robust Governance process is in place and well-managed. The Project is also required to give transparent information, which become publicly available.

ACCURATE QUANTIFICATION AND V-ACORs ROBUSTNESS

The ORMEX STANDARD requests that GHG Quantification be carefully considered and managed by the Project Holder. ORMEX applies

a dedicated worldwide framework methodology “Ecosystemic Regenerative Agriculture” and dedicated tools the Project has to comply with. Subsequent methodologies, seen as more detailed, will follow guidelines applicable to a Region and/or an agricultural sector.

REAL, MEASURABLE, PERMANENT, INDEPENDENTLY VERIFIED, ADDITIONAL and UNIQUE V-ACORs.

The voluntary carbon market (VCM) is based on the confidence given to the standard. A member of the IETA organization, ORMEX seeks alignment on the guidance, thresholds and principles developed by ICROA¹⁰, IC-VCM¹¹, and VCMI¹² to ensure integrity, transparency and robustness of the registered V-ACORs through

¹⁰ ICROA – ORMEX intends to refer to ICROA’s Carbon Credits principles, but ORMEX has no ICROA certification yet.

¹¹ Integrity Council on Voluntary Carbon Markets (IC-VCM), Core Carbon Principles, Assessment Framework and Assessment Procedure, 2022.

¹² Voluntary Carbon Markets Integrity Initiative (VCMI), Provisional Claims Code of Practice, for Public Consultation and Corporate Road-Testing June 7, 2022, 52p.

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strong rules and requirements.

A DIGITAL PLATFORM FOR ROBUSTNESS AND EASE-OF-USE

The ORMEX STANDARD REGISTRY PLATFORM is a credible, robust and secure digital platform based on a blockchain solution.

HIGH ENVIRONMENTAL AND SOCIAL INTEGRITY

More than a local “do no harm” principle, environmental (like soil degradation improvement, water management and biodiversity), and social co-benefits related to the SDGs must form a full part of the Project.

A LEARNING PROGRAM AND INNOVATION

The ORMEX PROGRAM combines a users’ experiences and feedback with the initial and regular involvement of experts and other stakeholders. The diversity of views and high level of expertise ensure a high-level qualified program. The ORMEX Program and ORMEX STANDARD intends to be adaptive to new scientific and technological innovation, and is designed to integrate- as much as possible- all best-practices and the best science and technical expertise available. A scientific and technological regular watch is done by ORMEX’s governance organization and the Standard Advisory Council. As necessary, additional scientific or VCM experts are invited to make recommendations and proposals to ORMEX. Any regulatory developments are strictly followed and analyzed.

The ORMEX PROGRAM fundamental principles defined above are strictly managed in accordance with the ORMEX Governance management.

4 PROGRAM AND STANDARD GOVERNANCE

This section details the Program governance in place within ORMEX to ensure a high-quality level of decision with regard to topics and issues related to the ORMEX PROGRAM and STANDARD.

4.1 ORMEX accountability

4.1.1 Corporate accountability

ORMEX is a French legal private entity, registered in a form of “société par actions simplifiée” in accordance with the French Corporate Law (art. L.227-1 – L.227-20 of the French Commercial Code) and acting at the international level. ORMEX is registered in PARIS Trade and Companies Register n° 888 173 218.

All decisions made by ORMEX’s corporate directory are in accordance with the rules stated in the articles of association (AoA). According to French Corporate Law and ORMEX’s AoA, all civil and criminal liabilities of the company are clearly defined and apply to both the directory and appointed board executive members, if any. The rules of the corporate Legal representatives align with French Law.

ORMEX is not controlled by other legal entity or group. ORMEX does not have any affiliated companies, branches, or other offices that are involved in the ORMEX PROGRAM and STANDARD. The registered office of ORMEX in Paris is responsible for all contracts related to its VCM global standards activities.

Every calendar year ORMEX established an annual financial and accounting report over the past year according to the French Accounting and Corporate Law. The annual financial report is assessed by accounting auditors.

4.1.2 Social and environmental corporate responsibilities

ORMEX initiated its social and environmental corporate responsibilities program in 2023, and makes it (and the associated yearly report) publicly available on the ORMEX website.

4.2 The Ormex Organization

4.2.1 General overview

ORMEX's organization is able to deal with all issues relating to the definition and evolution of the ORMEX STANDARD, in order to maintain the level of quality expected by the VCM, and to meet the best market requirements. The following figure gives an overview of ORMEX's organization.

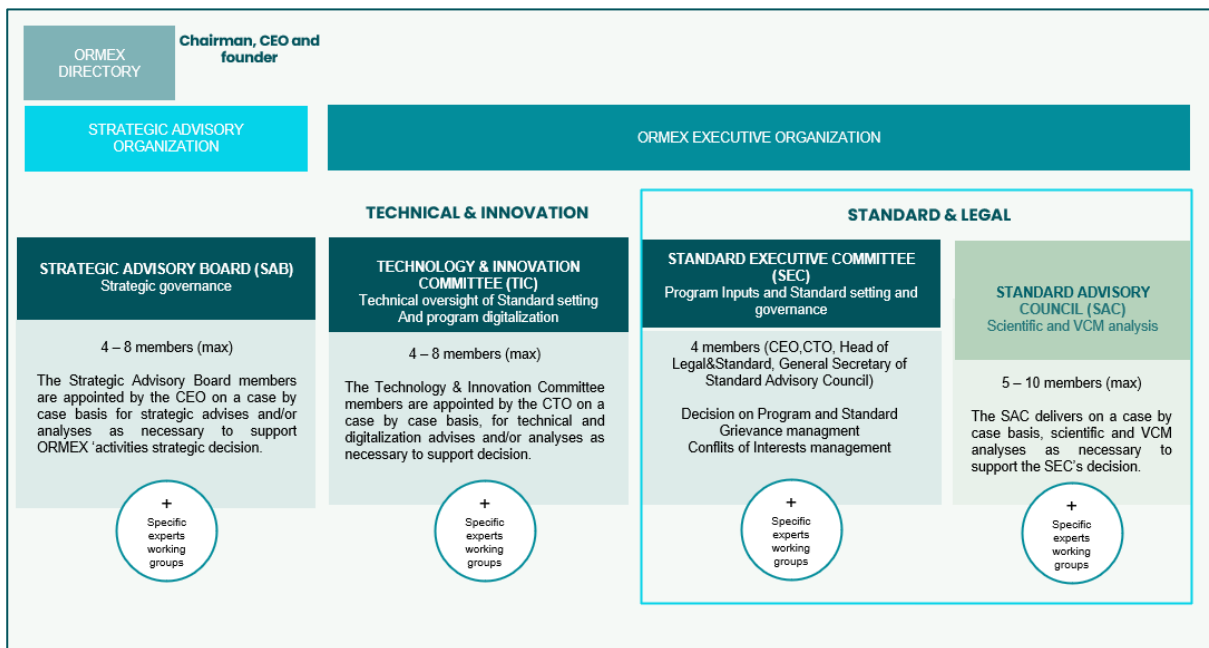


Figure 1 - Overview of ORMEX's organization

4.2.2 Standard Executive Committee (SEC)

The Standard Executive Committee is responsible for the design of the ORMEX PROGRAM and STANDARD, and to determine or modify any rules and requirements. It is the executive committee that decides, among other domains of responsibilities, the responses and actions related to the Grievance Mechanism, the conflict of interest management, and ORMEX's oversights and controls of the Validation and Verifications phases of the Projects.

The members of the SEC are the CEO, CTO, Head of Legal&Standard, and the General Secretary of the Scientific Advisory Council.

Regular meetings are organized according to its scope of responsibilities.

To have a fully transparent decision-making process, the SEC's major decisions about the

PROGRAM and ORMEX STANDARD are published on the ORMEX website.

Additional information is outlined in the STANDARD EXECUTIVE COMMITTEE BYLAWS document, and specifically in the relevant procedure or policy.

4.2.3 Standard Advisory Council (SAC)

The Standard Advisory Council comprises at least 5 members up to 7 members. They are independent experts involved on the Voluntary Carbon Market, SDGs program, international bodies or Scientifics working in relation with the VCM, agroecology or agriculture.

The purpose of the Standard Advisory Council (SAC) is to provide expertise, guidance on scientific matters, carbon policy, and international carbon frameworks related to the ORMEX STANDARD to the SEC. It must provide its opinion to decision relating to ORMEX STANDARD PRINCIPLES AND REQUIREMENTS before final approval for public edition and, if decided by the Complaint Panel, on topics related to a Complaint notified to the SEC according to the Grievance Mechanism. The SAC may propose guidance to reach an amicable resolution of disputes. The SAC may be appointed by SEC decision to give opinions, advice, recommendations or guidance before the approval of a Methodology, VVB situation, matters from public consultations, or on specific topics. It may be required to participate to an assessment on VVB's quality and compliance with the requirements set forth in the VALIDATION AND VERIFICATION BODIES REQUIREMENTS document.

4.2.4 Specific expertise

Where there is either difference of views, or in matters of policy, or technical expertise issues, the SEC can refer those issues to specific experts for consideration, views, and additional opinions on specific topics.

5 HIGH INTEGRITY

5.1 High Integrity principles

ORMEX is an independent organization.

Independency from any stakeholders (project owner, third party auditors,) is continuously to be considered during the ORMEX PROGRAM. A robust governance process is in place and is well managed on this topic.

ORMEX's governance principles are based on ORMEX's Code of Ethics values, especially with regard to its Conflict of Interest & Impartiality and associated policy.

To ensure all ORMEX GOVERNANCE members apply a highest standard for ethics and professional conduct, and to ensure ORMEX is aware of any Conflict of Interest issues, All of ORMEX' stakeholders, including the board members, are requested to declare any conflict of interests to the SEC.

All stakeholders must sign an engagement letter under which they are committed to disclose, mitigate and avoid all related conflict of interest concerns. This procedure does not apply to Public Organizations considering the public regulation, their own internal process and control, and applicable public procurement law.

In addition, all committee members, experts, external consultants are committed to apply the ORMEX CODE OF ETHICS and provide to ORMEX a written statement that they comply with its provisions and have to disclose without any delay any conflicts or foreseen conflicts of interest.

ORMEX implements necessary measures to ensure that each Project is independently verified. ORMEX has defined the conditions and requirements that the Validation and Verification Body must comply with in order to be approved by ORMEX and granted the rights to propose Validation and/or Verification Services.

During the VVB approval procedure, the VVB is requested to describe its internal conflict of interest procedure, its impartiality and third-eye management rule implemented for impartiality of its auditors, leaders and directory, and to provide any relevant documents.

VVBs must adhere to the VVB Requirements, complete the VVB Application Form for validation, and sign the VVB GENERAL TERMS AND CONDITIONS before being authorized to begin any Project assessment. Declarations regarding COI are included in this contractual documentation.

Based on the situation, the SEC will assess the existence of a conflict of interest and decide on appropriate measures to resolve it. This may include the removal of the conflicted individual from decision-making processes related to the transaction or arrangement. The decision of the SEC will be final and binding.

More information is outlined in the CONFLICT OF INTEREST & IMPARTIALITY POLICY, the STANDARD EXECUTIVE COMMITTEE BYLAWS, the VVB REQUIREMENTS, the VVB GENERAL TERMS AND CONDITIONS.

5.2 Anti-money laundering procedure

To protect the integrity of the ORMEX STANDARD, ORMEX implements controls to monitor suspicious activity that could be involved in money laundering through a Know Your Customers (KYC) procedure. Thus, ORMEX undertakes client due diligence for users of the Platform and the ORMEX STANDARD.

The KYC applies to every user interested to open an account in ORMEX Platform. This procedure does not apply to Public Organizations considering the public regulation, their own internal process and control, and applicable public procurement law.

The interested user has to complete all requested information during the onboarding phase.

The KYC due diligence follows international best practice.

ORMEX has chosen a KYC independent expert agency for the investigation and apply the KYC process.

5.3 Involvement of local communities and social improvement

In any case, the following principles must be demonstrated by the Project Holder:

- Relocation of local population is not allowed as set out in the ORMEX STANDARD PRINCIPLES AND REQUIREMENTS.
- The majority of farming workers (not including Farmers) involved on the crop production are from local communities.

In addition, the Project Holder must detail on the Project Design Description:

- The share ownership structure and governance model, including the representation and rights of vote of the Farmers (and farming workers, if any) involved in the Project (or through a Farmers' organization/entity representing them).
- For Single Project only, where the Project Holder entity is controlled¹³ by investor(s), the Project Holder must detail (on the Project Design Description) the workers' organization involved in the crop production and the social policy and working conditions (employment rules and non-discrimination, working conditions and health

¹³ "controlled" means the power, direct or indirect, to direct or cause the direction of the management and policies of such an entity, whether by contract, ownership of shares, membership of the board of directors, agreement or otherwise and, in any event and without limitation of the foregoing, any entity owning more than 50% of the voting securities of a second entity shall be deemed to control that second entity

& Safety, worker whistleblowing or grievance procedure, worker representation, health and worker security, professional development and training programs, and any improvement plan on such domains).

5.4 Continuous learning and quality improvement

ORMEX is organized to ensure that it renders a high-quality service VCM standard and associated duties and services with a high level of professionalism, and to maintain the trust placed on the ORMEX PROGRAM.

Sharing the knowledge, experience and innovations for co-creating the ORMEX PROGRAM and STANDARD and its associated processes is one of the main principles of ORMEX Governance.

The ORMEX PROGRAM is a participants feedback and experience-oriented program, initially built with consideration of the views of both potential Project Holders and Carbon Buyers.

ORMEX uses a diversity of views and expertise and invites scientific and VCM experts when necessary.

ORMEX is also organized in reviewing and analyzing participant's feedback. When necessary, ORMEX may involve the Standard Advisory Council or other experts to provide both generic and detailed comments and propose suggestions for improvements.

All proposals for improvement are overseen by the Standard Executive Committee.

6 PUBLIC CONSULTATION AND GRIEVANCE MECHANISM

The compliance of the Project with the requirements and conditions of the ORMEX STANDARD PRINCIPLES AND REQUIREMENTS and the Selected Methodology is an essential part of ORMEX STANDARD accountability and independency from the Project Holder and the Selected VVB.

ORMEX aligns with the principles of equity and fairness advocated by the Integrity Council for the Voluntary Carbon Market¹⁴. This commitment to transparency and inclusivity ensures that the interests of all affected parties are thoughtfully considered, embodying the highest standards of ethical practice within the carbon market.

To reinforce the possibility for the affected parties to be considered, and to control Project reality and ensure full compliance continuity with the ORMEX STANDARD Certification

¹⁴ <https://icvcm.org/the-core-carbon-principles/?redirect=true>

requirements for the duration of the Project, ORMEX proposes:

- a possibility for any interested person (like a local Project stakeholders) to address to ORMEX any question, suggestion or comments on ORMEX's Documentation or Projects. (Public Consultation).
- a Grievance Mechanism for dealing with any Complaint in relation with ORMEX PROGRAM, STANDARD, Methodology, Certified Projects (non-Conformity), V-ACORs issuances and Transfers.
- A possibility for ORMEX to decide an additional audit of the Project, on a case-by-case basis.
- Strong requirements of impartiality policies implemented and applied by the VVB, and ORMEX's audit rights on the performance of the VVB services.

6.1 Public consultation

6.1.1 ORMEX PROGRAM and STANDARD open dialogue principle

In addition to the experience sharing principles (Section 5.3) and the consultation initiated for any major updates of the ORMEX STANDARD PRINCIPLES AND REQUIREMENTS and Approved Methodology (Section 10.2), any interested person can send question, comments or concerns by using the "contact" button in <https://www.ormex.io/contact>.

In a case-by-case basis, a public consultation can be initiated by ORMEX on a specific topic related to the STANDARD or the Methodology principles or improvements. When initiated, the necessary information of this specific public consultation is made available on ORMEX website.

6.1.2 Public Consultation requirement on Projects

A rights-based, accessible, fair, transparent, legitimate and effective Public Consultation of stakeholders (including indigenous peoples) prior to the start date of the Project is one of the major requirements of the ORMEX STANDARD.

Local stakeholders must have a right to receive adequate information, be invited to give their views, and to be implicated to the Project design considering the Project type.

It is safeguard initiatives (part of the do-no-harm principle) that ensure respect for and implementation of the do-no-harm principle. The right to free, prior and informed consent (FPIC) of indigenous peoples, and the right of local populations and communities to participate in environmental decisions affecting them must be protected and be implemented by the Project.

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- ✓ For Governmental/Regional and Open Grouped Projects, the Project Holder must organize local communities and Farmers information and consultation programs for them to be in interest to join the Project. It must be a free adhesion to the Project. Training sessions should be included in this program.
- ✓ For Single Projects or Closed Grouped Projects, the Farmers (or Farmers' representative) have to be included in the Project Governance.

The ORMEX STANDARD requests to be invited by the Project to the Public Consultation organized locally.

When dealing with the comments, questions or concerns submitted, ORMEX reserves the right to determine the appropriate answer. This answer may be a suggestion to initiate a Complaint through the Grievance Mechanism.

6.2 Grievance scope and principles

ORMEX has established a grievance mechanism for becoming aware of and being able to respond to any claims, complaints and disputes arising out by any stakeholders in relation with ORMEX PROGRAM, STANDARD, Methodology, Certified Projects (non-Conformity), VVB concerns, V-ACORs issuances and Transfers.

The proposed Grievance Mechanism is not applicable for any concern that is not in the ORMEX Program and/or Standard's scope and possible actions, like any Complaints with regard to local regulation or applicable law. The same applies for any allegation with regard to ORMEX's internal organization, except if it is related to its Services quality.

The Standard Executive Committee is responsible for handling the Complaint submission, evaluating its eligibility to the Grievance Mechanism, dealing with all the process (particularly in relation with the investigation), making final decisions or initiating escalation to ORMEX's directory, and taking the appropriate action. The Standard Executive Committee is also responsible for keeping all appropriate records.

The ORMEX Grievance Mechanism is publicly available through www.ormex.io.

To permit full accessibility to the Grievance Mechanism, the ORMEX standard may propose adequate assistance, if necessary, in the event of the complainant facing some barriers for the completion of the process.

ORMEX applies the Grievance Mechanism on fair, transparent, equitable, non-discriminatory and confidentiality principles, and promotes amical settlements. Any reprisal against the complainant is prohibited.

Information about pending Grievance Mechanisms is made available on the ORMEX website

and the ORMEX Public Registry. All information about ongoing Grievances do not give information about the accuracy of the Complaint, neither prejudice any non-conformities or decisions that may be taken.

The Grievance Mechanism does not limit the rights of any stakeholders to initiate any judicial claim, nor to initiate contractual dispute resolution provisions.

The Grievance procedure is fully detailed in the GRIEVANCE MECHANISM document.

7 METHODOLOGY APPROVAL PROCEDURE

The ORMEX STANDARD proposal regarding the structure and approval procedure of Methodologies is based on a framework methodology principle. A framework methodology structure enables synergies in data management, ensures homogeneity of procedures and indicators, and improves the time spent on Project preparation and monitoring indicators. By utilizing a framework methodology, comparative approaches are encouraged, which in turn promote synergies between reporting systems.

The first approval strategy for ORMEX about Methodology is to approve a dedicated worldwide framework methodology on ecosystemic regenerative agriculture, along with the required tools that the Project must comply with. This global framework will then be completed by subsequent methodologies, which will provide more detailed guidelines applicable to specific regions and/or agricultural sectors.

The Standard Executive Committee is responsible for the final approval of a Methodology.

In order for a proposed Methodology to be approved, it must undergo an analysis and approval process as outlined below:

- ✓ The methodology maker can propose a new methodology or a draft of part of a section of an existing methodology to be revised by using the “contact” button on the ORMEX website or by sending an email to ORMEX.
- ✓ The Standard Executive Committee (SEC) will analyze the draft proposal with the support of the Standard Advisory Council (SAC) and initiate an external analysis conducted by a third party.
- ✓ The Standard Executive Committee (SEC) will make the final decision regarding the approval of the proposed updated version of the Methodology (or the revised part).

8 ROBUST RISK MANAGEMENT MONITORING

The Project Holder is required to minimize the risk of CO2 reversal due to unforeseen and unmanaged potential risks as much as possible.

A comprehensive risk management plan, appropriate assessment, and monitoring must be implemented, taking into account the specific details of the Project. The Project Holder must continuously monitor the risks throughout the duration of the Project. Additionally, the Project Holder should be prepared to handle any occurrence of risks and take measures to avoid or mitigate them. If an event that could potentially lead to a reversal situation occurs, the Project Holder must inform ORMEX. This should include information about the event criticality, the mitigation measures that have been or will be implemented, an assessment of the potential negative impacts of the reversal, and proposals for remediation measures in case the situation cannot be avoided within a short or medium-term time. In some cases, the Project Holder may be able to identify and demonstrate a “Force Majeure”¹⁵ event that triggers an impossibility to continue the Project as defined for the rest of its duration. In this situation, a Project deregistration may be considered (Section 9.5.3).

9 PUBLIC REGISTRY MANAGEMENT

9.1 Public Registry Information

The ORMEX PUBLIC REGISTRY is publicly accessible and fully independent of the Project Holders or Buyers. It is organized to have clear view of Certified Projects- identified by unique Identification numbers- and provide transparency information about the Project status.

ORMEX does not register on this registry other Project certified by other VCM standards.

Automatization of the Issuances of V-ACORs using an account-based architecture permits the issuance tracking and ensures the uniqueness for each V-ACOR.

The ORMEX PUBLIC REGISTRY contains the following information that is publicly accessible:

- ✓ Identification of the Project Holder’s information.
- ✓ The total number of V-ACORs issued (V-ACORs and V-ACORs FUT) and the relevant Vintages.

¹⁵ « A Force Majeure » is a non-foreseeable event that is outside the reasonable control of the Project Holder.

- ✓ The numbers of V-ACORs and V-ACORs-FUT associated with a transaction, Transfer for Re-sale, or offsetting reason and the quantity of the V-ACORs and V-ACORs -FUT available for purchase.
- ✓ Carbon Buyer's name¹⁶
- ✓ Available Project Buffer
- ✓ A link to the Project Information:
 - The PDD and associated documents of the Project,
 - The Monitoring Reports (if not joined with the PDD)
 - The Final Validation and/or Verification Opinions and Reports, and the VVB Validation and/or Verification Certificates
 - Identification of the transfer reason (including the authorisation related to Article 6 on the transfers)

9.2 Transparency principles and confidentiality

The Voluntary Carbon Market is based on transparency principles. Consequently, it shall be presumed that all information and documents provided by the Project Holder on the ORMEX Platform are public information. It is the responsibility of the Project Holder to avoid disclosing sensitive information.

In the event of any confidential information needing to be disclosed to the VVB or ORMEX, the Project Holder shall expressly mention the confidentiality restriction on the document and/or information before any communication. Without this expressed confidentiality restriction, the relevant information/document can be made publicly available on the ORMEX Platform.

9.3 Safeguard measures

9.3.1 Principles

ORMEX implements safeguard measures to address the situation listed in [Section 9.3.2](#).

It is specified that the safeguard measures may be carried out at ORMEX's sole decision as a safeguard measure upon the occurrence of specific events.

The safeguard measures are to priority transfer the Carbon Tokens into a dedicated account. Nevertheless, in the event of fraud or other urgency, ORMEX can decide to block the access

¹⁶ As per IC-VCM requirements.

of a user to its account (Project Holder and/or Buyer) for the time necessary for preventing any further V-ACORs issuances and/or Transfers, if necessary, especially in the event of fraud situation.

The safeguard measures may be necessary in an event requiring the protection of V-ACORs for the time required for any decision to be made by the Project Holder and/or Buyer and/or ORMEX, or for the time required to carry out the operations necessary to complete a request, or to have a final settlement or judicial decision.

Project Holders/Buyers are not entitled to claim any prejudice whatsoever as a result of any safeguard decision, as this operation contributes to the mitigation of any damages.

9.3.2 Situations

The safeguard measures may be carried out in the following situations, subject to prior notification of the Project Holder (and/or Buyer, if applicable) by ORMEX:

- ✓ A failure to renew certification to the ORMEX STANDARD on time.
- ✓ In the event of dispute where ORMEX is not involved.
- ✓ A request of the Project Holder for Project's deregistration from the ORMEX PUBLIC REGISTRY¹⁷.
- ✓ A double counting situation: In the event that ORMEX becomes aware or is notified by any third-party that the verified Carbon Credits are being double counted, in particular by registration in another carbon credit register operated by another VCM standard, ORMEX will initiate appropriate safeguard measures up to the time of the end of the double counting situation within the 48 hours of notification to the Project Holder (and the Buyer, if applicable) on the situation. The Project Holder has to decide about the place of registration of the Project within 10 calendar days. If the Project Holder selects another VCM program registry, it must deal with all consequences of the deregistration of the Project from the ORMEX STANDARD (Section 9.5.), and compensate ORMEX, the ORMEX STANDARD and any third party for any financial costs and damages resulting from this situation.
- ✓ A manifest fraud between stakeholders (Project Holders and/or Buyers), or with the VVB.
- ✓ In the event of a breach of its material obligation by an ORMEX's client (Project Holders or Buyers) under the Contract, and the client fails to remedy such breach within 60

¹⁷ For V-ACORs not yet issued or transferred

calendar days of the notice. A non-payment or a delay of payment of ORMEX STANDARD services are deemed to be a material breach.

- ✓ An occurrence of a reversal situation or a Force Majeure¹⁸ event impacting the Project.
- ✓ A major modification of the quantification conditions imposed on the ORMEX STANDARD: ORMEX STANDARD may be modified to comply with current regulations or to improve their requirements. This situation may lead to a need for temporary safeguard measures on issued V-ACORs or to prevent new issuances up to a decision by ORMEX how to remedy the situation.
- ✓ A specific demand of the Project Holder or position holder, in the event of erroneous issuance¹⁹ or Transfer²⁰.

9.4 Issuances withdrawals

In some cases, ORMEX may be requested to or may decide to withdraw²¹ the V-ACORs.

Regardless of the situation, any impact on V-ACORs issuances requires prior notification to the Project Holder (and/or the position holder). Most of the time, ORMEX has already contacted the Project Holder (or the position holder) to inform them about the safeguard measures (Section 9.3) and to discuss the situation and necessary actions.

The Project Holder (or the position holder) must not use the cancelled Verified Carbon Credits in any way, claim any rights to them, or allow anyone else to benefit from them.

The Project Holder is solely responsible for compensating ORMEX, the ORMEX STANDARD, and any third parties for any damages resulting from the withdrawal or safeguard measures.

9.4.1.1 Withdrawal of V-ACORs for erroneous issuances

The Project Holder has the option to request cancellation of issued V-ACORs (that have not yet been Transferred) in the ORMEX PUBLIC REGISTRY as an exceptional measure. The steps provided by the ORMEX Platform minimize the possibility of user errors. The Project Holder is required to contact the ORMEX's technical department at contact@ormex.org.

It is important to note that:

¹⁸ « A Force Majeure » is a non-foreseeable event that is outside the reasonable control of the Project Holder.

¹⁹ Applicable only on V-ACORS not yet transferred.

²⁰ In this event, a confirmation of the erroneous Transfer must be confirmed by the beneficiary.

²¹ Sometime known as a « cancellation » of verified credits

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- ✓ the Project Holder IS bound by the transactions that it initiates through the use of the Platform, may honor these transactions and cannot breach commitments made to a Buyer without incurring significant contractual liabilities and guaranteeing ORMEX against any financial consequences arising from a claim by Buyers or any third-party. Non-compliance with the Project's Holder's obligations could seriously harm ORMEX and/or ORMEX's brand image and reputation.
- ✓ The Project Holder cannot activate a cancellation request if the V-ACORS are under Transfer or have already been transferred.

9.4.1.2 Withdrawal by ORMEX's sole discretion

To protect its reputation, ORMEX reserves the right to initiate a withdrawal of issued V-ACORS (with or without previous safeguard measures) at its sole discretion. This may occur in situations with a risk of deregistration, or as notified by a final judicial decision requesting the withdrawal (or in response of any injunction to withdraw) of all or part of the V-ACOR issuances. Same may apply in the event of a settlement agreement notified to ORMEX by the parties involved.

9.5 Deregistration situations

9.5.1 Project deregistration

For any Project not yet certified or with no V-ACOR issuances, the Project Holder may request to be deregistered from the ORMEX PUBLIC REGISTRY and either initiate a completely new certification process with another VCM standard or proceed with the verification of the carbon credits and their issuance by this VCM standard if the ORMEX STANDARD has been recognized by this VCM standard.

The deregistration is done at the Project Holder's expense and under the Project Holder's full responsibility. Consequently, the Project is deregistered from the ORMEX Public Registry.

9.5.2 Project deregistration for default events and fraud

Deregistration may apply to the following events and may impact all V-ACORS issuances and subsequent Transfers.

- ✓ Major or repeated non-conformities with the ORMEX STANDARD.
- ✓ Material breach of contract by the Project Holder (or Buyer, and position holder).
- ✓ Suspected fraud.
- ✓ Final judicial decision notified to ORMEX with an injunction to withdraw V-ACOR issuances, or in the event of identification of a settlement agreement notified to ORMEX by the involved stakeholders.

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9.5.3 Project deregistration in the event of Force Majeure

Unless otherwise agreed between ORMEX and the Project Holder, the deregistration of the Project may apply in the event of “Force majeure”, including major natural disasters identified as “unavoidable” situations with no possibility to continue the Project. If this situation continues for more than three (3) months with no solution yet identified, the Project Holder may request a twice an extension of additional three (3) months.

To apply for Project deregistration, the Project Holder must send a Reversed Report to ORMEX and appoint a Validation and Verification Body to assess the situation. During this period, the Project Holder is unable to issue V-ACORs and initiate new Transfers.

9.6 V-ACORs retirement

V-ACORs are given “retired” status when they are actually used by a Buyer for an offsetting purpose. According to the GTCUS-B, the Buyer must immediately inform ORMEX of the retired quantities to be recorded on the ORMEX PUBLIC REGISTRY and obtain the appropriate offset Certificate from ORMEX for the Beneficiary to claim the carbon offset on their carbon plan.

10 PROGRAM DOCUMENTATION

10.1 Documentation

ORMEX has established documents describing the values, principles, processes, requirements and conditions of the ORMEX PROGRAM and ORMEX STANDARD.

These documents are publicly available and can be downloaded on ORMEX Website <https://www.ormex.io/documents-library> and www.ormex.app, in addition with the supplemented documentation, like guidance, templates or tools, made available on case-by-case basis.

10.2 Document revision

10.2.1 Revision procedure

In the event of material changes in an Approved Methodology or the ORMEX STANDARD PRINCIPLES AND REQUIREMENTS, the updated version, or part of it, is subject to open dialogue consultation. The public open dialogue consultation period is no less than 30 calendar days

for the Approved Methodology and 15 to 30 calendar days for the ORMEX STANDARD PRINCIPLES AND REQUIREMENTS, depending on the topic. The Standard Executive Committee decides on the appropriate length of the public observation period.

ORMEX announces the public open dialogue consultation on its website, and anyone interested can submit suggestions.

ORMEX is committed to responding to all public comments and suggestions.

When received, public comments and/or suggestions are considered by the Standard Executive Committee (SEC). If necessary, additional experts or the Standard Advisory Council (SAC) may be invited to analyze the topic and provide proposals.

The consultation results will be published on the website, and a table shows the yearly amendments to the document over time. The document history section explicitly informs about the main new or revised provisions of the latest amendment.

The public final SEC decision may include (if relevant) information addressing the comments or questions.

The revised version is effective on its date of publication, unless otherwise specified in the document. If necessary, the revised version indicates the rules governing the transition period and the impacts on Certified Projects.

10.2.2 Transition effects

Unless otherwise specified in the transition period, a revised version of a document becomes effective upon publication and be applicable to new Projects that have not yet been certified. For projects that have already been certified, the revised version must be considered for the next V-ACORs issuance submission.

DOCUMENT HISTORY

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 edited date.

Document reference	ORM/OPR/PROG_EN		
Reference/Version	Date	Updates	Status
ORM/OPR/PROG_EN v0.1	2023_04_14	Initial Draft Version	Internal review
ORM/OPR/PROG_EN v1.0	2023_10_02	Final Draft Version	SEC Approval
ORM/OPR/PROG_EN v1.0	2023_10_24	Final Version	Edited

