

# GUIDE FOR PARTICIPANTS/PROJECT OPERATORS IN THE CARBONSAFE™ CARBON FARMING PROGRAM



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#### **GLOSSARY OF ABBREVIATIONS AND TERMS:**

Accredited laboratory	An accredited laboratory is an official recognition of competence for the performance of specific activities authorized by a specialized state body.			
Administrative contract	A contract in a framework agreement, which is concluded in implementation of a project under the CARBONSAFE $^{\text{TM}}$ Program.			
Additionality	Implementation of new good agricultural practices or investments above the mandatory legal requirements			
Agricultural activity	The production of agricultural products, including harvesting, milk production, rearing and breeding of farm animals for agricultural purposes and/or maintaining the land in good agricultural and ecological condition.			
Agricultural crops	Plants of a given botanical species and genus that are cultivated by man to satisfy certain of his needs.			
Agricultural areas	Arable land (including fallow), pasture, permanent grass, permanent crops, and family gardens whether used for agricultural production.			
Agricultural machinery	Equipment that is used for soil cultivation and harvesting, such as: tractors, self-propelled machinery - wheeled tractors, tracked tractors, specialized self-propelled machines (forage harvesters, grain harvesters, etc.) and other types of self-propelled machinery and interchangeable attachments, including when they are used in livestock facilities.			
All units used for agricultural activities and managed by a flocated on the territory of the same agricultural holding.				
Audit	Agricultural producer  An independent and systematic, documented process of obtaining objective evidence and evaluating it objectively to determine the extent to which the audit criteria are satisfied. Determining the fit between requirements and performance.			
Audit mission	An independent documented process of one or several persons collecting and certifying facts for the fulfillment of certain requirements.			
Baseline	Practices applied and soil organic carbon content, prior to project availability.			
Baseline soil sample	A baseline of soil organic carbon content against which subsequent measurement and analysis of the result is performed.			
Baseline scenario	A set of activities and practices applied in the agricultural holding before its inclusion in the project			
Buffer	A mechanism with the role of a guarantee fund that guarantees the permanence and sustainability of the project and serves as insurance against force majeure events.			
Calculation period	The period between two points in time for which a change in carbon stocks is achieved. In the current methodology, this is the period between the baseline soil sample and the control soil sample.			
Carbon dioxide	Carbon dioxide (carbon dioxide) is a chemical compound. Chemical formula CO2. Colorless and odorless gas It is obtained as a product of the respiration of living organisms, as well as during combustion. It participates as a starting substance in the photosynthesis of plants. Its accumulation in larger than normal			





	amounts in the atmosphere leads to a greenhouse effect.			
Carbon credit	One ton of carbon dioxide equals to one carbon credit that is no longer emitted into the atmosphere. A carbon credit is a tradable permit or certificate. The main purpose of creating carbon credits is the reduction of carbon dioxide emissions from industrial activities. 1 carbon credit is equal to 250 kg of carbon in the soil. Approximately formed on 4 decares.			
Carbon certificate	A carbon certificate is a document that certifies that one carbon credit is equal to one certificate.			
Carbon Credit Trading	Carbon markets are trading systems in which carbon credits are sold and bought.			
CARBONSAFE™ Program	It represents a system of sustainable agricultural practices based on regenerative agriculture, which aim to improve the content of organic matter and organic carbon in the soil, increase the capture of greenhouse gases and their storage during the monitoring period.			
Cell	The territory, with a minimum size of 4 ha and a maximum size of 25 ha, from which an average soil sample is formed.			
Check list	A document that serves to fill in, calculate and analyze data for the purpose of proving and certifying facts and arguments. To be completed by the Controlling Organization.			
Controlling organization	CARBONSAFE Ltd., in its capacity as the owner of the Methodology, carries out the activity of controlling, monitoring, and reporting the projects under the CARBONSAFE <sup>TM</sup> Program.			
Control soil sample	Follow-up soil measurement in the next 4 economic years after the baseline soil organic carbon content, against which the result analysis is performed. It is carried out by the Controlling organization.			
Digital data on land use	Files containing a Geographic Information System (GIS) for creating, manipulating, storing, analyzing, and visualizing geographically bound (spatial) data for mapping the surveyed territory.			
Documents	A package of documents containing all information on the implementation of the CARBONSAFE Carbon Program.			
First Party/Internal Audit	A first-party audit is an internal audit carried out across the organization or on behalf of the organization for the purpose of an activity declaration review.			
Individual strategy	An individual document for the implementation of science-based, good agricultural practices, developed for each farm.			
Irregularity	Any violation of the CARBONSAFE™ Program rules.			
ISAC	Integration system for administrating and control			
ISACO2	Specialized software for Integrated Administration, Control and Reporting System.			
KML file	A specific file format for expressing geographic annotation and visualization, store's locations, image overlays, video links, and modeling information such as lines, shapes, 3D images, and points.			
Land property	Land property is a part of the earth's surface, including that which is permanently covered with water, defined by boundaries according to the right of ownership.			
Leakage	Returning carbon dioxide back to the atmosphere.			



Macro elements	Chemical elements: K, Ca, N, Mg, P, S.				
Measurement units /odds	1 ha = 10 dca.  1 dca = 0,1 ha.  1 t SOC = 3,667 carbon credit  1 metric ton of CO2 = 272.48 kg of sequestered soil carbon.  1 metric ton of sequestered soil carbon = 3.667 metric tons of atmospheric CO2.				
Methodology	The current methodology is for measuring and accounting for differences in organic carbon C in soil formed by removal of atmospheric carbon dioxide CO2 and its storage.				
Microelements	Chemical elements: Cu, Mn, Zn, B, Fe, Mo, Na.				
Monitoring	Monitoring the implementation and reporting the results of the projects participating in the CARBONSAFE $^{\rm TM}$ program.				
Monitoring of carbon credits	Tracking of issued carbon credits for projects participating in the CARBONSAFE™ Program.				
Operator	A legal entity or a natural person who is registered as an Agricultural holding from the Plant Breeding or Plant Breeding with Livestock sector and is implementing a project under the CARBONSAFE <sup>TM</sup> Program.				
Organic carbon (OC)	A compound of carbon without carbides, oxides, carbonic acid and its derivatives.				
Organic matter (OM)	A collection of the remains of plant and animal organisms, subjected to decomposition to varying degrees (a process known as "mineralization").				
Perennials	Areas occupied by fruit and vine plantations, bamboo, mulberry, reed, wicker for basket weaving, honey-bearing tree species to produce honey, other fast-growing shrubs and tree species used for bioenergy production, berry orchards, nurseries for vine planting material, fruit trees, ornamental shrubs and forest saplings and other plantings with a vegetation period of more than two years.				
Program	CARBONSAFE™ program is implemented in one project "Bulgaria" - BG, which is divided into 6 project areas on a territorial basis - Planning areas according to "NUTS II codes".				
Programming period	A period of 5 business years surveying the same areas/plots for sequestered carbon with the possibility of extension for a further 5 years.				
Project area	A project area is defined on a territorial basis, based on the use of agricultural land.				
Project	The project is determined on a territorial basis, based on a legal basis for the use of agricultural land with a duration of at least 5 economic years.				
Regenerative agriculture	A farming system that is based on several different parameters and practices, such as minimum tillage, use of cover crops and active crop rotation, use of organic fertilization, healthy management of plant residues and reduced fuel use, stimulating the implementation of rotational grazing of the places where animal husbandry is developed.				
Register	A document that serves to fill in, calculate and analyze data for the purpose of proving and certifying facts and arguments. To be completed by the Controlling Organization and/or authorized				



	body.		
Registration of a farmer	The registration of an agricultural producer according to Ordinance No. 3 of 29.01.1999. to create and maintain a register of agricultural producers.		
Second Party/External Audit	A second-party audit is an external audit and is performed by parties (clients) and/or on their behalf who have an interest/relationship with/to the organization.		
Sequestered carbon	A biological process of capture, retention, and long-term storage of carbon in the soil.		
Shape file	A specific file format created for a geographic format for recording the spatial location and attribute information of geographic objects.		
Site visit	Visit to the areas of the Operator's farm included under the CARBONSAFE <sup>TM</sup> Program to verify the stated facts.		
Soil organic carbon (SOC)	Soil organic carbon is a component of soil organic matter. Organic matter consists mainly of carbon (58%), with the remaining mass consisting of water and other nutrients such as nitrogen and potassium.		
Technology map	A document that serves to fill in the calculation and analysis of data to prove and certify facts carried out on the cells/plots in the agricultural holding participating in the CARBONSAFE <sup>TM</sup> Program. To be completed by the Operator.		
Third Party/External Audit	A third-party audit is an external audit and is carried out by external independent auditing organizations that provide compliance certification/registration.		
Total organic carbon (TOC)	Quantity of carbon that is converted into carbon dioxide by combustion and which is not liberated as carbon dioxide by acid treatment.		
Validation/Confirmation	Confirmation, by providing objective evidence, that the requirements defined in the CARBONSAFE Program		
VAT	Value added tax		
VCM (Voluntary carbon market)	VCM is a decentralized market where private actors voluntarily buy and sell carbon credits that represent certified removals or reductions of greenhouse gases.		
Verification/Verification	Confirmation, by providing objective evidence, that the specified requirements in the CARBONSAFE™ Program methodology have been met.		



#### I. Introduction.

This guide is to familiarize project participants/farmers with the procedure and manner of joining, implementing and implementing activities under the CARBONSAFE™ Program for Carbon Agriculture. This guide is informative in nature. For each agreement between a participant and the Program, a contract/additional agreement with legal value will be signed.

Before applying, any farmer can familiarize himself with the conditions for participation at:  $\underline{Documents - Carbonsafe^{TM}}$ .

CARBONSAFE<sup>TM</sup> program is implemented according to the rules of a validated methodology for removing carbon dioxide (CO2) from the atmosphere and storing it in the soil in the form of carbon (C).

CARBONSAFE<sup>TM</sup> program is the property of the company Carbonsafe Ltd., registered in the Commercial Register at the Registration Agency of the Republic of Bulgaria. No parts, as well as the entire Methodology, can be used by third parties without the express knowledge of Carbonsafe Ltd., as its owner. The present Methodology is patented with application No. 5613/13.02.2023. and Reg No. 4392 as a utility model and was validated by a third party.

Participation in the CARBONSAFE<sup>TM</sup> Program is voluntary. It aims to guide and optimize agricultural practices in farms for the benefit of the climate and the environment, as well as to increase their income through the realization of the generated carbon credits.

#### II. Eligibility criteria.

A participant in the program can be any natural or legal person registered as an agricultural producer (AP), according to Ordinance No. 3 of January 29, 1999 on the creation and maintenance of a register of farmers whose holding is located on the territory of the Republic of Bulgaria.

The farm can be crop-growing or mixed - crop-growing and animal-breeding. Minimum requirements for participation:

#### 1. Areas:

The holding must have a minimum total area of 2000 decares for cereals/ technical/ fodder crops/ fallow areas/ perennial medicinal and aromatic crops and/or 500 decares for perennial crops. In the case of holdings with annual and perennial crops, one of the two minimum area requirements is accepted. Plots with a minimum area of 40 decares/culture are considered eligible;

#### 2. Legal grounds:

The AP must have/maintain legal grounds for a minimum of 5 years for the plots participating in the carbon farming program. The minimum term for participation in the program is 5 years, and it should be implemented on the same areas for the entire period;

#### 3. Implementation of new practices:

The farm must have opportunities to learn and apply new good agricultural practices. They must be consistent with mitigating climate and environmental impacts, but also not hinder the production of the necessary amount of food for food security. This criterion is related to the assessment of complementarity for upgrading the activities applied to the agricultural areas participating in the program and is a mandatory element for participation.

#### **III.** Project boundaries.

#### 1. Spatial boundary:



The program is applied to areas in a land use system on the territory of the Republic of Bulgaria and according to the Methodology CARBONSAFE<sup>TM</sup>.

The spatial boundary covers the impacts of the activities that are under the control of the Operator. Operator is the relevant agricultural producer who has legal grounds for cultivating the land. Activities must result in reduced emissions and/or sequestration of carbon in the soil resulting in increased content (SOC) in the project area.

Every year, under the CARBONSAFE™ Program, admission is opened for a new project. The period is equal to the agricultural economic year and is considered from 01.10 of the current year to 30.09. next year. During this period, the farmer has the right to apply for participation areas several times. The eligible and approved areas during this period will be the subject of one contract and will be attached to one project. The contract is signed between the agricultural holding - an individual registered in the Bulstat register or a legal entity registered in the Trade Register and Carbonsafe Ltd.

The agricultural holding has the right to add new areas every economic year. They will be registered to the relevant project with a new contract. The new areas are subject to a comprehensive assessment and survey under the certification process.

The agricultural holding is obliged to immediately inform Carbonsafe Ltd. in case of abandoned areas.

#### 2. Time limit

Each agricultural holding that meets the conditions of the CARBONSAFE™ program enters into a contract to participate in a project for a minimum period of 5 years. The first year is registered as the base year, and the rest are control years. This period is equal to the crediting period. After the expiration of the contract, the Operator can apply for an extension of the credit period for another 5 years. This does not cause certification to be interrupted, but in this case the Baseline will be reviewed and redefined. A mandatory condition for renewing the crediting period is that the farm has the opportunity and potential to introduce new, above-law agricultural practices.

#### 3. Greenhouse boundary

The main greenhouse gas (GHG) observed with all project activities is carbon dioxide (CO<sub>2</sub>).

#### IV. Application for participation.

The applicant declares his desire to join the Program in writing by completing an "Application for Initial Registration" form. The completed form is sent via online letter to the e-mail of Carbonsafe Ltd. or can send all documents by courier or in person to the office of Carbonsafe Ltd.

The applicant completes the application and provides the following documents and information:

Registration name of Legal Entity/Physical Person; EIK/Bulstat;

Address; accountable person;

E-mail address for logging into the system;

Contact person and phone number;

Current documents for the registration/re-registration of an agricultural producer - a green card and a survey card for the areas he wishes to be included, as well as a table with the plots and maps from the DFZ SEU/ISAC;

Inventory of used agricultural equipment and inventory;



Digital data with a geographic information system (GIS) for the used areas in the format of Shape (Shape) / KML (KML) files.

In the event that the agricultural holding does not have a shape file at the time of submitting an application, it is obliged to provide them in a short period of time. For this purpose, assistance can be sought from a company providing geodetic services or a company preparing agreements for agricultural territories, or to the relevant municipal office "Agriculture" for the shape files from the ISAC system or to download them from his profile in DFZ-SEU - seu.dfz.bg, section "Inquiries", section "Direct payments", menu "Digital data for declared plots and farm blocks", select the last receipt DPP-Campaign 20..., the show button is selected and the shapefiles are downloaded from the rightmost "Download File" column. Shapefiles are necessary to determine the eligible areas for survey and participation in the project.







### Instructions for filling out.

The fields in red font are filled by Carbonsafe Ltd. and the fields in blue font are filled by the applicant according to the template as follows:



CARBONSAFE LTD city of Plovdiy, 53 Tsarigradsko Shose Blvd. Tel. +359 899 491 111; E-mail: office@carbonsafe.bg

#### APPLICATION For initial registration in a CARBON FARMING Programme Carbonsafe

Entr. No (filled by Carbonsafe)	Date: (filled by Carbonsafe)
☑ New Application	☐ Editing of an application
(To be completed by the applicant by marking	(To be completed by the applicant in case of editing
the box with a 'V' or 'X')	of information in an already submitted application,
	marking the box with a "V" or "X")

II.

(To be completed by the applicant by marking the

Legal entity

Table No. 1 Data of the operator: (filled by applicant)

Natural person

box	with a 'V' or 'X')	box with a 'V' or 'X')				
	I. DATA OF THE NATURAL PERSON					
		ns only) (filled by applicant)				
	Name:					
	Permanent address:					
3.	BULSTAT:					
	Telephone:					
	e-mail:					
6.	Correspondence address:	<b>)</b>				
7.	Name for access to the system*:					
8.	e-mail for access to the system *:	<b>Y</b>				
9.	Unique identification code upon					
	registration of the farmer under the					
	procedure of Regulation No. 3 of 1999					
	for establishment and keeping of a					
	register of farmers:					
		HE LEGAL ENTITY				
		only) (filled by applicant)				
	Name:	TANDEM OOD				
	Management address:	Banya village, pk 4150, 16 Trayana St				
_	UIC:	125123456				
	Reg. No. as per the VAT Act:	BG125123456				
-	Financially liable person:	Ivan Ivanov				
	Telephone:	+359888445566				
	e-mail:	tandem41@abv.bg				
	Correspondence address:	Banya village, pk 4150, 16 Trayana St				
	Name for access to the system*:	I. Ivanov				
10.	. e-mail for access to the system *:	tandem41@abv.bg				
11	. Unique identification code upon					
	registration of the farmer under the					
	procedure of Regulation No. 3 of 1999	84752				
	for establishment and keeping of a					
	register of farmers:					
No	te: It is possible to specify more than one pe	rson, which will have a profile for access to the				

Note: It is possible to specify more than one person, which will have a profile for access to the system. Please note, that the person specified will have access to all data in CARBONSAFE!





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Table No. 2: (filled by applicant)

Farm type					
☐ Plant breeding ☐ Plant breeding and animal breeding					
(To be completed by the applicant by marking	(To be completed by the applicant by marking the				
the box with a 'V' or 'X')	box with a 'V' or 'X')				

(Livestock farms are not eligible to participate in the program!)

#### Table No. 3: (filled by applicant)

The table is completed upon initial registration of the farm in the period 01.10. - 28.02. based on a certified re-registration of an agricultural producer.

*REFERENCE TO THE ACTIVITY FOR THE BUSINESS 2022 y./ 2023 y.								
Crops	Sow main (ha)	Sow second (ha)	Basic Intentions (ha)	Second Intentions (ha)	Total (ha)			
Wheat	200,00				200,00			
Sunflower			300,00		300,00			
Maize			300,00		300,00			
Total:	200,00				200,00			

<sup>\*</sup>Note: Data from the first page "Report on the activity of the farm" of the survey card for the current business year is filled in here. A copy of a green card and an inquiry card must be provided with the application.

#### Table No, 4: (filled by applicant)

The table is completed upon initial registration of the farm in the period 01.03. – 30.09. and after the completed Application for assistance under ISAK.

	CURRENT INFORMATION ON THE PLOTS/FIELDS ON THE FARM  FOR 2023 v.								
Nº	Location	ЕКАТТЕ	Plot number	Area (ha)	Crop being grown				
1	Banya	12345	12345-150-1-1	150,00	Wheat				
2	Banya	12345	12345-150-1-2	50,00	Wheat				
3	Banya	12345	12345-186-1-1	300,00	Sunflower				
4	Banya	12345	12345-350-1-1	50,00	Maize				
5	Banya	12345	12345-350-1-2	200,00	Maize				
6	Banya	12345	12345-350-1-3	50,00	Maize				
	Total area: 800,00								

"Note: Data from the "Table of used plots" of a completed Application for Assistance to ISAK is filled in here. A copy of the "Table of used plots" and "Maps" from ISAK must be provided with the application.





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Table No 5 (filled by applicant)

CURRENT INFORMATION OF THE CROPS/PLANTS GROWN								
A						E		
Crop	Method/practices of growing*			Area** ha	Availability of a shape- file YES/NO			
	1 🗆	6 ×	11 □	16 □		-		
	2 🗆	7 🗆	12 □	17 □				
Wheat	3 □	8 🗆	13 □	18 □	200,00	Да		
	4 🗆	9 🗆	14 ×	19 □				
	5 🗆	10 □	15 □	20 □				
	1 🗆	6 🗵	11 □	16 □				
	2 🗆	7 🗆	12 □	17 □				
Sunflower	3 □	8 🗆	13 □	18 □	300,00	Да		
	4 🗆	9 🗆	14 🗵	19 □				
	5 🗆	10 □	15 □	20 □				
	1 🗆	6 □	11 □	16 □				
	2 🗆	7 🗆	12 □	17 □				
Maize	3 □	8 🗆	13 □	18 □	300,00	Да		
	4 🗆	9 🗆	14 □	19 □				
	5 🗆	10 □	15 □	20 🗷				
		Total area:	800,00					

#### ☐ 1. Conservation without tillage.

- ☐ 2. Treatment of beds.
- ☐ 3. Minimal treatments.
- ☐ 4. Biological agriculture.
- □ 5. Integrated production.
- $\hfill\square$  6. Precision agriculture.
- ☐ 7. Diversification of crops.
- $\square$  8. Fertilization with microbial fertilizers.
- ☐ 9. Green fertilization (Sideration).
- □ 10. Cultivation of nitrogen-fixing crops.
- $\square$  11. Mulching treatment.
- □ 12. Use of organic/natural pesticides;

#### LEGEND ☐ 13. Stripes tillage.

- ☐ 14. Pasture and/or crop rotation and crop rotation management.
- ☐ 15. Grass weeding of the rows in perennial crops and vineyards.
- 16. Joint cultivation of more than one agricultural crop.
- 17. Implementation of agricultural belts.
- □ 18. Improvement measures in permanently grassed areas.
- □ 19. Other not listed here.
- 20. None of the above applies\*\*.

ADDITIONAL INFORMATION: (Please specify farming methods and practices, including the soil treatments you perform on the processed soils:)

Table No 6 (filled by applicant)

CURRENT IN	CURRENT INFORMATION ABOUT THE EXPECTED YIELD OF THE CROPS/PLANTS GROWN							
Type of produce Area total (ha)		Month and year of sowing	Date of last fertilization*	Amount of the expected produce /harvest (tons)	Period of collecting the produce/harvest			
Wheat	200,00	10-11/22 y.	M 10.04.	5,5	06-07/23			
Sunflower	300,00	04/23 y.	M 15.04.	15	08-09/23			
Maize	300,00	05/23 y.	M 25.05.	15	09/23			

<sup>\*</sup>Note: Please mark the type of fertilizer used with "O" for organic fertilizer or "M" for mineral in the box before the date of last fertilization.





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#### Livestock farming, NO ☐ YES ☑ in case of answer "YES", please fill in tables #7 and #8: Table No 7 (filled by applicant)

INFORMATION ABOUT THE STOCKBREEDING SITE (Filled in OBLIGATORILY in the presence of stockbreeding farms as well)			
No. of the stockbreeding farm	951623748		
Location*	Ignatovo		
GPS coordinates	42°07'33.8"N 24°45'56.4"E		
Specifics of the locality (Natura 2000, reserve, forests, and forest areas, etc.)	No		

<sup>\*</sup>Note: Specify populated settlement, municipality, district, and name of locality

#### Table No 8 (filled by applicant)

Table 110 0 (Inica by applicants)						
INFORMATION ABOUT OF THE LIVESTOCK BRED (Filled in OBLIGATORILY for stockbreeding farms)						
species/breed	Direction*	Number	Technology of breeding**			
Livestock Cows/Herefords Meat direction		200	Free - pasture			
Total number: 200						

<sup>\*</sup>Note: For animals that can be raised for milk and meat, the direction for which they are raised must be indicated. No apiaries are noted in the table.

#### Equipment, inventory, means of transport and installations for the storage of animal manure:

#### Table No 9 (filled by applicant)

INFORMATION ON EQUIPMENT, INVENTORY - ATTACHED/HANGED, VEHICLES, PREMISES AND FACILITIES FOR ANIMAL MANURE STORAGE (Filled in OBLIGATORILY)						
Type	Purpose	Description				
John Deere	Tractor	250R				
Claas Lexion	Harvester	650				
Vaderstad	Deepener	Top down				
Sgariboldy Higuma	Unloading trailer for fodder	20/2				

<sup>\*</sup>Note: please add more lines if needed.

#### Table No 10 (filled by applicant)

Table No 10 (filled by applicant)								
HISTORY OF THE FARM FOR THE PAST 5 (FIVE) YEARS								
Crops	Area (ha)	Cultivation technology *	the last 5 (f the corresp n the legend	onding				
Wheat	200,00	Conventional	1 □ 2 □ 3 □ 4 □ 5 □	6 □ 7 □ 8 □ 9 □ 10 □	11 □ 12 □ 13 □ 14 ⊠ 15 □	16 □ 17 □ 18 □ 19 □ 20 □		
Sunflower	300,00	Conventional	1	6 □ 7 □ 8 □ 9 □ 10 □	11 □ 12 □ 13 □ 14 ⊠ 15 □	16 □ 17 □ 18 □ 19 □ 20 □		
Maize	300.00	Conventional	10	6 🗆	11 🗆	16 🗆		

<sup>\*\*</sup>Note: The cultivation technology is indicated (free-box, free-group, tied, floor, cell, etc.)





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	2 🗆	7 🗆	12 🗆	17 🗆	
	3 □	8 □	13 □	18 □	
	4 🗆	9 🗆	14 □	19 □	
	5 🗆	10 □	15 □	20 ⊠	
LEGE	ND				
□ 1. Conservation without tillage.	☐ 13. Stripes	tillage.			
□ 2. Treatment of beds.	□ 14. Pasture and/or crop rotation and crop rotation				
□ 3. Minimal treatments.	management.				
□ 4. Biological agriculture.	☐ 15. Grass weeding of the rows in perennial crops and				
□ 5. Integrated production.	vineyards.				
□ 6. Precision agriculture.	☐ 16. Joint cultivation of more than one agricultural crop.				
□ 7. Diversification of crops.	□ 17. Implementation of agricultural belts.				
□ 8. Fertilization with microbial fertilizers.	☐ 18. Improvement measures in permanently grassed				
<ul> <li>9. Green fertilization (Sideration).</li> </ul>	areas.				
□ 10. Cultivation of nitrogen-fixing crops.	□ 19. Other not listed here.				
□ 11. Mulching treatment.	20. None of the above applies**.				
□ 12. Use of organic/natural pesticides;					
*Note: In the Cultivation Technology column, please write down – conventional, organic, No-till, etc.					
*Note: If the farm uses technologies that are not described in the table, please fill in the blank lines.					

#### Table No 11 (To be completed by the applicant by marking the box with a 'V' or 'X')

#### DECLARATION OF "DOUBLE REPORTING OF A PROJECT"

- I do hereby declare that I am not taking part in another Programme/project for performance of similar activities.
- ☑ I am aware of the criminal liability under Article 313 or Article 248a of the Criminal Code for providing false information.

#### Table No 12 (To be completed by the applicant by marking the box with a 'V' or 'X')

#### DECLARATION OF AWARENESS

- I do hereby declare that I am familiar with and aware of the conditions and requirements of the CARBONSAFE Methodology.
- ☑ I do hereby declare that I am aware that I must admit audit commissions of representatives of CARBONSAFE, as well as external audit companies, which are "third parties" in the process of certification.

Date 22/06/2023

Applicant: Ivan Ivanov (Name, surname, signature)



#### V. Baseline definition scenario.

The baseline scenario represents the set of activities and practices that are implemented on the farm prior to the existence of a project. It is determined individually for each farm, collecting data on previous applied practices, crop cultivation methods and used equipment for 5 years back.

#### VI. Suitability rating.

Carbonsafe Ltd. reviews the submitted documentation, shape files and, according to the procedure, prepares an assessment of the farm's suitability. It is possible for Carbonsafe Ltd. to carry out an on-site visit agreed with the farm in order to verify the reliability of the information provided. The suitability assessment includes the following criteria:

- 1. The farm has production volume for participation in an individual project. Areas should meet eligibility of cell size plots of 40 to 250 decares with one crop;
  - 2. The projects will be implemented on the same land for a minimum of 5 years;
- 3. The farm uses appropriate production methods to participate in a project. The farm must have the opportunity to introduce new, above-law agricultural practices;
- 4. The farm has suitable processing equipment for participation in a project. The farm must have appropriate equipment to implement the new practices it is about to implement;
- 5. The farm uses professional agronomic/veterinary services for production to participate in a project.

If the farm meets all the above-mentioned criteria, it receives a positive assessment. An offer is being prepared. After approval of the offer by the applicant, an administrative contract is drawn up and signed by the parties. In the event that the farm does not meet one of the five criteria mentioned above, a negative assessment is given. In this case, a Prescription for adaptation is drawn up. After receiving the prescription, the farmer can remove the objections and/or introduce the necessary corrections, after which he can apply again.

#### VII. Conclusion of an administrative contract.

Carbonsafe Ltd. prepares and sends the Operator a contract for participation in the Program. The contract is for a minimum period of 5 years, and can be concluded at any time of the agricultural economy year - from October 1 of the current year to September 30 of the following year. The rights and obligations of the parties are described in detail in the contract, as well as all areas subject to participation in the program must be specified. Any change of circumstances related to the implementation of the project is reflected in an additional agreement between the Program and the Operator. Each party is obliged to inform the other party in writing within 10 days of all occurring circumstances that affect the subject of the contract.

By signing a contract, the Operator agrees that the information regarding his participation in the CARBONSAFE<sup>TM</sup> Program will be used for the purposes of the program, including the creation and maintenance of a public register for Carbon Credits, containing a database of farm location, contract number, name of participant, area of plots/properties included in the Program.

#### VIII. Registration of a project in ISACO<sub>2</sub>.

After concluding the contract, the farm data is entered into specialized software. By authorized personnel of the Program, geographic spatial boundaries of the plots and areas are entered into the system through the Shape/KML files received by the Operator. Carbonsafe Ltd. generates



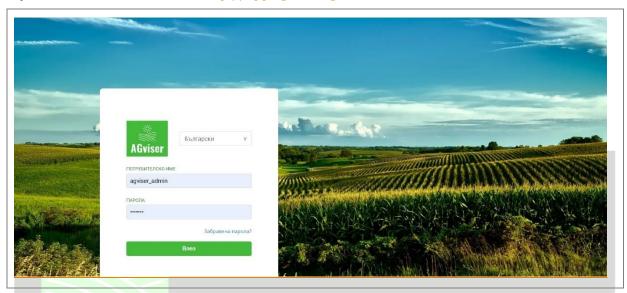


and sends, to the e-mail specified by the Operator, a username and password for entering the system. The operator logs in through his profile and fills in the name of the plot and the current crop. When the culture changes, the Operator necessarily updates the information in the system, through his profile. The name of the plot does not change during the contract period, as it serves for its identification. From his profile in the electronic system, the Operator has the right to track project activities on his farm, such as sampling, laboratory test results and agronomic recommendations, inquiries, analyses, etc.



#### Basic instructions for accessing and using a customer account.

The operator accesses his customer profile by entering a username and password to log into the system at an internet address <a href="http://app.agviser.bg">http://app.agviser.bg</a>



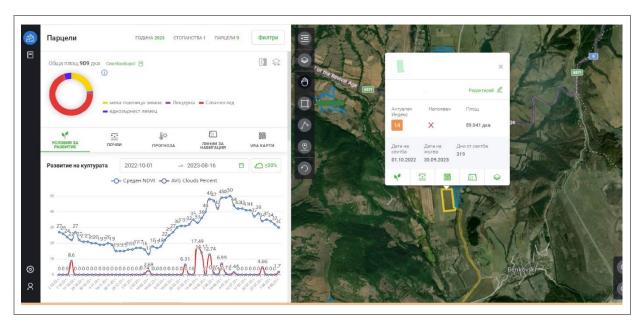
#### Entering a plot name and culture:

After logging in, a screen is loaded with a preview of the outlined fields on the map.

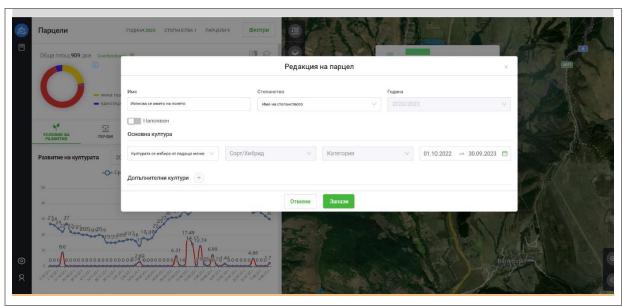
To identify the fields, it is necessary to name them. The name of each field is set by the Project Operator and must remain the same throughout the contract period.

Clicking on a specific field opens a help window as shown in the picture below.





To enter a name and culture for the selected field, press the "Edit" button. An "Edit Plot" helper window will open on the screen.



In the "Name" field, the name of the field is set by typing. In the field "Main culture" - the culture is selected from a drop-down menu\*.

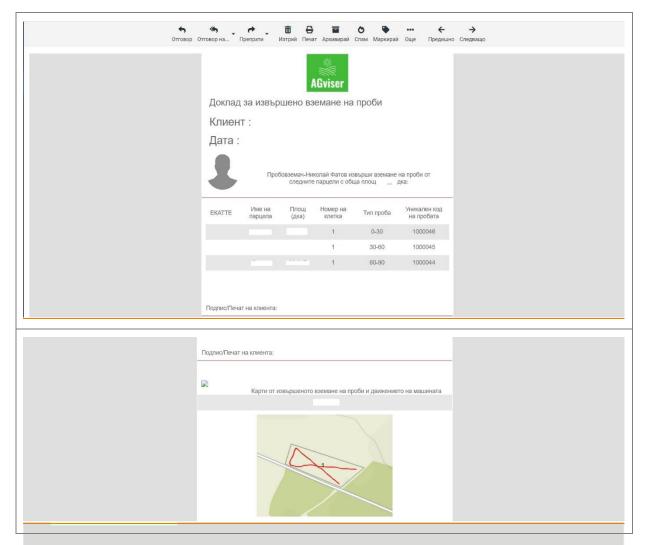
\*Part of the crop names in the nomenclature are written in English.

The entered data is saved with the "Save" button. The button becomes active when name and culture data are available.

#### Sampling and analysis

An authorized person contacts the Operator for clarification on possible soil sampling times and adds the fields to Carbonsafe Ltd.'s sampling schedule.

After sampling, the Operator automatically receives a "Report on Sampling" in the form of email and PDF from the system. The report contains information about the fields /name of the sampled plot, area, number of cells, depth of soil layer, map of the machine's progress/.



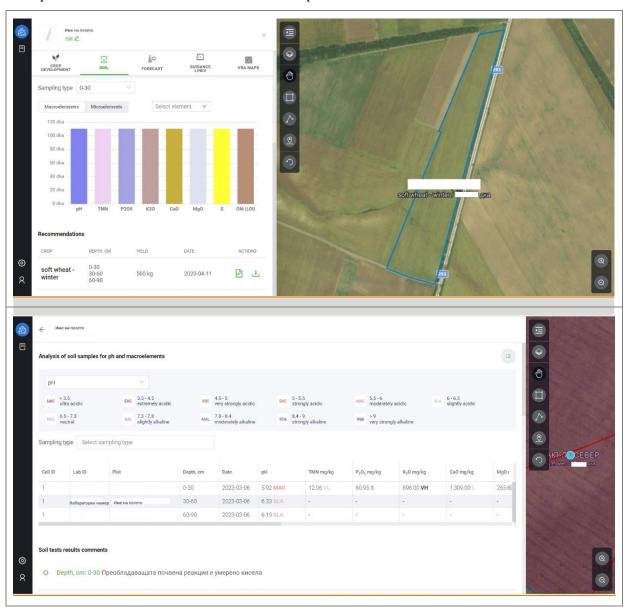
The track from the machine is also recorded in the system.





Carbonsafe Ltd. sends the samples for analysis to an agrochemical laboratory and enters the obtained test results into the system.

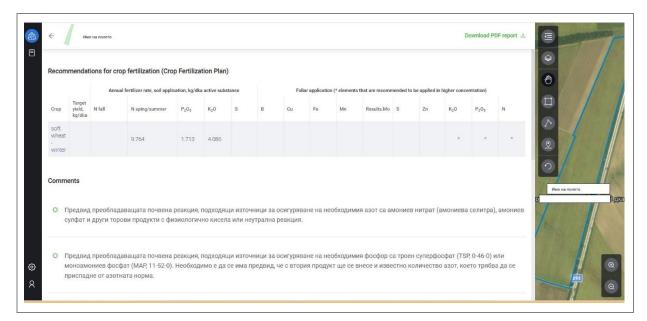
Sample visualization of test data in a customer profile:



Based on the laboratory analysis, a qualified agronomist prepares separate recommendations for plant nutrition for each sampled cell for which there is a test result.

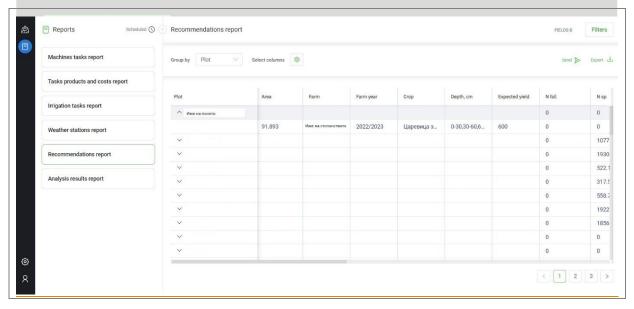
Example visualization of a testimonial in a customer profile:



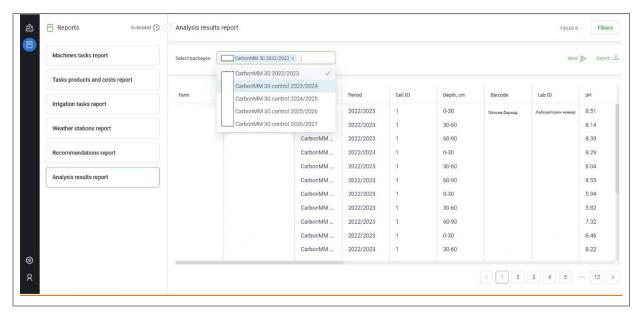


#### Reference.

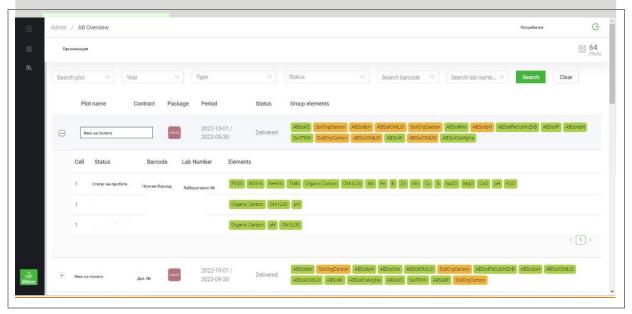
The operator can make inquiries about the analyzes and recommendations made in the system, as well as download them in different formats - Excel/PDF.







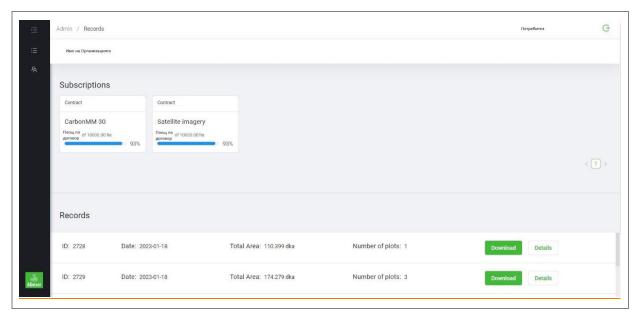
The operator can monitor the status of the samples for each of his fields in the "AB Overview" panel. Here the status of each sample from the specific field is visualized - "for sampling", "sample taken", "received in the laboratory", "awaiting result", "for preparation of recommendation", "delivered.



In the panel "Organizations" - "Records" there is information about an active contract, a package and the total area of fields under it.







For more information and instructions on using and working in a client profile of the system, Carbonsafe Ltd. provides the necessary assistance to each Operator by providing him with additional clarifications via phone call/e-mail/video connection.

#### IX. Baseline soil samples.

According to the program, five soil samples are carried out, one for each year of the contract. The initial soil sample is the base and the rest are controls.

Soil samples are tested for soil organic carbon (SOC) content and for micro and macro elements. Trace elements are the chemical elements: Cu, Mn, Zn, B, Fe, Mo, Na. Macroelements are the chemical elements: K, Ca, N, Mg, P, S.

A baseline soil sample is the starting point of the organic carbon content of the soil, against which the subsequent measurement and analysis of the result is carried out in each subsequent control year. The surveyed area is previously divided into plots by crops. Each parcel of land with an area of more than 250 decares is divided into cells of not less than 40 decares and not more than 250 decares. The baseline soil sample is taken by georeferenced sampling at 25 points for each cell. With one stitch of an automatic probe, a sample is taken from three depths 0-30 cm, 30-60 cm and 60-90 cm. The soil samples in a predetermined order are duly identified with a barcode and transported to a laboratory for testing. All activities are carried out by representatives/authorized persons of Carbonsafe Ltd.

#### X. Laboratory testing of base soil samples.

The baseline is equivalent to the results of a laboratory chemical test of OM (Organic matter) and OC (Organic Carbon). The georeferenced base soil sample taken from each plot eligible for participation in the program - respectively from each cell, upon receipt in the laboratory receives a unique identification number with which it is recorded in the system. By this number, the sample can be tracked at the entrance and at the exit. After performing the laboratory tests, the results are sent to be loaded into the  $ISACO_2$  system and a test report is issued, which is stored in the Operator's file. The activity is carried out by an accredited laboratory at the request of Carbonsafe Ltd.

#### XI. Agronomic recommendations.





The baseline is determined by directly measuring the soil carbon content of each plot participating in the Program. Carbonsafe Ltd. prepares the necessary data records in the system. A qualified agronomist reviews the results of laboratory tests for SOC, micro and macro elements and prepares agronomic recommendations for the areas participating in the program. The agronomic recommendation applies only to micro and macro elements and is aimed at optimizing soil improvers and combating diseases and enemies, for which good and proven agricultural practices are implemented. An agronomic recommendation for SOC is not being developed. The agronomist under the program has the right to make periodic contact with the Operator and/or other persons authorized to represent the farm. The agricultural holding must fill in a model technological card, in which the recommended soil treatments and other operations are valued.





#### Instructions for filling out.

The fields in red font are filled by Carbonsafe Ltd. and the fields in blue font are filled by the applicant according to the template as follows:

TECHNOLO	GICAL MAP FOR	ROP GROWING	G BY PROGRAM!	M CARBONSAFE	BY THE CARBON	FARMING MET	HOD		
CROP:					WHEAT				
DATE OF CREATION OF THE SOWING/PLANTING:		08/1:	1/2022		MATERIA		RS, PREPARAT PER 1 DCA	ΓΙΟΝS AND	
PRACTICES	FIELD	PERIOD	Mecahnizati on - fuel BGN/dca	Mechanizato r BGN/dca	Measure	Quantity	Unit price, BGN	Amount in BGN	Total costs, BG
SOIL TREATMENT			•	•					
Deepening	12345-150-1-1	15/10/2023	5,60	8,00	t/dca	_		0,00	13,60
					l/dca			0,00	0,00
NUTRITION					(	$\langle \langle \rangle \rangle$			
NPK	12345-150-1-1	10/11/2022	5,00	8,00	t/dca	V0260	5,80	2,03	15,03
					Vdc~	$\sim$		0,00	0,00
SEEDS					$\sim$	$\sim$	1		
Wheat	12345-150-1-1	08/11/2022	5,65	8,00	kg/dra	0,055	3,00	0,17	13,82
DI ANT DE OTERCTION					kg/dca			0,00	0,00
PLANT PROTECTION Fungicide	12345-150-1-1	20/12/2022	5.00	8,00	kg/dea	0,600	5.20	3.12	16.12
Fungicide	12345-150-1-1	20/12/2022	5,00	8,01	l/dca	0,600	5,20	0,00	0,00
OTHER ACTIVITIES UNDER THE PROGRAMME				11/2	) i/uca			0,00	0,00
Fertilization witj microbial fertilizers	12345-150-1-1	15/02/2023	40	8,00				0,00	13,00
				~~~				0,00	0,00
HARVESTING		( (	$\sim$ $\sim$						
Mechanized taking out	12345-150-1-1	15/07/2023		8,00	лв./дка			0,00	15,50
Loading + transport	12345-150-1-1	15/07/2023	5,10	8,00	лв./дка			0,00	13,10
Storage + reloading	12345-150-1-1	25/08/2023	4,80	8,00	лв./дка			0,00	12,80
Costs for 1 dca									112,97
TOTAL COSTS for the field								<u> </u>	112,97
REVENUES	1				BGN/dca	650,00	0,35		227,50
Yield	12345-150-1-1				kg/dca	650,00	l	I	
PROFIT									114,54
RATE OF PROFIT (%)	1						l		50%

#### XII. Individual farm management strategy.

On the basis of the collected information about the farm and the performed laboratory tests, Carbonsafe Ltd. prepares and provides the Operator with an individual strategy for managing the plots participating in the program. Through the individual farm management strategy, guidelines for the implementation of good and proven agricultural practices are provided, which:

- contribute to improving soil health;
- contribute to increasing the amount of captured carbon and its sustainable storage in the soil;
- contribute to increasing the yield of cultivated crops;
- contribute to optimizing the production costs of agricultural producers.

The individual land management strategy includes practices that are in line with a standard for good agricultural and ecological condition of the land (GESA standard). These conditions go beyond the legal requirements and are a basic requirement for additionality in the implementation of the Carbon Program. The implementation of the prescriptions under this provision is objectified by carrying out monitoring by Carbonsafe Ltd., in accordance with the METHODOLOGY FOR IMPROVING AND REPORTING THE LEVEL OF SEQUESTED CARBON IN



THE SOIL, IN THE AGRICULTURAL SECTOR. The individual strategy includes sustainable practices based on regenerative agriculture, which aim to improve the content of organic matter in the soil, increase the capture of greenhouse gases and achieve sustainable storage of greenhouse gases.



Exemplary farming practices for implementing an individual strategy:

		LEGEND			
□ 1 Conserve	ation without tillage.		n of nitrogen-fixing crops.		
	2. Treatment of beds. □ 11. Mule				
□ 3. Minimal treatments.			□ 12. Use of organic/natural pesticides;		
		□ 13. Stripes tillage.			
			☐ 14. Pasture and/or crop rotation and crop rotation		
□ 6. Precision		management.			
	cation of crops.	"	eding of the rows in perennial crops and		
	tion with microbial fertilizers.	vineyards.	and of the fows in perennal crops and		
	rtilization (Sideration).	1	vation of more than one agricultural crop.		
			17. Implementation of agricultural belts.		
		_	nent measures in permanently grassed areas.		
№ of the legend	Name		Remarks		
	DIDECTIONS				
	DIRECTIONS:				
	Recommended soil treatments				
	treatments to mix plant residues 2-3 years depending on weather				
	• Inadmissible soil treatments:	plowing and			
	overturning of soil layers.		ONSAFEI		
	GUIDELINES:				
	Summer period from June 1 t	o October 31.			
	the areas must be occupied wit				
	soil cover, plowing and overtu				
	layers is not allowed.				
	• Winter period from November	1 to February			
	15, the areas must be occu		4		
	minimum soil cover, plowing an	d overturning			
	of soil layers is not allowed.		NATURE NO.		
	DUTIES:				
1 1	• Every single event,	including soil			
	treatments, is marke				
	relevant deadlines	in the			
	technological map.				
	Preservative without processing:				
	Conservation tillage is any tillage or cropping				
	system that leaves at least 30%				
	residue on the soil surface after se				
	water erosion. Conservation tillage is considered				
	any tillage system that maintains at least 90-100				
	kg/ha of crop residues (stubble) during a critical wind-erosion period. Effective conservation				
	wind-erosion period. Effective agriculture is based on three main p				
	2 minimal mechanical disturbance of				
	plowing) by direct placement of				
	fertilizer;				
	<ul><li>permanent soil organic cover, with</li></ul>	ith at least 30%			
	with crop residues and/or cover cro				
	1 22 3/2 22 22	• •	1		





② diversification of crops grown in succession and/or in association.

By reducing tillage, they can save between 30 and 40% of the labor time and petroleum fuels needed for mechanized operations compared to conventional farming. This would have a positive effect on the emissions of gases - pollutants of the atmosphere. Conservation agriculture also has the following advantages:

A sustainable agricultural system, (not only conservation), which improves the quality of natural resources, increasing soil biodiversity, (flora and fauna, including wild animals) and without entering into a confrontation with the desire to obtain higher yields;

② Uncultivated (unploughed) fields act as a depot for carbon dioxide (CO2) and, applied globally, can be important in controlling atmospheric pollution in general, and in particular affects global warming;

② Soils treated using conservation practices have better infiltration k and reduced surface runoff, which significantly reduces erosion.

Practices for minimal mechanical soil disturbance can be divided into two more general groups - with minimal tillage and no tillage (direct seeding).

No-till - Direct seeding into live cover vegetation or mulch. Direct seeding without plowing into preexisting cover vegetation - living or destroyed, eg

Benefits: Reduced costs associated with pre-sowing treatments that are not carried out. Reducing the threats of wind and water erosion of the soil. Reduced soil compaction and increased bioactivity. Reduction of evaporation and excessive loss of soil moisture, often at critical times for crop development. Less weed growth in the long term, leading to less herbicide use.

Disadvantages: Difficulty in effective weed control, cover vegetation and mulch. Increased costs associated with mechanical weed control. Need for special machinery such as direct seed drill and other specialized machinery.

# ONSAFE

#### DIRECTIONS:

- Recommended soil treatments: strip vertical treatments in the sowing lines.
- Inadmissible soil treatments: plowing and overturning of soil layers.

#### **GUIDELINES:**

- Summer period from 01 June to 31 October, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed, except for a period within 14 days in which the soil can be processed according to the needs for the next crop, including sowing.
- Winter period from November 1 to February 15, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed, except for a period within 14 days in which the soil can be





processed according to the needs for the next crop, including sowing.

#### **DUTIES:**

• Every single event, including soil treatments, is marked with the relevant deadlines in the technological map.

#### Treatment of beds:

Ridge-till – (bed tillage) – in this tillage, the soil remains uncultivated from the harvesting of the previous crop until the sowing of the next one except for strips 1/3 the width of the row. Sowing is done at the top of the bed and usually involves removing the top of the bed. Plant residues remain on the surface between the beds. Weed control is carried out by means of chemical means, sometimes combined with mechanical treatment, during which the beds are restored.

#### **DIRECTIONS:**

- Recommended soil treatments: vertical treatments to mix plant residues.
- Inadmissible soil treatments: plowing and overturning of soil layers.

#### **GUIDELINES:**

- Summer period from 01 June to 31 October, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed, except for a period within 14 days in which the soil can be processed according to the needs for the next crop, including sowing.
- Winter period from November 1 to February 15, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed, except for a period within 14 days in which the soil can be processed according to the needs for the next crop, including sowing.

#### **DUTIES:**

• Every single event, including soil treatments, is marked with the relevant deadlines in the technological map.

#### **Minimum treatments:**

Reduced tillage. It is a tillage system in which, by combining several operations, the number of passes of the agricultural machines on the field, the degree of soil compaction, the timing of processing and the cost of growing crops are reduced, while preserving the structure of soil and soil fertility. In it, herbicides are used for weed control (but in a transitional period, after which the amount per unit area decreases due to soil adaptation), which allows to reduce mechanical operations.







#### DIRECTIONS:

- Recommended soil treatments: vertical treatments to mix plant residues.
- Inadmissible soil treatments: plowing and overturning of soil layers.

#### **GUIDELINES:**

- Summer period from 01 June to 31 October, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed, except for a period within 14 days in which the soil can be processed according to the needs for the next crop, including sowing.
- Winter period from November 1 to February 15, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed, except for a period within 14 days in which the soil can be processed according to the needs for the next crop, including sowing.

#### **DUTIES:**

• Every single event, including soil treatments, is marked with the relevant deadlines in the technological map.

#### **Organic farming:**

Organic farming is an integrated system of agricultural management and food production that combines the best practices in terms of environmental protection, maintains a high degree of biological diversity, preserves natural resources, applies high standards of humane treatment to animals and production methods, in line with the preferences of some consumers for products produced using natural substances and processes. In order to comply with the requirements of the applicable European legislation, an annual control is carried out, and the production is subject to certification after passing the transition periods. Organic farming is a production system that does not allow or completely excludes the use of synthetic fertilizers, pesticides, growth regulators and animal feed additives, and in which crop rotations, plant residues, manure, green fertilization and biological plant protection.



## DNSAFE

#### DIRECTIONS:

- Recommended soil treatments: vertical treatments to mix plant residues.
- Inadmissible soil treatments: plowing and overturning of soil layers.

#### GUIDELINES:

• Summer period from 01 June to 31 October, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed, except for a period within 14 days in which the soil can be processed according to the needs for the next





#### crop, including sowing.

• Winter period from November 1 to February 15, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed, except for a period within 14 days in which the soil can be processed according to the needs for the next crop, including sowing.

#### DUTIES

• Every single event, including soil treatments, is marked with the relevant deadlines in the technological map.

#### **Integrated Manufacturing:**

Integrated production is a quality system for the production of agricultural crops that supports the protection of the environment, through integrated pest management (IPM) and reducing the use of PPPs (plant protection products). Unlike organic farming, which excludes the use of pesticides or mineral fertilizers, in integrated production they can be applied, but under certain conditions. Integrated production uses advances in technology in the cultivation and protection of agricultural crops and combines different methods and means of pest management. Every farmer can implement integrated pest management by including a number of preventive measures to limit the spread of pests such as crop rotation, use of appropriate agricultural machinery, balanced fertilization and watering, sanitary and hygienic measures, protection of beneficial organisms, resistant/tolerant varieties plant and standard/certified seeds and planting material, etc. Systematic monitoring of pests is carried out. When controlling them, priority is given to biological, physical, biotechnical and other non-chemical means, as well as to low-risk PRPs.

# ONSAFE

#### DIRECTIONS:

- Recommended soil treatments: vertical treatments to mix plant residues.
- Inadmissible soil treatments: plowing and overturning of soil layers.

#### **GUIDELINES:**

- Summer period from 01 June to 31 October, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed, except for a period within 14 days in which the soil can be processed according to the needs for the next crop, including sowing.
- Winter period from November 1 to February 15, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed, except for a period within 14 days in which the soil can be processed according to the needs for the next crop, including sowing.





#### **DUTIES:**

• Every single event, including soil treatments, is marked with the relevant deadlines in the technological map.

#### **Precision farming:**

Precision agriculture is based on the use of a wide range of technologies that allow the collection of data from performed treatments, monitoring and analysis of the development of agricultural crops, and the areas are adequately treated in order to increase efficiency. This management system is based on decision-making, based on variable characteristics and obtaining maximum yields, according to the specifics of the site. The main benefits are associated with reduced use of water, fertilizers and pesticides depending on specific data on the conditions and a set of necessary agrotechnical measures. Precision agriculture should also develop in the direction of supporting the development of precision technologies for sustainable agriculture in the conditions of a clean and safe environment.

#### DIRECTIONS:

- Recommended soil treatments: vertical treatments to mix plant residues.
- Inadmissible soil treatments: plowing and overturning of soil layers.

#### **GUIDELINES:**

- Summer period from 01 June to 31 October, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed, except for a period within 14 days in which the soil can be processed according to the needs for the next crop, including sowing.
- Winter period from November 1 to February 15, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed, except for a period within 14 days in which the soil can be processed according to the needs for the next crop, including sowing.

#### DUTIES:

• Every single event, including soil treatments, is marked with the relevant deadlines in the technological map.

#### **Crop diversification:**

It represents the cultivation of several different crops on the farm in order to avoid monoculture production, which can lead to a decrease in soil fertility, an increase in problems with protection from diseases, enemies and weeds, which in turn is a prerequisite for greater levels of application of fertilizers and plant protection products. On a farm with arable land between 10 ha and 30 ha (inclusive), the farmer must provide at least 2 different agricultural crops. The main crop should









not cover more than 75% of the cultivated land. A farm with arable land over 30 ha should have at least 3 different agricultural crops. The main crop should not cover more than 75% of the cultivated land, and the two main crops should not cover more than 95% of the cultivated land. The diversification requirement does not apply when:

- More than 75% of the arable land is used for the production of grasses or other grass forage, is sown with legumes, is set aside or a combination of these uses, and if it is permanently grassed, for the production of grasses or other grass forage or for the production of crops under water;

- Cultivable land in the farm is up to 10 ha.

#### DIRECTIONS:

- Recommended soil treatments: vertical treatments to mix plant residues.
- Inadmissible soil treatments: plowing and overturning of soil layers.

#### **GUIDELINES**

- Summer period from 01 June to 31 October, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed, except for a period within 14 days in which the soil can be processed according to the needs for the next crop, including sowing.
- Winter period from November 1 to February 15, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed, except for a period within 14 days in which the soil can be processed according to the needs for the next crop, including sowing.

#### DUTIES:

 Every single event, including soil treatments, is marked with the relevant deadlines in the technological map.

#### Fertilization with microbial fertilizers:

Microbial or so-called "live fertilisers" are substances which contain living micro-organisms which, when applied to seeds, plant surfaces or soil, colonize the rhizosphere or interior of the plant and promote growth by increasing the supply or availability of essential nutrients to the host plant. These fertilizers add nutrients through the natural processes of nitrogen fixation, solubilization of phosphorus, and stimulation of plant growth through the synthesis of growth-promoting substances. In the future, microbial fertilizers are expected to significantly reduce the use of chemical fertilizers and pesticides.

Benefits: Reduced use of mineral fertilizers. Improving the availability of nutrients. Improvement of biological activity and soil fertility.





#### DIRECTIONS:

- Recommended soil treatments: mowing, mulching followed by vertical tillage to mix plant residues or direct seeding.
- Inadmissible soil treatments: plowing and overturning of soil layers.

#### **GUIDELINES:**

- Summer period from 01 June to 31 October, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed, except for a period within 14 days in which the soil can be processed according to the needs for the next crop, including sowing.
- Winter period from November 1 to February 15, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed, except for a period within 14 days in which the soil can be processed according to the needs for the next crop, including sowing.

#### **DUTIES:**

• Every single event, including soil treatments, is marked with the relevant deadlines in the technological map.

#### Green Manuring (Sideration):

sowing of crops, the so-called siderates as the main crop, with which the soil is enriched with organic substances. Like

independent form of sideration, the crops must occupy the crop rotation field during one growing season. They can also be used as grass-legume or wheat-legume cold-resistant mixtures, which are mowed and buried in the spring. The practice of seeding the cultivated areas between planting and harvesting two crops with grasses or grass mixtures helps both to preserve the active soil layer from being carried away and to add carbon dioxide to the soil, thus helping the beneficial microflora to develop and function normally.

Benefits: Compacts crop rotation, protects soils from erosion, supplies soil with nitrogen, conserves soil moisture, suppresses weeds and reduces crop protection costs, part of the biomass can be used for fodder. In general, it increases soil fertility, and there is accumulated experience from its application.

#### DIRECTIONS:

- Recommended soil treatments: vertical treatments to mix plant residues.
- Inadmissible soil treatments: plowing and overturning of soil layers.

#### **GUIDELINES:**

• Summer period from 01 June to 31 October, the areas must be occupied with a minimum soil cover, plowing and overturning of soil







layers is not allowed, except for a period within 14 days in which the soil can be processed according to the needs for the next crop, including sowing.

• Winter period from November 1 to February 15, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed, except for a period within 14 days in which the soil can be processed according to the needs for the next crop, including sowing.

#### **DUTIES:**

• Every single event, including soil treatments, is marked with the relevant deadlines in the technological map.

#### **Cultivation of nitrogen-fixing crops:**

Nitrogen-fixing crops "capture" nitrogen from the air and transfer it to the soil. Nitrogen-fixing crops are Lucerne (alfalfa) - Medicago sativa; Bean (common bean, field bean, common bean, low bean, pawn) - Phaseolus spp.; Beans (asparagus beans/vigna) - Vigna spp.; Chickpeas - Cicer spp.; Clover - Trifolium spp.; Buckwheat - Vicia faba; Lens - Lens culinaris; Lupine - Lupinus spp.; Peas - Pisum spp.; Vee - Vicia spp. (except Vicia faba); Asparagus - Onobrychis spp.; Zvezdan - Lotus corniculatus L; Soya - Glycine max.;

Burchak - Vicia Ervilia; Peanuts - Arachis Hypogaea. Benefits: Soil moisture is conserved. They increase soil fertility naturally as a substitute for synthetic fertilizers. They protect the soil from erosion and suppress the development of weeds. They stimulate pollinating insects and biodiversity in agricultural areas. A source of additional feed supplement for animal husbandry.

# ONSAFE

#### DIRECTIONS:

- Recommended soil direct sowing after mulching the plant residues.
- Inadmissible soil treatments: plowing and overturning of soil layers.

#### **GUIDELINES:**

- Summer period from 01 June to 31 October, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed, except for a period within 14 days in which the soil can be processed according to the needs for the next crop, including sowing.
- Winter period from November 1 to February 15, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed, except for a period within 14 days in which the soil can be processed according to the needs for the next crop, including sowing.

#### DUTIES:

· Every single event, including soil





treatments, is marked with the relevant deadlines in the technological map.

#### **Mulching treatment:**

Mulch-till – (mulching processing) - is the management of the amount, orientation and distribution of residues (plant-stem mass) of crops and other types of plants on the soil surface throughout the year while the plants are developing. It is specific to the system that, while in no-till and strip till treatments, where a small part of the field surface is treated (up to 30%), in mulch till a combined treatment of the surface is applied.

#### **DIRECTIONS:**

- Recommended soil treatments: vertical treatments to mix plant residues.
- Inadmissible soil treatments: plowing and overturning of soil layers.

#### **GUIDELINES:**

- Summer period from 01 June to 31 October, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed, except for a period within 14 days in which the soil can be processed according to the needs for the next crop, including sowing.
- Winter period from November 1 to February 15, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed, except for a period within 14 days in which the soil can be processed according to the needs for the next crop, including sowing.

#### **DUTIES:**

• Every single event, including soil treatments, is marked with the relevant deadlines in the technological map.

#### Use of organic/natural pesticides:

Use of plant protection products (PPPs) whose active substances are based on plant extracts (e.g. pyrethrin-based PPIs that are extracted from chrysanthemum flowers), extracts based on extracted essential oils or extracts from recycled and processed food waste the flavor industry (citrus, fruits, vegetables, tree, shrub and flower species).

Benefits: Reduction or absence of contamination of soil, water or produce from chemical synthetic pesticides. Reducing the risks to human health associated with PPIs. Approved for use as a plant protection method in organic production.







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#### DIRECTIONS:

- Recommended soil treatments: strip vertical treatments in the sowing lines.
- Inadmissible soil treatments: plowing and overturning of soil layers.

#### **GUIDELINES:**

- Summer period from 01 June to 31 October, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed, except for a period within 14 days in which the soil can be processed according to the needs for the next crop, including sowing.
- Winter period from November 1 to February 15, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed, except for a period within 14 days in which the soil can be processed according to the needs for the next crop, including sowing.

#### **DUTIES:**

• Every single event, including soil treatments, is marked with the relevant deadlines in the technological map.

#### **Processing stripes:**

Strip-Till – in this tillage, the soil remains uncultivated from the harvest of the previous crop until the sowing of the next crop except for strips 1/3 the width of the row.

#### **DIRECTIONS:**

- Recommended soil treatments: vertical treatments to mix plant residues.
- Inadmissible soil treatments: plowing and overturning of soil layers.

#### **GUIDELINES:**

- Summer period from 01 June to 31 October, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed, except for a period within 14 days in which the soil can be processed according to the needs for the next crop, including sowing.
- Winter period from November 1 to February 15, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed, except for a period within 14 days in which the soil can be processed according to the needs for the next crop, including sowing.

#### **DUTIES:**

• Every single event, including soil treatments, is marked with the relevant deadlines in the technological map.

Pasture and/or crop rotation and crop rotation









#### management:

Integration of different agricultural crops in agricultural areas, including cover crops. Crop rotation refers to a scientifically based alternation of crops in time and place on a certain area of a farm. Time rotation consists in changing crops in successive years on the same field. The rotation by place consists in the successive passage of each crop through all the fields. The rotation must meet the requirements of modern agronomic science, be rational, provide an economically advantageous crop structure for the farm, be consistent with the ecological requirements of the crops and meet the terrain and relief conditions. Long-term cultivation of the same crop in one place causes a gradual decrease in soil fertility, an increase in the concentration of diseases and enemies. This can be avoided if crops are grown in crop rotation. In this way, biological factors are used most effectively to maintain and increase soil fertility. In order to ensure the rotation of crops in time and place, it is necessary to divide the total sowing rotation area into separate fields (most often 4-6). Plots of cultivated area that are occupied by one or several crops (when collective fields are formed) and that have approximately the same dimensions are called crop rotation fields.

Benefits: Reduced use of pesticides and fertilizers through the inclusion of leguminous crops.

Reduction of threats from wind and water erosion of the areas occupied by roof vegetation.

#### **DIRECTIONS:**

- Recommended soil treatments: mowing, mulching, aeration with needle/harrow harrows, milling in the inter-row space.
- Inadmissible soil treatments: plowing and overturning of soil layers.

#### **GUIDELINES:**

- Summer period from 01 June to 31 October, the areas must be occupied with a minimum soil cover, not allowing plowing and overturning of soil layers, with the exception of a period within 14 days in which the soil can be processed according to the needs for the next crop, including sowing.
- Winter period from 01 November to 15 February, the areas must be occupied with a minimum soil cover, not allowing plowing and overturning of soil layers, except for a period within 14 days in which the soil can be processed according to the needs for the next crop, including sowing.

#### **DUTIES:**

• Every single event, including soil treatments, is marked with the relevant deadlines in the technological map.

Weeding the inter-rows in perennials and vineyards:







Chimovo-mulch system. It is characterized by the fact that the inter-row strips are artificially seeded with mixtures of wheat and leguminous grasses, and the inter-row strips, about 1.2 m wide, are maintained in black fallow by spraying with herbicides or with tillage. The grasses are mowed frequently (at a height of 10-12 cm), leaving them in place in the form of mulch.

② Complete weeding (maintenance in chim) Meadow weeding. In this system, grass vegetation native to the area is allowed to grow freely or is mowed and left in place as mulch

or exported for animal feed. Around the trees, the soil is cultivated in

circumstem circles or a fallow row strip is maintained.

Advantages: improvement of soil structure; enrichment of the soil with organic substances; reducing soil erosion; cutting tillage costs.

### **DIRECTIONS:**

- Recommended soil treatments: vertical treatments to mix plant residues.
- Inadmissible soil treatments: plowing and overturning of soil layers.

#### **GUIDELINES:**

- Summer period from 01 June to 31 October, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed, except for a period within 14 days in which the soil can be processed according to the needs for the next crop, including sowing.
- Winter period from November 1 to February 15, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed, except for a period within 14 days in which the soil can be processed according to the needs for the next crop, including sowing.

### **DUTIES:**

• Every single event, including soil treatments, is marked with the relevant deadlines in the technological map.

# Co-cultivation of more than one agricultural crop:

Inter-row cropping or parallel growing of more than one crop on the same area. Applied mainly by smaller farms, but the selected agricultural crops must be adapted to the climatic characteristics of the area.

Benefits: Increases the productivity of the land because it saves space. Reducing the impact of weeds and pests. Improving soil nutrient content in growing legumes.

Disadvantages: Limitations in technical harvesting equipment.

The choice of crops is based on the agro-ecological characteristics of the area.





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2 Nutrient management and fertilization practices. Nutrient management (NPK) - nutrient balance. The introduction of mineral fertilizers must be carried out taking into account the needs of the planned crop, which will be grown based on analyzes carried out for the presence of a number of trace elements and residues of nitrogen, phosphorus and potassium in the soil. When calculating the fertilization rate, a number of indicators are taken into account: soil type and mineral composition, culture-predecessor, ratio between N/P/K. The quantities of mineral fertilizers and nutrients are imported only on the basis of a precisely calculated fertilizer rate. The practice of applying only nitrogen fertilizers is categorically denied. The required minimum balance between N/P/K calculated for the specific crop and the specific field on which it will be grown is sought.

### DIRECTIONS:

- Recommended soil treatments: vertical treatments to mix plant residues.
- Inadmissible soil treatments: plowing and overturning of soil layers.

#### **GUIDELINES:**

- Summer period from 01 June to 31 October, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed, except for a period within 14 days in which the soil can be processed according to the needs for the next crop, including sowing.
- Winter period from November 1 to February 15, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed, except for a period within 14 days in which the soil can be processed according to the needs for the next crop, including sowing.

# **DUTIES:**

• Every single event, including soil treatments, is marked with the relevant deadlines in the technological map.

## Implementation of strip farming:

Strip agriculture is the division of the slope surface into strips of a certain width located along the horizontals of the terrain, or across the slope of the slope, on which various crops are grown such as: cereals, field crops, perennial grasses, etc. The essence of this anti-erosion method consists in successive alternation along the length of the slope of belts of trench crops with belts of crops with a fused surface. This achieves both a reduction in erosion processes and an increase in soil moisture on the slopes. The intercropped belts are a barrier that reduces the rate of surface water runoff and soil erosion, but also act as a filter to retain entrained sediment from the upper trenched crop belt.



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### **DIRECTIONS:**

- Recommended soil treatments: aeration with needle/harrow harrows.
- Inadmissible soil treatments: plowing and overturning of soil layers.

### **GUIDELINES:**

- Summer period from June 1 to October 31, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed.
- Winter period from November 1 to February 15, the areas must be occupied with a minimum soil cover, plowing and overturning of soil layers is not allowed.

#### DIITIFS:

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• Every single event, including soil treatments, is marked with the relevant deadlines in the technological map.

# Improvement measures in permanently grassed areas:

Cleaning of bushes, trees, stones, alignment, sowing of grass,

fertilization. To ensure good productivity and quality of the botanical composition of the grassland, the farmer must maintain the grassland in good general condition.

This is achieved by applying a number of techniques

- Cleaning cleaning from stones, trees and bushes is done mechanically and chemically. Mechanical by cleaning with special machines brush cutters, bulldozers, etc. Chemically by using various plant protection products;
- Drainage by building dykes, belt and bank drains, a dense network of open channels to accelerate surface runoff, etc.
- Irrigation by gravity and by raining;
- Fight against weeds and harmful vegetation it is carried out differently, according to the composition of the weeds;
- Fertilization with mineral and organic fertilizers permanently grassed areas are highly responsive to fertilization:
- Sowing is applied to thinning grass and to improve it on sloping terrain. Cereal and legume grass mixtures are used.
- Regulation of grazing and mowing. The promotion
   of extensive animal husbandry and the maintenance
   of optimal densities of animal units used for grazing.



# XIII. Monitoring.

All areas of agricultural holdings participating in the Program are subject to periodic/annual monitoring. It covers the activities for the practices implemented and the results obtained from their implementation. A monitoring report is drawn up from the on-site inspection. It describes the actual condition of the parcels, provided documents and other findings, identified deviations, proposed corrective actions, conclusions and recommendations. The report is



prepared by an agronomist at the request of Carbonsafe Ltd. The operator is notified in advance to carry out an inspection.

# XIV. Annual re-registration.

Every year, the Operator re-registers within 01.03. until 20.06. and/or in the event of a change in the farm's activity related to the program, by submitting an application for annual re-registration. In case of need for correction/addition/change of information, an application for re-registration is submitted, in which the field for editing is marked.





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# Instructions for filling out.

The fields in red font are filled by Carbonsafe Ltd. and the fields in blue font are filled by the applicant according to the template as follows:



CARBONSAFE LTD city of Plovdiv, 53 Tsarigradsko Shose Blvd. Tel. +359 899 491 111; E-mail: office@carbonsafe.bg

### APPLICATION FOR ANNUAL RE-REGISTRATION IN CARBON FARMING PROGRAMME CARBONSAFE

(The application is submitted annually from 01.03. to 20.06. and/or when there is a change in the farm's activity related to the CARBONSAFE Program for carbon farming)

Ent. No (filled by Carbonsafe)			Date: (filled by Carbonsafe)			
To contr. No (filled by Carbonsafe)			Date: (filled by Carbonsafe)			
( <u>to</u> be comp marking th	olication for year . oleted by the applic e box with a 'V' or	cant by (1	☐ Editing of an application for year			
Operator	TANDEM OOD	UIC/BULSTAT	125123456	Year	2023	

Table No 1 (filled by applicant)

	ANNUAL INFORMATION ON THE PLOTS/FIELDS ON THE FARM FOR YEAR 2024						
No	Location	No of plot ISAK	Area (ha)	Crop	Sowing period/planting	Shape files YES/NO	
1	Banya	12345-150-1-1	150,00	Wheat	11/23	Yes	
2	Banya	12345-150-1-2	50,00	Wheat	11/23	Yes	
3	Banya	12345-186-1-1	300,00	Sunflower	04/24	Yes	
4	Banya	12345-350-1-1	50,00	Maize	04/24	Yes	
5	Banya	12345-350-1-2	200,00	Maize	04/24	Yes	
6	Banya	12345-350-1-3	50,00	Maize	04/24	Yes	

<sup>&</sup>quot;Note: Data from the "Table of used plots" of a completed Application for Assistance to ISAK is filled in here. A copy of the "Table of used plots" and "Maps" from ISAK must be provided with the application.

### Table No 2 (filled by applicant)

CURRENT EXPECTATION INFORMATION YIELD OF CROPS/PLANTS GROWN for the current financial year 2023 / 2024						
of				Harvest period		
Wheat	200,00	11/23	25/02/24	5,5	10-15/07	
Sunflower	300,00	04/24	15/06/24	15,00	01-15/08	
Maize	300,00	04/24	17/07/24	15,00	10-15/09	

<sup>\*</sup>Note: Please note the type of fertilizer used with "O" for organic fertilizer or "M" for mineral in the box before the date of last fertilization.

### Table No 3 (filled by applicant)

Table No 3 (fined by applicant)						
INFORMATION ON PRODUCT HARVESTED FROM THE FIELD for the previous business year 2022 / 2023						
Product type Total area (ha) Unit (t) Total q-ty (t) Average q-ty yield (t/h						
Wheat	200,00	T	900	4,5		
Sunflower	300,00	T	3600	12		
Maize	300,00	T	4200	14		



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## Equipment, inventory, means of transport and installations, including those for storing animal manure:

Table No 4: (filled by applicant)

INFORMATION ON EQUIPMENT, INVENTORY - ATTACHED/HANGED, VEHICLES, PREMISES AND FACILITIES INCLUDING ANIMAL MANURE STORAGE (MANDATORY to be filled out)				
Type	Purpose	Description (brand and model)		
John Deere	Tractor	250R		
Claas Lexion	Harvester	650		
Vaderstad	Deepener	Top down		
Sgariboldy	Unloading trailer for fodder	20/2		
Higuma		20/2		

<sup>\*</sup>Note: Please add more lines if necessary.

### Animal husbandry, NO ☐ YES ☒ in case of answer "YES", please fill in tables No. 5 and No. 6: Table No 5: (filled by applicant)

INFORMATION ABOUT THE LIVESTOCK FACILITY  (To be filled out MANDATORY if there are also livestock farms)			
No. of the breeding facility	951623748		
Location*	Ignatovo		
GPS coordinates	42°07'33.8"N 24°45'56.4"E		
Features of the locality (Natura 2000, reserve, forests, and forest areas, etc.)	No		

<sup>\*</sup> Note: Indicate the town, municipality, district, and name of the locality.

# Table No 6: (filled by applicant)

Table it of Union by applicancy					
INFORMATION ABOUT ANIMALS RAISED (To be filled out MANDATORY for livestock farms)					
Species/breed	Direction*	Number	Cultivation technology **		
Livestock Cows/Herefords	Meat direction	195	Free - pasture		
	Total number:	195			

<sup>\*</sup> Note: For animals that can be raised for milk and meat, the direction for which they are raised must be indicated. No apiaries are noted in the table.

\*\*Note: The cultivation technology is indicated [free-box, free-group, tied, floor, cell, etc.].



# XV. Control soil samples.

Taking a control soil sample follows the baseline soil sample protocol and steps. According to the program, five soil samples are carried out, one for each year of the contract. The initial soil sample is the base and the rest are controls. The program reports the results according to the following scheme:





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# **I** Example scheme:

Agricultural economy year from contract signing	№ in sample order	Soil sample	Result
2022 - 2023	0	Basic	
2023 - 2024	1	Control	1st control minus basic
2024 - 2025	2	Control	2nd control minus 1st control
2025 - 2026	3	Control	3th control minus 2nd control
2026 - 2027	4	Control	4th control minus 3th control

Control soil samples are carried out on all plots participating in the program. The standard term is 12 months from the date of the base soil sample. The time line of implementation is allowed to be between 10 and 14 months, and is consistent with crop rotation, crop development and weather conditions.

The results of the control soil sample are compared with the results obtained from the base soil sample for the content of organic carbon in the soil. The control results of each year become the baseline for the next year. For the resulting positive difference between the control and base soil samples, the system records data on the amount of carbon dioxide removal from the atmosphere and its storage in the soil. After a third-party audit to validate the project and verify the removals, carbon certificates are issued. The activity is carried out by representatives/authorized persons of Carbonsafe Ltd. and a third independent party.

In case the obtained difference is negative between the test data, a negative result is registered in the system. In this case, carbon certificates are not issued. To track the negative difference, both parties can take the following actions:

- Secondary review of applied agricultural practices;
- Changing the applied agricultural practices for the next period;
- Secondary review of unregistered force majeure circumstances;
- Appointment of a second laboratory test;
- Appointment/waiting for the next control sample.

According to the requirements of the Methodology/Carbonsafe Ltd., a soil sample from each cell is kept in the laboratory. From which sample can the test be repeated, and which sample is stored for a period of 2 years.

In the event that a positive difference of sequestered carbon dioxide in the soil is not registered for more than one year, the following actions are taken:

The operator may terminate his contract;

or

The operator can continue to participate in the Program and receive agronomic recommendations from the conducted tests for micro and macro elements by paying the



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relevant fee. All results, references, recommendations and analyzes are available on the farmer's profile. He can track all recorded information at any time.

# XVI. Laboratory analysis of control soil samples.

The control soil sample is equivalent to the results of a laboratory chemical test of OM (Organic matter) and OS (Organic Carbon). The georeferenced control soil sample taken from each parcel eligible for participation in the program, upon receipt in the laboratory, receives a unique identification number with which it is recorded in the system. By this number, the sample can be tracked at the entrance and at the exit. After performing the laboratory tests, the results are sent to be loaded into the  $ISACO_2$  system and a test report is issued, which is stored in the Operator's file. The activity is carried out by an accredited laboratory at the request of Carbonsafe Ltd.

# XVII. Calculation of sequestered carbon.

The calculation of sequestered carbon is a purposeful process based on the principles of regenerative agriculture, reducing it to a specific and quantifiable result, which is materialized through the issuance of a Carbon Credit Certificate.

The calculation is carried out through the system for control and quantitative reporting of the sequestered carbon in the soil based on a chemical laboratory test of a soil sample at a depth of layers: 0-30 cm; 30-60 cm; 60-90 cm.

The unit of measurement of the Certificate is a carbon credit. It is equal to 272.48 kg. of sequestered carbon, which equates to 1000 kg. carbon dioxide CO2 or 1000 kg. of sequestered soil carbon translates into 3,667 carbon credits. The total value of the carbon credits generated is reduced by the amount of CO2 separated by the project according to the MAZ Methodology for determining individual annual quotas in connection with the implementation of a state aid scheme "Aid in the form of a discount on the value of the excise duty on gas oil used in primary agricultural production" source https://www.mzh.government.bg/bg/politiki-i-programi/programi-za-finansirane/darzhavni-pomoshti/otstapka-akciz-gaziol/.

The calculation for each project is carried out in a Control Sheet according to the relevant procedure. The activity is carried out by Carbonsafe Ltd.

# XVIII. Validation and verification.

Project validation and verification of carbon credits are performed by independent third-party auditors. To validate the project and to account for the carbon sequestered in the soil, a set of documents proving the traceability of the whole process is prepared by procedure. After setting an audit date, the auditors perform a physical verification of the presented facts and arguments. The auditors have the right to visit on-site all farms or part of them for which data on generated credits have been submitted. Depending on the number of credits generated, the audit mission can be one time or several times a year or every two or three years. After verifying the reliability of the submitted information, the auditors submit a final report validating the project and verifying the sequestered carbon dioxide in the soil. The next step is to issue certificates for carbon credits. When ready with a validation and verification audit mission, one or more projects can be certified. The activity is carried out by Carbonsafe Ltd. and independent third-party auditors.

## XIX. Issuance of certificates.

The certificate is a document that certifies that one carbon credit is equal to one certificate One carbon certificate represents 1 /one/ metric ton of CO2 equivalent and is equal to 1 /one/ carbon credit. The certificate is a document that certifies that one carbon credit is equal to one





certificate. Carbon credit certificates are issued upon receipt of a final soil carbon sequestered verification report issued following an independent third-party audit. Issuance of carbon credit certificates is the time period in which impacts on the overall target can be accounted for, including the observation and monitoring period.

The carbon credit certificate is issued in the name of the farmer/project operator who cultivates the land and has the relevant legal grounds for the program period, being recorded on the lot in his file. The certificate has mandatory identification elements necessary for its further tracking. The activity is carried out by Carbonsafe Ltd.

# XX. Trading and disposal of certificates.

After the issuance of certificates, their distribution, disposition and trading proceed. A carbon certificate is the equivalent of a tradable, transferable financial instrument - an official document certifying the accumulation and preservation of organic carbon (OS) in the soil of the areas included in the program. The certificates serve as a document on the basis of which the accumulated carbon credits are subsequently sold. The price of a carbon certificate depends on the state of the market at the time of its offering.

# 1. Conditions for issuing and trading carbon certificates, by authorizing Carbonsafe Ltd. to trade them on behalf and at the expense of the Operator.

The following deductions are made from the issued carbon credit certificates (100%):

- % (percentage) of the issued certificates are distributed in the Guarantee Fund "Buffer" and serve as a guarantee for buyers to cover various risks, incl. and in case of damage to the soil carbon reserve because of force majeure situations such as fires, floods and other natural disasters in the territorial scope of the program. The amount of interest is fixed in the contract.
- % (percentage) certification fee, audit costs and certification by "Third Party" for issued carbon credit certificates. The figures are retained by Carbonsafe OOD, the percentage is fixed in the contract.
- % (percentage) fee for intermediaries and expenses for the sale of the carbon certificates (credits), in the case of subcontracting the trade of the issued certificates for carbon credits by the Operator of Carbonsafe OOD. The figures are retained by Carbonsafe OOD, the percentage is fixed in the contract.

In total, under this scheme, the Operator receives a % of the issued carbon certificates, and the amount of the percentage is fixed in the contract.

## 2. Conditions for issuing carbon certificates, without trading by Carbonsafe Ltd.:

- The operator owes Carbonsafe OOD a certification fee in a certain % of the issued carbon certificates, transferring to Carbonsafe OOD its ownership rights. The amount of interest is fixed in the contract.
- % (percentage) of the issued certificates are distributed in the Guarantee Fund "Buffer" and serve as a guarantee for buyers to cover various risks, incl. and in case of damage to the soil carbon reserve because of force majeure situations such as fires, floods and other natural disasters in the territorial scope of the program. The percentage is fixed in the contract.

In total, under this scheme, the Operator receives a % of the issued carbon certificates, and the amount of the percentage is fixed in the contract.

## XXI. Financial terms and fees.

The operator pays the value of one georeferenced soil sampling cell for each year of the contract. The cells are distributed according to the following culture groups:





# 1. For Group I crops and a cell/plot with a size of 40 decares to 250 decares, a minimum total area of 2 000 decares:

- cereal crops.
- cereals and legumes.
- root and tuber crops.
- oil crops.
- fibrous crops.
- flavor cultures.
- fodder crops.

# 2. For Group II crops and a cell/plot with a size of 40 decares to 250 decares, a minimum total area of 500 decares:

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

In case of non-fulfillment arising from his obligations, the Operator owes a penalty in the amount of 20% (the amount payable under the contract for (one year) of the total value of the Contract for the entire period.

In the event that the default is caused by the loss of legal grounds for part of the areas/plots described in the additional agreement/appendix to the Contract, the Operator does not owe a penalty in the amount of 20% (the amount payable under the contract for (one year) of the total value of the Contract for the entire period.

In the case described above, when the non-performance is caused by loss of legal grounds, the Operator does not owe a penalty and the leakages that occur are covered by the Buffer.

The complete movement and transparent traceability of sequestered carbon dioxide from the atmosphere to the soil and its measurement in carbon requires the maintenance of a database registry and a third-party audit for each project, operator and movement of carbon certificates.

# XXII. Leakage of carbon dioxide into the atmosphere.

According to the program, it is foreseen to take into account the leakages and respectively reduce the quantities for issuing certificates for carbon credits, which will be covered by the buffer account. Leaks are considered to be various risks of damage to the soil carbon reserve as a result of force majeure situations such as fires, floods and other natural disasters and/or unregulated and uncoordinated treatment and cultivation of the soil surface – (plowing, deep plowing, etc.) in the territorial scope of the program.

# XXIII. Prohibited activities.

The operator does not have the right to conclude a contract with a third party, for the same areas/plots participating in the program and with the same subject of activity and term of execution. The operator undertakes to participate in the CARBONSAFE<sup>TM</sup> program for a minimum period of 5 /five/ farm years with the same areas/plots and to follow and implement practices provided to him in an individual strategy for the farm areas. The operator has no right to unregulated and uncoordinated treatment and processing of the soil surface - (plowing, deep plowing, etc.) of the plots within the territorial scope of the program.

# XXIV. Transparency and traceability.



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Every single project and every operator, as well as the activity of Carbonsafe Ltd. in terms of application, approval, implementation of the CARBONSAFE<sup>TM</sup> Program at every stage must be traceable and verifiable. The Operator and Carbonsafe Ltd. are obliged to cooperate with each other, as well as to assist third parties during visits, audits, checks and inspections. None of the parties has the right to hinder the activity of the other in relation to the implementation of the Program. The activity is carried out in a spirit of mutual understanding and cooperation.

# XXV. Document storage.

The operator stores the documents for a period of 5 years after the conclusion of the contract. Carbonsafe Ltd. stores the data and complete project documentation for up to 5 years after the completion of a project, in case of extension of the project term for another 5 years - up to 5 years after the end of the extended term.

# XXVI. Occurrence of force majeure.

The parties are not responsible for full or partial failure to fulfill the obligations under the contract if it is due to force majeure. "Force majeure" means a circumstance (event) of an extraordinary nature that occurred after the conclusion of the contract, could not have been foreseen and did not depend on the will of the parties, such as: fire, production accidents, military actions, natural disasters - storms, torrential rains, floods, hail, earthquakes, icing, drought, landslides, etc. natural disasters, embargoes, government bans, strikes, riots, riots, etc. The party that has become unable to fulfill its obligations due to a force majeure event must notify the other party in writing within 10 days of its occurrence, as well as the assumed period of effect and termination of the force majeure event. The authentication of the "force majeure" that has occurred is carried out with a force majeure certificate issued by the Bulgarian Chamber of Commerce and Industry and/or another competent institution.

## XXVII. Others.

If circumstances change, Carbonsafe Ltd. reserves the right to update the information in this Guide for participation in a project under the Carbon Farming Program CARBONSAFE<sup>TM</sup>.