



Explanatory note on EU ETS verification





Contents

- | | |
|---|---|
| 1. How does emissions trading work? | 3 |
| 2. When must an emissions report and activity report be verified? | 3 |
| 3. What is the verification process at ECH-Groep? | 4 |
| 4. Independence, impartiality and confidentiality | 5 |



How does emissions trading work?

Some Dutch operators (ETS 1) and regulated entities (ETS 2), like those in other EU member states, are subject to a system for trading emission allowances: the EU Emissions Trading System (EU ETS). They receive free CO₂ emission allowances from the government for an entire trading period. These allowances grant the right to emit a certain amount of CO₂, based on which a CO₂ emission permit is issued. If they emit more CO₂ than they hold in allowances, they can purchase additional allowances or take measures to reduce their emissions.

Conversely, they can sell surplus allowances. However, the number of free allowances granted is reduced annually.

The Dutch Emissions Authority (NEa) is responsible for oversight. It issues emission permits to operators (ETS 1) and regulated entities (ETS 2), and monitors these permits annually. To ensure the reliability and accuracy of the emissions and activity reports, European legislation requires a verification report/declaration from an independent and accredited verifier for both documents.

When must an emissions report and activity report be verified?

Operators (ETS 1) and regulated entities (ETS 2) that are required to participate in the EU ETS must report and verify their greenhouse gas emissions annually by ultimately March 31 (ETS 1) and April 30 (ETS 2).

A verifier must approve both the emissions report and, if applicable, the activity report in a verification report, which forms the basis for a verification declaration. This is a legally required assessment.

What is the verification process at ECH-Groep?

When your annual emissions report (and if applicable, activity report) is verified, the process consists of four main components:

- Pre-contract assessment and strategic analysis: Based on requested basic information, an initial assessment is made to determine the resources and time required for proper verification. A proposal/quotation is then prepared.
- Risk analysis: Before the actual verification, inherent and control risks, as well as other relevant points of attention, are identified to ensure the verification is conducted with the required level of assurance.
- System verification: This involves examining the setup and implementation of the measurement and data processing system, and internal quality assurance as described in the Monitoring Plan (MP) and, if applicable, the Monitoring Methodology Plan (MMP). This step includes a site visit to inspect installations and measurement systems.
- Data verification: This involves checking the data reported in the emissions report (and, if applicable, the activity report).

Communication takes place via the Emissions Trading Portal (EHP).

At the end of the verification process, the verifier prepares a verification report and declaration, which is internally reviewed by an independent reviewer not involved in the verification. This reviewer makes the final verification decision and signs the declaration, which can then be submitted to the NEa.



Independence, impartiality and confidentiality

To ensure independence and impartiality, all ECH-Groep verifiers have signed a Code of Conduct and Confidentiality Agreement, declaring they are not involved in the work environment of the companies being verified and will treat all company information obtained during the verification process as confidential.

The ECH-Groep verification system is accredited by the Dutch Accreditation Council (RvA) under registration number V103, officially recognizing ECH-Groep as an independent verification body. For the current status of our accredited verification scopes, visit www.rva.nl under reference V103.

If this explanation does not answer all your questions, please feel free to contact us.

Authorised Committed Flexible

ECH-Groep makes a social merit by professionally providing high-quality certification services in the areas of energy, environment and safety.

Would you like to request more information, or make an appointment?

Contact us by phone at 0318 - 55 11 06 or visit www.ech-groep.nl



ECH-Groep | Energie Consult Holland B.V.
Hertzstraat 14
6716 BT EDE

T +31 (0)318 55 11 06
info@ech-groep.nl
www.ech-groep.nl

Versie VI-027-4 EN

