



VALIDATION AND VERIFICATION POLICY AND PROCEDURES

Revision Details

Issued by:	W. Steyn
Revised by:	W. Steyn
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1 VALIDATION AND VERIFICATION POLICY

CoZero shall conduct validation and verification activities in accordance with ISO/IEC 17029:2019, ISO 14065:2020, ISO 14064-3:2019, ISO 14066:2023, applicable parts of ISO 14064-1:2018 and ISO 14064-2:2019, applicable validation/verification programme requirements, IAF MD 6, applicable SANAS requirements and the agreed criteria for each engagement.

Where requirements are unclear or require interpretation, CoZero shall identify the applicable programme or specified requirement, obtain approval from an authorised technically competent person, document the interpretation and justification, and apply it consistently. Uncontrolled or undocumented 'best practice' shall not override a standard, programme or contractual requirement.

CoZero shall determine whether site visits are necessary based on the applicable programme, engagement type, strategic analysis, validation/verification risk assessment, materiality, complexity, geographical distribution, information-system controls and the sufficiency and appropriateness of evidence obtainable remotely. The decision, sites selected, remote activities and justification shall be documented in the validation/verification plan and evidence-gathering plan. Where the applicable programme requires a site visit, that requirement shall be followed. All information and data shall be handled in accordance with the Confidentiality Policy and Procedures (00CZ00-MP-0012), and CoZero shall protect the integrity, confidentiality, entry, processing and storage of data.

CoZero shall establish and document that the proposed validation/verification team collectively possesses the required competence before accepting and assigning the engagement. Competence shall be re-evaluated after strategic analysis, during planning and whenever the scope, criteria, risks, team composition, programme requirements or evidence-gathering activities change. The client shall be informed of team members and roles with sufficient notice to raise a reasoned objection. Team changes, the competence re-evaluation and client notification shall be recorded. The validation/verification plan, evidence-gathering plan and sampling plan shall be developed and approved by CoZero. Relevant engagement arrangements and material changes shall be communicated to the client; technical judgement and approval remain CoZero's responsibility.



CoZero ensures impartiality by separating execution, review and decision roles so that personnel who perform validation/verification (execution) are not the same as those who perform the review and make the final decision; it assesses and manages threats from providing both validation and verification to the same client (self-review/familiarity), strictly prohibits offering consultancy and validation/verification for the same claim, and refuses or declines engagements where consultancy relationships create unacceptable threats to impartiality. CoZero also prohibits marketing validation/verification linked to consultancy providers, investigates and takes corrective action on any inappropriate third-party claims or announcements, and responds to threats arising from other organisations (including outsourced providers) by implementing proportionate mitigation measures (e.g., reassignment, independent review, refusal of engagement, or public disclosure).

2 VALIDATION/VERIFICATION PROGRAMME DEVELOPMENT

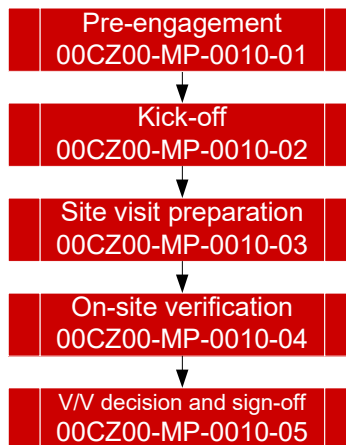
Before accepting work under a new environmental-information validation/verification programme, CoZero shall document and approve a programme-development review. Work shall not be accepted until the review has been approved.

The programme-development review shall identify and evaluate:

- intended users and their expectations and requirements;
- the applicable scope, criteria, programme requirements and engagement types;
- strategic, business, competence, consistency and impartiality risks;
- competence requirements for team members, team leaders, technical experts, independent reviewers, decision-makers and support personnel;
- necessary evidence-gathering tools, methods, reporting requirements and controls;
- whether CoZero's arrangements can meet the applicable programme requirements; and
- the applicable accreditation status and any limitation of scope.



3 VALIDATION OR VERIFICATION PROCESS OVERVIEW



4 PRE-ENGAGEMENT

The project is initiated by a prospective client enquiry or by CoZero contacting a prospective client. Before committing to the work or issuing an engagement-specific accreditation claim, CoZero shall obtain sufficient information and complete a documented pre-engagement review using the Measurement Information Pack (00CZ00-MF-0013) and Pre-engagement Deliberations Record (00CZ00-MF-0022).

- ☐ Whether actual, potential or perceived conflicts of interest or other impartiality threats exist, and whether they can be eliminated or reduced to an acceptable level (see 00CZ00-MP-0009).
- ☐ Whether CoZero has access to the required collective competence, authorised personnel, technical expertise, independent-review and decision resources, facilities, systems and capacity.
- ☐ The complexity, locations, engagement risk, evidence needs, time and resources required to complete the work.

The information requested shall include, as applicable: the client and responsible party; the proposed claim or environmental information statement; intended users; locations; proposed engagement type; applicable programme and specified requirements; objectives and scope; reports, calculations, data and relevant information; known materiality and assurance level; and any other programme-specific information. The statement may be presented in forms including a report, declaration, valuation, environmental product declaration, life-cycle assessment report, climate vulnerability or adaptation evaluation, project plan, label or logo.



The pre-engagement review shall confirm and record: the engagement type (validation, verification, agreed-upon procedures or mixed engagement); intended users; programme and criteria; objectives and scope; materiality and assurance level where applicable; feasibility of the validation/verification process; access to sufficient appropriate evidence; estimated duration; competence and resources; impartiality; and the proposed timeframe. An authorised person shall record the decision to accept or decline the engagement, reasons, conditions and approval date.

Only after approval of the pre-engagement review shall the project cost and schedule be determined and a proposal (00CZ00-MA-0004) be issued. Before the proposal or agreement is issued, CoZero shall compare the activity, engagement type, programme, statement level and sector with its current SANAS scope. The result shall be recorded as within accredited scope, outside accredited scope or subject to a pending extension. Work outside scope shall be identified as unaccredited in all client-facing documents and shall not use the SANAS symbol or imply SANAS endorsement.

The assigned competent personnel shall review and understand the applicable programme, criteria, definitions, legal requirements and sector-specific requirements before the engagement is accepted and again during planning.

5 KICK-OFF

5.1 Kick-Off Policy

Following an approved pre-engagement decision, confirmed impartiality, documented team competence and receipt of a legally enforceable agreement, the assigned Validation or Verification Analyst shall contact the client within the agreed period to arrange the kick-off meeting. Commercial payment requirements may be applied but shall not replace the required conformity-assessment acceptance controls.

During the kick-off meeting, CoZero shall explain the validation/verification process and the legally enforceable Validation or Verification Service Agreement (00CZ00-MA-0001). The agreement shall identify, as applicable: client and responsible party; claim; intended users; engagement type; programme and criteria; objectives; scope and boundaries; reporting period; assurance and materiality; responsibilities; access to premises, records, systems and personnel; observers; confidentiality; facts discovered after issue; complaints and appeals; use of reports, opinions and marks; accreditation status; timeframe and deliverables. The client may agree engagement terms, but CoZero retains responsibility for technical planning, judgement, conclusions and approval.



5.2 Kick-Off Procedure

The Validation or Verification Director assigns the project based on continuity, availability/capacity and competence, and then loads the project on the Projects Register (00CZ00-MF-0005). The project administrator then creates a file with the following documents:

- ☐ Table of Contents and file sign-off.
- ☐ Validation / Verification Service Agreement (VSA) (00CZ00-MA-0001).
- ☐ Measurement Information Pack (MIP)/ data submission such as GHG report, SAGERS, etc.
- ☐ Signed request for validation/verification proposal and proof of payment (POP) (sign-off sheet of 00CZ00-MA-0004).

The project administrator will send the Validation / Verification Service Agreement (VSA) and signed request for validation/verification proposal electronically to the client and the assigned V/V team, and will indicate to them the name of the analyst that will contact the client, as well as the name of the manager in charge of the project. The mail (00CZ00-MG-0005 Rev. 02) includes that background information on the team is available and that appeals regarding team composition and provisional report may be lodged with the V/V Director, who is independent. The mail also emphasizes the client's responsibilities in the VSA. The file is then handed over to the assigned analyst. The V/V Analyst and the V/V Manager signs the VSA before going for the kick-off meeting.

Any client objection to a team member shall be recorded, evaluated on objective grounds and resolved by an authorised person. The decision and reasons shall be documented and communicated to the client. Commercial pressure shall not override competence or impartiality requirements.

The Validation / Verification Analyst should phone the client within 48 hours (preferably on the same day) to arrange a date to formally kick-off the project. The kick-off date should be within 3 days of signing unless the client requests otherwise. The kick-off meeting should include all relevant parties of the measured entity who will be responsible for gathering the information. All meetings should be confirmed via e-mail and/or diarised via MS Outlook.

The kick-off meeting should preferably be held on site. However, if the site is more than 50 km from the Johannesburg area, the kick-off meeting may be conducted remotely, using video or telephone conference technology.

The agenda for the kick-off meeting should contain at least the following points:

- ☐ Clarification of the environmental information Validation / Verification process.
- ☐ Clarification of the proposal, including project objectives, criteria, scope and level of assurance.
- ☐ Clarification of the contents of the MIP/data submission.



- ❑ Determine level of data handling, storage and reporting systems and controls. This is then used as the input to the risk assessment, and sampling plan.
- ❑ Setting of timelines for completion. The client should be informed that the schedule was developed based on the organisational structure, boundaries, sources, sinks and reservoirs identified during the Pre-Engagement stage. It can therefore be updated following the site visit, if additional information is discovered that increases the complexity of the verification.
- ❑ Agree on verification plan and the VSA. The clause regarding the process for Appeals and Complaints shall be emphasised to the client. Signatures by the client, the Validation / Verification Analyst and the Validation / Verification Manager are required to create an enforceable contract.
- ❑ List the documents and information that need to be supplied by the client after the kick-off meeting (00CZ00-MF-0017 Kick-off Meeting Outstanding Information Register).
- ❑ Discuss the onsite verification audit plan to ensure the client understands what will be expected from them.
- ❑ The Analyst and client will also discuss any previous assessment results and the impact these may have on the new assessment data.
- ❑ The environmental information programme will also be discussed and any changes or new requirements will be discussed with the client and the impact these changes/requirements will have on the Validation/Verification process.

6 ON-SITE VALIDATION/VERIFICATION PREPARATION

6.1 On-site Validation/Verification Preparation Policy

All Analysts shall prepare for the field work before going out to the client for a site visit. The Analysts shall ensure that all the required information is collected before setting up a site appointment. Any information still outstanding or information that needs to be viewed on-site shall be communicated to the client during preparation.

6.2 On-site Validation/Verification Preparation Procedure

Once the Analyst has received the MIP/data submission report, including the information identified during the kick-off meeting (00CZ00-MF-0017 Kick-off Meeting Outstanding Information Register), the information will be reviewed.

If the outstanding information is not received within the specified timeframe, the analyst will call for the information. Should this process reach 60 days, the 60 day letter (00CZ00-MA-0005) will be sent to the client and the project placed on hold, unless a new date is agreed with the client.

If no new data is received after 7 days of sending the outstanding information letter, the outstanding information e-mail should be resent. Once 60 days have elapsed since the kick-off



meeting, the Validation/Verification Committee should make a decision of whether to place the project on hold, or to proceed with the data that has been received.

A documented strategic analysis shall be performed and approved before detailed evidence gathering. It shall evaluate, as applicable, the nature and complexity of the claim; sector and activities; organisational, reporting and project boundaries; locations; sources, sinks and reservoirs; quantification and reporting methods; data systems and controls; prior assessments; estimates and uncertainty; materiality; programme requirements; possible misstatements and nonconformities; competence; resources and time.

Based on the strategic analysis, CoZero shall document a validation/verification risk assessment, validation/verification plan, evidence-gathering plan and sampling plan where sampling is used. The evidence-gathering plan shall specify activities, locations, data streams, controls, methods, samples, assigned personnel, timing and extent necessary to reduce validation/verification risk to an acceptable level and obtain sufficient appropriate evidence. Time allocation shall be justified based on scope, complexity, locations, engagement type, assurance, risk, materiality, competence and evidence needs. Planning documents shall be updated when new information, findings or changes arise. Each change shall record its reason, date, approver and effect, and relevant changes shall be communicated to the client.

When arranging the on-site V/V, the V/V Analyst should send the following information to the client:

- ☐ Selection of samples, to ensure that the required information is available when the analyst / team arrive on site.
- ☐ On-site schedule.
- ☐ List of provisional deliberations and queries

7 ON-SITE VALIDATION/VERIFICATION

Validations/Verifications should be done on site at the client's premises.

The validation / verification analyst will set up sessions with each of the relevant parties (Company Secretarial, Finance, Procurement and Operations), based on availability/necessity and the amount of information required from each party. Calculations, workings and analysis are performed and the Analyst and Technical Signatory must record any deliberations on the Deliberation, Conclusion and Performance Management Record ("Deliberation Record") 00CZ00-MF-0007.

The team shall evaluate data and information for completeness, relevance, accuracy, transparency, consistency and conformity with the criteria. Work shall be performed with professional scepticism: evidence, assumptions and contradictory information shall be challenged and additional investigation performed where necessary. Evidence shall be traceable to the claim and evaluated for sufficiency and appropriateness. Evidence limitations and unresolved



contradictions shall be documented and considered in the conclusion. The engagement shall not proceed to an unmodified opinion where sufficient appropriate evidence has not been obtained.

At the end of the on-site verification visit the analyst will conduct the close-out meeting, using the On-site Close-out-meeting Form (00CZ00-MF-0008). If additional information is to be supplied by the client, 5 working days will be allowed within which the information should be submitted to CoZero.

All identified misstatements, material misstatements, nonconformities, corrected and uncorrected misstatements and limitations in evidence shall be separately recorded and evaluated individually and in aggregate. Materiality shall include the agreed quantitative threshold and qualitative matters capable of influencing intended-user decisions, including omissions, boundary errors, misclassifications and misleading disclosures. Findings shall be communicated to the client for correction or response, and further or expanded evidence gathering shall be performed where needed. Suspected fraud shall be escalated to authorised management for consideration of legal and confidentiality obligations, continuation of the engagement and effect on the opinion. The project testing record shall identify the population, risk, sample, evidence, procedure, recalculation, difference, client response, correction, additional work and final conclusion.

7.1 Systems and Controls Review

Basic information on the system used for collecting, calculating and reporting on the organisation's environmental information is collected with the MIP (alternatively use data submission by client such as GHG reports, SAGERS, etc) and during the kick-off meeting. Environmental information can include statements and claims regarding greenhouse gas emissions, removals, emission reductions or removal enhancements, environmental footprints, carbon footprints of a product, water footprints and life cycle assessment information or environmental reports. This is used to develop the sampling plan. However, the systems and controls also need to be verified during the on-site verification. The following needs to be checked:

- ☐ Is a single person or department responsible for collecting, processing and reporting of environmental information and data? If so, is the person / team qualified to do so and do they have an understanding of the programme requirements?
- ☐ Processes for collecting, processing, consolidating and reporting of environmental information and data. Is the process manual (potential errors), or automatic (such as a weighbridge data being logged in an ERP system automatically).
- ☐ Storage of environmental information and data. Is storage centralised, or does data need to be collected from multiple locations (consistency in data capturing and processing). Where is environmental information and data backed up, and how frequently?



If there is found to be a discrepancy between the systems and controls used on site, and that specified by the client and during the kick-off meeting, the risk assessment needs to be updated, and the sample size revised, if appropriate.

The measured entity needs to demonstrate how all types of data and information are captured (for each of the emission sources) in the system used to collect and report on environmental information. Where measurement equipment is used, calibration certificates and / or methodologies need to be provided. This also applies to information collected from external sources.

Where there are requirements specified by the environmental information verification criteria, relating to the systems and controls used for the capturing, storing, consolidating and reporting of environmental information and data, this has to be evaluated during the on-site verification.

8 VALIDATION/VERIFICATION DECISION AND PROJECT SIGN-OFF

A formally authorised independent reviewer who did not participate in execution shall review the engagement. The reviewer shall be competent for the engagement type, programme, criteria, sector, subject matter and complexity, and shall possess applicable team-leader-level skills and sufficient programme, quantitative and qualitative information, auditing and validation/verification knowledge. Job title alone shall not establish competence.

- ☐ Criteria
- ☐ Objectives
- ☐ Scope
- ☐ Materiality and Level of Assurance
- ☐ Validation or Verification process
- ☐ Risk assessment
- ☐ Sampling plan

The independent review shall confirm: competence of team members for activities performed; impartiality and role separation; pre-engagement acceptance; accreditation status; strategic analysis; risk assessment; planning and evidence-gathering; justification of changes; sufficiency and appropriateness of evidence; materiality assessment; significant professional judgements; misstatements and nonconformities; resolution of significant findings; conclusions; fair presentation of the environmental information statement; and correct report and opinion wording. All review findings, responses and closure shall be recorded.

The validation/verification team shall document significant deliberations and conclusions in the Deliberation, Conclusion and Performance Management Record (00CZ00-MF-0007). No draft, provisional or final report or opinion shall be released until the required independent review is



completed and all significant review findings are resolved. Any draft shared for factual checking shall be marked 'DRAFT'.

Following completion of independent review, an authorised decision-maker who did not participate in execution shall record the decision to issue, qualify or refuse an opinion. The decision record shall identify the reviewer, review date, closure of findings, final claim version, final report and opinion versions, accreditation status, decision, decision-maker, date and signature. Preparation, review, decision and authorised issuance roles shall be clearly assigned. CoZero shall prepare the opinion and shall not outsource the decision or issuance.

Where a draft report is supplied, the client may identify factual errors or submit additional evidence during the agreed comment period. CoZero shall evaluate the information independently; the client shall not direct or approve CoZero's conclusion. A formal appeal applies only to a completed decision and shall be handled under 00CZ00-MP-0007. After the decision is approved, the Project Register (00CZ00-MF-0005) shall be updated with the result, completion date, accreditation status and controlled report/opinion references.

A controlled project sign-off (00CZ00-MF-0011) shall confirm completion of execution, independent review, decision, issue authorization, record completeness, client communication and performance feedback. The actual roles performed shall be recorded accurately and approved by authorised personnel.

CoZero accepts responsibility for, and retains ultimate authority over, all validation and verification statements issued by the organisation.

The validation/verification opinion shall identify, as applicable: the client and responsible party; environmental information statement and its date or period; engagement type; objectives; scope and boundaries; criteria and programme; assurance level and materiality; responsibilities of CoZero and the client; basis of opinion and work performed; inherent limitations; conclusion; qualifications or limitations; opinion date; authorised signatory; accreditation status; and restrictions on use.

Following an approved validation/verification decision, the controlled opinion (00CZ00-MR-0002) may be issued to the client and other identified intended users in accordance with the agreement and applicable programme requirements.



9 FACTS DISCOVERED AFTER VERIFICATION OR VALIDATION

If facts that could materially affect the validation /verification outcome, are discovered after the validation /verification, CoZero will follow the process as described below and illustrated in.

New facts shall be recorded and evaluated for both quantitative and qualitative materiality. CoZero shall determine whether the issued opinion remains valid, discuss the matter with the client, require appropriate client action and perform additional evidence gathering where necessary. Evaluation shall not rely only on whether a numerical threshold is exceeded.

CoZero shall consider the nature and cause of the fact, including whether it indicates error, omission, misleading information, nonconformity or suspected fraud. The effect on the claim, report and opinion, legal or programme obligations, confidentiality and the need to notify known intended users or affected parties shall be documented.

Where action is required, additional work shall undergo independent review and a new documented decision. CoZero shall amend, withdraw or reissue the report and opinion as appropriate, communicate the action to the client and relevant intended users, and retain the complete evaluation, review, decision, communication and revised project records.

10 OUTSOURCING OF VALIDATION/VERIFICATION ACTIVITIES

CoZero shall not outsource engagement acceptance, the validation/verification decision or issuance of the opinion. CoZero may use contracted personnel, technical experts or outsourced activities where permitted by the applicable programme, provided that competence, impartiality, confidentiality, performance and records are controlled. CoZero shall retain full responsibility, confirm programme permission, evaluate the provider, enter into a legally enforceable agreement and obtain client consent where required. Contracted individuals working under CoZero's management system shall be controlled as personnel; technical experts provide specialist advice and shall not make the decision unless separately competent and authorised.

The decision on confirmation of the claim and issuance of the validation/verification opinion shall always be performed by authorised CoZero personnel and shall not be outsourced. All outsourced or contracted inputs shall be reviewed and accepted by competent CoZero personnel before use.