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.

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

- ISO 14065:2020 - General principles and requirements for bodies validating and verifying environmental information.
- 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 4th 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 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 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) 2018/2066 as amended and an outline description of the control system as a whole;
  o the procedures referred to in the monitoring plan approved by the competent authority, including those concerning data flow and control activities;
  o the reporting of emissions or tonne-kilometres, as appropriate, of the organisation;
  o 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;
  o 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;
  o where applicable, the report referred to in Article 69(4) of the Implementing Regulation (EU) 2018/2066, as amended;
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.

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;
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 omission, misrepresentation and error, excluding admissible uncertainty, that is not material;
- "non-compliance" means any act done or omitted by the operator in breach of the requirements laid down in the monitoring methodology plan;
- "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
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 CO2 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.