

PROCEDURE FOR THE VERIFICATION OF GHG STATEMENTS



PT. TÜV NORD INDONESIA

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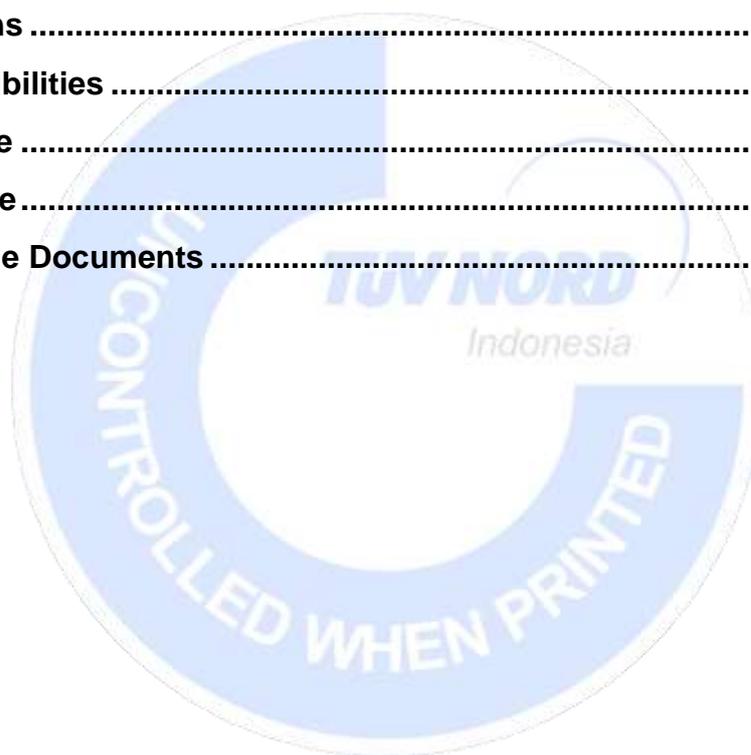
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Checked by	Approved by
	
Dept Manager	VP SCS

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Revision Sheet

Number	Revision Number	Revision Date	Section Number	Revision Notes
1	01	17 November 20	Point 1-7	Update all activities/process based on the updated standard
2	02	8 December 2020	6.5.1.E	Delete point Site Visit
			6.4	Add calculation the duration of verification
3	03	25 Februari 2021	5	Delete ISO 17029:2019
			6.1	Replace form Quotation to FGHG-TNI-019
			6.3.1	Add point verifier competences
			6.5.2	Add statement regarding access to internal or external expertise
			6.5.6	Add GHG statement shall be available to intended user
			7	Add form FGHG-TNI-010, FGHG-TNI-018, FGHG-TNI-019
4	04	12 March 2021	1	Revision section of verification
			6.1	Add pre engagement, remove point preliminary meeting
			6.3, 6.4	Add "...to be approved by Head of Certification Body or Operation Manager SCS or QHSE Manager or Board of Director..."
			6.5.6	Add regarding decision process
			6.6	Add form special verification , replace form questionnaire

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1. Purpose

This documented procedure describes the procedure for Verification of GHG Statement.

The verification is divided into the following sections:

- Pre-engagement
- Offer submission and contract
- Strategic Analysis & Risk Assessment
- Evidence gathering activities
- Verification Plan and Evidence gathering plan
- Verification
- Drafting of report
- GHG Opinion

The verification does not necessarily have to cover the entire organisation. Based on the agreement between the client and TÜV NORD Indonesia, individual areas that are separated from one another, such as for example, individual facilities or locations of an organisation, a single building or a special department within the organisation or company can be verified. This documented procedure ensures that the verifications are conducted in accordance with unified rules with regard to the procedure, personnel and working materials used, and therefore that consistent evaluation is achieved.

2. Scope

The procedure is applicable for all positions and personnel involved in the verification process.

3. Definitions

In general, the key words used in this procedure refers to the reference in point 5.0 of this document

4. Responsibilities

- 4.1 Head of Certification Body is responsible to supervise and approve the verification activities
- 4.2 Operation Manager SCS is responsible to manage and supervise the verification activities
- 4.3 Verifier is competent and impartial person with responsibility for performing and reporting on a verification activities

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4.4 Independent reviewer is competent person who is not member of the verification team who reviews the verification or validation activities and conclusion

5. Reference

- 5.1 MI-TNI-01, Manual Integrasi
- 5.2 ISO 14064-1:2018 , Greenhouse gases – Part 1 : Sepesification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals
- 5.3 ISO 14064-2:2018 , Greenhouse gases – Part 2 : Sepesification with guidance at the project level for quantification. monitoring and reporting of greenhouse gas emissions reductions and removal enhancements
- 5.4 ISO 14064-3:2019 , Greenhouse gases – Part 3 : Sepesification with guidance for the verification of greenhouse gas statements
- 5.5 ISO 14065:2013, Greenhouse gases – Requirements for greenhouse gas verification bodies for use in accreditation or other forms of recognition
- 5.6 ISO 14066:2011, Greenhouse gases – Competence requirements for greenhouse gas validation teams and verification teams
- 5.7 IAF MD 6 : 2014, issue 2 , IAF Mandatory Document for the Application of ISO 14065:2013
- 5.8 KAN-K-10, Persyaratan Khusus Akreditasi Lembaga Validasi dan Verifikasi GRK
- 5.9 KAN-K-10.1, Persyaratan Khusus Akreditasi Lembaga Validasi dan Verifikasi GRK ICAO CORSIA

6. Procedure

6.1 Pre-engagement

The project begins with an inquiry from the client to TÜV NORD Indonesia. The sales will be informed the verification requirements to prospective client or responsible party. If applicable make the provision to accommodate observers. Following the inquiry, an offer questionnaire (**FGHG-TNI-020**) is sent to the company. The sales shall require the client to submit information sufficient to carry out a pre-engagement review, it may be conducted through the preliminary meeting.

The preliminary meeting can be in the form of a personal meeting on site or can take place with the help of modern media. It must be ensured that all named aspects are agreed, understood by all those involved and recorded in writing.

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If following the preliminary meeting, it cannot be finally established that the client is ready for the verification, the verification procedure is broken off after the preliminary meeting.

The preliminary meeting is a basic element of the strategic analysis and is held before the verification itself, in order to ensure the feasibility of the verification applied for, in order to get to know the object of testing well and in order to prepare the risk analysis which forms the basis for planning of the verification itself.

During the preliminary meeting, the Sales reaches agreement with the client mainly regarding the following points:

- **Type of Engagement** : the engagement types specified in verification, validation and agreed upon procedures. A verifier can conduct mixed engagement, when :
 - a) The scope of each type of engagements is clearly defined
 - b) The GHG Statements are developed in accordance with criteria

- **Level of assurance**: degree of confidence in the GHG Statement. The level of assurance shall be applied and consider the needs of the intended user.
 There are two levels of assurance:
 - reasonable assurance
 - limited assurance

- **Objectives** : verification objectives shall include reaching a conclusion about the accuracy of the GHG Statement and the conformity of the statement with criteria. verification objectives shall include an assessment of the likelihood that implementation of the GHG related activities will result in the achievement of GHG outcomes as stated by the responsible party, if included in the verification scope.

- **Criteria** : the criteria taking into account the principles and requirements of the standards or GHG Programme to which the responsible party subscribes.

- **Scope** : the scope, as a minimum shall include boundaries, facilities, physical infrastructure, activities, technologies and processes, GHG SSRs, types of GHGs, time period

- **Materiality**: shall confirm the materiality threshold required by the intended users. If it has not been specified, the verifier shall set and communicate to the client.

The sales shall ensure it does not validate and verify GHG statements from the same GHG project unless allowed by the applicable GHG programme.

Following the return of the offer questionnaire but before issue of the offer itself, a contract review is carried out and review the information received to determine potential risks to impartiality. This ensures that all necessary resources and technical competences for the desired verification are available. The last page of form **FGHG-TNI-020** should be used for

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the contract review. The contract review must be carried out by Head of CB or competent Verifier.

If the result of the contract review is negative, the company which sent the inquiry must be informed that a corresponding verification cannot be carried out, or cannot be carried out based on the desired conditions.

If the result of the contract review is positive, drafting of the offer can begin. In so far as it is not agreed to the contrary, the offer will be drawn up within one week following receipt of the inquiry and will then be sent to the client. The time needed for the verification and also the offer price should be calculated by Sales. Offer template **FGHG-TNI-019** should be used for this purpose.

While preparing the offer it has to be ensured that, taking into consideration the competences required in the verification process, an appropriate verification team is available. The verification team has to be disclosed to the client prior to the verification itself. The client has the possibility of rejecting one or several verifier within a specified period. If the client does this, the team has to be newly formed.

Each offer is signed by Operation Director. The sales responsible for the calculation must check the offer with regard to the following:

- Is it possible to assemble an verification team fulfilling the necessary competences and sector-specific knowledge in order to perform the proposed verification (scheme competence, sectoral competence, sociocultural competence)
- Are there conflicts of interest between the service offered and other services or contractual agreements of the verification team or the company TÜV NORD Indonesia

During the contract review process, the offer and contract is released with form FGHG-TNI-019 Quotation Form and FMLF-TNI-074 Annex 1F.1 Contract for The Verification of GHG.

The verification can begin at the earliest after the offer and contract or a copy of those documents are sent back to TÜV NORD Indonesia with the authorised signature(s) and company stamp of the client. The verification team leader agrees upon the dates for the verification with the responsible contact person of the client.

6.2 Prerequisites Verification

The requirements for the verifier and for the client (Organisation) regarding verification are defined in ISO 14064 Part 3. The following basic prerequisites must be fulfilled by the client:

- The client must provide the verification Team Leader with sufficient and complete information, in order that the team leader can perform the verification based on the documents. The client places the order for the verification with TÜV NORD Indonesia.

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- The client is responsible for calculation of GHG emission. The software used must be made accessible to the verifier, in the same way as all the documents relevant to the calculation.

6.3 Verification Team Selection

The verification team has to be approved by **Head of Certification Body or Operation Manager SCS or QHSE Manager or Board of Director** prior to the verification.

The verification team should consist of a Team Leader and a suitable combination of verifier and / or independent experts. Verification team leader shall have the competence based on the procedure PGHG-TNI-02. At least one team member must have the suitable sector competence. Generally it should be ensured, that all team members (except trainees) are appointed verifier for verification according to ISO 14064. In cases where no verifier is available who covers both, the scheme competence and the sector competence for the company to be verified, a technical can be involved. It is not necessary for the technical expert (sector competence) to join the on-site verification. If the technical expert is not joining the on-site, he has to discuss relevant processes with respect to verification body with the other team members prior to the verification. The team members should know all possible sources of process emissions and how to measure those emissions.

The verifier selected for the verification must:

- demonstrate competence (**Procedure PGHG-TNI-002**)
- be independent,
- avoid all conflicts of interest with those responsible for the project (project owners) and with intended users of the verified of GHG
- demonstrate ethical behaviour during the verification,
- create true and precise verifications, findings and reports; fulfil the requirements of the standard or the GHG programme used as a basis by the project owners.
- have sufficient competence for managing the type and range of its validation or verification activities

A detailed description of the requirements for verifier for the performance of the verification described here can be found in procedure **PGHG-TNI-002**. In so far as the verification takes place within the framework of a GHG programme, the verifier must have detailed knowledge of this programme. If further competences should be needed with regard to the legal framework or language in a particular country, further suitable members must be added to the team.

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6.4 The Duration of the Verification

The time allocation shall be prepared by Sales, reviewed by the verifier and recorded by the verification on **FGHG-TNI-02**. The release of validation/verification effort and team shall be approved by **Head of Certification Body or Operation Manager SCS or QHSE Manager or Board of Director prior to the verification**. The minimum duration of verification is determined based on a combination of number of GHG Sources and the complexity.

The complexity is based on three considerations:

- a. Annual total emission
- b. Number of energi sources
- c. LoA

The complexity is calculated value based on a weighted factor tat addresses all three of these considerations. The formula to calculated the compelexity (C), is:

$C = (\text{Complexity factor for Annual total emission} \times 30\%) + (\text{Complexity factor for Energi Sources} \times 30\%) + (\text{Complexity factor for LoA} \times 40\%)$
(see table 1)

Table 1. The Complexity for Determination the Duration of Verification

Considerations	Weight	Range	Complexity Factor
Annual total Emission (Tonne)	30 %	1-10	1
		10-100	1,2
		100-1000	1,4
		1000-10.000	1,6
		10.000-100.000	1,8
		≥ 100.000	2
Number of energy sources	30 %	1 – 2	1
		3	1,2
		≥ 4	1,4
LoA	40%	Limited	0,6
		Reasonable	1

Once the complexity valued has been calculated using the formula, the value is used to determine the level of complexity based on Table 2.

Table 2. Level of Complexity

Complexity value	Level of complexity
>1,35	High
1,15 – 1,35	Medium
< 1,15	Low

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The minimum duration of verification is shown in Table 3.

Table 3. Minimum Duration of Verification

Number of GHG Sources	Complexity		
	Low	Medium	High
1-5	3	3,5	4
6-10	3,5	4	4,5
10-15	4	4,5	5
16-20	4,5	5	5,5
21-25	5	5,5	6
26-30	5,5	6	6,5

The verification duration shall be increased or decreased as necessary throughout the planning process. If there are any conflict between between the man days quoted and the man-days needed to deliver the engagement, based on the outcome of the strategic analysis and assessment of risks, the total mandays may change and informed to client.

The factor can be increased or decreased the duration of verification are the following below:

- Proposed level of assurance, materiality, criteria, objectives and scope;
- Complexity of the project or organisation and its measurement/monitoring processes;
- Organisational environment including the structure of the organisation that develops and manages the GHG statement ;
- Baseline scenario for project verification, including selection and quantification of GHG sources, sinks and reservoirs applicable to the baseline scenario;
- Identified GHG sources, sinks and reservoirs, and their monitoring for organisation verification;
- Processes that deliver the information and data in the GHG statement ;
- Organisational links and interactions between stakeholders, responsible parties, client, and intended users (for definition refer to ISO 14064-3); and
- verification criteria requirements.

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6.5 Verification

6.5.1 Planning

A. Strategic Analysis

The verifier shall perform a strategic analysis to understand the activities and complexity of the organization, project or product and to determine the nature and extent of the verification activities. The result of strategic analysis to be used for risk assessment (**FGHG-TNI-004**), verification plan and evidence gathering plan.

B. Risk Assessment

The verifier perform a risk assessment of GHG Statement to identify the risk of a material misstatement or NC with the criteria. The information required for risk assessment purpose is taken directly from the Strategic Analysis. While it is the aim of the strategic analysis to get a comprehensive picture of the company to be verified with respect to business operations, emission sources and data monitoring. The verifier assess the risk of misstatement and determine the nature and extent of evidence gathering activities. The verifier determine performance materiality taking into account the intended user's quantitative materiality threshold. The verifier identify qualitative matters that maybe material.

The risk assessment aims on the identification of possible risks, consisting of :

- Inherent risks (the system-based risks that serious errors can occur within the monitoring of the client)
- Control risks (risk remaining after use of all control measures, that basic errors remain within the monitoring)
- Detection of risks (risk that cannot change any material differences through control by the organization or the GHG Project)

Type of Risks

The risk shall be identified :

- a) For emission and removals : occurrence, completeness, accuracy, cut-off and classification
- b) For storage : existence, rights and obligations, completeness and accuracy and allocation

Risk assessment considerations including for the project GHG Statement can be found detail in **Standard ISO 14064-3 (6.1.2.3 and and 6.1.2.5)**.

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The verifier may perform an initial site visit to obtain data and information for the risk assessment. The verifier may perform high-level analytical procedures to determine other areas risk. These high level analytical procedures may include :

- a) Evaluation of changes in GHG emission intensity
- b) Evaluation of changes in GHG emissions, removals, and storage over time
- c) Evaluation of expected GHG emissions, removals and storage against reported emissions

Use for Risk Assessment Information

The risk assessment is used in developing the verification and evidence-gathering plans. Any input into the risk assessment will be recorded.

The risk assessment output may address how the verification is planned with respect to the following :

- a) GHG emissions SSRs
- b) Boundaries
- c) Data management details
- d) Management controls

For the performance and documentation of the risk assessment using form **FGHG-TNI-004**

C. Evidence- Gathering Activities

The verifier design evidence-gathering activities to :

- a) Collect sufficient and appropriate evidence which to base the conclusion
- b) Obtain more persuasive evidence the higher the risk of misstatement
- c) Consider inherent risk and detection risk in designing the evidence-gathering activities
- d) Design and perform analytical procedures and tests for each type of material emission or removal
- e) Develop evidence-gathering activities that determine whether the GHG Statement conforms to the criteria, taking into account the principles of the standards or GHG Programme that apply to the GHG Statement

Content of the evidence gathering activities that shall be designed related with :

- a) Data Trail
- b) GHG Information system and controls
- c) GHG data and information

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- d) Data aggregation process
- e) Application of selected verification activities and techniques (analytical testing, control testing, estimate testing, sampling, evaluation of ownership. **Detail informations see ISO 14064-3**)

The evidence-gathering activities is documented by form **FGHG-TNI-006**.

Visit sites and facilities may be performed based on the result of **FGHG-TNI-004** to gather information needed to reduce verification risk and to aid the design of evidence-gathering activities. If verifier determines that a site or facility visit is not necessary, the verifier will justify and document the rationale for the decision.

D. Verification Plan and Evidence-Gathering Plan

The verification plan (**FGHG-TNI-005**) describes verification activities and schedules. The output from the strategic analysis above used as an input to the assessment of risks, evidence gathering plan and verification plan.

The verification plan must be developed or released by the Lead Verifier and communicate to the client and responsible party also ensure that relevant client and responsible party's personnel are notified prior to the beginning of any site visit

In approving the verification plan, team leader ensure :

- a) it is complete and that all sub-elements of the plan provide for a complete integrated verification process consistent with the agreed criteria, scope, objectives, level of assurance and materiality of the engagement.
- b) the verification duration, team competencies and team member assignments are adequate and fit the needs of the verification.
- c) that there is consistency between the verification plan and the contractually agreed objectives, scope, criteria, level of assurance and materiality
- d) verification documentation clearly identify any approved variations to the agreement

The level of risk mitigation provided by the GHG information systems and controls shall impact the detail and level of verification sampling.

Based on the result of risk assessment its laid down on the evidence-gathering plan (**FGHG-TNI-007**). It shall be designed to lower the verification risk to an acceptable level. The evidence-gathering plan specify the type and extent of evidence-gathering activities. **The evidence-gathering plan should not to be communicated to the client or responsible party.**

The verification plan and evidence-gathering plan are approved by the Team Leader. If there are amendments its shall be approved by Team Leader in the following circumstances:

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- a) Change in scope or timing of verification activities
- b) Change in evidence-gathering procedures
- c) Change in locations and sources of information for evidence-gathering
- d) The identification during the verification process of new risks or concerns that could lead to material misstatements or nonconformities

6.5.2 The Execution of Verification

The verification must take place at the client's premises, in order that all necessary documents can be checked on site and the verifier receive an impression of the company, which helps among other things to discover emission sources that have not been taken into consideration or to be able to better assess doubtful statements.

The verifier perform evidence-gathering activities at the site or facility to assess, as determined by the risk assessment :

- a) Operations and activities to GHG SSRs
- b) Data management and control systems
- c) Physical infrastructure
- d) Equipment, such as a measuring devices and instruments, to establish traceability to applicable calibration and monitoring information
- e) Types of equipment and supporting assumptions and calculations (e.g. Verifying that manufacturer information used as a basis for emission calculations matches installed equipment)
- f) Processes and material flows that impact emissions
- g) Scope and boundaries
- h) Conformity with operational and data collection procedures
- i) Personnel activities that have a potential to impact materiality
- j) Sampling equipment and sampling methodologies
- k) Monitoring practices against the requirements established by the responsible party or specified in criteria
- l) Calculations and assumptions made in determining the GHG data, emission and, as applicable, emission reduction and removal enhancements
- m) Quality control and quality assurance procedures in place to prevent or identify and correct any errors or omissions in the reported monitoring parameters

Within the framework of the verification, the data used for the calculations must be checked using available documents. In so far as possible, clear documents such as invoices from

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third-party suppliers (e.g. for electricity and gas) should be used as a basis for the examination. Possible evidences for individual areas are named in the following paragraphs.

- Energy consumption (electricity, gas) – invoices from the energy suppliers; the current meter readings should be used for approximate comparison with the values stated on the invoice, and the correct number of meters should be read.
- Business trips – Questionnaires for employees, travel logs (for company organisations), excepts from the computer-supported travel cost management system; a random sample of employees should be asked about their business travel in order to check the accuracy of employee questionnaires, for example.
- Company cars – travel logs, fuel invoices
- Commuter behaviour – Employee questionnaire; some employees selected on a random sample basis should be asked about their commuter behaviour, in order to check the accuracy of employee questionnaires.
- Material consumption – Purchasing documents and receipts
- Waste and waste water volumes – Waste register, invoices of waste disposal firms, water bill/invoice

If needed, Verification Team have access to relevant internal or external expertise for advice on specific matters relating to verification activities, sectors or areas within the scope of their work. The verification conduct with an attitude of professional scepticism, which assumes that the presented information and data may be wrong until proven differently, and take account of relevant stakeholder or market concerns and the applicable verification criteria and associated principles.

The verification body review any changes to GHG project or organization structure, GHG project plan or GHG inventory since the last verification. For GHG project verification the verification body additionally consider:

- a) Outstanding issues from the verification report;
- b) The status of the implementation of the project; and
- c) Reliability of the external information and data used to justify the GHG emission determination.

Verification of a project GHG statement includes, in addition to verification of an organisation GHG statement

- Review of the validation report for the project;
- Verification of any changes to the GHG project plan including:
 - The identified GHG sources, sinks and reservoirs;

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- Baseline scenario;
- Selection and quantification of GHG sources, sinks and reservoirs applicable to baseline scenario; and
- Monitoring of the GHG project.
- Verification of any changes to the justification for “selection or establishment of the criteria and procedures” and its implementation
- verification of any changes to the organisational links and interactions between stakeholders, responsible party (project proponent in some GHG program), client, and intended users.

In cases where errors, omissions or misstatements are identified in the GHG data and information, the verification team shall require that these are corrected by the client, and increase the sampling. Where non-material errors, omissions or misstatements cannot be corrected, the verification shall qualify the verification statement. Where statements cannot be qualified, e.g. materiality or other program requirements are not met, the verification shall issue an adverse verification statement. The assessment of GHG data and information includes confirmation of the operability of the software and hardware used to process or generate the GHG data and information.

The following goals should basically be taken into consideration during the review:

- Discussion of the corrective actions identified during the document review,
- Technical examination of the measuring equipment used for monitoring (e.g. reading off of water meters)
- Review of documents stored on site which serve as proofs for calculation of the emission
- Review of the information system regarding greenhouse gases and monitoring and control of the gases (selection of data, document control)
- Monitoring of the work processes to ensure that all greenhouse gas emission sources have been taken into consideration.

Further aims must be specified in the verification plan.

Within the framework of the main verification (documentation review and verification activities), it must be checked and evaluated if all the verification criteria have been adhered to. This relates to the standards used and also to requirements of greenhouse gas programmes and/or interested parties.

During the on-site verification, the Attendance List (FMLF-TNI-007C) and the Declaration of Obligation (FGHG-TNI-015) must be used. Furthermore, handwritten notes (FMLF-TNI-005) have to be made to document the verification process. The verification Checklist (FGHG-TNI-016) may also be used as a guidance document.

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6.5.3 Evaluation of the emission statement and corrective actions

A. Corrective Action

Identified nonconformities and corrective actions are summarised in a list of findings.

Any mistakes or inconsistencies that are identified are recorded in a Nonconformity Report (**FGHG-TNI-015**). If the nonconformities are so serious that verification appears impossible, the verification process is broken off at this point.

Typical errors which occur in the calculation or documentation of the GHG (this list is not exhaustive) include, for example:

- Emission factors are inappropriate, obsolete or not conservative
- Incorrect calculation formulae were used
- Typing errors and figures written “the wrong way round” within the calculation
- No or uncertain or non-traceable sources stated for emission factors
- Incorrect distances used in the calculation of business travel
- Significant emission sources were not taken into consideration
- The methods for calculating the carbon footprint are insufficiently documented
- The activity data used do not agree with the evidences examined during the verification
- Evidences could not be supplied
- Requirements of the standard used as a basis or of the greenhouse gas programme are not fulfilled

Individual corrective actions are listed in the findings list and are divided into the following categories:

- CAR = Corrective Action Request → A nonconformity was found and must be corrected for successful verification.
- CR = Clarification Request → A fact or facts are not completely clear; if a plausible explanation is submitted, correction is not necessary.
- FAR = Forward Action Request → An inaccuracy or lack of precision (e.g. insecure database) does not need correction for the current verification, but should be performed in an improved or corrected form in the next verification .
- OFI = Opportunity for Improvement → An opportunity for improving the system has been identified. It is recommended to implement the suggested measures, but it is not a requirement for getting a positive verification statement, neither for the current nor for following verification processes.

The list of findings is sent to the client at the latest two working days after the verification activities. The client must correct the defects stated in the list of findings. The client is informed of the maximum time allowed, which is one week. The corrections and corrective

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actions are then examined for their completeness and correctness and the results are also noted in the list of findings. If further corrections are needed following this examination, these must be corrected by the client as rapidly as possible. The final list of findings is a component part of the verification report.

B. Evaluation of the GHG Statement

Depending on the result of the verification steps that are carried out (preliminary of verification documents, on-site verification that have been carried out), the verification team will review the GHG statement as input into the assessment of the GHG statement

1) Evaluation of changes

The verifier evaluate any changes in risks and materiality treshold that may have ocured over thec ourse of the verification. The verifier evaluate any high level analytical procedures applied remain representative and appropriate.

2) Evaluation of sufficiency and appropriateness of evidence

The verifier determine whether the evidence collected is sufficient and appropriate to reach a conclusion. If the verifier determines there is insufficient or inappropriate evidence, the verifier shall develop additional evidence-gathering activities.

3) Evaluation of material misstatements

The verifier evaluate and document material misstatements.

In evaluating the risk of material discrepancies related to the GHG statement, the verification consider:

- a) Views of the intended user;
- b) Relevance and relative contribution of the various GHG emissions from all GHG sources, sinks and reservoirs;
- c) Adequacy of the GHG information system and controls;
- d) Complexity of organisation or GHG project operations;
- e) Monitoring process applicable to the GHG project or organisation; and
- f) Relevant evidence from previous verifications, as applicable.

4) Evaluation of conformity with criteria

The verifier evaluate any nonconformity with the criteria. For project, when evaluating conformity, the verifier shall consider the following:

- a. The extent of the projejects implementation, including the completeness of the installation of technology, equipment and measurement equipment

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- b. The operation of the project, including the operating characteristics when compared to the limitations and assumptions in the criteria
- c. The monitoring plan and methodology, including any requirements in the criteria
- d. Changes in the monitoring plan, installed equipment or baseline
- e. Judgements of conservativeness that have a material effect on the GHG statements
- f. The results of any validation

5) Evaluation of changes from prior periods

The verifier shall determine whether any changes from prior periods that make the periods incomparable have been disclosed appropriately by the responsible party

6.5.4 Conclusion and draft opinion

The verifier reach conclusion based on the evidence gathered and the output of the GHG statement shall confirm that:

- a. Evidence gathered is sufficient to verify the GHG statement in line with the scope, criteria, objectives, materiality and level of assurance as agreed in the contract
- b. The verification process, as carried out, has delivered the level of assurance as agreed
- c. Sampling and its results support, or not, a conclusion that there are no material discrepancies in the GHG statement
- d. The GHG statement is free from material discrepancy based on the evidence and findings from the verification process and the agreed scope, objective, criteria, materiality and level of assurance. If the evidence and findings are not sufficient to reach this conclusion then; either:
 - The level of assurance and / or materiality of the engagement shall be amended; OR
 - One of the following types of opinion may be formed:
 - 1) Unmodified opinion
 - 2) Modified opinion
 - 3) Adverse opinion

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- 4) Disclaiming the issuance of an opinion

Detail information see Standard ISO 14064-3 (Clause 6.3.2)

6.5.5 Verification Report

Following the end of the assessment procedure (documentation review and on site verification), verification report (**FGHG-TNI-008**) is written, which summarises the results of the verification. Content of the verification report according to ISO 14064-3 (Clause 6.3.3). The Lead verifier is responsible for drafting of the verification report and therefore for the assessment of the findings based on the results of the assessment.

The finished report may be sent to the client first in the form of a draft, in order to offer the client the opportunity to comment. The draft version is sent to the client in digital form, without signature and only in the form of a PDF document. Any wishes for changes on the part of the client can only be accepted if the content of the verifier comments are not changed.

If the client wishes for changes, the responsible verification Team Leader decides if the changes can be accepted and implemented. Following this, the signed, final verification report is sent. The final report is sent in digital form (with digital signature or in the form of a signed scan) as a PDF document and the number of reports required by the client are sent to the client in printed form.

6.5.6 Issuance Opinion,

After having completed the verification process, the release procedure has to be carried out. **The Head of Certification Body or Operation Manager SCS will be delegated this task to the independent reviewer who is selected that is competent personnel (Verifier and/or technical expert) and different from the persons who's conducted the verification.** The independent review may be conducted during the verification process to allow significant issues identified by independent reviewer to be resolved before the opinion is issued.

The independent review shall:

- a. confirm that all verification activities have been completed, and
- b. conclude whether or not the GHG Opinion is free from material discrepancy, and whether the verification activities provide the level of assurance agreed to at the beginning of the verification process in conformity with ISO 14064-3.

The independent reviewer shall evaluate verification process and documented its result using form **FGHG-TNI-010**. The independent reviewer shall communicate with the verification team when the need for clarification arises. when identifies any mistakes with respect to the documents or inconsistencies regarding the suggested statement, those have to be clarified with the verification team leader. Changed documents have to be replaced in the workflow. The verification team shall address concerns raised by the independent reviewer.

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Upon completion of the verification review, the validation/verification body shall make the decision on whether or not to confirm the claim according to the programme requirements. If the result of Independent Review is issuing a verification statement, Head of CB or Operation Manager SCS will be approve the release of procedure. But If the result of Independent Review is not issuing a verification statement, PT TÜV NORD Indonesia shall inform the client of its result.

After reaching a decision to issue opinion, the verifier issue an opinion (unmodified, modified or adverse) also the certificate and will be sent to the client. **The certificate will be issued with the sign of Board of Director / Senior VP.**

The certificates are generally valid for one year. In individual cases, deviating validity dates can be agreed upon with the client, as long as this is deemed reasonable based on the conducted verification.

For a modified opinion, the opinion shall contain a description of the reason for the modification and place this description before the verifier's conclusion. The verifier shall state the reasons for an adverse opinion. When the issuance of an opinion is disclaimed, the verifier shall state the reasons for the decision. Where the GHG statement includes a forecast of future emission reductions/removals, the GHG opinion shall explain that actual result may differ from the forecast as the estimate is basec on assumptions that may change in the future.

If the client chooses to issue a public GHG report which is verified by PT TÜV NORD Indonesia as the verification body will confirm that the GHG report conforms to the applicable.

The verification statement shall:

- Conform with ISO 14064-3, Clause 4.9, except in cases where regulated requirements overrule this
- Be consistent with the outcome of the VERIFICATIONB review; and
- Contain a verification opinion and conclusion that reflects material discrepancies that remain after the conclusion of the verification, and be issued to the responsible party.

The level of assurance for non-regulated markets can vary across a verification so some data or information is assured to a reasonable level of assurance and some data or information is assured to a limited level of assurance. In this case, the verification statement shall identify the applicable level of assurance related to each conclusion and how each conclusion influences the final opinion.

If the organization's GHG statement has been independently verified, the verification statement shall be made available to intended users.

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6.6 Special Verification

In cases where it is necessary to conduct special verification at short notice, a verification of a previously verified GHG Statement in response to complaints or facts discovered after the verification, as the verification body :

- a. shall notify, in advance, the client, the responsible party, or both, of the conditions under which the special verification is to be conducted, and
- b. shall use additional care in assigning verification team members if there is a lack of opportunity for the responsible party to object.

Special verification activities must be recorded by using form FGHG-TNI-021.

6.6.1 Fact Discovered After the Verification

The verifier obtain sufficient appropriate evidence and identify relevant information up to date of the verification opinion. If fact or new information that could materially affect the verification opinion are discovered after this date, the verifier shall take appropriate action, including communicating the matter as soon as practicable to the responsible party, the client and the GHG Programme.

The verifier may also communicate to other interested parties the fact that reliance of the original opinion may now be compromised given the discovered facts or new information.

In so far as facts are discovered by the client, the responsible party or a greenhouse gas programme, which could have a major influence on the verification statement, the following actions have to be carried out.

1. The verification Team responsible for carrying out the verification must investigate the newly-discovered facts in order to establish if they are suitably presented in the verification statement / the statement regarding greenhouse gases, and whether this results in the need to modify the verification statement.
2. If the verifier come to the conclusion that it is necessary to modify the verification statement, further steps are instigated. The verifier Team Leader decides with regard to the necessary actions, which can consist of a new document review, an additional verification on site and/or modification of the report including the verification statement.
3. Both the actions to be carried out and also the reasons for them and the possible consequences must be discussed with the affected parties (client, responsible party, if appropriate greenhouse gas programme).
4. The actions instigated correspond to the method(s) described in this documented procedure with regard to the individual steps (e.g. document review, verification , drafting of report). If modifications to the verification statement have to be undertaken, these modifications and the reasons for them have to be documented.

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6.6.2 Complaint

If an special verification becomes necessary because of a complaint by anyone involved in the project, the procedure as described in point 6.6.1 has to be followed. The following special features have to be taken into consideration:

1. The Head of CB decides if there is a conflict of interest or incorrect behaviour of the verification team in connection with the complaint. In this, s/he takes the independence and the competence of the verifier into consideration.
2. If it emerges during the examination of the complaint that no conflict of interest or incorrect behaviour has occurred, the steps described in Clause 6.6.1 are followed.
3. If the examination of the complaint results in the conclusion that there is a conflict of interest or incorrect behaviour on the part of a verifier, a new team has to be put together for the further processing. In contrast to the standard procedure, this team cannot be rejected by the client or the responsible party. Therefore particular care must be taken when putting together the team. If a possible conflict of interest affects the entire TÜV NORD Indonesia organisation, it may be necessary to withdraw the certificate/report. In such a case, the legal department must be involved without fail.
4. If there has clearly been incorrect behaviour on the part of verifier, the person named in Point 1 decides regarding possible measures in order to ensure that this incorrect behaviour can be avoided in future. If this incorrect behaviour is deliberate or due to gross negligence, this person informs the direct superior of the verifier in question. This direct superior decides if disciplinary measures should be applied, and if so, which.

6.7 Record

PT TÜV NORD Indonesia as the verification body maintain and manage records of its verification activities securely and confidentially, including during their transport, transmission, or transfer.

PT TÜV NORD Indonesia maintain and manage records of its verification activities including :

- a. Information submitted during pre-engagement and scope of verification
- b. justification for how verification time is determined,
- c. any revision to the verification planning activities
- d. demonstration that the verification activities have been carried out in accordance with the requirements of this document and the verification programme including findings and information on material or non-material misstatements;
- e. evaluation, selection and monitoring of performance of bodies providing outsourced activities;

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- f. evidence to support conclusions and the decisions;
- g. verification statements;
- h. complaints and appeals, and any subsequent correction or corrective actions.

7. Applicable Documents

- 7.1 FMLF-TNI-074 Annex 1F.1 rev.00 Contract for The Verification of GHG
- 7.2 **FGHG-TNI-020, Questionnaire of Validation/Verification**
- 7.3 FGHG-TNI-004 Strategic Analysis and Risk Assessment
- 7.4 FGHG-TNI-005 Validation - Verification Plan
- 7.5 FGHG-TNI-006 Evidence Gathering Activities
- 7.6 FGHG-TNI-007 Evidence Gathering Plan
- 7.7 FGHG-TNI-008 Verification Report
- 7.8 FGHG-TNI-009 Clarification and Communication Form
- 7.9 FGHG-TNI-010 Release Protocol
- 7.10 FGHG-TNI-014 Finding Report
- 7.11 FGHG-TNI-015 Declaration of Independence
- 7.12 FGHG-TNI-018 rev 00 Verification and Accreditation Mark
- 7.13 FGHG-TNI-019 rev 00 Quotation form
- 7.14 **FGHG-TNI-021, Special Verification**