4 General Validation/Verification Process

Each validation/verification project follows a defined general process. Exceptions or additions to this process based on program specific requirements are outlined in the internal management system policy.

The process includes:

- Pre-engagement (Section 4.1)
- Engagement (Section 4.2)
- Planning (Section 4.3)
- Validation/verification execution (Section 4.4)
- Internal review (Section 4.5.3)
- Decision and issuance of the validation/verification statement (4.5.4)
- Handling of facts discovered after the issuance of the validation/verification statement (Section 4.6)
- Handling of complaints (website)
- Handling of appeals (website)
- Records (Section 3.5)

4.1 Pre-Engagement

Pre-engagement activities start when the client approaches AWT with a potential validation/verification process and end just prior to the development of a contract with the client.

4.1.1 Information from Client

When AWT is contacted by a client for validation or verification of a GHG assertion, the client is required to submit the following information:

- Client name
- Proposed claim to be validated/verified
- Location(s) where the client's activities are undertaken
- Program name and protocol
- Validation/verification objectives
- Project boundaries
- Description of facilities, physical infrastructure, activities, technologies, and processes
- GHG sources, sinks, and reservoirs
- Types of GHGs
- Reporting period
- Material secondary effects (leakage, changes in GHG emissions up- and down-stream of the project
- Baseline
- Relevant reports, data, or other information including information required by the GHG program
- Materiality
- Level of assurance (if applicable)

4.1.2 Review of Information Received from Client

AWT reviews the information received from the client to ensure that:

- An applicable program exists or will be established
- The claim is understood
- Objectives and scope of the validation/verification have been agreed with the client
- The specified requirements against which the claim will be validated/verified have been identified and are suitable
- The materiality and level of assurance have been agreed
- The process for validation/verification activities can be achieved
- The validation/verification duration can be estimated
- We have identified and have access to the resources and competencies that are required to undertake the validation/verification.
- The time frame for the planned validation/verification can be proposed.

4.1.3 Appointing the Team Leader

Team leaders are appointed for specific projects based on the competency requirements outlined in Section 2.4.7. It is the responsibility of the V/V Director to authorize team leaders upon demonstration of competencies. In the instances where the Director functions as the team leader, the VP of Agriculture performs the authorization and documents applicable competencies.

4.1.4 Selecting the Validation/Verification Team

V/V Teams are selected for specific projects based on the competency requirements outlined in the internal management system policy. It is the responsibility of the V/V Director to authorize team members upon demonstration of applicable competencies. It is the responsibility of the team leader to assemble the remaining team members (if needed) in addition to the internal peer reviewer, COI auditor, and appeals, complaints, and disputes representative.

4.1.5 Internal Conflict of Interest Evaluation

After the roles have been assigned for the project, our internal conflict of interest evaluation takes place.

4.1.6 Registry Specific Conflict of Interest Evaluation

Registry specific conflict of interest evaluations are accomplished (if applicable).

4.2 Engagement

A contract is developed during the early stages of the verification process. This contract outlines the level of assurance (if applicable) agreed upon with the client, scope of services, objectives, amount, and type of evidence necessary to achieve the agreed level of assurance, methodologies for determining representative samples and risks for potential errors, omissions, or misrepresentations.

Each validation/verification project is bound by a signed and executed contract, which is developed by the Team Leader. The contract is finalized (signed) after the registry has approved our COI evaluation (if applicable). Clients are authorized to use any statements contained within their verification document, if AWT is properly referenced. Clients are not permitted to use the

AWT logo on any of their marketing material, public information sources or documents, unless a signed written request by the client has been authorized.

4.3 Planning

AWT conducts a review of the responsible party's GHG information prior to undertaking the validation/verification activities. The following planning activities are accomplished

- Assign competent resources to undertake the activities (Section 4.1.3 and 4.1.4)
- Perform strategic analysis of GHG information (Section 4.3.1)
- Assess the risk of a material misstatement (Section 4.3.2)
- Confirm the timing and access arrangements with the client (4.3.4)
- Determine evidence-gathering activities needed to complete the validation/ verification in accordance with the specified requirements and consistent with the results of the strategic analysis and risk assessment (Section 4.3.3)
- Prepare an evidence-gathering plan, considering the risk assessment and any measures the client has in place to control sources of potential errors, omissions, and misrepresentations (Section 4.3.3)
- Prepare a validation/verification plan considering the evidence-gathering plan as an input (Section 4.3.4)

4.3.1 Strategic Analysis

The team leader reviews the project documentation, which provides the details of the project (technology implemented, location, offset calculations), baseline, eligibility, applicable GHG protocol(s) and description of the project data, project monitoring and QA/QC. The GHG information is reviewed to determine the nature and extent of the validation/verification activities and if AWT has the technical capabilities to accomplish the validation/verification (i.e. knowledge of applicable scopes, personnel available, and authorization from the applicable program). The project documentation is reviewed with special emphasis on whether the project is eligible based on program requirements, as well as the overall quality of the information in terms of completeness and process documentation. An internal checklist is utilized to document the strategic analysis of the GHG information.

The strategic analysis considers:

- Relevant sector information
- The nature of operations of the project
- The requirements of the criteria, including applicable regulatory and/or GHG registry requirements
- The materiality threshold
- The likely accuracy and completeness of the GHG assertion
- The scope and boundaries of the GHG assertion
- The reporting period
- Sources, sinks and reservoirs and their contribution to the GHG assertion
- Data management information system and controls
- Management oversight of the reporting data and supporting processes
- The availability of evidence supporting the GHG assertion

- The results of sensitivity or uncertainty analysis
- The types of GHGs
- The applied monitoring methodology (direct measurement and/or calculation)

Sources of information to inform the strategic analysis include:

- Results of previous verifications
- Results of the validation report
- Project description document
- Requirements of the monitoring plan
- Monitoring report

If the documentation falls short in any of these categories or insufficient information is provided to conduct a review of the GHG information, the team leader will contact the responsible party and inform them of the areas of concern. Otherwise, the team leader proceeds with the risk assessment based on the information provided by the responsible party.

The output from the strategic analysis is used as an input to the assessment of risks, evidence gathering plan and v/v plan.

4.3.2 Risk Assessment

AWT assesses sources and magnitudes of potential errors, omissions, and misrepresentations based on the project documentation provided by the client or responsible party to inform further v/v activities. The risks assessed include:

- The inherent risk of a material discrepancy occurring,
- The risk that the controls of the GHG project will not prevent or detect a material discrepancy and
- The risk that the validator or verifier will not detect any material discrepancy that has not been corrected by the controls of the project

The team leader carries out the assessment of inherent risk of material discrepancy occurring by reviewing the specific types of data utilized to determine the project offsets. A determination of the risk of material discrepancy occurring for each data variable is made based on the method utilized by the responsible party to determine the value of said data. Observations are utilized to form the basis of the evidence gathering plan.

The team leader carries out the assessment of risk that the controls of the GHG project will not prevent or detect material discrepancy by reviewing the controls that the responsible party has in place to ensure quality assurance and quality control of the applicable data. Data associated with processes having limited controls are sampled more heavily than those with robust controls. Observations are utilized to inform the evidence gathering plan.

The team leader carries out the assessment of risk that the validator or verifier will not detect any material discrepancy that has not been corrected by the controls of the project by developing and reviewing the evidence gathering plan to ensure that it provides sufficient rigor to go beyond the controls of the project and provide in depth scrutiny of the data utilized to make offset calculations.

If it is suspected that the controls of the project do not provide quality assurance for a particular piece of data, then the evidence gathering plan reflects increased scrutiny of said data.

An internal checklist is utilized by the team leader for each project to ensure consistency in assessments.

The risk assessment considers:

- The likelihood of intentional misstatement in the GHG assertion
- The relative effect of sources on the overall GHG assertion and materiality
- The likelihood of omission of a potentially significant emission source
- Whether there are any significant emissions that are outside the normal course of business or that otherwise appear to be unusual
- The nature of operations specific to the project
- The degree of complexity in determining the project boundary and whether related parties are involved
- Any changes from prior reporting periods
- The likelihood of regulatory non-compliance that can have a direct effect on the GHG assertion
- Any significant economic or regulatory changes that might impact emissions or emissions reporting
- Selection, quality, and sources of GHG data
- The level of detail of the available documentation
- The nature and complexity of quantification methods
- The degree of subjectivity in the quantification of emissions
- Any significant estimates and the data on which they are based
- The characteristics of the data management information system and controls
- The apparent effectiveness of the responsible party's control system in identifying and preventing errors or omissions
- Any controls used to monitor and report GHG data
- The experience, skills, and training of personnel
- Whether the current operating conditions reflect the assumptions, limitations, methods, and uncertainties in the project plan or criteria
- The complexity and data availability of the baseline calculations
- A comparison of actual versus expected emission reductions or removal enhancements.

The level of risk mitigation provided by the GHG information systems and controls will ultimately impact the detail and level of v/v sampling.

Based on the risk assessment, the team leader identifies the need to visit sites and facilities, including the number and location of individual locations to be visited considering:

- Results of the risk assessment and efficiencies in collecting evidence
- Number and size of sites and facilities associated with the project
- Diversity of activities at each site and facility contributing to the GHG statement
- Nature and magnitude of the emissions at different sites and facilities, and their contribution to the GHG statement

- Complexity of quantifying emission sources generated at each relevant site or facility
- Degree of confidence in the GHG data management system
- Any risks identified through the risk assessment indicating the need to visit specific locations
- Results of prior validations or verifications

AWT will perform a site or facility visit under any of the following circumstances:

- Initial verification
- Subsequent verification for which the team leader does not have knowledge of the prior verification activities and results
- Verification where there has been a change of ownership of a site or facility and where the emissions, removals and storage of the site or facility are material to the GHG statement
- When misstatements are identified during the verification that indicate a need to visit a site or facility
- There are unexplained material changes in emission, removals, and storage since the previous verified GHG statement
- Addition of a site or facility of GHG SSRs that are material to the GHG statement
- Material changes in scope or boundary of reporting
- Significant changes in the data management involving the specific site or facility
- Program requirement

If the team leader determines that a site or facility visit is not necessary, the team leader will justify and document the rationale for the decision in the Risk Assessment Checklist.

4.3.3 Evidence-Gathering Plan

AWT develops an evidence-gathering plan (Attachment S) to account for the following:

- Level of assurance (if applicable) agreed with the client
- Validation/verification scope
- Validation/verification criteria
- Amount and type of evidence necessary to achieve the agreed level of assurance
- Methodologies for determining representative samples
- Risks of potential errors, omissions, or misrepresentations

It is the responsibility of the Team Leader to develop and approve the evidence-gathering plan and revise the plan as necessary during the validation/verification. They will review the outcome of the planning process considering evidence and information gathered during the v/v process and revise the plan when necessary. This is based on any new risks or material concerns that could potentially lead to errors, omissions, or misrepresentations that are identified throughout the validation/verification process.

The team leader details the amount and types of data that will need to be reviewed, methods for determining representative samples, as well as a summary of perceived risks of potential errors, omissions, and misrepresentations (see discussion of risk assessment above). The team leader uses the guidelines of the applicable GHG program when developing the evidence gathering plan.

When specific guidelines for determining representative samples are not available, the team leader determines representative samples based on the complexity of the controls. Unless more rigorous sampling is deemed appropriate by the team leader, data that is automated and not subsequently manually transcribed is sampled such that automated calculations/aggregations are checked for a minimum of one data point per data set to ensure software is set up correctly. If material anomalies are observed, a corrective action request shall be issued. Where data is manually transcribed, raw data utilized for GHG emission reduction calculations is sampled at a rate of the equivalent of 1 month out of 6 months or 2 months/year for all relevant data sets. Where spreadsheets are utilized, all formulas are reviewed to ensure accuracy. Should the field audit reveal inconsistencies in the project documentation and the implementation of the project in terms of data collection and management, a corrective action request shall be issued, and the minimum sampling rate shall be doubled. Should the desk review of data and calculation procedures uncover material errors, the minimum sampling rate of desk reviewable data shall also be doubled. If program requirements set forth detailed sampling requirements that are more rigorous than the internal requirements listed above, the program requirements take precedence.

4.3.3.1 Evidence Gathering Plan for Validation

The evidence gathering plan includes activities that assess the following characteristics of the GHG project:

- recognition
  - determine whether the GHG project is acceptable to the intended user, including whether the project meets the eligibility criteria specified by the intended user
  - assess whether there are geographical or temporal restrictions specified by the intended user and whether the project complies with the restrictions
  - assess whether the project is real, quantifiable, verifiable, permanent, and enforceable
  - after confirmation of the calculations used in the GHG assertion, re-assess the three items above for the project
- ownership
  - assess whether the responsible party owns or has the right to claim emission reductions or removal enhancements expressed in the GHG assertion
- GHG boundary
  - assess whether the boundaries are appropriate (contain all relevant SSRs)
- baseline selection
  - assess whether the baseline is the most appropriate, plausible, and complete hypothetical scenario
    - determine whether the baseline determined is recognized by the intended user
    - assess whether the baseline is established using a credible, documented, and repeatable process
    - assess whether the baseline is appropriate for the project for the period referenced in the GHG assertion
    - assess the baseline selection, including how conservativeness, uncertainty, common practice and the operating environment affect the selection.
- activity measurements

    - assess the designated operational conditions and the associated activity levels used in the GHG quantification methodologies for the GHG project to determine how they will produce accurate, complete, and conservative estimates.
- leakage
    - assess the project to determine if material economic effects during the GHG assertion period will change emissions outside the project boundary.
    - if the project is required to account for leakage, assess the completeness and accuracy of these adjustments.
- quantification methodologies and measurements
    - assess whether the selected quantification methodologies and associated measurements or monitoring are acceptable to the intended user including:
        - acceptable accuracy and reliability
        - conservative
        - appropriately applied
    - note when operational ranges, operational conditions, or assumptions have not been met.
- GHG information system and controls
    - assess the GHG information management system and procedures of the project to determine whether they can be relied upon during verification by:
        - identifying all measured and monitored data and assessing whether it corresponds with the GHG calculations
        - identifying and confirming the acceptability of all additional information that is used in the GHG calculations including emission factors, conversions, and global warming potentials
        - assessing whether there is sufficient and appropriate planned record keeping to connect the measurements to the reporting
        - identifying key points in the data management process that have inherently higher risks of misreporting and assess the responsible party's data controls at the key risk points
        - identifying responsibilities for the data and GHG information management system and assessing whether appropriate segregation of duties has occurred and appropriate levels of responsibility and authority have been assigned
        - assessing whether the data collection and control operation frequencies are appropriate
        - assessing whether the backup and retrieval systems are sufficiently robust
        - assessing whether the content of the GHG assertion and who it is distributed to are appropriate
        - assessing whether the data controls and GHG information management system meet the requirements of the intended user
- functional equivalence
    - assess whether the project and baseline are functionally equivalent by:
        - assessing both quantitative and qualitative aspects of functional equivalence
        - identifying and documenting the functional unit used for the quantitative assessment
        - assessing the comparability of the scope of the project and baseline boundaries
- calculation of GHG assertion

    - confirm the calculations used in the GHG assertion by:
        - confirming the correct application of calculations
        - confirming the correct application of conversion factors and global warming potentials
        - confirming the calculations have been performed in accordance with the criteria
- future estimates
    - evaluate the forecasts or projections associated with the GHG assertion by assessing:
        - the proposed approach and assumptions inherent in the projection
        - the applicability of scope of the projection to the proposed GHG project
        - the sources of data and information used in the projection, including their appropriateness, completeness, accuracy, and reliability
- uncertainty
    - assess whether the uncertainty associated with the GHG assertion affects disclosure or the ability of the validator to arrive at a conclusion by:
        - identifying uncertainties that are greater than expected
        - assessing the effect of the identified uncertainties on the GHG assertion
        - determining the appropriate course of action given the uncertainty
- sensitivities
    - identify assumptions with high potential for change and assess whether these changes are material to the GHG assertion

4.3.3.2 Evidence Gathering Plan for Verification

The evidence gathering plan includes:

- Activities to determine the existence of data trails for material emissions SSRs
- Activities to assess the design and effectiveness of the GHG information system and controls with consideration for:
    - The selection and management of the GHG data and information
    - Processes for collecting, processing, consolidating, and reporting GHG data and information
    - The design and maintenance of the GHG information system
    - Systems, processes, and personnel that support the GHG information system, including activities for ensuring data quality (validity and accuracy)
    - The results of instrument maintenance and calibration
    - The results of previous verifications
- Activities to test GHG data and information
- Activities that relate to the data aggregation process, including reconciling the GHG assertion with the underlying records and examining material adjustments made during the course of preparing the GHG assertion
- Activities to test the operating effectiveness of controls
    - If deviations are detected, assess whether the deviations affect the ability to rely on those controls and whether additional test of controls are necessary.
- Activities to assess whether the responsible party owns or has the right to claim emission reductions or removal enhancements expressed in the GHG assertion.

If the risk assessment determines the estimated approach has material impact on the overall GHG assertion, the following will be evaluated:

- The appropriateness of the estimate methodology
- The applicability of the assumptions in the estimate
- The quality of the data used in the estimate
- Whether the estimate complies with the criteria
- Whether the methods for making the estimate:
  - Have been applied consistently from prior reporting periods
  - Have been changed from prior reporting periods
  - Are appropriate

The evidence gathering plan is utilized as input to develop the validation/verification plan.

4.3.4 Validation/Verification Plan

AWT develops a documented validation/verification plan that addresses the following:

- Level of assurance (if applicable)
- Validation/verification objectives
- Validation/verification criteria
- Validation/verification scope
- Materiality
- Validation/verification activities and schedules
- Process for Complaints, Appeals and Disputes

It is the responsibility of the team leader to develop and approve the validation/ verification plan and revise the plan as necessary during the validation/verification. The validation/verification plan is submitted to the client or responsible party prior to initiating validation/verification activities. AWT will then make any necessary changes agreed upon with the client related to the criteria, scope, materiality, level of assurance (if applicable), objectives or any additional findings that emerge that would affect the conclusion of the strategic analysis and/or assessment of risks. All information and data to be sampled is determined at this stage of the process. Once the plan is approved, the team leader then confirms that the v/v duration, team competencies and team member assignments are adequate and fit the needs of the v/v. The v/v team will then ensure that there is consistency between the v/v plan and the contractual agreements listed above. All v/v documentation will clearly identify any approved variations to the agreement.

AWT provides a reasonable level of assurance (if applicable) that the GHG assertion is or is not materially correct and a fair representation of the associated GHG data for all projects to be validated/verified for eventual registration in a GHG program (CAR, VERRA, and ACR). AWT also provides a reasonable level of assurance (if applicable) that the GHG assertion is prepared in accordance with the requirements of the program under which the project is seeking registration of offsets.

Validation objectives include an assessment of the likelihood that implementation of the planned GHG project will result in the GHG offsets stated by the responsible party. The objectives are agreed upon by the validator and client at the beginning of the validation process and include

consideration of the requirements of the GHG program, the documentation associated with the GHG project plan and the planned controls of the GHG project.

Verification objectives are agreed upon by AWT and the client at the beginning of the verification process and include the requirements of the GHG program, GHG project documentation (project, baseline, QA/QC, risk management, monitoring and reporting procedures/criteria), any changes in the GHG project since the validation or last reporting period, asserted project and baselines emissions and actual controls of the GHG project.

AWT and the client at the beginning of the validation/verification process agree upon validation/verification criteria. Validation/verification criteria are set by the applicable GHG program (CAR, VERRA, and ACR) and the validation or verification team to guide the v/v process, including: evaluation of findings, conclusions, opinions and decisions reached regarding the GHG assertion.

AWT and the client at the beginning of the validation/verification process agree upon the validation/verification scope. The validation verification scope includes: GHG project and baseline scenarios; activities technologies and processes of the GHG project; GHG sources, sinks and reservoirs; types of GHGs; time period to be covered; frequency of subsequent verification activities during the GHG project; timing and intended user of the validation/verification report and the validation/verification statement; and the relative size of the GHG project. Most of this information is articulated in the project documentation provided by the responsible party.

AWT and the client at the beginning of the validation/verification process agree upon a materiality threshold. In most cases, the applicable GHG program sets materiality thresholds. However, if the applicable GHG program does not set materiality thresholds, AWT takes a conservative approach establishing these thresholds (1% is standard). Therefore, any group of errors, omissions or misrepresentations impacting the asserted GHG offsets greater than 1% is considered a material error. A corrective action request is issued by AWT to the client or responsible party in the event of discovery of a material error.

V/V activities and schedules are communicated in the v/v plan. A program specific step-by-step procedure is provided in Section 5**,** as well as a general timeline for the activities considering prior engagements, complexity, history with client and travel considerations.

4.4 Validation/Verification

Once the validation/verification plan is agreed upon, AWT performs the validation/verification by assessing the project's GHG information system and its controls for sources of potential errors, omissions, and misrepresentations based on the evidence gathering plan and validation/verification plan.

AWT takes the approach of professional skepticism, which assumes that the presented information and data may be wrong until proven otherwise and considers relevant stakeholder or market concerns and the applicable v/v criteria (including all applicable definitions contained within the agreed upon verification criteria, i.e., ISO 14064-3, CAR protocol, etc.). Where the v/v criteria

impose requirements related to the GHG information systems or controls, conformance with these requirements will be validated or verified.

Verification of a project GHG assertion includes the following:

- Reviewing the v/v report for the project
- Verification of any changes to the GHG project plan including
    - Identified GHG sources, sinks and reservoirs applicable to the project
    - Baseline scenario
    - Selection and quantification of GHG sources, sinks and reservoirs applicable to baseline scenarios
    - Verification of any changes to the justification for selection or establishment of the criteria and procedures
    - Verification of any changes to the organizational links and interactions between stakeholders, responsible party, client and intended users

The results of the assessment of the project's GHG information system and controls are used to amend the evidence gathering plan if necessary. Amended evidence gathering plans are communicated to the responsible AWT employees and/or subcontractors.

Additionally, the validation/verification plan shall be revised as necessary during validation/verification. Revisions to the plan shall be internally documented and communicated with the client.

Input into the assessment of the GHG assertion includes the following:

- Contract requirements related to scope, criteria, objectives, level of assurance (if applicable) and materiality as well as any v/v criteria including applicable definitions contained in said criteria
- GHG assertion
- Output from the strategic analysis and assessment of risks
- Output from the assessment of GHG information system and controls
- Output from the assessment of GHG data and information
- Output from the assessment against v/v criteria

AWT examines the GHG data and information to develop evidence for the assessment of the project's GHG assertion based on the evidence gathering plan. This is accomplished by the team members assigned to the project via desk and field audit of GHG data and information. Documentation is checked for completeness and accuracy via desk audit. Processes and data that are not easily transported are checked for compliance with GHG program requirements and project documentation during the field audit.

Field audits are carried out using project specific checklists to aide with the field audits.

Additional sampling may be necessary if processes to collect, consolidate, report, and ensure accuracy of the GHG data and information are not carried out by the responsible party according to the requirements of the project documentation or the applicable GHG program. If additional

sampling is necessary based on the examination, the Team Leader amends the evidence gathering plan.

AWT confirms the following:

- Determines whether the organization or GHG project conforms to the v/v criteria including all relevant definitions contained within the v/v criteria documents.
- Considers principles of the standards of GHG program to which the responsible party subscribes, when evaluating material discrepancies
- Evaluates whether the v/v evidence collected supports the GHG assertion
- Evaluates whether the software and hardware used to process the information is working properly.
- Evaluates whether the evidence collected in the assessment of controls, GHG data and information and applicable GHG program criteria is sufficient and if it supports the GHG assertion
- Concludes whether the GHG assertion is without material discrepancy and whether the v/v activities provide the level of assurance (if applicable) agreed upon at the beginning of the v/v process
- When criteria allow the client to select or establish procedures that relate to the determination of certain characteristics (baseline, sources, sinks and reservoirs, monitoring processing, etc.) the v/v will include an assessment of the client's justifications

If the responsible party amends the GHG assertion, AWT evaluates the modified GHG assertion to determine whether the evidence supports the modified GHG assertion. AWT utilizes the same procedures to assess a modified GHG assertion as are utilized to assess the original GHG assertion (listed above).

In cases where material errors, omissions or misstatements are identified in the GHG data and information, the v/v team will report them to the client, while explaining their potential impact on the v/v statement and require that these items be corrected. AWT will also communicate non-material misstatements to the responsible party.

If the responsible party does not respond appropriately within a reasonable period, AWT will inform the client (if different from the responsible party). If the client does not respond appropriately within a reasonable period, AWT will issue a modified or adverse validation/verification statement or withdraw from the validation/verification. Where these errors, omissions or misstatements cannot be corrected, then AWT will qualify the v/v statement.

If sufficient information cannot be obtained and the information is necessary for AWT to form a conclusion, AWT will not proceed with the validation/verification and will not issue a validation/verification statement.

If a matter comes to AWT's attention that causes us to believe that there is an intentional misstatement or noncompliance by the responsible party with laws and regulations, AWT will communicate the matter to the appropriate parties immediately.

4.5 Validation/Verification Report, Statement and Internal Peer Review

Upon completion of the validation/verification activities described in Section 5.2, a conclusion is reached based on the evidence gathered. The conclusion is described in a validation/verification report and statement which is reviewed by an independent internal peer reviewer.

4.5.1 Validation/Verification Report

In general, the report includes:

- an appropriate title, date of report, verifier's address, verifier's signature
- an addressee,
- a statement that the responsible party is responsible for the preparation and fair presentation of the GHG assertion in accordance with the criteria,
- a statement that the verifier is responsible for expressing an opinion on the GHG assertion based on the validation/verification,
- a description of the validation/verification activities to assess the GHG assertion,
- the validation/verification opinion,
- a description of the validated baseline,
- a summary of the GHG assertion or projected emission reductions or removal enhancements,
- reference to the validation/verification criteria,
- validation/verification scope

4.5.2 Validation/Verification Statement

A validation/verification statement is drafted based on the validation/verification findings. There are three types of validation/verification opinions: positive (or unmodified), qualified positive (or modified) and adverse.

4.5.2.1 Positive (Unmodified) Opinion

In order to draft a positive statement, AWT ensures:

- There is sufficient and appropriate evidence to support material emission reductions (or future estimate in the case of validation)
- The criteria meet the needs of the intended user (in the case of validation)
- The criteria are applied appropriately for material emission reductions.
- The effectiveness of controls has been evaluated
- V/V process, as carried out, has delivered the level of assurance (if applicable) as agreed
- Sampling and its results support a conclusion that there are no material discrepancies
- GHG assertion is free from material discrepancies based on the evidence and findings from the v/v process.

4.5.2.2 Qualified Positive (Modified) Opinion

In order to draft a qualified positive statement, AWT ensures:

- V/V process, as carried out, has delivered the level of assurance (if applicable) as agreed
- Sampling and its results support a conclusion that there are no material discrepancies
- GHG assertion is free from material discrepancies based on the evidence and findings from the v/v process.
- Modification is appropriate considering:

    - Materiality
    - The degree to which the matter impairs the usefulness of the GHG statement
    - The extent to which the effects of the matter on the GHG assertion can be determined
    - Whether the GHG assertion is, or could be understood to be, misleading even when read in conjunction with the verifier's opinion.
- Modification serves adequately to inform the intended users of any deficiencies in the GHG assertion
- Non-material misstatements are:
    - Confined to specific elements of the GHG assertion
    - Even if confined, not representative of a substantial portion of the GHG assertion
    - Not fundamental to the intended users' understanding of the GHG assertion.

4.5.2.3 Adverse Opinion

In order to draft an adverse statement, AWT concludes:

- There is insufficient or inappropriate evidence to support a positive or qualified positive statement, or
- Criteria are not appropriately applied for material emissions reductions, or
- The effectiveness of controls cannot be determined.

Any material misstatements or nonconformities not corrected by the responsible party in an agreed upon period will be considered when reaching an adverse opinion.

4.5.3 Internal Peer Review

An independent internal peer reviewer is assigned to each validation/verification project based on the competency requirements listed in the internal management system policy. The independent internal peer reviewer is a staff member who did not conduct the validation/verification and was not involved in the planning. It is the responsibility of the internal peer reviewer to:

- Confirm that all validation/verification activities have been completed and
- Conclude whether the GHG assertion is free from material discrepancy and whether the validation/verification activities provide the agreed level of assurance (if applicable)

The independent internal peer reviewer shall evaluate:

- The appropriateness of team competencies;
- Whether the validation/verification has been designed appropriately;
- Whether all validation/verification activities have been completed;
- Significant decisions made during the validation/verification;
- Whether sufficient and appropriate evidence was collected to support the opinion;
- Whether the evidence collected supports the opinion proposed by the team;
- The GHG statement and the validation/verification opinion;
- Whether the validation/verification was performed according to ISO 14064-3:2019 including:
    - The risk assessment, validation/verification plan, and evidence gathering plan address the objective, scope, and level of assurance (if applicable);
    - For verification:
        - The evidence gathering plan activities address the risks identified

        - A data trail has been established for material emissions, removals, and storage.
    - For validation:
        - The evidence gathering plan activities address the GHG-related activity characteristics.
    - Validation/verification team decisions are supported by sufficient and appropriate evidence;
    - Any restatements have been adequately assessed;
    - The GHG statement is in accordance with the criteria;
    - Significant issues have been identified, resolved, and documented.

In order to provide an objective record that the internal peer reviewer has fulfilled these requirements, the *Internal Project Technical Review* is completed and signed by the internal peer reviewer. This technical review provides a checks and balances approach for each project. This review is completed by the Internal Peer Reviewer who reviews the validation or verification report and accompanying documents to determine whether all areas have been addressed as agreed upon, as well as making sure that all program protocols were adequately met. This review is completed prior to providing each client with the validation/verification statement and report.

4.5.4 Issuance of Validation/Verification Report and Statement

Upon approval by the internal peer reviewer, AWT issues a validation/verification report and statement written by the Team Leader and signed by both the Team Leader and Internal Peer Reviewer. The validation/verification statement is based on the conclusion of the validation/verification findings detailed in the validation/verification report. The validation/verification statement is submitted to the responsible party along with the validation/verification report. The validation/verification statement will include the following:

- Address the intended user of the GHG assertion
- Describe the level of assurance (if applicable) of the V/V statement
- Describe the objectives, scope and criteria of the validation or verification
- Describe whether the data and information supporting the GHG assertion were hypothetical, projected and/or historical in nature
- Include the responsible party's GHG assertion
- Include the validator's or verifier's conclusion on the GHG assertion, including any qualifications or limitations (including citation of material discrepancies that remain after the conclusion of the validation/verification)
- Issue a validation or verification statement based on the conclusion of the validation or verification findings, by AWT

An accredited validation and/or verification statement related to a GHG assertion that does not include quantified GHG emissions data related to a GHG project will only be issued if:

- There is a legal agreement between the client and AWT that any new GHG report, GHG project plan or GHG assertion released by the client after the initial validation or verification statement is validated or verified.
- ISO 14064-2 is part of the validation or verification criteria, and the requirements are not reduced

- Validation or verification statement is clear about what has been validated/verified and does not use language associated with management system certificates or conformity statements

The level of assurance required for verifications in non-regulated markets can vary, so some data or information may be assured to reasonable levels of assurance, and some may be assured to limited levels of assurance. In this case of validations, level of assurance is typically not defined because the information reviewed for validations is not historical in nature. The v/v statement identifies the applicable level of assurance related to each conclusion and how each conclusion influences the final opinion.

The validated or verified GHG assertion may include a statement of emission per unit of product manufactured (generated or reduced) or similar. If the client wishes to use statements taken from the GHG assertion for communication purposes these statements must clearly state where the statement came from including:

- The date of the GHG assertion
- Whether the statement is based on historical data and
- Any limitation associated with the statement based on the data and information presented in the GHG assertion

4.6 Facts Discovered After the Validation/Verification Statement

Although AWT obtains sufficient evidence and identifies relevant information up to the date of issuance of the v/v statement, it is possible that facts that could materially affect the v/v statement could be discovered after this date. AWT will consider appropriate action if facts that could materially affect the v/v statement are discovered by the client, responsible party or GHG program after the issuance of the v/v statement including the following:

- Determining if the facts have been adequately disclosed in the GHG assertion,
- Considering if the validation/verification statement requires revision,
- Discussing the matter with the client, responsible party or GHG program

The Team Leader is responsible for utilizing the internal protocol to address facts discovered after the validation/verification statement has been issued.

Should the v/v statement require revision, AWT will issue a revised v/v report and statement, which addresses the reason for the revision according to its internal protocol.

3.5 Control of Records

All v/v related records are stored securely on AWT's internal server and appropriately identified, collected, indexed, filed, stored, maintained, and disposed of properly as managed by the V/V Director. All electronically transmitted records are transmitted via email or a password protected commercially available web storage site that is only accessible by the V/V Director, V/V Team Leader, Team Members and the client. All reports to clients are transported via email. Records are only transmitted to the program registry and/or clients via email or the registry specific on-line database. All clients' records will remain confidential and will be stored on AWT's server.

Upon request, records pertaining to the v/v will be retained or destroyed in agreement between the participating parties and in accordance with the v/v plan and any applicable GHG program and contractual arrangements. The requirements of the applicable registry shall be followed when determining the length of time to retain records. Each member of AWT has signed the *Control of Documents and Records Policy*, which is placed in his or her personnel records.

AWT records include the following information:

- Management System Policy and related documents
- All project related data submitted by the client or responsible party.
- Contractual agreements signed by client or responsible party and AWT
- Records pertaining to any decision-making (including justification for determining time requirement for validation/verification activities)
- Confirmation of the completion of validation/verification activities, including findings and information on material or non-material discrepancies
- Validation/Verification statements
- Records of complaints and appeals and any subsequent correction or corrective action, if applicable
- Personnel records, including evidence of the competence of validators/verifiers and technical experts
- Records of internal audits and actions taken based on the results of the audits
- Records of management reviews and actions taken based on the reviews
- All other records referenced in the Management System Policy