



Assurance Protocol

Draft Release - vs 0.4 - May '20

Assurance Protocol

- Climate Neutral Certification Program -

(DRAFT RELEASE - vs 0.4 - May 2020)

Important notes and considerations:

*Climate Neutral Group is currently revising and updating its certification program, as outlined in the **Terms of Reference**. The new Climate Neutral Certification Program consists of a revised Standard (in the past referred to as the KNG Standard vs 2.0), a new Assurance Protocol and a new Trademark & Claims Policy. All documents resulting from the development process can be found on the CNG website: <https://www.climateneutralgroup.com/en/cng-certification-program-development-process/>.*

This document is a draft version, which is used to generate feedback and input from stakeholders during the 2nd Online Stakeholder Consultation Round taking place in June 2020. This document is publicly available for free (from the CNG website) in English (official and binding version). For questions related to the Climate Neutral Certification Program, please contact: certification@climateneutralgroup.com.

DISCLAIMER © Climate Neutral Group 2020. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means electronic, mechanical, photocopying, recording or otherwise without full attribution.





Assurance Protocol

Draft Release - vs 0.4 – May '20

Content

1	Introduction.....	3
2	Verification and Certification Process	5
2.1	General provisions and definitions.....	5
2.2	Mitigation of potential conflicts of interest.....	6
2.3	Process steps and timelines.....	7
2.4	Order and content of the audit	11
2.5	Certification decision outcomes	14
2.6	Audit frequency and intensity	15
2.7	Audit duration and audit fee calculation	16
3	Competence and Eligibility Criteria	20
3.1	Competence criteria for Footprint Calculators (FCs)	20
3.2	Eligibility criteria for Certification Bodies (CBs)	20
3.3	Eligibility criteria for second reviewers and auditors	21
4	Oversight Mechanism	23
4.1	CB performance monitoring	23
4.2	Information Management System.....	24
5	Other Principles	26
5.1	Compliance with existing regulation	26
5.2	Impartiality	26
5.3	Confidentiality	26
5.4	Responsibility to protect the integrity of CNG	26
5.5	Fees.....	26
5.6	Complaints mechanism	26
	Annex 1: Potential Fee Structure.....	27



1 Introduction

Climate Neutral Group (CNG) offers a Certification Program that encourages good practices related to greenhouse gas (GHG) emission reductions. In accordance with the Paris Agreement, a status of net zero emissions needs to be achieved globally by 2050, so that the worst effects resulting from climate change are mitigated. The revised Standard therefore has a strong focus on internal reductions, whereby the targets set forth in the Paris Agreement are converted into corresponding 'Annual Reduction Targets' for our clients. As such, clients wishing to become certified against the Climate Neutral Standard need to make serious commitments to reduce their GHG emissions themselves gradually year after year, and can offset their remaining emissions to reach a 'climate neutral' status.

Throughout the development trajectory of the revised Climate Neutral Certification Program, CNG has strived 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.

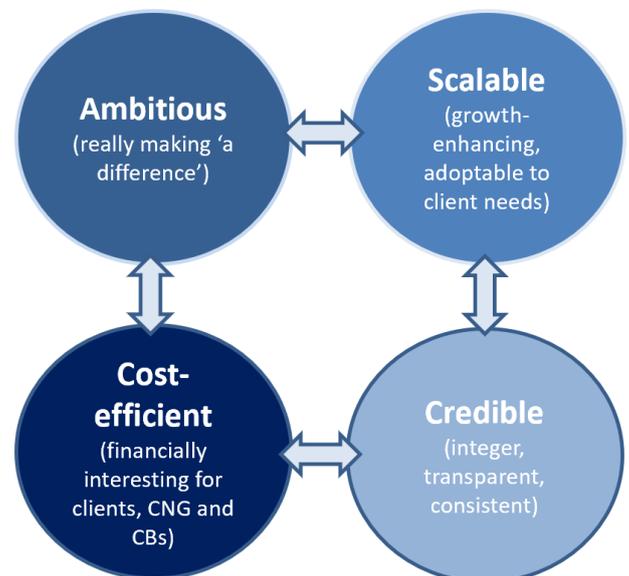


Figure 1: Program ambitiousness vs scalability vs credibility vs cost-efficiency

This means that this Assurance Protocol reflects 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.

This document, the Assurance Protocol, describes the rules pertaining to the Climate Neutral 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, in the Standard referred to as the '**Certificate Owner**';
- 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.



Assurance Protocol

Draft Release - vs 0.4 – May '20

This Assurance Protocol is based on the [ISEAL Assurance Code of Good Practice vs 2.0](#)¹. ISEAL is the global membership association for credible sustainability standards. When this protocol is implemented accurately by above actors, it ensures that certified clients are compliant with the Standard and that the program makes the desired impact, in other words, that the program's integrity and credibility can really be guaranteed, and legitimate claims can be made.

NOTE: This Assurance Protocol is developed as part of the development trajectory of the revised Climate Neutral Certification Program, envisioned to be published in summer 2020 and to become mandatory from the 2021 certification cycle onwards. However, an interim (draft) version of this Assurance Protocol will already be available for the verification and certification process in 2020, for which the current KNG Standard vs 2.0 shall be used.

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.

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



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 or service*' (or multiple products and services).
- **'GHG emission sources'**: refer to the sources that generate GHG emissions which shall be included in the footprint calculation, derived from the definitions of the Greenhouse Gas Protocol (GHG scope 1, 2, 3).

Certification scope & GHG emission sources	
Certification of the Organisation	Certification of a Product/Service
<p>If a client chooses to get certified for its <u>organisation</u>, the baseline footprint shall include all GHG emission sources resulting from the organisation's own organisational activities, being:</p> <ul style="list-style-type: none"> - all significant² scope 1 and 2 GHG emission sources; - all non-attributable scope 3 GHG emission sources, of which: <ul style="list-style-type: none"> A) business travel and employee commuting must be included (mandatory); B) all other scope 3 emission sources, that are not directly attributable to a product or service may be included (optional). <p>(see criterion 2.2 of the Standard for exact requirements)</p>	<p>If a client chooses to get a certain <u>product or service</u> certified, the baseline footprint (derived from the Life Cycle Assessment³) shall include all GHG emission sources that occurred to produce, deliver (and optionally use and/ or dispose) that particular product or service, being:</p> <ul style="list-style-type: none"> - the proportional⁴ scope 1 and 2 GHG emission sources, - all attributable scope 3 GHG emission sources, which are directly attributable to the product or service (or its raw materials or input materials), and are generated through the sourcing, manufacturing, processing, packaging, transportation, storage, delivery, and (optionally use and disposal) of the product or service, i.e. from Cradle-to-Gate, Cradle-to-Shelf or from Cradle-to-Grave. <p>(see criterion 2.2 of the Standard for exact requirements)</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 five flexibility approaches, namely:</p> <ul style="list-style-type: none"> • OPTION 1 - '80% Materiality Approach' • OPTION 2 - 'Mass Balance Approach' • OPTION 3 - 'Gradual Improvement Approach' • OPTION 4 - 'Tier Approach' • OPTION 5 - 'Insetting Approach' <p>(see criterion 3.1 and 4.1 of the Standard)</p>

Table 1: Explanation Certification Scope and Emission Sources

- **'Certified entity'**: refers to the legal entity that is being audited and certified. This entity is responsible for compliance with the Standard, owner of the certificate, may make claims about

² Excluded for the footprint calculation (and thus not considered to be significant) can be any emissions sources that are estimated to be less than 1% of the total emissions. In this case, the client clearly describes why these emission sources were excluded and provide evidence and/ or rationale for decision.

³ 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.

⁴ Being the relative share of the total organisational emissions proportionally allocated to the volume of the certified product(s).



Assurance Protocol

Draft Release - vs 0.4 - May '20

its compliance status and may make use of the Climate Neutral Trademarks (also referred to as the 'certificate owner' or the 'certified client').

Certified entity	
Certification of the Organisation	Certification of a Product / Service
<p>The organisation itself (or its legal representative) is the certified entity and owner of the certificate.</p> <p>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 organisational boundaries.</p> <p>(see criterion 1.1 of the Standard)</p>	<p>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.</p> <p>NOTE: CNG recommends that the certified entity is the link with most negotiating power in the supply chain (e.g. manufacturer of the finished product). Costs resulting from verification of interim supply chain links should be agreed amongst all supply chain links and charged onwards between these parties.</p>

Table 2: Explanation Certified Entity

2.2 Mitigation of potential conflicts of interest

The verification and certification process is set up in such way so that potential conflicts of interests are mitigated -either through 3rd party involvement by the [International Carbon Reduction and Offsetting Alliance](#) (ICROA) or the CB-, as illustrated in figure 2.

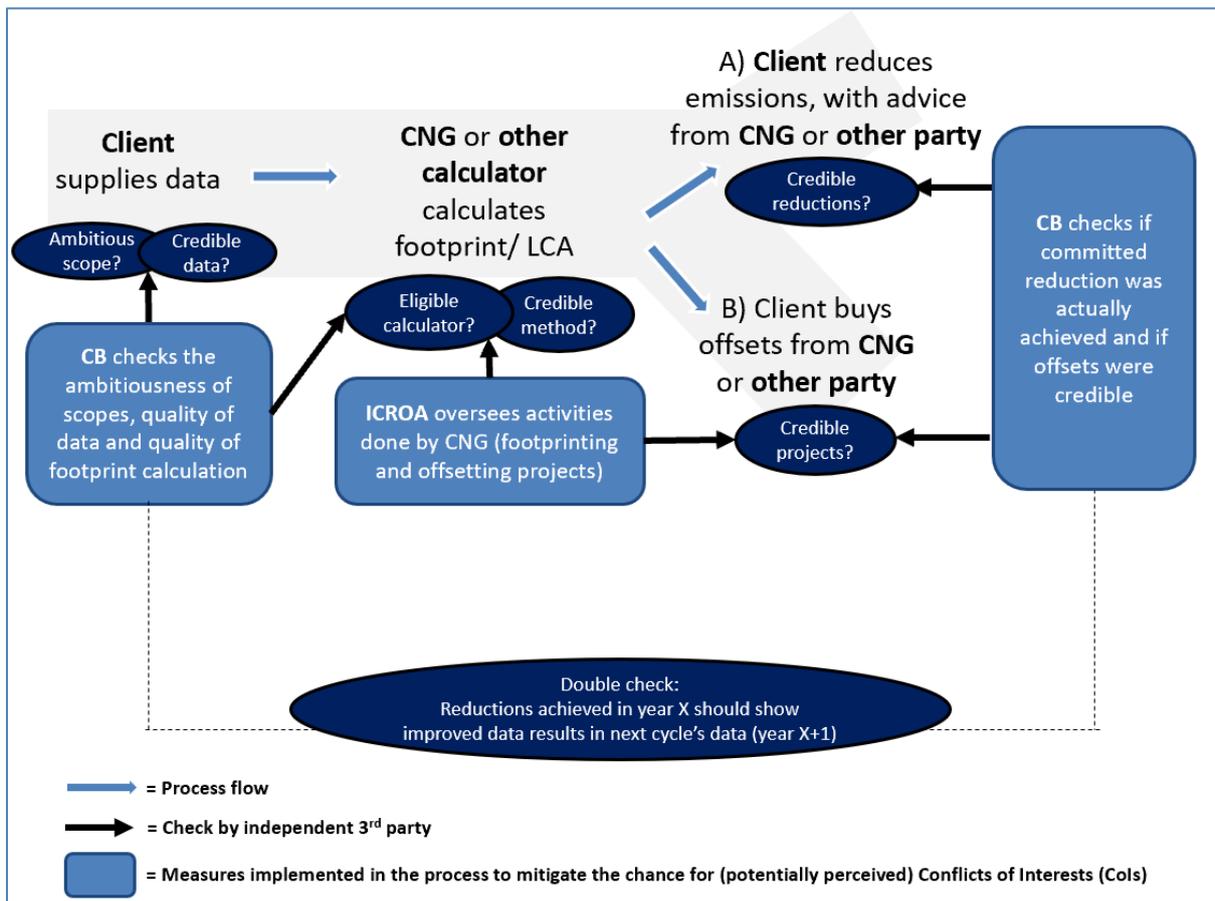


Figure 2: Process overview



Assurance Protocol

Draft Release - vs 0.4 - May '20

2.3 Process steps and timelines

The annual verification and certification cycle follows the below process steps and timelines, assuming that data on actual emissions caused (actual usage data) becomes available at the beginning of a new calendar year. This timeline may be delayed, if the Client can provide a justification as to why usage data becomes only available at a later moment in time during the calendar year:

FOR FIRST AUDIT (YEAR 1 OF CERTIFICATION) ⁵		Deadline
1.	<p>The Client informs Climate Neutral Group (CNG) about its desire for certification (either through the Carbon Advisor or via: certification@climateneutralgroup.com). CNG prepares a (draft) contract for the services CNG is delivering. When signed by both parties, 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.</p> <p>NOTE: In a situation in which the Client commences outside the regular verification and certification cycle, the Client, CNG and the CB collectively agree if the required footprint data sets and evidence (of the previous year) suffice, so that the 1st audit can take place outside the regular auditing timeframe and the Client can thus still be certified for that year. Consecutive audits however follow the regular timelines, consequently, there will be less time between the 1st and 2nd audit. Examples:</p> <ol style="list-style-type: none"> Client wants to get certified and signs a contract with CNG in September <u>2021</u>. <ul style="list-style-type: none"> ➔ Audit can still take place in September <u>2021</u> (if CB is available), using the footprint data of <u>2020</u>. Client wants to get certified and signs a contract with CNG on the 1st of January <u>2021</u>. <ul style="list-style-type: none"> ➔ Audit takes place following the regular annual verification and certification cycle (April – June <u>2021</u>, using footprint data of <u>2020</u>), OR ➔ Audit takes place immediately or ASAP (if CB is available), using the footprint data of an earlier year, namely <u>2019</u>. 	Any moment during the year
2.	<p>The footprint calculation may be made by the Client itself, although expert knowledge may be needed. The Client itself selects its preferred FC. Especially in the case of complex footprints, CNG recommends outsourcing the footprint calculation to either CNG or any other competent FC. Guidelines as to what can be considered a competent FC, are provided in section 3.1 of this document.</p>	Date X – 8 wks (<i>appr. end Jan.</i>)
3.	<p>In the case a FC is contracted, the Client and the FC sign a (legally enforceable) contract that clearly describes:</p> <ul style="list-style-type: none"> the agreed certification scope and the operational and organisational boundaries (see criterion 2.1 and 2.2 of the Standard); footprint calculation fees and expected delivery date. <p>It is the responsibility of the FC to review whether the organisational and operational boundaries reported by the Client are sufficiently ambitious, and to challenge these if necessary. For this, the FC consults Annex 1 (List of Mandatory and Optional GHG Emission Sources) and Annex 2 (Sector Benchmark Tool) of the Standard. The FC informs the Client which data sets (with actual emission usage figures) need to be submitted.</p>	Date X - 4 wks (<i>appr. end Feb.</i>)

⁵ E.g. for new clients, or for clients audited for the first time by an eligible CB.



Assurance Protocol

Draft Release - vs 0.4 – May '20

4.	<p>The Client collects the required data sets (with actual emission usage figures) 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>	<p>Date X = End of Q1 (<i>appr. end March</i>)</p> <p>DATA SUBMISSION DEADLINE</p>
5.	<p>Once the data is complete, the footprint calculation is made by the FC following criteria 3.1 to 3.5 and Annex 3a and 3b of the Standard (i.e. using reliable/ eligible emission factor sources and eligible footprint calculation methods and tools). The result of the footprint calculation (i.e. a Footprint Report) is shared by the FC with the client within two (2) weeks.</p> <p>NOTE: For the calculation of a product's footprint, the Client (or FC) may apply one of the 'flexibility rules', see Annex 4 of the Standard.</p>	<p>Date X + 2 wks (<i>appr. mid April</i>)</p>
6.	<p>Simultaneously (or shortly after step 5), the client contacts one or more eligible CBs for an audit quotation, and eventually selects its preferred CB.</p> <p>NOTE: The contact details of eligible CBs are available on the CNG website (to be developed).</p> <p>NOTE: For 2020 this will be different - CNG will allocate clients to a CB (or, due to the COVID-19 outbreak, conduct the audits itself).</p>	<p>Date X + 3 wks (<i>appr. mid April</i>)</p>
7.	<p>Eligible CBs must respond to quotation requests within two (2) weeks after the request is made by the Client. The Client and the CB strive to sign a (legally enforceable) draft audit contract within two (2) weeks after quotation process. If the Client intends to conduct a self-assessment (and to submit the self-assessment checklist, see step 8), then Client informs the CB upfront (prior to the calculation of the audit fee).</p> <p>NOTE: For 2020 this will be different – No contract between CB and Client</p> <p>The contract shall clearly describe:</p> <ul style="list-style-type: none"> • composition of the certification team (auditor or auditing team and second reviewer) + audit dates and duration; • agreed certification scope + organisational and operational boundaries; • audit fee calculation and total fees + justification for on-site or desk review; • an explanation of the 'level of assurance', which must be 'reasonable', see ISO 14064-3:2006, Section 2.28; • any granted deviations from the Standard, granted exceptions or granted flexibility, e.g.: <ul style="list-style-type: none"> ➢ 'Three-year compliance flexibility rule' for certification of the organisation, a product or service (see criterion 4.2 of the Standard); ➢ Lower 'Annual Reduction Target' for certification of a product (see criterion 3.7 of the Standard); ➢ 'Flexibility rules' for certification of a product (see Annex 4 and criterion 3.1 and 4.1 of the Standard); ➢ Exceptional situations or justifiable delays, as described in scenario 5 (see Introduction and explanation of the Standard). 	<p>Date X + max 7 wks (<i>appr. mid May</i>)</p>



Assurance Protocol

Draft Release - vs 0.4 – May '20

<p>8.</p>	<p>The Clients submits the following required documentation to the CB, three (3) weeks prior to the audit at the latest (or any earlier moment), for the CB to prepare for the audit:</p> <ul style="list-style-type: none"> • Organisational structure (see criterion 1.1 of the Standard); • The ‘Climate Policy Document’ (see criterion 1.4 of the Standard); • The calculation method used by the FC (only once every 3 years), the actual footprint calculation results and ‘Footprint Report’ made by the Client or FC (see criterion 3.4 of the Standard); • The up-to-date ‘Internal GHG Reduction Plan’ (or Log Book) (see criterion 4.1 to 4.4 of the Standard); • A print-screen of the updated ‘Reduction Calculation Tool’ (see: Annex 6 of the Standard); • OPTIONAL, BUT STRONGLY RECOMMENDED: the self-assessment checklist (see Annex 7 of the Standard). <p>NOTE: Advantages of doing a self-assessment are:</p> <ol style="list-style-type: none"> 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 (if needed, 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 cancelled (meaning no unnecessary audit costs, suspensions or de-certifications). 	<p>Date Y – 3 wks (<i>appr. early June</i>)</p>
<p>9.</p>	<p>The CB reviews the required documentation, and prepares a (draft) audit plan for the execution of the audit. The CB shares this audit plan with the Client (and if applicable, any amendments to the earlier signed draft audit contract) at the latest one (1) week prior to the audit.</p> <p>NOTE: In the event that the documentation submitted by the Client to the CB reveals that the initially planned audit duration stipulated in the contract (see step 3) is insufficient (e.g. because the organisational and operational boundaries are much wider than initially foreseen or the compliance check of certain reduction measures and activities may take more time), the CB reserves the right to amend the contract.</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>	<p>Date Y – 1 wk (<i>appr. mid June</i>)</p>
<p>10.</p>	<p>The CB commits to perform the ‘first audit’, as per ISO 14064-3, before the end of Q2. The first audit is always conducted on-site. The CB verifies the Client’s compliance for each criterion. Summarised, this entails the following key checks for the first audit:</p> <p>Review of the FC’s ‘footprint calculation and outcome’, to determine:</p> <ol style="list-style-type: none"> a. If the agreed operational and organisational <u>boundaries</u> are <u>sufficiently ambitious</u>, and if all relevant GHG emission sources have been included for the footprint calculation; b. If the actual footprint calculation <u>method</u> was credible, i.e. a holistic and logical method or tool with correct calculation formulas and conversions (if applicable), resulting in the correct calculation output and correct footprint baseline calculation; c. If the <u>data itself</u> (data input) was correct, credible and complete and evidence thereof can be provided, i.e. if the emission data (actual emission usage data) is correct and entered correctly into the method, and if all 	<p>Date Y = End of Q2 (<i>appr. end June</i>)</p> <p>AUDIT DEADLINE</p>



Assurance Protocol

Draft Release - vs 0.4 – May '20

	<p>emission factors and primary and secondary data come from credible sources.</p> <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 itself is sufficiently credible to become eligible. As the method itself is not expected to change often, the CB shall review the method as part of the regular audit, but only once every 3 years (unless the FC informs the CB that the method/tool has changed or was found unreliable). Data input remains to be checked during each audit. If the tool/method is deemed eligible, the CB will communicate its findings to CNG, who keeps record of 'verified and approved calculation methods' (referred to as 'permitted calculation methods'), so that in the future recognition for other Clients can be considered, see Annex 3b of the Standard.</p> <p>Review of Client's performance, to determine:</p> <ul style="list-style-type: none"> d. If the reduction measures and activities documented in the Client's 'Internal GHG Reduction Plan' are feasible (time-wise and budget-wise) and sufficiently ambitious to achieve the 'Annual Reduction Target' in the short, medium and long run (and committed by management); e. If the Client has sufficiently offset/inset; f. If the Client makes claims in such way that they correspond with and clearly refer to its operational and organisational 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); g. If the Client has received (tentative) approval from CNG for claims-making and trademark use, and; h. <u>For Product Certification Only</u>: If the Product Map for the certified product is true and complete, and if the Client and FC have correctly applied the preferred 'flexibility approach for product certification' (see Annex 4 of the Standard). <p><u>For product certification only: Review of suppliers or other supply chain partners, either at their premises or through desk review, to determine:</u></p> <ul style="list-style-type: none"> i. If the data sets submitted by each supply chain partner were true and complete (for their share in the product's emissions). 	
11.	<p>Once the audit is completed, the auditor (or auditing team) prepares a draft audit report summarizing all audit findings and conclusions and submits this draft report as an audit recommendation to the second reviewer within one (1) week after the audit.</p> <p>NOTE: The audit report contains at least:</p> <ul style="list-style-type: none"> • An overview (e.g. audit checklist or summary) describing for each <u>chapter</u> of the Standard: (1) how the client was compliant; (2) which evidence was available; (3) if there were non-conformities, and; (4) if so, how these were corrected and what corrective actions were implemented; • The 'baseline year' and 'Annual Reduction Target'; • The verified footprint calculation and outcome (footprint report) (specifying all usage data for all GHG emissions sources), as well as the outcomes (in T CO2eq) of the historic footprints (alternatively, a print screen of the '<i>Reduction Calculation Tool</i>' can be added); • A positive or negative certification decision for that year including an explanation or justification; • Other recommendations, if applicable, and • The audit frequency and audit intensity for next year's cycle. 	Date Y + 1 wk (<i>appr. early July</i>)
12.	The second reviewer reviews the draft audit report and signs off for the final certification decision by signing the audit report and the certificate of compliance .	Date Y + 2 wks (<i>appr. mid July</i>)



Assurance Protocol

Draft Release - vs 0.4 - May '20

	<p>→ In the case of a positive certification decision, the CB issues the final audit report and certificate to the Client and CNG two (2) weeks after the last audit day at the latest.</p> <p>→ In the case of a negative certification decision, Section 2.5, scenario B or C applies.</p> <p>NOTE: The role of the second reviewer can also be executed by an independent committee (see section 5.4 of ISO 14065), and is also referred to as 'the Certifier role'. The second reviewer is ultimately responsible for the certification process. If the second reviewer doubts the conclusions or 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. 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>	
--	---	--

FOR CONSECUTIVE AUDITS (CONSECUTIVE YEARS OF CERTIFICATION) ⁶	
13.	<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, to determine:</p> <ul style="list-style-type: none"> j. If the Client achieved sufficient reduction compared to the baseline year. In other words, if the 'Annual Reduction Target' was met. If not, a negative certification decision could apply. k. If the Client's 'Internal GHG Reduction Plan' will accommodate the achievement of the 'Annual Reduction Target' in the future. <p>NOTE: Clients shall select another CB after 3 years, meaning the same CB can only conduct max. 3 regular audits in a row. This, to facilitate an independent relationship between client and CB, and also to maximize credibility.</p>

Table 3: Process steps and timelines

2.4 Order and content of the audit

During an audit (whether on-site 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
Opening meeting → With management	<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 (if applicable); • Recap of certification scope, operational and organisational boundaries (any changes or information missing?); • Additional topics, e.g. confidentiality, safety during audit, availability of resources (e.g. access to IT systems, documents) as well as staff members for interviews.

⁶ 2nd audit, 3rd audit, etc



Assurance Protocol

Draft Release - vs 0.4 - May '20

<p>Actual verification and checks</p>	<p>The auditor reviews if the Client is compliant with the criteria of the Standard. During the audit, the auditor shall indicate on the Audit Checklist (to be developed) for each criterion (one-by-one):</p> <ul style="list-style-type: none"> - his/her compliance conclusion for that criterion, and - which evidence (or lack of evidence) justifies this compliance conclusion. <p>The Standard provides guidelines for each individual criterion as to how it should be interpreted and how the auditor should judge compliance, see e.g.:</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>DOCS CHECK: check overview with all company operations and entities that belong to the organisational boundary + review of company operations based on annual report, website, etc. INTERVIEW: cross-check with responsible person and/ or sr. management if organisational boundaries are sufficiently ambitious. OBSERVATION: check work floor, production sites, warehouses, etc to understand business operations and work-flows.</p> </div> <p>The auditor may use the following methods, so that substantial evidence can be collected to justify the compliance conclusion for each criterion:</p> <table border="1" data-bbox="470 719 1385 1084"> <thead> <tr> <th>Audit method</th> <th>Type of evidence</th> <th>Indication in Standard</th> </tr> </thead> <tbody> <tr> <td>Interviews with responsible staff</td> <td>Interview notes or recording</td> <td>"INTERVIEW"</td> </tr> <tr> <td>Observations (e.g. witnessing manufacturing site)</td> <td>Photos</td> <td>"OBSERVATION"</td> </tr> <tr> <td>Review of systems, methods or tools</td> <td>Printscreens, photos, system exports</td> <td>"TOOL CHECK"</td> </tr> <tr> <td>Review of documentation and records</td> <td>Copies of documents and records</td> <td>"DOCS CHECK"</td> </tr> </tbody> </table> <p>The CB reserves the right to sample (e.g. to 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 <i>'reasonable level of assurance'</i>, see ISO 14064-3, section 2.28. CNG recommends evidence checks of at least the five biggest GHG emission sources, plus a random selection of evidence checks on low(er) emitters. In the case the Client wishes to get many of its products certified, the CB may review only a sample of these products, provided a solid justification is given.</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 criterion of the Standard, and/or; B) the Client cannot provide the requested evidence during the audit that proves compliance, the auditor reserves the right to issue either a major or a minor non-conformity (NC)⁷.</p> <p>A) Minor NCs are isolated incidents or issues that must be formally addressed through a correction and/ or a corrective action, but have no direct effect on the outcome of the client's performance (i.e. did not result in an error in the definition of the organisational and operational boundaries, the outcome of the footprint calculation, nor impacted the 'Annual Reduction</p>	Audit method	Type of evidence	Indication in Standard	Interviews with responsible staff	Interview notes or recording	"INTERVIEW"	Observations (e.g. witnessing manufacturing site)	Photos	"OBSERVATION"	Review of systems, methods or tools	Printscreens, photos, system exports	"TOOL CHECK"	Review of documentation and records	Copies of documents and records	"DOCS CHECK"
Audit method	Type of evidence	Indication in Standard														
Interviews with responsible staff	Interview notes or recording	"INTERVIEW"														
Observations (e.g. witnessing manufacturing site)	Photos	"OBSERVATION"														
Review of systems, methods or tools	Printscreens, photos, system exports	"TOOL CHECK"														
Review of documentation and records	Copies of documents and records	"DOCS CHECK"														

⁷ And reports its finding to CNG, for CNG to review the performance of the FC



Assurance Protocol

Draft Release - vs 0.4 - May '20

	<p>Target' and the reduction achievements therefor). Examples include (but are not limited to):</p> <ul style="list-style-type: none"> - failures to comply with a criterion that facilitates the achievement of CORE criteria (i.e. Chapter 1 of the Standard); - failures to provide evidence to prove compliance with a criterion, or insufficient evidence, but does not lead to breakdown in the systems delivery; - mistakes that have been made in applying assumptions, data or calculations which could have an influence on the future results (but not proven); - certain aspects that have to be verified in the next verification and certification cycle (e.g. foreseen modifications, etc.). <p>B) Major NCs are the total lack of compliance with an essential criterion, or evidence that there is a breakdown of system, control, or procedures that impact the Client's performance directly, e.g. resulted or may result in an error in the definition of the organisational and operational boundaries, in the outcome of the footprint calculation, or (may) impact the 'Annual Reduction Target' and the reduction achievements therefor. Major NCs represent serious problems that must be addressed with attention and resources on a priority basis and corrections and corrective actions shall be implemented within an agreed timeframe. Examples include (but are not limited to):</p> <ul style="list-style-type: none"> - failures to comply with a CORE criterion; - failures to provide evidence to prove compliance with a criterion, or insufficient evidence, which does (or may) lead to breakdown in the systems delivery; - mistakes that have been made in applying assumptions, data or calculations which could have a material influence on the results (i.e. whether the client is reducing sufficiently or not); - repeated minor NCs (i.e. failure to comply with a criterion for two or more years in a row).
<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 and justifications (pending consent of second reviewer); • Discuss next steps (pending consent of second reviewer): <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 (see section 2.5); ▪ 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 (see section 2.5). • The audit frequency and audit intensity for next year's cycle(s) (pending consent of second reviewer). <p>IMPORTANT: In the case of NCs, the auditor may not provide technical advice or act as consultant, nor 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



Assurance Protocol

Draft Release - vs 0.4 - May '20

2.5 Certification decision outcomes

All first or consecutive audits will either result in a positive or negative certification decision (with nuance in the severity of 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 and to use the trademark 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 at no cost.</p>
B	Negative with chance for correction	<p>The Client receives a 'second chance' to still become certified for that same year (retro-actively).</p> <p>Steps:</p> <ol style="list-style-type: none"> 1. During or after the audit, the Client and auditor (and second reviewer) agree on corrections and corrective actions to be implemented by the Client: <ul style="list-style-type: none"> -> For minor NCs, the deadline to implement these corrections and corrective actions is agreed by the Client and CB; -> For major NCs, the corrections and corrective actions shall be implemented within a maximum of three (3) months after the last day of the audit. <p>NOTE: Correction = correcting what went wrong <u>in the past</u>. Corrective Action = prevent the same mistake from being made again <u>in the future</u>.</p> 2. The CB shall check if the corrections and corrective actions led to the desired results, i.e. if the Client is again compliant again with the criterion or will comply any time soon if implementing the correction or corrective action adequately: <ul style="list-style-type: none"> -> For minor NCs, the CB will check the result of the implemented corrections and corrective actions during an interim 'NC Review' (also applicable to 'Good Performers', who are exempt for their next audit). In exceptional situations, the check can be waved to the next regular audit (to be decided by CB). -> For major NCs, the CB will check the results of the implemented corrections and corrective actions during an interim 'NC Review', to be scheduled after the three (3) months correction timeframe (or earlier if the Client deems itself to be ready). <p>NOTE: Expenses occurring from a NC Review are at the cost of the Client, and shall be documented in an annex to the initial contract or in a new contract. An interim NC Review is not a full-fletch audit, but only focusses on the raised NCs. Also, the CB strives to do the NC Review in the form of a desk-review, if feasible. The costs of an NC Review shall therefore be substantially lower compared to a regular audit.</p> 3. During the 'NC Review', the auditor reviews if the corrections and corrective actions led to the desired results and if the Client deserves certification. <ul style="list-style-type: none"> • If deemed positive, both for minor and major NCs, Scenario A then applies: the auditor makes a positive recommendation to the



Assurance Protocol

Draft Release - vs 0.4 – May '20

		<p>second reviewer, and if consented, the Client still receives a certificate and is permitted to make claims for that current year.</p> <p>NOTE: The CB may also decide that a major NC becomes a minor NC, which shall then be resolved prior to the next audit.</p> <ul style="list-style-type: none"> • If not deemed positive: <ul style="list-style-type: none"> -> a minor NC is elevated to the status of a major NC (for next audit); -> a major NC leads to non-certification for that year (scenario C then 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 corrections and/ or corrective actions (checked during the 'NC Review') have also failed. Consequently, the Client is not allowed to promote itself or its product/service as compliant with the Standard, nor deserves the status of certification. If the Client still has a valid certificate, it will be (temporarily) suspended.</p> <p>Consequently, the client will have a gap in its certification cycle. As a result thereof, CNG and the CB decide together on potential consequences, such as claims removal, product recalls, use of remaining packaging material, penalty fees, next opportunity for re-certification, etc.</p> <p>NOTE: In the event of deliberate fraud or false promises, the CB deserves the right to issue a major NC at any moment in time during the year. This NC is irreversible and can lead to immediate suspension or non-certification.</p>

Table 4: Certification decision scenarios

2.6 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 on-site audit for their first year of certification (applicable also to 'Small Volume Clients'). This audit also includes the verification of the footprint calculation method.
NOTE: If during any year a negative certification decision is issued, Clients 'return' to status of 'New Client'.
- **Small Volume Clients:** Clients with a baseline footprint for its organisation, product(s) or service(s) that is ascertained at <1000T (in total), always qualify for a bi-annual desk review, except for their first year of certification or when downgraded to a 'Poor Performer'.
- **Certified Clients:** Clients in consecutive years of certification (year 2, 3, etc.) shall undergo at least one on-site audit every three years (ideally, in those years that compliance is reviewed as per the 'compliance flexibility rule'⁸). This audit always includes the verification of the footprint calculation method. 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 by the 'Annual Reduction Target' for the past

⁸ See explanation of 'Three-year Compliance Flexibility Rule' in [criterion 4.2 of the Standard](#)



Assurance Protocol

Draft Release - vs 0.4 – May '20

two years in a row, may decide for audit exemptions during the interim years. If ‘good performers’ request (and qualify for) an exemption, the CB extends the validity period of the last certificate with one year at no cost.

- **Poor performers:** Clients (including ‘Small Volume Clients’) who had (resolved) major NCs for the past two audit cycles in a row (even though resolved), OR who reduced internally less than required by the ‘Annual Reduction Target’ for the past two (2) years in a row shall always receive an on-site audit. This audit always includes the verification of the footprint calculation method.

The figure below showcases different possible progress tracks, but more scenarios are possible. Note that the footprint calculation method shall always be verified once every three years, regardless the type of Client.

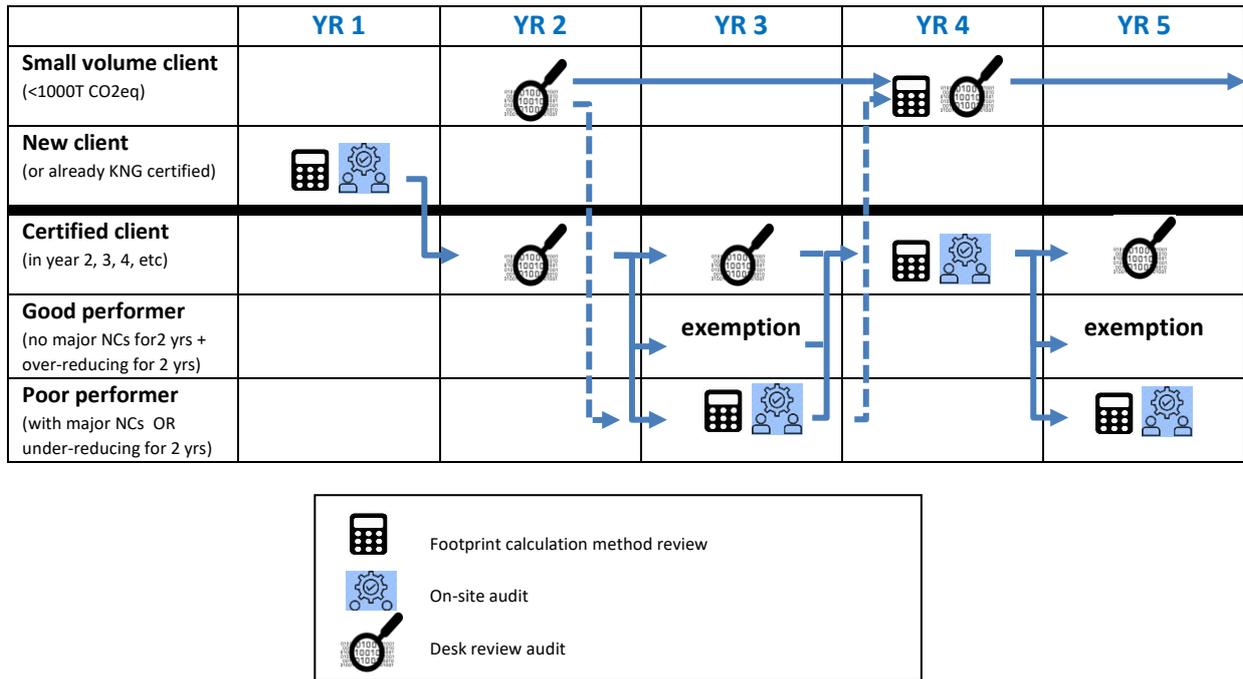


Figure 3: Audit frequency and intensity scenarios

2.7 Audit duration and audit fee calculation

The minimum and maximum **audit duration timeframe** depends on: A) the certification scope; B) the agreed operational and organisational boundaries (see [Chapter 2 of the Standard](#)), and C) the client’s self-assessment. CNG recommends the following⁹:

TYPE	Certification of the Organisation		Certification of a Product/Service ¹⁰	
	Footprint of the organisation (in T CO2-eq/yr)	# of workdays ¹¹	Footprint of the (combined) product(s) or service(s) (in T CO2- eq/yr)	# of workdays ¹²
	<1000	0.25 workday		

⁹ Table 5 is subject to change. Also, audit time is not always linear with size or volume, and may depend on the number of sites and sub-contractors, and number of certified products and services.

¹⁰ In some cases, a service can be dealt with as if product and sometimes as if organisation, depending on the footprint of the service, see [criterion 3.1 of the Standard](#).

¹¹ A workday is considered to be 8 hours per day.

¹² Idem



Assurance Protocol

Draft Release - vs 0.4 - May '20

Desk Review Audit	1000-10,000	0.5 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, see notes below)
	>10,000	1 workday		
On-site 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, see notes below)
	1000-10,000	1 workday		
	>10,000	1.5 workdays		

Table 5: Minimum and maximum audit duration

IMPORTANT NOTES REGARDING CERTIFICATION OF A PRODUCT:

- If **supply chain partners (contributing to the product's footprint) are located in other countries**, the following applies:
 - For agricultural products or insetting projects, an on-site audit (in country of origin at the cultivation site or at the location of the insetting project) is always required every three years, for which a minimum of 2 audit days + 2 travel days should be accounted.
 - For other products, an on-site audit may be required if deemed necessary by the CB, for instance at a manufacturing, processing or packaging site pertaining to the product's supply chain, especially if these supply chain tiers have provided primary data for the calculation of the product's footprint. A minimum of 1 audit day (per site) + 1 travel day should be accounted.
- In the event that a Client wishes to get **multiple products or services certified**, then:
 - If the products or services are similar in nature or characteristics, one (1) footprint calculation suffices (using one method). The audit duration shall then be calculated as if one product or service was certified. During the audit, the auditor takes a sample of the total number of certified products or services, using the square root formula¹³ (rounded up) and only checks compliance with the Standard for the sampled products or services.
 - If the products or services are NOT similar, each product or service requires its own footprint calculation (possibly using different methods). The audit duration shall then be calculated for each product or service individually and then aggregated to calculate the total audit duration time.
- If during the year the Client wishes to **add a new product or service to its portfolio**, a new footprint or an updated footprint shall be made, which shall be audited before trademarks and claims may be used. This may be at any moment in time during the year, and a desk review for this one product may suffice.

CNG recommends the following **audit fee calculation** rules¹⁴:

Activity	# workdays that may be charged	Expenses
Audit preparation, including review of footprint calculation	Max. 0.5 workday if self-assessment was submitted. Max. 1 workday if self-assessment was not submitted.	A. 0,5 or 1 * daily auditor rate (table 7)
Regular audit (on-site or desk review)	See table 5 for audit duration timeframe	B. duration in hrs * daily auditor rate
Audit report writing	Max 0.5 workday	C. 0,5 * daily auditor rate
Travel time	Based on actual travel time	D. X hrs * 70% of daily auditor rate
Total fee CB may charge to Client (in EUR)		A + B + C + D

Table 6: Calculation of audit fee

¹³ In the future subject to change to statistical sampling methods.

¹⁴ Table 6 is subject to change after release of the new Standard.



Assurance Protocol

Draft Release - vs 0.4 - May '20

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, excluding VAT) and recommends CBs to adhere to [table 7](#):

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 rates

Example: assuming a good performer, assuming daily auditor rate **1200 eur** (excl. VAT)

Year 1 - on site audit

- Audit preps: 0,5 day (if self-assessment was done, otherwise max 1 day)
- Actual audit: 0,5 day
- Reporting: 0,5 day
- Travel time: tbd

TOTAL: 1,5 DAY * 1200 EUR excl VAT = 1800 EUR (excl VAT + travel time)

Year 2 - desk review

- Audit preps: 0,5 day (if self-assessment was done, otherwise max 1 day)
- Actual audit: 0,25 day
- Reporting: 0,5 day
- Travel time: NO

TOTAL: 1,25 DAY * 1200 EUR excl VAT = 1500 EUR (excl VAT)

Year 3 - audit exemption (because of good performance in year 1 + 2)

- Audit preps: 0 day (if self-assessment was done, otherwise max 1 day)
- Actual audit: 0 day
- Reporting: 0 day
- Travel time: NO

TOTAL: 0 DAYS * 0 EUR excl VAT = 0 EUR (excl VAT)

➔ TOTAL ANNUAL FEE OVER 3 YEARS = (1800 + 1500 + 0)/ 3 = **1100 EUR**

Additional rules:

- The CB reserves the right to amend the initial audit contract (and audit fee) in the following situations:
 - If the client had indicated to conduct the self-assessment prior to the audit fee calculation, but during the audit this self-assessment turned out to be invalid or inadequately done;
 - If the auditor cannot complete the audit within the audit duration timeframe, but only after having shared proper justification with CNG;
 - If the organisational or operational boundaries turned out to be much wider than initially communicated by the Client (or FC) to the CB;
 - If NCs are detected during the audit, the CB conducts the 'NC Review', in principle through a desk review, but in exceptional situations (e.g. when proper justification is shared with CNG), this can be an on-site review.



Assurance Protocol

Draft Release - vs 0.4 - May '20

- 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 a NC review, the CB may send a separate invoice.



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 used as well as the data input of actual usage) are verified by CBs. As such, CNG does not prescribe eligibility criteria for FCs. However, CNG does recommend that footprint calculations are made by competent individuals/organisations (either the client itself, CNG, 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.</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; font-size: small;">For 'Certification of the Organisation'</th> <th style="text-align: center; font-size: small;">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 GHG emission sources 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 GHG emission sources 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 GHG emission sources in the supply chain of the certified product or service. 				
<p>Experience Can be demonstrated through: 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; font-size: small;">For 'Certification of the Organisation'</th> <th style="text-align: center; font-size: small;">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 its 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, i.e. 'certification of organisations' and/or 'product/service certification'. Only 'eligible CBs', 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 Climate Neutral Certification Program.



Assurance Protocol

Draft Release - vs 0.4 - May '20

<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 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="507 539 1394 689"> <thead> <tr> <th data-bbox="507 539 943 577">For 'Certification of the Organisation'</th> <th data-bbox="943 539 1394 577">For 'Certification of a Product/Service'</th> </tr> </thead> <tbody> <tr> <td data-bbox="507 577 943 689">- ISO 14065:2013 or ISO 17021-1:2015 with relevant sub-scopes¹⁵</td> <td data-bbox="943 577 1394 689">• ISO 14065:2013 or ISO 17065:2012 with relevant sub-scopes¹⁶</td> </tr> </tbody> </table> <p>3. Implementation of ISO 14065:2013 within the operational activities of the CB for the Climate Neutral 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 ¹⁵	• ISO 14065:2013 or ISO 17065:2012 with relevant sub-scopes ¹⁶
For 'Certification of the Organisation'	For 'Certification of a Product/Service'				
- ISO 14065:2013 or ISO 17021-1:2015 with relevant sub-scopes ¹⁵	• ISO 14065:2013 or ISO 17065:2012 with relevant sub-scopes ¹⁶				
<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 Climate Neutral 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; 3. Depending on the certification scope, proven knowledge of:
---	--

¹⁵ For the Development and Implementation Phases (see 'Terms of Reference for the Development of the Climate Neutral Certification Program'), CNG accepts any sub-scope.

¹⁶ Idem



Assurance Protocol

Draft Release - vs 0.4 - May '20

	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 GHG emission sources 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 , audits for other ICROA approved carbon neutrality schemes or programmes, or audits validating offset or inset projects that meet ICROA criteria.</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 organisational and operational boundaries and its ambitiousness). 	

Table 10: Eligibility criteria for second reviewers and auditors



4 Oversight Mechanism

NOTE: This chapter will be further elaborated after go-live of the Climate Neutral Certification Program.

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 reviewer' to check if the CB has adhered to ISO 14065:2013 for its verification and certification activities applicable to the Climate Neutral 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 competencies. As such, CNG requires CBs to periodically review competencies and performance of staff involved in the Climate Neutral 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 reviewer' to check if the findings and conclusions of the auditor and second reviewer were accurate.
 - **Shadow audit** -> CNG's reviewer joins an audit and observes the performance of the CB's auditor;
 - **Parallel audit** -> CNG's reviewer 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 CNG¹⁷ to discuss CNG's observations on how CBs interpretation (may) differ(s), and CBs can put forward situations that they would like to discuss as to 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-performance, 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

¹⁷ At no cost during the development and implementation trajectory, see '*Terms of Reference for the Development of the Climate Neutral Certification Program*'.



Assurance Protocol

Draft Release - vs 0.4 - May '20

disqualification of CB staff or disqualification of the CB entirely. For this, CNG aims to develop a sanction system (KPIs to 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 Climate Neutral 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)	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	'Internal GHG 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 criterion of the Standard and upload supporting evidence (e.g. during the Client's self-assessment and during the audit).
- record Client's 'Internal GHG Reduction Plan' and record future projections;
- record evidence of CB's or FC's compliance for their respective eligibility criteria;



Assurance Protocol

Draft Release - vs 0.4 – May '20

- 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 Climate Neutral 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 Climate Neutral 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 1](#) 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 criteria and rules documented in the Standard, Assurance Protocol and/or Trademark and 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.



Assurance Protocol

Draft Release - vs 0.4 - May '20

Annex 1: Potential Fee Structure

Fee for:	Charged by:	Charged to:
Footprint calculation	CNG or FC	Client
Consultancy and 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
Audit and Certification fee	CB	Client
Program fee e.g. giving the right to use trademarks 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