



Assurance Protocol

- CNG Certification Program -

(DRAFT RELEASE - vs 0.2 - July 2019)

Important notes and considerations:

CNG is currently revising and updating its certification program, as outlined in the **Terms of Reference**. The new CNG Certification Program (vs 1.0) consists of a revised Standard (vs 3.0, in the past referred to as the KNG Standard vs 2.0), a new Assurance Protocol (vs 1.0) and a new Claims Policy (vs 1.0). For questions related to the CNG Certification Program, please contact certification@climateneutralgroup.com. All (draft) documents can be found on the CNG website: <https://www.climateneutralgroup.com/en/cng-certification-program-development-process/>

- Input received from stakeholders during the Stakeholder Event (which took place on the 25th of June, 2019) is incorporated in this updated version of the Assurance Protocol. Major changes, as compared to the first version of this document are listed in the 'Changes Document'.
- Key stakeholders are invited to provide their feedback on this second version, through a formal **Online Consultation Round (open from September 15th to November 24th, 2019)**. This feedback will be incorporated in a third version of this Assurance Protocol.
- This document is publicly available for free (from the CNG website) in English (official and binding version) and Dutch.



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1 Introduction

Climate Neutral Group (CNG) is revising its Standard and Certification Program to encourage good practices related to greenhouse gas (GHG) emission reductions. In accordance with the Paris Agreement, a status of net zero emissions needs to be realised globally by 2050, so that the worst effects resulting from climate change are mitigated. This entails any GHG emission reduction (CO₂eq: carbon dioxide and/or other GHG, converted to the equivalent amount of carbon dioxide), achieved in any place in the world, provided that the reduction is only 'counted' or 'claimed' once (i.e. for voluntary market, national compliance market).

However, striving to achieve the Paris targets will not be enough: it has already been concluded by the international community that this ambition is technically not feasible for some major emitting sectors, and others will need to set the bar higher. The revised CNG Certification Program therefore has a strong focus on internal reductions. That is, offsetting is a means to reach a 'climate neutral' status, however clients wishing to become '*CNG certified*' also need to make a serious commitment and make improvements towards their own reductions. The new program objectives will be stipulated in the new version of the Standard, yet are – for the time being – included in the '*Proposition Paper – Reduction Criteria*'.

This document, the CNG Assurance Protocol, describes the rules pertaining to the CNG Certification Program, and stipulates the relationship between the different actors and their roles and responsibilities in the verification and certification process. These are:

- A. the **Client** itself, wishing to become or remain certified according to the Standard;
- B. the **Footprint Calculator** (further referred to as '**FC**'), responsible for accurate GHG footprint calculations, for organisations and/or products/services;
- C. the **Certification Body** (further referred to as '**CB**'), responsible for independent verification of clients' compliance with the Standard; and
- D. **Climate Neutral Group** (further referred to as '**CNG**'), acting as scheme owner.

This Assurance Protocol is based on the [ISEAL Assurance Code, vs 2.0](https://www.isealalliance.org/sites/default/files/resource/2018-02/ISEAL_Assurance_Code_Version_2.0.pdf)¹. ISEAL is the global membership association for credible sustainability standards. When this protocol is adhered to and implemented accurately by above actors, it ensures that certified clients really are compliant with the CNG Standard and that the program really makes the desired impact, in other words, that the program's integrity and credibility can really be guaranteed, and legitimate claims can be made.

¹ See: https://www.isealalliance.org/sites/default/files/resource/2018-02/ISEAL_Assurance_Code_Version_2.0.pdf



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A fundamental principle of the CNG Certification Program is that CNG strives to offer a program that has the right balance in terms of ambitiousness, scalability, credibility and cost-efficiency, in order to be able to make real impact:

- **Ambitiousness:** a program that is distinctive, puts the bar high (enough), to make an actual difference;

Versus

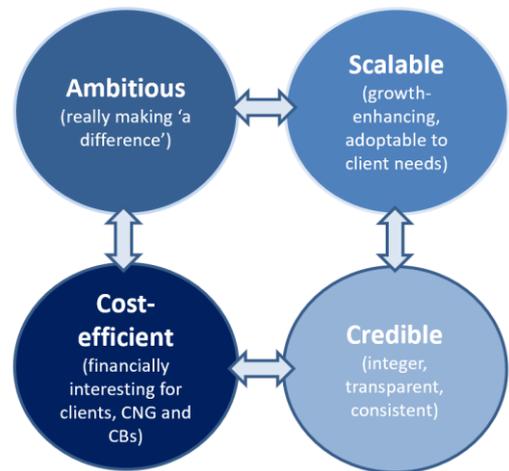
- **Scalability:** a program that is sufficiently attractive, practical and flexible for (potential) clients, allowing for rapid uptake;

Versus

- **Credibility:** a program with a certain degree of rigidity, strictness and consistency, to protect the integrity and trustworthiness of the program;

Versus

- **Cost-efficiency,** a program that gives 'value for money' for all actors involved, with reasonable verification and certification costs for clients, while allowing CBs and CNG to cover their own operating costs.



This means that this Assurance Protocol shall reflect a certain degree of ambition to put the 'bar high enough' so that the program makes real impact, while it also reflects sufficient stringency to protect the program's credibility, and at the same time offers enough flexibility and cost-efficiency to facilitate the growth of CNG's client portfolio.

Figure 1: Ambitiousness vs scalability vs credibility vs cost-efficiency

NOTE: This Assurance Protocol is developed as part of the development trajectory of the revised CNG Certification Program, envisioned to be published in June 2020 and to go live during the 2021 certification cycle. However, an interim (draft) version of this document will already be used for the verification and certification process in 2020, against the current KNG Standard, vs 2.0. Sections in this document that are not applicable to the 2020 certification cycle will be clearly marked in future versions of this document.

NOTE: Where in this document reference is made to other norms (e.g. the ISO norms) or protocols (e.g. the GHG Protocol) or schemes (e.g. PAS2050), the latest available version shall always apply.



2 Verification and Certification Process

2.1 General provisions and definitions

- **'Certification scope'**: refers to the type of certification, i.e. 'certification of the organisation' and/or 'certification of a particular product/service' (or multiple products and services)
- **'Emission scope'**: refers to the type of emissions, i.e. the emissions that shall be included in the footprint calculation (and the boundaries thereof), derived from the definitions of the Greenhouse Gas Protocol (GHG scope 1, 2, 3).

Certification scope & Emission scope	
Certification of the Organisation	Certification of a Product/Service
<p>If a client choses to get certified for its <u>organisation</u>, the baseline footprint shall include the emission scope that contains all emissions resulting from the organisation's own organisational activities = total of GHG scope 1 and 2 (see GHG Corporate Standard), plus 'relevant' GHG scope 3 emissions² (see GHG Value Chain (Scope 3) Standard, or SKAO handbook³).</p> <p>Additional stringency rules:</p> <ul style="list-style-type: none"> • '40% scope 3 rule' • 'Sites + sub-contractor rule' <p>(see 'Proposition Paper – Reduction Criteria' for details of these two stringency rules)</p>	<p>If a client choses to get a certain <u>product or service</u> certified, the baseline footprint (or Life Cycle Assessment – LCA⁴) shall include all emissions that occurred to produce and deliver that product or service to an onward buyer = scope 3 for that product or service (see GHG Product Life Cycle Standard), plus a 'corresponding portion of GHG scope 1 and 2 emissions'⁵ (see GHG Corporate Standard).</p> <p>In the case of a product, and depending on who the buyer is, the footprint includes all GHG scope 3 emissions from supply chain activities occurring at the level of sourcing, manufacturing, and (optionally) delivery and disposal of that particular product, i.e. from Cradle-to-Gate/Shelf/Grave. Together with the FC and CB, it is agreed which supply chain activities are included in the scope.</p> <p>Given the fact that a product is often composed of many ingredients (of which the origin is not always traceable), and supply chains are often very complex and composed of many tiers, the client may choose from four footprint and compliance approaches, namely:</p> <ul style="list-style-type: none"> • OPTION 1 - '80% Materiality Approach' • OPTION 2 - 'Tier Approach' • OPTION 3 - 'Mass Balance Approach' • OPTION 4 - 'Gradual Improvement Approach' <p>(see 'Proposition Paper – Reduction Criteria' for details of these four footprint and compliance approaches)</p>

Table 1: Explanation Certification scope and Emission scope

² CNG currently deals with certain scope 3 emissions (for instance emissions resulting from business commuting, business flights and packaging) as if they were scope 1 or 2 emissions. This is because those GHG scope 3 emissions can be directly controlled and influenced by the client. In this document these emissions are referred as 'Relevant scope 3 emissions' and they are added to the footprint of the organisation.

³ The SKAO handbook is particularly well known in the Dutch market. SKAO's scope definition is acknowledged by CNG, because 'relevant scope 3 emissions' are classified as scope 2 by SKAO, see: <https://www.skao.nl/handbook-3>.

⁴ To calculate the GHG footprint of a product (or service), a 'Life Cycle Analysis' (LCA) is often conducted. LCA is a method or technique for calculating the environmental impact associated with all the stages of a product's life from raw material extraction through materials processing, manufacture, distribution, use, repair and maintenance, and disposal or recycling. These analyses are very complex and time-consuming, and are used and interpreted in many different ways. Hence, for practical reasons, CNG has decided to use another term: 'footprint of a particular service or product'.

⁵ The 'corresponding portion of scope 1 and 2 emissions' are those GHG scope 1 and 2 emissions that can be directly or proportionally allocated to the certified product or service. This is part of the scope and boundaries definition process, see 'Assurance Protocol'.



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- **'Certified entity'**: refers to the legal entity that is certified, hence responsible for compliance with the Standard and owner of the certificate (also referred to as the *'certificate owner'*)

Certified entity	
Certification of the Organisation	Certification of a Product / Service
The organisation itself (or its legal representative) is the certified entity and owner of the certificate.	The last or second-to-last link of the product's supply chain (or its legal representative) is the certified entity and owner of the certificate.
If the organisation has multiple sites or locations, or sub-contracts activities to other parties , all are listed as an annex to the certificate if included in the scope.	If the product's supply chain includes multiple tiers , all are listed as an annex to the certificate if included in the scope.
	NOTE: CNG recommends that the certified entity is the link with most negotiating power in the supply chain (e.g. a retailer or manufacturer). Costs resulting from verification of interim supply chain links should be agreed amongst all supply chain links and charged onwards between these parties)

Table 2: Explanation Certified Entity

- **'CNG certified clients'** refers to the 'certified entity', that is being verified and certified by an 'eligible CB' (independent third party) and found to be fully compliant with the CNG Standard (for its 'certification scope' and 'emissions scope'), and hence may make claims about its compliance status and may make use of the CNG logos.

2.2 Process overview

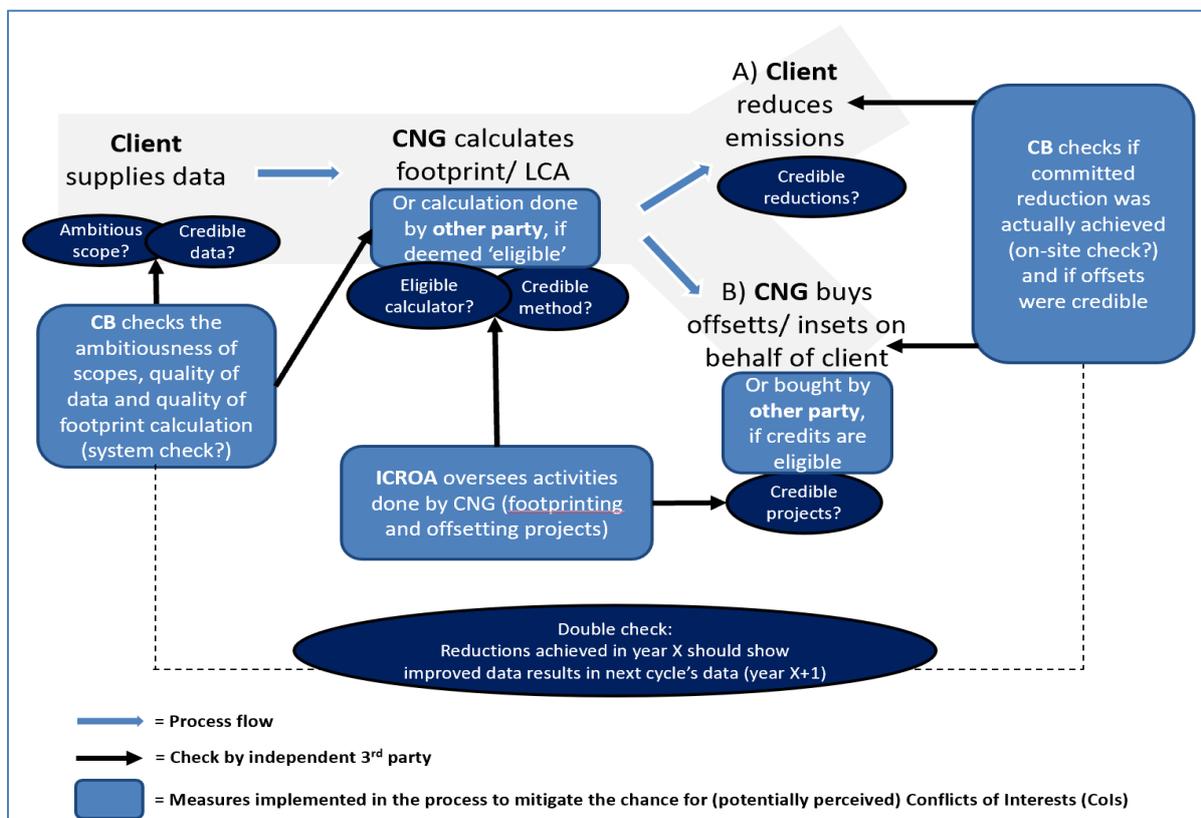


Figure 2: Process overview



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FOR 1 ST AUDIT ⁶		Deadline
1.	<p>The Client informs Climate Neutral Group (CNG) about its desire for certification (either through their Carbon Advisor (CNG contact person) or via: certification@climateneutralgroup.com). CNG shares all relevant certification documents, provides advice about the Client's certification scope and informs the Client about eligible Footprint Calculators (FCs) and Certification Bodies (CBs).</p> <p>NOTE: If the Client's first point of contact is the CB, the CB connects the Client first with CNG. NOTE: In a situation in which the Client begins outside the regular verification and certification cycle, the Client, CNG and the CB will collectively agree if the required data sets and evidence are available so that the 1st audit can take place outside the regular auditing timeframe (and the Client can thus still be certified for that year).</p>	Any moment
2.	<p>The footprint calculation may be made by the Client itself, although expert knowledge may be needed. Especially in the case of complex footprints, CNG recommends outsourcing the footprinting to either CNG or any other competent FC. In that case, the Client contacts one or more FCs for a quotation of the footprint calculation, and eventually selects its preferred FC.</p> <p>Guidelines as to what can be considered a competent FC, are provided in Section 3.1.</p>	Date X – 8 wks (<i>appr. end Jan.</i>)
3.	<p>FCs must respond to quotation requests within two (2) weeks after a request is made by the Client. The Client and the FC strive to sign a (legally enforceable) contract within two (2) weeks after quotation process. The contract shall clearly describe:</p> <ul style="list-style-type: none"> the agreed certification scope and emission scope (including its boundaries); footprint calculation fees and expected delivery date. <p>It is the responsibility of the FC to review whether the emission scope (and especially the scope's boundaries) reported by the Client are sufficiently ambitious and to challenge these (if necessary). The FC informs the Client which data sets will need to be submitted.</p>	Date X - 4 wks (<i>appr. end Feb.</i>)
4.	<p>The Client collects the required data sets for the footprint calculation and submits the entire package by end of Q1, at the latest, to the FC.</p> <p>NOTE: Delays are acceptable (e.g. if certain data sets are not yet available), provided that the FC + CNG are informed by email (certification@climateneutralgroup.com) before the end of Q1, and the missing sets or corrections are submitted by the end of Q2 at the latest. If not, CNG and/or the CB reserve the right to issue a 'non-certification' for that year's cycle.</p>	Date X = End of Q1 (possible delay to end of Q2) (<i>appr. end March</i>)
5.	<p>Once the data is complete, the footprint calculation is made by the FC (following an eligible calculation method/tool, see NOTE in Step 10) and results are shared with the client within two (2) weeks.</p>	Date X + 2 wks (<i>appr. mid April</i>)
6.	<p>Simultaneously (or shortly after Step 5), the client contacts one or more eligible CBs</p>	Date X + 3 wks

⁶ E.g. for new clients, or for clients audited for the first time by an eligible CB.



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	for an audit quotation , and eventually selects its preferred CB.	<i>(appr. mid April)</i>
7.	<p>Eligible CBs must respond to quotation requests within two (2) weeks after request is made by Client. The Client and the CB strive to sign a draft (legally enforceable) audit contract within two (2) weeks after quotation process. The contract shall clearly describe:</p> <ul style="list-style-type: none"> • composition of the certification team (auditor or auditing team + second reviewer), audit dates and duration; • agreed certification scope and emission scope (incl. its boundaries); • audit fee calculation and total fees + justification for onsite or desk review; • an explanation of the 'level of assurance', which must be 'reasonable', see ISO 14064-3:2006, Section 2.28; • the acceptable 'materiality'⁷ percentage, which as a 'rule of thumb' does not exceed appr. 5% of the total emission scope for 'certification of the organisation' or appr. 20% for 'certification of a product/service' (for the latter, see '80% materiality rule' explained in the '<i>Proposition Paper – Reduction Criteria</i>'). 	Date X + max 7 wks <i>(appr. mid May)</i>
8.	<p>OPTIONAL, BUT STRONGLY RECOMMENDED:</p> <p>The Client fills in the self-assessment checklist and submits this together with the required documentation to the CB, three (3) weeks prior to the audit at the latest (or any earlier moment).</p> <p>NOTE: Advantages of doing a self-assessment are: (1) The Client has better insight in its own compliance status and can use the self-assessment as a moment of reflection on its own performance; (2) The audit duration time can (potentially) be reduced (to be reflected in a revision of the audit contract, and (3) If after review of the self-assessment the CB decides the Client is not ready for the audit, the audit is stopped (meaning no unnecessary audit costs, suspensions or de-certifications).</p>	Date Y – 3 wks <i>(appr. early June)</i>
9.	<p>The CB reviews the following documentation:</p> <ul style="list-style-type: none"> • the self-assessment checklist filled in by Client (if submitted by Client); • the calculation method/tool used by the FC, and the actual footprint calculation made by the FC; • the 'proof of eligible offsetting' (criteria are defined in the Standard). <p>Based on this documentation, the CB prepares a (draft) audit plan for the execution of the audit and shares this audit plan (and if applicable, any amendments to the earlier signed draft audit contract) at the latest one (1) week prior to the audit with the Client.</p> <p>NOTE: In the exceptional situation that the CB deems the Client not to be 'ready' for the audit (meaning an audit would be a useless investment), the CB first communicates with CNG, after which CNG advises Client how to proceed.</p>	Date Y – 1 wk <i>(appr. mid June)</i>

⁷ Materiality refers to the concept that individual errors or the aggregation of errors, omissions and misrepresentations could affect the footprint/-LCA and influence decisions made from this information. Therefore, materiality is used to identify information that, if omitted or mis-stated, would significantly misrepresent the footprint/-LCA as a whole and ensure that such material discrepancies are omitted/minimised.



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10.	<p>The CB commits to perform the 'first audit', as per ISO 14064-3:2006, before the end of Q2. Summarised, this audit entails the following verifications (more concrete Guidelines for Interpretation and Review of Standard Requirements are outlined in Annex 1, which will form part of the Standard).</p> <p>Review of the FC's 'emission calculation', either onsite or desk review, to determine:</p> <ul style="list-style-type: none">a. If the actual footprint calculation <u>method or tool</u> was credible (i.e. a holistic tool with correct calculation formulas and conversions (if applicable), resulting in the correct calculation output and correct baseline calculation);b. If the <u>data itself</u> (data input) was correct and complete (i.e. all data is put in correctly, all emissions are included as defined in Section 2.1, emission factors and emission data are correct, etc.). <p>NOTE: FCs may make use of their own preferred footprint calculation methods. All calculation methods or tools shall be reviewed, to check if the method/tool itself is sufficiently credible to become 'eligible'. As the method/tool itself is not expected to change often, the CB will do the review of the method/tool as part of the regular audit, but only once every 3 years (unless the FC informs the CB that the method/tool has changed). Data input remains to be checked during each audit. If the tool/method is approved by the CB, the CB will communicate its findings to CNG, who keeps record of 'verified and approved calculation methods/tools' (referred to as 'eligible methods/tools'), so that in the future recognition for other Clients can be considered.</p> <p>Review of Client's performance, either onsite or desk review, to determine:</p> <ul style="list-style-type: none">c. If the agreed scopes and boundaries are sufficiently ambitious, and if the emission scope includes all emissions as defined in Section 2.1;d. If the data sets submitted to the FC were true and complete (representative for the agreed emission scope and its boundaries);e. If the Client's 'Reduction Plan' is feasible and sufficiently ambitious for the future (and committed by management);f. If the Client has sufficiently offset/inset;g. If the Client makes claims in such way that they correspond with and clearly refer to the emission scope and its boundaries (meaning: the Client does not overclaim, especially in the case of product certification where different flexibility rules may influence the product's footprint calculation);h. If the Client has received (tentative) claims- and logo-use approval from CNG, and;i. <u>For Product Certification Only:</u> If the Supply Chain Map for the certified product is true and complete, and if the Client and FC have correctly applied the preferred 'footprint and compliance approach' (see '<i>Proposition Paper - Reduction Criteria</i>'). <p>For product certification only: Review of suppliers or other supply chain partners, either at their premises or desk review, to determine:</p> <ul style="list-style-type: none">j. If the data sets submitted by each supply chain partner were true and complete (for their part of the product's emissions). <p>NOTE: Flexibility and stringency rules regarding baseline calculations and reduction compliance, are given</p>	<p>Date Y = End of Q2 <i>(appr. end June)</i></p>
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	in the ' <i>Proposition Paper – Reduction Criteria</i> '.	
11.	<p>Once the audit is completed, the auditor (or auditing team) makes a formal 'certification recommendation' to the CB's second reviewer, which includes a recommendation for:</p> <ul style="list-style-type: none"> the '<i>baseline year</i>' (= reference year) and '<i>baseline reduction target</i>' (=X emissions that Client needs reduce annually, compared to the reference year); the <i>audit frequency</i> and <i>audit intensity</i> for next year's cycle; a positive or negative certification decision for that year; <ul style="list-style-type: none"> If a positive certification decision, the auditor shares the draft audit results (report) with the second reviewer for signature, and the report (reviewed and signed by the second reviewer and with signed certificate) is issued to the Client and CNG two weeks after the last audit day at the latest. <p>NOTE: If the second reviewer doubts the recommendations of the auditor, this timeframe can be extended to four weeks. In the event that the auditor's recommendation is overruled with another certification outcome, the audit is declared to be invalid and needs to be re-done at the cost of the CB.</p> <ul style="list-style-type: none"> If there is a negative certification decision, Section 2.4 Scenario B or C applies. <p>NOTE: The second reviewer signs off the final certification decision, and is therefore ultimately responsible for the certification process. The role of the second reviewer can also be executed by an independent committee, see Section 5.4 of ISO 14065:2013), or is also referred to as '<i>the Certifier role</i>'. In principle, CNG does not intervene in certification decisions taken by the second reviewer. However, as part of the Oversight Mechanism, CNG reserves the right to review certification decisions, either before or after the certification decision and final audit report are shared with the Client.</p>	Date Y + 2 wks (<i>appr. mid July</i>)

FOR CONSECUTIVE AUDITS ⁸		
12.	<p>The steps above are followed (although possibly with lower audit intensity and frequency, see Section 2.5), however the CB shall now also validate:</p> <p>Review of Client's performance, either onsite or desk review to determine:</p> <ul style="list-style-type: none"> k. If the Client achieved sufficient reduction compared to the baseline year. If not, a negative certification decision could apply. l. If the Client's 'Reduction Plan' will accommodate the achievement of the annual reduction target in the future. <p>NOTE: Flexibility and stringency rules regarding baseline calculations and reduction compliance are given in the '<i>Proposition Paper – Reduction Criteria</i>'.</p>	

Table 3: Process steps and timelines

2.3 Order and content of the audit

During an audit (whether onsite or desk review), the auditor(s) shall commence and close the audit with an opening and closing meeting respectively. During both meetings, the client's management team and/or management representatives shall participate. As a minimum, the auditor and auditee shall abide by the following rules:

Activity	Rules to abide by
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⁸ 2nd audit, 3rd audit, etc



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<p>Opening meeting → With management</p>	<ul style="list-style-type: none"> • Introduction of auditing team and auditee(s) • Explanation of the process, time-planning and expectations • Recap of self-assessment (optional) and previous audit results • Recap of certification scope, emission scope and boundaries – any changes or information missing? • Additional topics, e.g. confidentiality, safety during audit, availability of resources and staff members for interviews 								
<p>Actual verification and checks</p>	<p>The auditor reviews if the Client is compliant with <u>all</u> requirements of the Standard. During the audit, the auditor shall indicate on the Audit Checklist (to be developed)⁹ for each requirement (one-by-one):</p> <ul style="list-style-type: none"> • his/her compliance conclusion for that requirement, and • which evidence (or lack of evidence) justifies this compliance conclusion. <p>Annex 1 provides guidelines as to how each requirement should be interpreted and how the auditor should judge compliance.</p> <p>The auditor may use the following methods, so that substantial evidence can be collected to justify the compliance conclusion for each requirement:</p> <table border="1" data-bbox="454 925 1369 1120"> <thead> <tr> <th>Audit method</th> <th>Type of evidence</th> </tr> </thead> <tbody> <tr> <td>Interviews with responsible staff</td> <td>Interview notes or recording</td> </tr> <tr> <td>Observations (e.g. of processing environment and activities)</td> <td>Photos</td> </tr> <tr> <td>Review of documentation and records</td> <td>Copies of documents and records</td> </tr> </tbody> </table> <p>The CB reserves the right to sample (e.g. select a number of interviews or records to be checked), in order to collect a representative collection of evidence, provided the sampling method meets a 'reasonable level of assurance', see ISO 14064-3:2006, Section 2.28. CNG recommends evidence checks of at least the five biggest emitters/emissions, plus a random selection of evidence checks on low(er) emitters/emissions.</p> <p>All evidence (where permitted, e.g. interview notes, photos, documents) is added to the audit file by the auditor. CNG strives to provide a tool or app that allows for rapid uploading of evidence connected to the 'Information Management System' (see Section 4.2).</p> <p>In the event that the auditor deems that: A) the Client is not compliant with a certain requirement of the Standard, and/or; B) the Client cannot provide the requested evidence during the audit that proves compliance, and/or; C) the emission scope and its boundaries were insufficiently ambitious, the auditor reserves the right to issue either a major or a minor non-conformity (NC)¹⁰.</p> <p>A) Minor NCs are failures to conform to a requirement or are isolated incidents. A minor NC does indicate that there are issues that must be formally addressed through corrective action, and are normally issued</p>	Audit method	Type of evidence	Interviews with responsible staff	Interview notes or recording	Observations (e.g. of processing environment and activities)	Photos	Review of documentation and records	Copies of documents and records
Audit method	Type of evidence								
Interviews with responsible staff	Interview notes or recording								
Observations (e.g. of processing environment and activities)	Photos								
Review of documentation and records	Copies of documents and records								

⁹ To be developed, as part of the revision of the Standard

¹⁰ And reports its finding to CNG, for CNG to review the performance of the FC



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	<p>when:</p> <ul style="list-style-type: none"> - the evidence provided to prove compliance is insufficient but does not lead to breakdown in the systems delivery; - mistakes have been made in applying assumptions, data or calculations which could have an influence on the future results (but not proven); - if a certain aspect has to be verified in the next verification event (e.g. foreseen modifications, etc.). <p>→ Example: a minor NC can be raised, if a certain requirement of the Standard was not followed or implemented correctly, but this has had no direct effect on the outcome (did not result in an error in the footprint calculation or reduction number).</p> <p>→ Minor NCs can either be corrected or elevated to a major NC if the Client fails to address the NC in due time (see section below).</p> <p>B) Major NCs are the total lack of an essential requirement or evidence that there is a breakdown of system, control, or procedures. Major NCs represent serious problems that must be addressed with attention and resources on a priority basis and are normally issued when:</p> <ul style="list-style-type: none"> - the evidence provided to prove compliance is insufficient; - mistakes have been made in applying assumptions, data or calculations which could have a material influence on the results; - non-compliance with relevant (core) requirements <p>→ Example: a major NC can be raised when non-compliance with a certain requirement has resulted in an error or discrepancy in the footprint/reduction numbers. In addition, NCs can be issued for certain 'core' requirements, indicated in the Standard with the sign "*CORE*" (still to be defined).</p> <p>→ Major NCs can be corrected (e.g. if Client is able to address the NC within an extended timeframe, see section below). In the event of deliberate fraud or false promises, a major NC is raised, which is irreversible and can lead to non-certification.</p>
<p>Closing meeting</p> <p>i. With management</p>	<ul style="list-style-type: none"> • Discuss and share first findings (e.g. checklist filled in and all evidence collected) • Clearly formulate major and minor NCs, and reasons why (justifications). • Discuss next steps (second reviewer will review auditor's recommendation): <ul style="list-style-type: none"> ▪ If no NCs – when Client can expect final audit report and certificate; ▪ If minor NCs – discuss options, requirements and timeframe for corrections and corrective actions, plus potential consequences if NC is not solved appropriately; ▪ If major NCs – discuss options, requirements and timeframe for corrections and corrective actions, plus inform about potential consequences if NC is not solved appropriately, e.g. non-certification. <p>NOTE: In the case of NCs, the auditor may not provide technical advice, e.g. inform how the Client can become compliant and which corrections and corrective actions need to be implemented.</p>

Table 4: Explanation of order and content of the audit



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2.4 Certification decision outcomes

The first or consecutive audits will either result in a formal positive or negative certification decision (with nuance in the severity in the NCs ascertained), with the following implications:

Scenario	Certification decision	Implication
A	Positive	<p>The Client receives a certificate (signed by the second reviewer) for one (1) year, and is permitted to make claims during this period.</p> <p>NOTE: If Client is considered to be a 'Good Performer', for the next year an audit exemption can be granted, meaning CB shall issue a one-year extension of the current certificate.</p>
B	Negative with chance for correction	<p>The Client receives a 'second chance' to still become certified for that same year (retro-actively). Steps:</p> <ol style="list-style-type: none"> 1. During or after the verification audit, the Client and auditor and second reviewer agree on corrections and corrective actions¹¹ to be implemented by the Client within a maximum of two (2) months after last day of the audit (for minor NCs) and a maximum of three (3) months (for major NCs), or any time sooner. 2. At any moment within this timeframe, when the Client deems itself to be ready for the NC Review, the Client contacts the CB to agree on the NC Review date and expenses. 3. During the 'NC Review', the auditor reviews if the corrections and corrective actions led to the desired results and if Client deserves certification. <ul style="list-style-type: none"> • If deemed positive, both for minor and major NCs, Scenario A applies (= the auditor makes a recommendation to the second reviewer, and if positive, the Client still receives a certificate and is permitted to make claims for the current year). • If not deemed positive, the correction time is extended and a second NC Review date is scheduled: <ul style="list-style-type: none"> - a minor NC is elevated to the status of a major NC, meaning a maximum of one month extra correction time is granted; - a major NC keeps its status, and the new correction timeframe is agreed between CB and CNG. 4. If the NC is still not solved appropriately after the second NC Review, Scenario C applies.
C	Negative without chance for correction	<p>The severity of the major NC is serious (e.g. deliberate fraud or false promises), or the implemented correction (after the second NC Review) has also failed. Consequently, the Client is not allowed to promote itself or its product/service as compliant with the program, nor does it deserve the status of certification (anymore). If the Client still has a valid certificate, it will be (temporarily) suspended. CNG and the CB decide together on potential consequences, such as non-certification status (meaning a gap in its certification status), claims removal, product recalls, use of remaining packaging material, penalty fees, next opportunity for re-certification, etc.</p>

Table 4: Certification decision scenarios

¹¹ Correction = correcting what went wrong in the past. Corrective Action = prevent the same mistake from being made again in the future.



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2.5 Audit frequency and intensity

The audit frequency and intensity may vary. A distinction is made between:

- **New Clients:** new Clients, Clients previously verified against the KNG Standard vs 2.0, or Clients audited for the first time by an eligible CB -> shall undergo a full-fledged onsite audit in their first year of certification (applicable also to new 'small volume Clients').
NOTE: If during any year a negative certification decision is issued, Client 'returns' to status of 'New Client'.
- **Small volume Clients:** Clients with a baseline footprint (for organisation or product/service) that is ascertained at <1000T -> always qualify for a desk review, except for their first year of certification.
- **Certified Clients:** Clients in year 2, 3, etc. -> shall undergo at least one onsite audit every three years (ideally, in those years that compliance is reviewed as per the 'compliance flexibility rule'¹²). In the interim years, Clients may choose for a desk review.
- **Good performers:** Clients who have not had any major NCs for the past two audit cycles in a row, and who had reduced internally more than required to be 'on track' (see definition in 'Proposition Paper – Reduction Criteria') for the past two years in a row, may decide for audit exemptions. If 'good performers' request (and qualify for) an exemption, the CB extends the last certificate for one year at no cost.

The figure below showcases different possible progress tracks but more scenarios are possible.

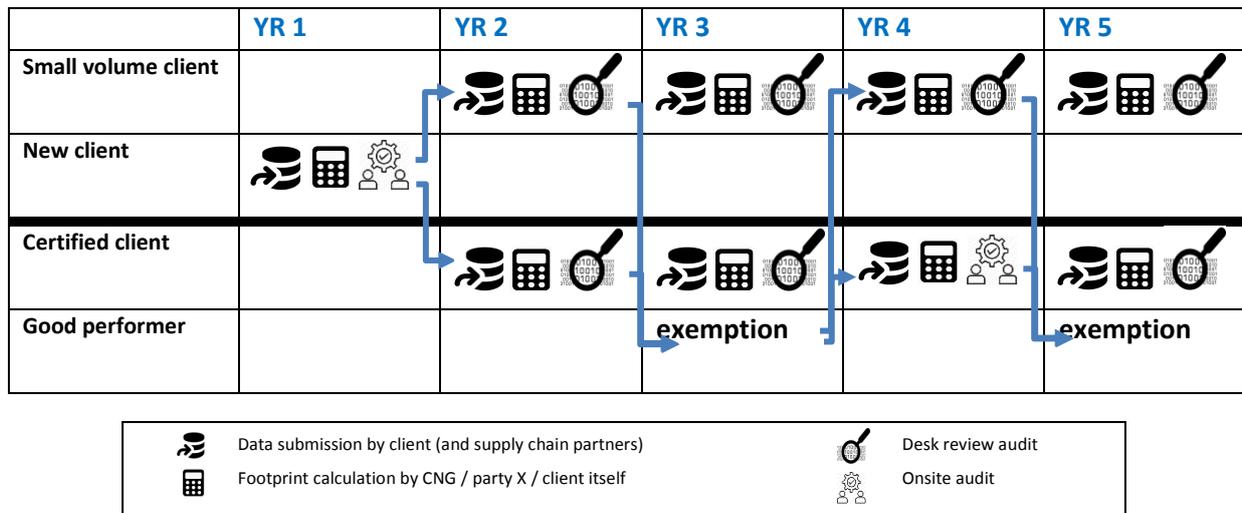


Figure 3: Audit frequency and intensity scenarios

2.6 Audit duration and audit fee calculation

The minimum and maximum **audit duration timeframe** depends on: A) the certification scope; B) the agreed emission scope and its boundaries, and C) the client's self-assessment. CNG recommends the following¹³:

¹² See explanation of 'Compliance flexibility rule' in 'Proposition Paper – Reduction Criteria'.

¹³ Table 5 is subject to change, once the Standard is finalised. Also, audit time is not always linear with size or volume, and may depend on the number of sites and sub-contractors. Also, depending on the design of the standard, there may be a need to build in flexibility for 1st year (requires more time) compared to consecutive years.



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TYPE	Certification of the Organisation		Certification of a Product/Service	
	Footprint of the organisation (in T CO ₂ -eq/yr)	# of workdays ¹⁴	Footprint of the product (in T CO ₂ -eq/yr)	# of workdays ¹⁵
Desk Review Audit	<1000	0.25 workday	Differs per type of product/service	1 – 2 workdays, depending on complexity of supply chain and calculation methodology (including reviews of supply chain tiers)
	1000-10,000	0.5 workday		
	>10,000	1 workday		
Onsite Audit	<1000	0.5 workday	Differs per type of product/service	1 – 3 workdays, depending on complexity of supply chain and calculation methodology (including reviews of supply chain tiers)
	1000-10,000	1 workday		
	>10,000	1.5 workdays		

Table 5: Minimum and maximum audit duration

FOR STAKEHOLDER INPUT:

Q-AP-01: When does a desk review suffice and when is an onsite audit needed? During the Stakeholder Event, the following was mentioned by CBs. Any other opinions or additions of other stakeholders?

Through desk review, the following can be reviewed/verified:

- The footprint calculations themselves
- Actual reductions achieved in transport activities
- Actual reductions achieved in factory/sourcing units

On site audit:

- Agricultural (insetting) projects -> minimum 3 days + 2 days travel per location – once per 5 years

CNG recommends the following **audit fee calculation** rules¹⁶:

Activity	# workdays that may be charged	Expenses
Audit preparation, including review of footprint calculation	Max. 0.5 workday if self-assessment was submitted and max. 1 workday if self-assessment was not submitted	A. 1 * daily auditor rate = X EUR
Regular audit (onsite or desk review)	See table above for audit duration timeframe	B. duration in hrs * daily auditor rate = X EUR
Audit report writing	Max 0.5 workday	C. 1 * daily auditor rate = X EUR
Travel time	based on actual travel time	D. X hrs * <u>70%</u> of daily auditor rate
Total fee CB may charge to Client		A + B + C + D

Table 6: Calculation of audit fee

Additional rules:

¹⁴ A workday is considered to be 8 hours per day.

¹⁵ Idem

¹⁶ Table 6 is subject to change, once the Standard is finalised.



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- The CB reserves the right to amend the contract (and fee), after the self-assessment review and even after the verification audit took place, in the following situations:
 - If the auditor cannot complete the audit within the audit duration timeframe, but only after having shared proper justification with CNG.
 - If minor NCs are detected during the regular audit, the CB conducts a second review (*NC Review*) with the purpose of checking if corrections and corrective actions implemented by the Client served their purpose. In principle, this is a desk review (<1000T category), but in exceptional situations (e.g. when proper justification is shared with CNG), this can be an onsite review (and against another volume category).
- The daily auditor rate is defined by the CB (and usually depends on auditor experience/seniority, overhead costs, etc.). If the auditing team is composed of multiple auditors, different auditor rates may apply. CNG does not intervene in price setting, nor does international auditor rate regulation exist, but CNG deems the following rates reasonable (in EUR, excl VAT) and recommends CBs to adhere to Table 7¹⁷:

Daily auditor rate	Europe, North America, Australia	Africa, Asia, South America
Junior Auditor	700 – 1200 EUR	400 – 900 EUR
Senior Auditor	1000 – 1500 EUR	600 – 1100 EUR

Table 7: Reasonable daily auditor rate

- Additional costs made during the audit, e.g. for food, transport, lodging, communication may be charged onwards to the Client (at actual expense incurred), but should be clearly mentioned on the CB's invoice and supported by copies of receipts.
- Auditor travel time may be charged to Client, but only at 70% of daily auditor rate.
- Clients should pay the CB's invoice within one month after the invoice date indicated on the CB's invoice. If the Client fails to pay the invoice within due time, the CB reserves the right to suspend the Client.
- For an NC review, CB may send a separate invoice.

¹⁷ Table 7 is subject to change, once the Standard is finalised.



3 Competence and Eligibility Criteria

NOTE: CNG reserves the right to amend the eligibility criteria for CBs and its staff in future releases of the Assurance Protocol (e.g. to request certain accreditations, auditor performance requirements, additional requirements for FCs, et cetera).

3.1 Competence criteria for Footprint Calculators (FCs)

The quality of footprints (including the methods/tools used as well as the data input) are verified by CBs. As such, CNG does not prescribe eligibility criteria for FCs. However, CNG does recommend that footprint calculations be made by competent individuals/organisations (either the client itself, CNG staff members, or another third party), who meet the following competence criteria:

<p>Knowledge of other standards Can be proven through:</p> <ul style="list-style-type: none"> - certificate of attendance of training on the requested standard or - through personal interview with CNG staff 	<p>1. Proven knowledge of GHG protocols, i.e. GHG Corporate Standard and GHG Corporate Value Chain (Scope 3) Standard (or SKAO Handbook)</p> <p>2. Depending on the certification scope, proven knowledge of:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">For 'Certification of the Organisation'</th> <th style="text-align: center;">For 'Certification of a Product/Service'</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> <ul style="list-style-type: none"> • ISO 14064-1:2018 </td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> • GHG Protocol Product Life Cycle Standard • PAS 2050 or ISO 14044:2006 + 14040-2006 • The major emissions in the supply chain of the certified product or service. </td> </tr> </tbody> </table>	For 'Certification of the Organisation'	For 'Certification of a Product/Service'	<ul style="list-style-type: none"> • ISO 14064-1:2018 	<ul style="list-style-type: none"> • GHG Protocol Product Life Cycle Standard • PAS 2050 or ISO 14044:2006 + 14040-2006 • The major emissions in the supply chain of the certified product or service.
For 'Certification of the Organisation'	For 'Certification of a Product/Service'				
<ul style="list-style-type: none"> • ISO 14064-1:2018 	<ul style="list-style-type: none"> • GHG Protocol Product Life Cycle Standard • PAS 2050 or ISO 14044:2006 + 14040-2006 • The major emissions in the supply chain of the certified product or service. 				
<p>Experience Can be demonstrated though: Log of footprint calculations made in the past, filled in as per CNG's Log Template (to be developed)</p>	<p>3. Proven past experience with making footprint calculations:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">For 'Certification of the Organisation'</th> <th style="text-align: center;">For 'Certification of a Product/Service'</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> <ul style="list-style-type: none"> • Track record of organisation footprint calculations made </td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> • Track record of product/service footprint calculations made </td> </tr> </tbody> </table>	For 'Certification of the Organisation'	For 'Certification of a Product/Service'	<ul style="list-style-type: none"> • Track record of organisation footprint calculations made 	<ul style="list-style-type: none"> • Track record of product/service footprint calculations made
For 'Certification of the Organisation'	For 'Certification of a Product/Service'				
<ul style="list-style-type: none"> • Track record of organisation footprint calculations made 	<ul style="list-style-type: none"> • Track record of product/service footprint calculations made 				
<p>CNG Training Can be proven through: Certificate CNG Training</p>	<p>4. Participation in CNG Training Program</p>				
<p>Formal agreement Does not need to be shared with CNG</p>	<p>5. Client and Footprint Calculator have signed a formal agreement or contract, unless Client makes own footprint.</p>				

Table 8: Eligibility criteria for Footprint Calculators

3.2 Eligibility criteria for Certification Bodies (CBs)

CBs shall formally apply (as an organisational entity) to become an eligible CB. CB's may choose their certification scope(s) itself, being 'certification of organisations' and/or 'product/service certification'. Only 'eligible CBs' (organisations), that A) meet the eligibility criteria below (for their chosen scope) and B) are formally endorsed by CNG, may conduct audits and issue certifications for the CNG Certification Program.



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<p>Account Manager Can be proven through:</p> <ul style="list-style-type: none"> - CV with contact details and - Certificate CNG Training 	<p>1. A dedicated person is appointed (directly employed by the CB) to be responsible for central account management of CNG Clients and responsible for CB's adherence to all rules and processes described in this Assurance Protocol. This person has attended the CNG Certification Program Training. NOTE: This person is not responsible for the certification decision itself</p>				
<p>Accreditation Can be proven through: valid accreditation certificate</p>	<p>2. Valid accreditation for the CB's chosen certification scope(s), issued by an Accreditation Body that is an IAF member or ISEAL full member:</p> <table border="1" data-bbox="491 524 1385 678"> <thead> <tr> <th data-bbox="491 524 928 562">For 'Certification of the Organisation'</th> <th data-bbox="928 524 1385 562">For 'Certification of a Product/Service'</th> </tr> </thead> <tbody> <tr> <td data-bbox="491 562 928 678">- ISO 14065:2013 or ISO 17021-1:2015 with relevant sub-scopes¹⁸</td> <td data-bbox="928 562 1385 678">• ISO 14065:2013 or ISO 17065:2012 with relevant sub-scopes¹⁹</td> </tr> </tbody> </table> <p>3. Implementation of ISO 14065:2013 within the operational activities of the CB for the CNG Certification Program. The CB shall establish competent teams as defined in Section 6.3 of ISO 14065:2013.</p>	For 'Certification of the Organisation'	For 'Certification of a Product/Service'	- ISO 14065:2013 or ISO 17021-1:2015 with relevant sub-scopes ¹⁸	• ISO 14065:2013 or ISO 17065:2012 with relevant sub-scopes ¹⁹
For 'Certification of the Organisation'	For 'Certification of a Product/Service'				
- ISO 14065:2013 or ISO 17021-1:2015 with relevant sub-scopes ¹⁸	• ISO 14065:2013 or ISO 17065:2012 with relevant sub-scopes ¹⁹				
<p>Experience Can be proven through:</p> <ul style="list-style-type: none"> - Log of CB's involvement in carbon-related activities, filled in as per CNG's Log Template (to be developed) 	<p>4. The CB can demonstrate solid experience and track record in (validation and/or verification of) carbon footprinting, emission reductions and/or offsetting, either as auditing body, technical advisor or project contributor.</p>				
<p>Formal agreement Also owned by CNG</p>	<p>5. The CB and CNG have signed a Memorandum of Understanding and/or Framework Agreement</p>				

Table 9: Eligibility criteria for Certification Bodies

3.3 Eligibility criteria for second reviewers and auditors

Second reviewers and auditors shall formally apply (as individuals), either for the scope 'certification of organisations', 'certification of a product/service' or both. Also, individuals can be endorsed either as second reviewer, auditor or both, however, the individual shall never perform both roles for one Client during one verification and certification cycle (to comply with the 4-eyes-principle). Only 'eligible auditors and second reviewers, who A) meet the eligibility criteria below (for their role and chosen scope), and B) are formally endorsed by CNG, may conduct audits and/or issue certifications for the CNG Certification Program:

<p>Knowledge of other standards Can be proven through:</p> <ul style="list-style-type: none"> - certificate of attendance of training on the requested standard or - personal interview with CNG staff 	<p>For both second reviewers and auditors:</p> <ol style="list-style-type: none"> 1. Proven knowledge of ISO 14064-3:2019 2. Proven knowledge of GHG protocols, i.e. GHG Corporate Standard and GHG Corporate Value Chain (Scope 3) Standard (or SKAO Handbook) 3. Depending on the certification scope, proven knowledge of:
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¹⁸ For the Development and Implementation Phases (see ToR), CNG accepts any sub-scope.

¹⁹ Idem



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	For 'Certification of the Organisation'	For 'Certification of a Product/Service'
	- ISO 14064-1:2018	<ul style="list-style-type: none"> • GHG Protocol Product Life Cycle Standard • PAS 2050 or ISO 14044:2006 + 14040-2006 • The major emissions in the supply chain of the certified product or service.
Relevant work experience Can be proven through: - CV with work experience details and - Audit log, listing all relevant past audits, filled in as per CNG's Log Template (to be developed)	4. Proven relevant work experience: <ul style="list-style-type: none"> • For second reviewers: min. 15 relevant audits* + 5 certification reviews (acting as certifier, approver or second reviewer for any other scheme) • For auditors: min. 10 relevant audits* <p>*Relevant audits are: audits focussing on the verification of carbon footprints (or LCAs), audits for other ICROA approved carbon neutrality schemes or programmes, or audits validating offset or inset projects that meet ICROA criteria. Instead of</p>	
CNG Training Can be proven through: Certificate CNG Training/Calibration Session	5. Participation in CNG Training Program and/or CB Calibration Sessions	
Formal agreement = Does not need to be shared with CNG	6. Formalised working relationship between the CB and the second reviewer/auditor, documented in a contract: <ul style="list-style-type: none"> • For second reviewers: shall have a long-term relationship with the CB and be directly employed by the CB • For auditors: may be directly employed by the CB, may act as free-lancer or may be temporarily hired via other CB or inspection body; 	
Language skills and understanding of Client's context Can be proven through: - CV with language details or - personal interview with CNG staff	7. Understands the Client's context: <ul style="list-style-type: none"> • For second reviewers: be able to read and understand Client's compliance evidence (data sets and documentation) • For auditors: same as second reviewer + is capable of conducting the audit in a language that is familiar to the Client + good knowledge of the Client's sector (industry regulation and competitor trends) in order to make a fair judgement about Client's ambitiousness) 	

Table 10: Eligibility criteria for second reviewers and auditors



4 Oversight Mechanism

This chapter will be worked out in detail, for a next release of this document.

4.1 CB performance monitoring

All eligible CBs are expected to have a valid ISO 17065, ISO 17021 and/or ISO 14065 accreditation for a relevant sub-scope. To complement on this proxy-accreditation, CNG enforces the below additional oversight activities:

First, each CB undergoes an **Annual Performance Review**:

- This entails an **office audit** from a CNG auditor to check if the CB has adhered to ISO 14065:2013 for its verification and certification activities applicable to the CNG Certification Program. A major point of attention is auditor competence and performance. As part of chapter 6 of ISO 14065:2013, the CB shall ensure that its staff has the required competences. As such, CNG requires CBs to periodically review competencies and performance of staff involved in the CNG Certification Program, to document performance findings and (if applicable) performance shortfalls, take appropriate action. All of this shall be documented in a **Competence and Performance Plan (template to be developed)** for each individual staff member.
- In addition, CNG conducts a **25%** sample check of certification decisions (and audit results), to check the overall performance of the CB. The sample is selected by CNG based on a risk assessment of Clients. This check can be done in the form of:
 - A) **5% - Parallel or shadow audits** conducted by a CNG auditor to check if the findings and conclusions of the auditor and second reviewer were accurate.
 - Shadow audit -> CNG's auditor joins an audit and observes the performance of the CB's auditor
 - Parallel audit -> CNG's auditor conducts the same audit within one month of the CB's auditor completion of the audit (so that results are similar)
 - B) **10% - Review of audit results and certification decisions**, either before the CB shares the final report with certification decision with the Client, or afterwards, to check if the audit findings are accurate (for the evidence gathered), if NCs were properly addressed and resolved, if the review was done properly by the second reviewer, etc.
 - C) **10% - Random system checks** of the Client's account information in the 'Information Management System' at any moment in time, e.g. to check if all compliance evidence is present, if the verification and certification timeframes are adhered, or if the Client shows sufficient reduction improvement over time.

Secondly, each eligible CB is required to participate in '**CB Calibration Sessions**', organised annually (prior, during or after the audit season) by CNG²⁰ to discuss CNG's observations on how CBs interpretation differs, and CBs can put forward situations that they would like to discuss how to judge certain situations.

CNG maintains a file for each eligible CB (and its staff), that can be used to record and document findings on CB, second reviewer and/or auditor performance resulting from the above oversight activities. This file is periodically updated, and discussed with CBs in case performance improvements are required. Where no improvements are noticed, CNG reserves the right to issue sanctions, which can eventually lead to disqualification of CB staff or disqualify the CB entirely. For this, CNG aims to develop a sanction system (**KPIs to**

²⁰ At no cost during the development and implementation trajectory, see '*Terms of Reference for the Development of the CNG Certification Program*'.



be developed) with key performance indicators for CBs and their staff, which can be enforced in the case of repetitive performance issues.

4.2 Information Management System

Another means of adding credibility to the CNG Certification Program is through a reliable Information Management System that captures A) factual data on the compliance status of certified Clients (and Clients improvements achieved over time, B) factual data on the actual process of verification and certification demonstrating adherence to this protocol by all parties involved, and C) factual data that demonstrates performance of CBs and its staff and FCs. CNG therefore intends to make use of an Information Management System (to be reviewed/developed), composed of a module for Client accounts and a module for third party accounts (for CBs and FCs):

For each Client's verification and certification process, at least the following activities are completed in the system, under '**Module 1 - Clients Accounts**', recording the following data outputs:

System activity	Activity owner	Data output
Quotation process and contract management	Client (and CBs)	Signed audit contract, specifying audit duration and fees
Footprint calculation	FC (and Client)	Signed contract for footprint calculation + emission data sets + evidence used for footprint calculation + calculation and baseline results
Self-assessment	Client	Self-assessment checklist + internal records
Logging of reduction achievements	Client	Reduction Plan + records of reductions achieved + records of purchased offset credits
Audit execution, including recording of compliance results and NCs + issuance of certificate	CB	Compliance checklist + all evidence + documentation how NCs were resolved + signed audit report + certificate of compliance

Table 12: Data management activities – Module 1

For the endorsement and performance monitoring of third parties (FCs and CBs and their staff), at least the following activities are completed in the system, under '**Module 1 - Third Party Accounts**', recording the following data outputs:

System activity	Activity owner	Data output
Endorsement process of FCs and CBs and individual staff members	CB/FC and CNG	Evidence of compliance with eligibility criteria
Contract management	CB/FC and CNG	Signed MoUs/Framework agreements between CB/FC and CNG
Oversight management	CNG	Performance results of FC, CB and its staff (as per pre-defined KPIs)

Table 13: Data management activities – Module 2

When all steps of the verification and certification process are handled and recorded in the system, the system forms the basis of CNG's Monitoring and Evaluation System and Reporting System, i.e.:

- record Client's compliance status for each individual requirement of the Standard and upload supporting evidence (e.g. during the Client's self-assessment and during the audit).
- record Client's Reduction Plan and record future projections;
- record evidence of CB's or FC's compliance for their respective eligibility criteria;



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- review certified Clients' year-after-year (internal) reduction results and progress made, i.e. if targets were achieved in accordance with the baseline, review of (potentially future) shortcomings (e.g. through a dashboard functionality).
- review if CBs and FCs adhered to the prescribed timelines of the verification and certification process,
- review the number of Clients' NCs, improvements made and lessons learned;
- review the number of CB/FC performance issues and sanctions issued towards CBs and FCs.

In addition, the system can:

- be interfaced with external databases (e.g. blockchain or track and trace systems for certified products)
- generate a public list of all certified Clients (with a summary of their certification results).



5 Other Principles

5.1 Compliance with existing regulation

CNG strives to offer an ambitious but feasible program that really makes impact and can serve as an example for international climate policy making. In this regard, Clients, FCs and CBs are aware of, and obey to, existing regulations (e.g. (inter)national laws and sector agreements), and where these prevail in stringency over CNG's rules or requirements (defined in any of the program documents) adhere to these more stringent regulations.

5.2 Impartiality

The CNG Certification Program is designed in such way that potential impartiality issues or potential conflicts of interests are mitigated where possible (see also Figure 2), i.e. through the enforcement of the four-eyes principle between auditors and second reviewers, through clear separation of roles for the activities pertaining to the verification and certification process (footprint calculation versus verification of compliance), and/or by building in additional oversight mechanisms for certain activities (e.g. ICROA oversees CNG's footprint and offsetting activities). CBs, FCs and CNG are expected to fulfil their roles to the highest ethical standard. They shall not carry out any activities that may affect their impartiality or may lead to potential conflicts of interest (whether real or perceived). Should, however, such a situation (potentially) arise, or should CBs or FCs have any doubts or concerns, these shall be discussed immediately with CNG (certification@climateneutralgroup.com).

5.3 Confidentiality

CBs, FCs and CNG shall strictly observe and respect confidentiality of information and records, resulting from the verification and certification process. These records and documents may only be shared with third parties, if written consent from the Client, the FC and the CB is granted. As required by the ISEAL Assurance Code vs 2.0 (Clause 6.3.1), CNG, however, reserves the right to announce certified Clients in the public domain and to share a summary report of the Client's audit report and/or compliance status.

5.4 Responsibility to protect the integrity of CNG

In the event that a FC or CB suspects or finds a (potential) scoping or compliance issue or any other (potential) non-conformity outside the regular certification cycle timeframes that might compromise the integrity of CNG or the credibility of the CNG Certification Program, the FC or CB shall inform CNG of its findings immediately, followed in due course by a documented case study that includes the actions to be taken.

5.5 Fees

CNG strives to offer a program that keeps the cost of verification and certification reasonable for Clients, yet at the same time generates sufficient revenue for CNG and third parties (i.e. CBs and FCs) in order to stay committed. Annex 2 provides an overview of potential fees that may apply in the future.

5.6 Complaints mechanism

CNG has a complaints mechanism (to be developed), to facilitate fair solutions to issues of dispute, concerns or complaints in a transparent way and to prevent the issue from reoccurring. Any stakeholder may submit a formal complaint following the complaints procedure either against CNG, a certified CNG Client, an eligible CB and/or a competent FC, provided that the issue is about compliance with or adherence to CNG's requirements and rules documented in the Standard, Assurance protocol and/or Claims Policy. The complaint may not be about contractual obligations agreed between Clients and FCs or CBs, nor can claims be submitted to CNG for financial compensation.



Annex 1: Guidelines for Interpretation and Review of Standard Requirements

To be further worked out when developing the requirements of the Standard and/or to even integrate with the requirements themselves.

- **1. Quality Management System**, incl. reference to ISO 9001 requirements, management commitment and dedicated ownership, development of internal climate policy, as well as SOPs and operational policies, (e.g. for documentation management, M&E activities and corrections and corrective actions), self-assessment criteria.
- **2. Definition of emission scopes and its boundaries + 3. Footprint calculation**, based on the relevant GHG Protocols, ISO Norms and other schemes, including requirements for (sufficiently ambitious) emission scopes and their boundaries, eligible product footprint calculation methods/tools to calculate baselines, eligible emission factors, sector specific baseline requirements, rules for re-calculation of baselines (volume or SKU level), requirements for roadmap/process map of product or service, permitted calculation exceptions and permitted margins of errors (and how to calculate these for product footprints),
- **4. Reduction Plan**, incl. development of cost-benefit analysis of internal reduction vs external reduction, strategy development & timeline planning for:
 - **Own reduction achievements**, incl. sector specific criteria, clear definitions what is considered to be 'sufficient internal reductions' and grace period management, conditions for exceptions in case of baseline change, due to e.g. growth, new emissions, reduction target not achieved, technical barriers or other internal/external factors.
 - **Insetting and offsetting activities**, incl. reference to PAS 2060, 14064-2, in accordance with ICROA 'regulation', taking into account International Insetting Platform, eligibility criteria for offsetting, eligibility criteria for insetting
- **5. Progress monitoring and reporting of implementation achievements**, incl. requirement for periodic internal management review, reference to 'CNG Claims Policy' with rules for making claims and logo use



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Annex 2: Potential Fee Structure

To be further worked out when developing next versions of the program documents.

Fee for:	Charged by:	Charged to:
Footprint calculation	CNG or FC	Client
Technical support (optional) e.g. development of Client's internal deduction plan, cost-benefit analysis of internal vs external reduction and/or other technical advice	CNG or other party	Client
Offsetting (optional) e.g. purchase of eligible offset credits	CNG or other broker	Client
Insetting projects (optional) e.g. development of inset projects	CNG or other entity	Client
Verification and Certification fee	CB	Client
Program fee e.g. giving the right to use logo and make claims	CNG	Client

Other potential fees are:

Fee for:	Charged by:	Charged to:
First Movers Fee	CNG	First Mover Client
Training and endorsement of competent FCs e.g. giving the right to make footprint calculations for CNG Clients	CNG	FC
Training and endorsement of eligible CBs (and staff) e.g. giving the right to verify and certify CNG Clients	CNG	CB
Use of certain technologies developed or owned by CNG e.g. CNG's Information Management System	CNG	User

Table 14: (Potential) fee structure