



## **Supplementary appendix – Reference scheme: European Emission trading System (EuETS)**

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### **CHAPTER 1 - GENERAL**

This appendix defines the procedures applied by RINA for verification activities and the methods to be followed by interested parties to request and obtain verification on the European Emission Trading System (EuETS) scheme, with respect to what is already defined in the General Rules for the validation and verification activities of information declared in claims.

This appendix defines the procedures applied by RINA for:

- Verification of annual emission reports,
- Verification of the reporting of baseline data, new entrant data or the annual activity level report for the 4th EuETS period,

according to Directive 2003/87/EC and subsequent amendments and additions.

#### **1.4**

It is considered necessary to have sufficient Operator's personnel alongside during the execution of verification activities, especially when the verification team consists of multiple people, to allow each auditor to work in parallel.

### **CHAPTER 2 – REFERENCE SCHEME/PROGRAM / REQUIREMENTS FOR VALIDATION / VERIFICATION**

- Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC and its subsequent amendments and supplements (EuETS Directive).
- Legislative Decree No. 47 of 9 June 2020, Implementation of Directive (EU) 2018/410 of the European Parliament and of the Council of 14 March 2018 amending Directive 2003/87/EC to support more cost-effective emission reductions and promote low-carbon investments, as well as adaptation of national legislation to the provisions of Regulation (EU) 2017/2392 on aviation activities and Decision (EU) 2015/1814 of the European Parliament and of the Council of 6 October 2015 on the establishment and operation of a market-stabilizing reserve.
- Commission Implementing Regulation (EU) 2018/2067 as amended of 19 December 2018 on data verification and accreditation of verifiers pursuant to Directive 2003/87/EC of the European Parliament and of the Council.
- Commission Implementing Regulation (EU) 2018/2066 as amended and supplemented of 19 December 2018 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council and amending Commission Regulation (EU) No 601/2012.
- Delegated Regulation (EU) 2019/331 as amended laying down transitional Union-wide rules for harmonised free allocation of emission allowances pursuant to Article 10a of Directive 2003/87/EC of the European Parliament and of the Council.
- Implementing Regulation (EU) 2019/1842 as amended laying down implementing provisions for Directive 2003/87/EC of the European Parliament and of the Council as regards further detailed rules for adjusting free allocation of emission allowances to take account of changes in activity levels.
- EA-6/03: EA Guidance for Recognition of Verification Bodies under EU ETS Directive.
- ISO 14065:2020 - General principles and requirements for bodies validating and verifying environmental information.
- ISO 14064-3:2019 - Greenhouse gases - Part 3: Specifications and guidance for validation and verification of greenhouse gas claims.

- IAF MD 6 - IAF Mandatory Document for the Application of ISO 14065.

## CHAPTER 3 - CONTRACT

### 3.1

RINA prepares the offer on the basis of the following information/documents:

- Verification of the annual emission report:
  - o name and address of the organisation benefiting from the activity;
  - o name and address of the client
  - o location of the site involved;
  - o emissions permit, only for operators of stable installations;
  - o the approved monitoring plan, mandated only for installations and aircraft operators that have never been verified; and
  - o all information reported in the information questionnaire.
- Verification of the reporting of baseline data, new entrance data or the annual activity level report for the 4<sup>th</sup> EuETS period:
  - o name and address of the organisation receiving the activity;
  - o name and address of the client
  - o location of the site involved;
  - o emissions permit;
  - o activity category and size category of the installation;
  - o number and type of sub-installations subject to application for free allocation or change of allocation; and
  - o presence of requirements related to the conditionality of free allocation;
  - o all information reported in the information questionnaire.

### 3.2

The contract stipulated between RINA and the organisation includes

- the document review of the organisation's documents (including the strategic analysis and verification risk analysis);
- the collection of sufficient objective evidence on original data/information, ensuring traceability through the data/information management process, further analysis and calculations; the identification of errors and consideration of their significance; the assessment of compliance with requirements (also by means of field visits/site assessments and telephone or remote interviews);

## CHAPTER 4 - PLANNING

### 4.1

During the execution of the verification activity, the sharing of documents by the Operator is required, which must be provided to the Verification Team according to the agreed timelines for the various phases. Failure by the Operator to meet these timelines may necessitate the application of additional time, at the Operator's expense, beyond what is stated in the initial offer.

Together with or following the validation/verification request, the organisation is to make the following documentation available to RINA:

- Verification of the annual emissions report
  - o the organisation's greenhouse gas emission permit, if it is a verification of an operator's emission report;
  - o the most recent version of the organisation's monitoring plan as well as any other useful version of the monitoring plan approved by the competent authority, including certification of approval
  - o a description of the organisation's data flow activities;
  - o the organisation's risk assessment referred to in Article 59(2)(a) of Implementing Regulation (EU)

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- 2018/2066 as amended and an outline description of the control system as a whole;
  - the procedures referred to in the monitoring plan approved by the competent authority, including those concerning data flow and control activities;
  - the emissions reporting of the organisation;
  - where applicable, the organisation's sampling plan referred to in Article 33 of the Implementing Regulation (EU) 2018/2066 as approved by the competent authority;
  - where the monitoring plan has changed during the reporting period, the record of all changes in accordance with Article 16(3) of Implementing Regulation (EU) 2018/2066 as amended;
  - where applicable, the report referred to in Article 69(4) of the Implementing Regulation (EU) 2018/2066, as amended;
  - the verification statement of the previous year, if RINA has not carried out the verification in the previous year;
  - all relevant correspondence with the competent authority, especially information related to the notification of changes to the monitoring plan;
  - information on databases and data sources used for monitoring and reporting purposes, including those from Eurocontrol;
  - where the verification concerns the emission report of an installation undertaking the geological storage of greenhouse gases in a storage site permitted under Directive 2009/31/EC, the monitoring plan required by that Directive and the reports required by Article 14 of that act, at least in relation to the period covered by the emission report under verification;
  - where applicable, the competent authority's approval of the waiver of the conduct of site visits of installations pursuant to Article 31(1) of Implementing Regulation (EU) 2018/2067 as amended;
  - or any other relevant information necessary for the planning and execution of the verification.
  - Verification of the annual activity level report for the 4th EuETS period:
    - the organisation's greenhouse gas emissions permit, if this is the verification of an operator's emissions report;
    - the most recent version of the organisation's monitoring plan as well as any other relevant version of the monitoring plan approved by the competent authority, including certification of approval;
    - the organisation's risk assessment referred to in Article 59(2)(a) of Implementing Regulation (EU) 2018/2066 as amended and an outline of the control system as a whole;
    - description of the activities concerning data flow and control activities to ensure that the data do not contain anomalies;
    - all relevant correspondence with the competent authority, especially information concerning the notification of changes to the monitoring plan;
    - information on databases and data sources used for monitoring and reporting purposes;
    - emissions report for the year(s) taken as reference (if RINA did not conduct the verification);
    - Verification statement corresponding to the emissions report for the year(s) taken as reference (if RINA did not conduct the verification);
    - most recent version of the monitoring methodology plan (PMM);
    - procedures mentioned in the PMM approved by the competent authority, including those concerning data flow activities and control activities (recall, insert list or recall and insert in practice);
    - Completed ALC form;
    - any other useful information necessary for the planning and execution of the audit.
  - Verification of the reporting of baseline data, new entrant data or the annual activity level report for the 4th EuETS period:
    - the organization's greenhouse gas emission permit, if it concerns the verification of an operator's emission report;

- the most recent version of the organization's monitoring plan, as well as any other useful versions of the monitoring plan approved by the competent authority, including the certification of approval;
- the organization's risk assessment pursuant to Article 59, paragraph 2, letter a) of the Implementing Regulation (EU) 2018/2066, as amended, and a schematic description of the overall control system;
- description of activities related to data flow and control activities to ensure that the data are free from anomalies;
- all relevant correspondence with the competent authority, especially information regarding notifications of changes to the monitoring plan;
- information on the databases and data sources used for monitoring and reporting purposes;
- the most recent version of the Monitoring Methodology Plan (MMP);
- procedures mentioned in the MMP approved by the competent authority, including those concerning data flow activities and control activities (reference them, insert the list or reference and insert it practically);
- completed NIMs/BDR form;
- emission report for the reference years (if RINA did not conduct the verification);
- verification statements corresponding to the emission report for the reference years (if RINA did not conduct the verification);
- the latest annual activity level report (if RINA did not conduct the verification);
- verification statement corresponding to the latest annual activity level report (if RINA did not conduct the verification);
- Supporting evidence for data that were optional in the ALC form but are mandatory in the BDR (e.g., non-exhaustive examples: emissions per sub-installation, heat balance, and electricity balance, additional data listed in sections 2.6 and 2.7 of Annex IV FAR);
- where applicable, if the calculations for the sub-installations have been revised compared to what was verified in previous years, all supporting evidence for the modified data and calculations, and the MMP updated accordingly;
- where applicable, in the case of the obligation to conduct an energy audit or implement a certified energy management system pursuant to Article 8 of Directive 2012/27/EU of the European Parliament and Council:
  - the evidence of fulfillment of the requirements;
  - the list of relevant recommendations from Energy Diagnoses or Audits, and for each recommendation:
    1. Progress status indicating the date of any past or planned implementation;
    2. Any exceptions applied in accordance with Art. 22bis of the FAR and the corresponding supporting evidence;
  - Procedure for managing and implementing energy recommendations (ref. 6 of GD12 and Article 22a(2) FAR).
- Any other useful information necessary for the planning and execution of the verification.

In addition to the above documentation, RINA may, at its discretion, also request additional documentation to be examined that it deems necessary for the audit.

## CHAPTER 5 – VALIDATION/VERIFICATION EXECUTION

The team reviews the documents to ensure that they meet the criteria of the agreed audit.

Through the review of the documents, the team initiates and proceeds to the strategic analysis and risk analysis as described below.

### Strategic analysis

At the start of the audit, RINA assesses the likely nature, extent and complexity of the verification tasks by carrying out a strategic analysis of all the activities involving the installation or Aircraft Operator.



The purpose of the strategic analysis is to understand the activities performed by the installation or Aircraft Operator in order to ascertain that:

- the materiality threshold applied is the correct one;
- the number of sub-installations and the type declared in the information questionnaire are the correct ones (if applicable);
- the verification team has sufficient expertise to conduct the verification;
- the timeframe stated in the contract is correct and to ensure that it is capable of conducting the required risk analysis.

### **Risk analysis**

RINA:

- analyses the inherent risks and risks associated with the audit with regard to the scope and complexity of the organisation's activities that could lead to material misstatements and non-conformities (material) with reference to the defined materiality threshold
- draws up an audit programme and sampling plan commensurate with this risk analysis.

### **Verification of processes**

One or more times, at appropriate times during the verification process, the team conducts a site visit to assess the operation of measurement devices and monitoring systems, to conduct interviews, and to gather sufficient information and evidence to enable it to conclude that the Air Operator's report is free from material misstatement. The team also uses the site visit to assess the limitations of the installation and its sub-installations as well as the completeness of source flows, emission sources and technical connections.

The verifier decides, based on the risk analysis, whether visits to additional sites are necessary, even when important parts of the data flow and control activities are conducted at other locations, such as the company's headquarters and other dislocated offices.

It is deemed necessary to have adequate company personnel accompanying the verification activities, especially in the case of verification teams composed of multiple individuals, to allow each auditor to work concurrently.

The team therefore

- implements the verification plan by collecting the data on which to base the verification conclusions, conforming to the prescribed sampling methods, document checks, analysis procedures and data verification procedures, plus all additional objective elements of interest;
- confirms the validity of the information used in the approved monitoring plan and/or monitoring methodology plan;
- verifies that the approved monitoring plan and monitoring methodology plan (if applicable) are implemented and that they are up to date;
- asks the plant organisation to provide any missing data, explain variations in data, or revise calculations or update reported data, before reaching a final conclusion on verification.

The team is required to report all non-conformities and inaccuracies relevant to the verification conclusions.

The organisation must provide further clarification or make necessary improvements to the communication and documentation.

The date of the site visit is agreed sufficiently in advance with the organisation and is officially confirmed at least one week in advance.

### **Possibility of off-site process verification**

In accordance with the provisions of articles 31 and 32 of the Implementing Rules (EU) 2018/2067 as amended and supplemented, it is possible to carry out off-site process verification, based on the outcome of the RINA risk analysis, after having ascertained that

- all the relevant data can be remotely accessed;
- that the conditions of article 32 are verified;
- the verifier does NOT assess the operator's report for the first time;

- the verifier has carried out site visits in two reporting periods immediately preceding the current reporting period;
- during the reporting period NO significant changes were made to the monitoring plans, including those referred to in Article 15(3) or (4) of Implementing Regulation (EU) 2018/2066 as amended;
- and:
  - o there is an approval from the competent authority; or
  - o the installation is low-emission (as defined in Article 47(2) of the Implementing Regulation (EU) 2018/2066 as amended).

### **Internal Verification Report**

Throughout the verification process, RINA records the important aspects of the various stages on the Internal Verification Report.

Any verification findings are recorded in the section entitled "Findings Management" and are classified according to the following definitions:

- "material misstatement" a misstatement that, in the opinion of the verifier, individually or when aggregated with other misstatements, exceeds the materiality threshold or could affect the processing of the organisation's communication by the competent authority;
- "non material misstatement" means an omission, false statement, or error in the data communicated by the operator, air operator, or regulated entity, excluding uncertainty not considered relevant under Article 12, paragraph 1, letter a), of Regulation (EU) 2018/2066;
- "non-compliance" means any act performed or omitted by the Operator or the regulated entity in violation of the greenhouse gas emission permit and the obligations stipulated in the monitoring plan and/or the monitoring methodology plan approved by the competent authority.;
- "recommendation" is a comment made by the verifier that provides information upon which an organisation can work to improve the performance of its emission monitoring and reporting activities.

The Internal Verification Report contains:

- the results of the verification activities carried out;
- the strategic analysis, risk analysis and sampling plan;
- sufficient information to support the verification opinion, including the rationale for the decisions made as to whether or not the identified misstatements have a material effect on the emissions or tonne-kilometre data reported;
- the results of the Independent Technical Review to the internal verification documentation.

RINA allows the competent authority access to the internal verification documentation to facilitate its assessment of the verification.

RINA does not normally deliver the Internal Verification Report to the organisation unless it makes an explicit request.

In the presence of findings, only the dedicated section is delivered to the organisation so that it can deal with them, also documentally and formally.

RINA reserves the right to terminate the contract with the customer if one of the following cases occurs:

- in case of NC not managed for 2 consecutive years: depending on the seriousness of the NC, a NOT VERIFIED opinion is issued and the contract terminated;
- in case of NC affecting Activity Levels not managed for 2 consecutive years: Operator will be required to apply the most conservative method for reporting activity levels, otherwise Operator will be issued a NOT VERIFIED opinion and terminated the contract.

### **Verification Statement**

On the basis of the information gathered during the verification, RINA submits a Verification Statement, prepared on a standard format of the Competent Authority, for each emission or tonne-kilometre report and for each report of baseline data, new entrant data or annual report concerning the level of activity verified by the organisation. The Verification Statement shall include at least one of the following opinions:



- Opinion - verified and found satisfactory: where the verification of the communication was found to be correct.
- Opinion - verified with comments: where the verification of the communication shows the presence of non-material inaccuracies and/or non-conformities that were not corrected prior to the submission of the Verification Statement;
- Opinion - unverified: where the communication contains one or more of the following
  - o uncorrected material misstatement (single or in aggregate)
  - o uncorrected material misstatement (either individually or in the aggregate);
  - o limitations in the data and information made available for verification;
  - o the scope of the verification is too limited within the meaning of Article 28 of the Implementing Regulation (EU) 2018/2067 as amended and the verifier could not obtain sufficient evidence to issue with reasonable assurance a verification opinion asserting that the report is not vitiated by material misstatements;
  - o the monitoring methodology plan is not subject to approval by the competent authority, the non-compliance with Delegated Regulation (EU) 2019/331 does not allow for sufficient clarity and prevents the verifier from asserting with reasonable assurance that the report of baseline data or new entrant data is not vitiated by material misstatements
  - o or the non-conformities, individually or in combination with other non-conformities, do not allow for sufficient clarity and prevent the verifier from asserting with reasonable assurance that the organisation's report is not vitiated by material misstatements.

## **CHAPTER 6 – DECISION AND ISSUE OF THE VALIDATION/VERIFICATION STATEMENT**

The internal verification report and the verification statement are subject to an independent technical review to ensure that the verification process has been carried out in accordance with Implementing Regulation (EU) 2018/2067 as amended, that the procedures for verification activities have been properly followed and that due professional diligence and discernment have been applied.

The independent technical reviewer also assesses whether the evidence gathered is sufficient to enable the verifier to issue a verification statement with reasonable certainty.

RINA informs the organisation in writing of the conclusions it has reached on the verification.

### **Handling of the verification report**

Once the verification process has been successfully completed, a verification statement is issued in line with the verification criteria/requirements of the scheme.

The organisation must then log on to its telematics desk (ETS Portal) and submit the communication accompanied by the digitally signed verification statement to the Competent National Authority in time for completion by 31 March.

The organisation may then proceed by digitally signing the summary document produced by the system and confirm the telematic transmission.

The organisation is responsible for entering the value of annual emissions in the Emissions Register. RINA confirms the emissions value proposed by the organisation in the Emissions Register after having verified that it corresponds to the verified value.

The organisation is required to surrender, by 30 April of each year, a number of emission allowances corresponding to the number of tonnes of CO<sub>2</sub> equivalent actually issued by the installation/aircraft operator during the monitoring and reporting period subject to verification, as declared and verified.

## **CHAPTER 7 – MODIFICATION AND WITHDRAWAL OF THE STATEMENT**

The General Rules for validation and verification activities of information declared in claims apply

## **CHAPTER 8 - COMPLAINTS AND APPEALS MANAGEMENT**

The General Rules for validation and verification activities of information declared in claims apply



## **CHAPTER 9 - CONTRACTUAL CONDITIONS**

The General Rules for validation and verification activities of information declared in claims apply