V06-MU-300e Service Description: Description of the ISO 14019 Validation/Verification Procedure

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This document was approved in accordance with CERT-401-VA-007. Details of the approval are available from the QM department.

The validation and/or verification of stated sustainability information in accordance with ISO 14019 may relate to quantitative or qualitative information, as well as to historical, forecast or forward-looking information. The process essentially comprises the phases of preliminary clarification and offer preparation, validation/verification and evidence planning, performance of the review, evaluation and independent review, and preparation of the agreed result. Depending on the engagement, either an assurance statement or a result without assurance is issued.
The following points apply in addition to the contents of document V00F300 (General Conditions ISO 17029).

1. PRELIMINARY CLARIFICATION AND OFFER PREPARATION

The preliminary clarification is carried out ahead of the actual review in order to ensure the feasibility of the commissioned validation/verification. Before accepting the engagement, the contractor checks whether the stated sustainability information is clearly identified, whether there is a traceable and non-misleading purpose, whether the intended users and their information needs are defined, and whether suitable requirements and criteria exist.
The criteria must be relevant, complete, reliable, neutral and understandable for the subject matter, and available to the intended users. It is also assessed whether the information is amenable to validation and/or verification and whether sufficient and appropriate evidence can be expected to be obtained. If these prerequisites are not met and cannot be established before the start of the engagement, the engagement is not accepted or the agreed scope is adjusted.

The client **must** provide the validation/verification body with sufficient information to carry out a preliminary review before audit preparation. At a minimum, the following information must be available for the preliminary meeting:

a) Name of the client (full legal name, address, contact person with contact details (email and telephone/mobile number) and VAT ID no.);
b) The sustainability information to be validated or verified, in the intended wording and form of presentation;
c) Purpose of the statement, intended users and intended publication or use;
d) Scope and boundaries of the review, in particular the organizations, sites, activities, topics, value chain components included, and the reporting or reference period;
e) The objectives and scope of the validation/verification (level of detail of the desired review statement (so-called level of assurance))[1]
f) The applicable legal, normative, program-related or other requirements and criteria;
g) Type of information, in particular historical or forward-looking as well as quantitative or qualitative information;
h) Desired level of assurance and the intended form of the review result;
i) Relevant reports, method and process descriptions, calculations, data, assumptions and evidence.

[1] Must not conflict with the objectives and standards.

In doing so, the reviewer agrees with the client on the information listed above.
If an assurance statement is intended, the level of assurance and materiality are determined within the engagement agreement. Materiality may include quantitative and qualitative aspects and is oriented towards the information needs of the intended users. The agreed level of assurance determines the nature, timing and extent of the activities to collect and evaluate evidence. The level of assurance is not changed during an ongoing engagement; if necessary, the engagement is terminated and restarted on the basis of a new agreement.

The preliminary clarification must be documented. The time interval between the preliminary clarification and the audit should not exceed **3 months**. If the effort during the preliminary clarification deviates significantly from the effort already contractually agreed, the offer must be revised.

2. PREPARATION OF THE PLAN FOR COLLECTING EVIDENCE

Based on the results of the preliminary meeting and additional documents submitted, a sampling plan (plan for collecting evidence) is prepared. The documents additionally submitted by the client must be made available to the validation/verification team **at least 21 days before** the audit is carried out and must include:

- the final, auditable version of the stated sustainability information;
- method, process and system descriptions, including the applied boundaries and criteria;
- the underlying quantitative and qualitative data, calculations and assumptions;
- evidence on data sources, internal controls, estimates and externally sourced information;
- for forward-looking information, the documents referred to in Section 4.

While the validation/verification plan serves to describe the necessary review steps, including their timing, the sampling plan (plan for collecting evidence) describes the evidence required and to be reviewed. If the above data are not available to the validation/verification team **at least 21 days before** the audit is carried out, the audit team reserves the right to postpone the scheduled audit date.

3. AUDIT

3.1. Audit Preparation (Preliminary Review of Client Documentation Submitted)

As part of audit preparation, a preliminary review of the client documentation submitted is carried out with regard to mathematical errors, inconsistencies, and the use of untraceable or incorrect data/factors. In addition, it is assessed whether the assumptions made are traceable and, in case of doubt, conservative. Identified weaknesses or inconsistencies are recorded in a deviation report.
If the preliminary review cannot conclusively establish that the company is ready for the audit, the validation/verification process is terminated at this point.

In the course of the preliminary review, the validation/verification plan and/or the sampling plan (plan for collecting evidence) may need to be adjusted.

3.2. On-site Audit (Validation/Verification Audit)

The audit is carried out on site and/or remotely, as agreed in the scope. The decision on whether an on-site visit is required is made by the lead auditor in consultation with the client. The audit serves primarily the following objectives:

- clarification of open points and findings from the audit preparation;
- tracing the collection, processing, consolidation and presentation of relevant information;
- review of selected data, documents, systems, controls and other evidence;
- interviews with the persons responsible for the sustainability information;
- assessment of conformity with the agreed requirements and criteria.

Misstatements, nonconformities, insufficient evidence and limitations identified are documented and communicated to the client.

3.3. Assessment of the Review Statement / Correction Phase

Based on the results of the preliminary review and the on-site audit, the sustainability information under review is assessed for accuracy and traceability. It is also assessed whether the requirements of the applied standard and/or criteria have been met.

Based on the deviation report, the client is first given the opportunity to correct identified errors and to clarify deviations. After completion of the correction phase, the corrections made are checked by the audit team. If correction is still required and deviations remain unresolved, a further correction phase may take place. The period planned for the correction phase is to be agreed between the client and the audit team leader but should not exceed **3 months**.

Finally, the audit team must assess whether the documents provided, together with the results of the data review and the correction phase, are sufficient to unambiguously substantiate the sustainability information.[2] Based on the review performed, the validation/verification report is then prepared. Uncorrected material matters or material limitations are taken into account in the review result and may mean that no positive conclusion is issued.

4. VALIDATION OF FORWARD-LOOKING SUSTAINABILITY INFORMATION

For forward-looking sustainability information, the contractor assesses whether the published statement is based on traceable, documented and verifiable foundations at the time of the review. The review includes, insofar as relevant to the specific statement, in particular:

- the unambiguous wording, scope and time reference of the statement;
- a traceable and scientifically robust derivation of the goals and assumptions;
- a suitable base year or baseline and measurable interim and final targets;

[2] Taking into account the agreed parameters.

- a documented implementation or transformation plan with concrete measures, responsibilities, timeline, and personnel and financial resources;
- regular, generally annual monitoring and transparent reporting of progress;
- consistency of the statement with the underlying data and plans, and avoidance of misleading or unsubstantiated representations.

For greenhouse-gas-related statements, the CO_2e footprint of the base year or of individual relevant emission categories is included in the review. This does not apply where a valid, suitable external verification certificate exists; for statements that are not greenhouse-gas related, no CO_2e footprint is required.
Validation does not guarantee the future achievement of targets. Responsibility for implementation, financing, monitoring and achievement of targets remains with the responsible organization.

After completion of the review, the contractor assesses whether sufficient and appropriate evidence exists and whether the validation risk has been reduced to a level acceptable for the agreed level of assurance. The result relates exclusively to the forward-looking sustainability information(s), the defined period, the agreed scope and the applied criteria. Depending on the findings, an unmodified or modified assurance statement is issued, the issuance of a statement is refused or, if expressly agreed, a result without assurance, for example a report of factual findings, is issued.

5. VERIFICATION OF SUSTAINABILITY INFORMATION

Verification relates to stated sustainability information that is based on historical events, activities, conditions or results. The aim is to assess whether the information is materially correct for the agreed reporting or reference period and meets the defined requirements and criteria. The subject matter may include quantitative and qualitative information, together with the associated methods, systems, controls, data sources, calculations, estimates, consolidations and presentations.

As part of the verification, sufficient and appropriate evidence is gathered and evaluated. This may include, in particular, tracing information back to source data, document and system checks, interviews, observations, analytical procedures, recalculations, consistency and plausibility checks, and the assessment of estimates, assumptions, data gaps, controls and transformation steps. Quantitative and qualitative information are each examined using suitable procedures.

After completion of the review, the contractor assesses whether sufficient and appropriate evidence exists and whether the verification risk has been reduced to a level acceptable for the agreed level of assurance. The result relates exclusively to the identified historical sustainability information, the defined period, the agreed scope and the applied criteria. Depending on the findings, an unmodified or modified assurance statement is issued, the issuance of a statement is refused or, if expressly agreed, a result without assurance, for example a report of factual findings, is issued.

6. COMBINED VALIDATION AND VERIFICATION (MIXED ENGAGEMENT)

A mixed engagement exists where an engagement includes both verification activities relating to historical sustainability information and validation activities relating to hypothetical, projected or forward-looking sustainability information.
Already at the engagement clarification stage, the components to be verified and those to be validated are clearly identified and separated from each other. For each component, the subject matter, period or forward-looking horizon, scope, criteria, intended users, materiality, level of assurance and type of result are defined. Where different criteria, levels of assurance or forms of result apply to individual components, this is expressly agreed.

For the verification component, it is assessed whether the historical information is materially correct and meets the defined requirements and criteria. For the validation component, it is assessed whether the underlying assumptions, methods, limitations, plans and procedures used to derive the forward-looking information are appropriate. Validation does not guarantee that projected results or targets will actually occur.

The final result expressly states that a mixed engagement was performed. It identifies which information was verified and which was validated, which components are the subject of an assurance statement and, where applicable, which are the subject of a result without assurance. The conclusion on the verification component is clearly separated from the conclusion on the validation component. If the requirements for a positive conclusion can only be met for one part, this is presented separately; a positive result for one component must not be understood as a positive result for the other.

7. VALIDATION/VERIFICATION REPORT / ASSURANCE STATEMENT

After completion of the review, the client receives the agreed result document. For an engagement with assurance, this is an assurance statement; for expressly agreed activities without assurance, in particular a report of factual findings or another evidence report may be issued. The result identifies the sustainability information stated and the responsible party, describes its responsibility, names the requirements and criteria applied for preparation and review, the scope, the level of assurance and the material limitations, and contains the conclusion or the factual findings. For forecasts or projections, it is noted that actual results may differ from the expected results due to changed assumptions.

8. CERTIFICATE ISSUANCE

Before the final assurance statement or report of factual findings and the certificate are issued, the engagement is independently reviewed. The reviewing person may not have been involved in the planning nor been a member of the validation/verification team.
The assurance statement may be issued unmodified, qualified or otherwise modified, or may be adverse. If sufficient and appropriate evidence cannot be obtained and nonconformities or deviations cannot be resolved, the contractor may refuse to issue a statement.

8.1. Validity of the Certificate for Validated/Verified Sustainability Information(s)

The certificate of a verification confirms the sustainability information(s) as at a historical point in time. The validity of the certificate begins on the date of issuance of the certificate.

The certificate of a validation confirms forward-looking sustainability information. The validity of the certificate is one year and begins on the date of issuance of the certificate.

8.2. Validity and Use of the Review Result

The report applies exclusively to the designated sustainability information, the agreed scope, the criteria and the review date or reporting period. Transfer to other matters is not permitted.
On publication, the report must be accessible to the intended users. References must not present the scope, level of assurance or result in a misleading way. The reviewed wording may only be used in the version assessed by the contractor.

8.3. Follow-up Review and Material Changes

Validations must be reviewed again regularly, generally annually. Material changes to the statement, scope, data bases, objectives, assumptions, measures, financing or timeline must be communicated to the contractor without delay and may require an early reassessment.
Without the required reassessment, the report loses its significance in the event of material changes.