



# **IAF Mandatory Document**

## **IAF Mandatory Document for the Application of ISO 14065:2020**

**Issue 3, Version 2**

**(IAF MD 6:2024)**

The International Accreditation Forum, Inc. (IAF) facilitates trade and supports industry and regulators by operating a worldwide mutual recognition arrangement among Accreditation Bodies (ABs) in order that the results issued by Conformity Assessment Bodies (CABs) accredited by IAF members can be accepted globally.

Accreditation reduces risk for business and its customers by assuring them that accredited CABs are competent to carry out the work they undertake within their scope of accreditation. ABs that are members of IAF and their accredited CABs are required to comply with appropriate international standards and IAF mandatory documents for the consistent application of those standards.

ABs that are signatories to the IAF Multilateral Recognition Arrangement (MLA) are evaluated regularly by an appointed team of peers to provide confidence in the operation of their accreditation programs. The structure of the IAF MLA is detailed in IAF PL 3 - Policies and Procedures on the IAF MLA Structure and for Expansion of the Scope of the IAF MLA. The scope of the IAF MLA is detailed in the IAF MLA Status document.

The IAF MLA is structured in five levels: Level 1 specifies mandatory criteria that apply to all ABs, ISO/IEC 17011. The combination of a Level 2 activity(ies) and the corresponding Level 3 normative document(s) is called the main scope of the MLA, and the combination of Level 4 (if applicable) and Level 5 relevant normative documents is called a sub-scope of the MLA.

- The main scope of the MLA includes activities e.g. product certification and associated mandated standards e.g. ISO/IEC 17065. The attestations made by CABs at the main scope level are considered to be equally reliable.
- The sub scope of the MLA includes conformity assessment requirements e.g. ISO 9001 and scheme specific requirements, where applicable, e.g. ISO 22003-1. The attestations made by CABs at the sub scope level are considered to be equivalent.

The IAF MLA delivers the confidence needed for market acceptance of conformity assessment outcomes. An attestation issued, within the scope of the IAF MLA, by a body that is accredited by an IAF MLA signatory AB can be recognized worldwide, thereby facilitating international trade.

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## **INTRODUCTION TO IAF MANDATORY DOCUMENTS**

The term “should” is used in this document to indicate recognised means of meeting the requirement of the standard. A Conformity Assessment Body (CAB) can meet these in an equivalent way provided this can be demonstrated to an Accreditation Body (AB). The term “shall” is used in this document to indicate those provisions which, reflecting the requirements of the relevant standard, are mandatory.

## IAF MANDATORY DOCUMENT FOR THE APPLICATION OF ISO 14065

*This document is mandatory for the consistent application of ISO 14065 for validation and verification. All clauses of ISO 14065 continue to apply and this document does not supersede any of the requirements in that standard.*

### 0. INTRODUCTION

ISO 14065:2020 is an International Standard which sets out requirements for bodies that undertake environmental information validation or verification using ISO 14064-3 or other relevant standards or specifications. ISO 14065 provides to environmental information program administrators, regulators and accreditors a basis for assessing and recognising the competence of validation or verification bodies (V/VBs). ISO 14065:2020 incorporates by reference the clauses of ISO/IEC 17029. As such, ISO 14065:2020 shall require the application of ISO/IEC 17029:2019. ISO 14065:2020 adds requirements that are relevant for the validation and verification of environmental information statements. It also includes definitions used in environmental information assurance engagements and in some cases redefines terms defined in ISO/IEC 17029:2019.

Opinions issued by accredited V/VBs are relied upon in a number of environmental reporting schemes such as greenhouse gas (GHG) disclosure and trading schemes. Intended users of this information place a high value on the accuracy of quantified and reported tonnes of CO<sub>2</sub>-equivalent emissions or removals. One specific example includes reporting of GHG emissions by organizations either for regulatory purposes or as part of an organization's public communication of environmental information. Another example includes commodity trading, where greenhouse gas offset credits are bought and sold.

Environmental information now includes other subject matter besides GHG statements. At present ISO 14065 recognizes as within its scope statements associated with the issuance of green bonds or the origination of green loans. ISO 14065 also recognizes information about climate actions taken by financiers as subject matter. Standards and programs associated with other subject matters that are expected to reference ISO 14065 include water footprints and environmental labeling.

Environmental information that is historical in nature may be verified. Information related to projected or forecast values is validated. Verification provides reasonable or limited assurance to intended users that reported information is accurate. Validation provides limited assurance to intended users that a reasonable basis exists for the projected or forecast information. The confidence of intended users in validated and verified environmental information data is enhanced when V/VBs fulfill the requirements of ISO 14065.

Verification is a process where a verification body assesses an organization's, product's, or project's GHG statement against defined verification criteria (this process therefore deals with historical data and information). For ISO 14064-1, ISO 14067, and ISO 14064-2, the assessment will address both conformance with criteria (i.e. defined in the standard) and activities that will establish that the GHG statement is accurate and reliable. Verification activities are based on agreed objectives, scope, level of assurance, materiality, and criteria.

Validation is a process where a validation body assesses a project's GHG project plan against defined validation criteria (this process therefore deals with the assessment of potential future outcomes). Since the publication of ISO 14064-3:2019, validation is also recognized as the appropriate technique for providing an opinion on forecast or projected information. Such information may be associated with expected reductions of GHG emissions associated with inventories at the organizational level as well as at the project level.

In the emission trading area, it is imperative that the V/VB should be aware of the consequences of double counting, double claiming, and double registry issuances when providing a validation or verification opinion.

ISO 14064-3:2019 introduced a supplementary technique called Agreed-upon procedures (AUP). AUP employ verification techniques but the execution of these do not result in the issuance of an opinion or provide assurance to intended users. For conditions on the use of AUP in accreditation see section 9.2.

A validation or verification engagement is unique to each client's specific statements issued at a point in time.

This Mandatory Document provides additional application guidance to enable harmonization by IAF members for the assessment of V/VBs against ISO 14065:2020 and related standards. This is an important step towards multilateral recognition of accreditation.

This document will be considered mandatory for the consistent application of ISO 14065. IAF MLA signatories, and applicants for signatory status in that Arrangement, will assess each other's implementation of ISO 14065. This Mandatory Document is expected to be adopted by Accreditation Bodies as part of their general rules for accreditation. It is intended that this document should also be useful to V/VBs themselves and to those whose decisions are guided by V/VB validation or verification opinions.

This document follows the structure of ISO 14065, and the headings are given in bold. IAF-specific criteria are identified by the letter “MD” followed with a reference number that incorporates the related requirements clause in ISO 14065. In all cases a reference in the text of this document to “clause XXX” refers to a clause in ISO 14065 unless otherwise specified.

ISO 14065:2020 admits the use of ISAE 3000 and ISRS 4400 as criteria a V/VB may use in performing a validation or verification when the subject matter is green debt instruments or climate actions taken by financiers. ISAE 3000 was the seed document for ISO 14064-3 and is commonly used by financial accounting professionals. ISAE is principles-based and opinions are subject to the risk assessment and professional judgment of the professionals who apply it.

## **1. SCOPE**

This document is mandatory for the consistent application of ISO 14065:2020 for the accreditation of validation or verification bodies (V/VBs) for environmental information validation or verification.

All clauses of ISO 14065:2020 continue to apply and this document does not supersede any of the requirements of those standards.

## **2. NORMATIVE REFERENCES**

For the purposes of this document, the normative references given in ISO 14065 and the following apply. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

ISO 14065 *General principles and requirements for bodies validating and verifying environmental information*

ISO/IEC 17029 *Conformity assessment — General principles and requirements for validation and verification bodies*

ISO 14064-3 *Greenhouse gases - Part 3, Specification with guidance for the verification and validation of greenhouse gas statements*

ISO 14066 *Environmental information – Competence requirements for teams validating and verifying environmental information*

Note: The Bibliography sets out the references to the documents which are not normative references.

### **3. TERMS AND DEFINITIONS**

For the purpose of this document, the terms and definitions given in ISO 14065, ISO 14064-3, and the following apply.

#### **3.1. Materiality Assessment**

Review of an environmental information statement for the purpose of identifying potentially material (ISO 14064-3, 3.6.8) information.

Note: In greenhouse gas statements, quantitative material information may be associated with sources, sinks or reservoirs.

### **4. PRINCIPLES**

#### **4.1. General**

No additional principles for ISO 14065.

#### **4.2. Principles for the Validation/Verification Process**

No additional principles for ISO 14065.

#### **4.3. Principles for Validation/Verification Bodies**

No additional principles for ISO 14065.

#### **4.4. Conservativeness**

No additional principles for ISO 14065. The principle of conservativeness commonly applies to the selection of quantification methods or to the selection of a baseline for projects when the reporter has the latitude to choose between options.

#### **4.5. Professional Skepticism**

No additional principles for ISO 14065.

### **5. GENERAL REQUIREMENTS**

#### **5.1 Legal Entity**

No additional requirements for ISO 14065.



## **5.2. Responsibility for Validation/Verification Statements**

No additional requirements for ISO 14065.

## **5.3. Management of Impartiality**

No additional requirements for ISO 14065.

## **5.4. Liability**

No additional requirements for ISO 14065.

# **6. STRUCTURAL REQUIREMENTS**

## **6.1. Organizational Structure and Top Management**

No additional requirements for ISO 14065.

## **6.2. Operational Control**

No additional requirements for ISO 14065.

# **7. RESOURCE REQUIREMENTS**

## **7.1. General**

No additional requirements for ISO 14065.

## **7.2. Personnel**

No additional requirements for ISO 14065.

## **7.3. Management Process for the Competence of Personnel**

MD 7.3.1.

The V/VB shall demonstrate how the competence of personnel has been evaluated. The persons conducting the evaluation of personnel shall be competent.

Note: The evaluator may be external or internal to the V/VB.

## **7.4. Outsourcing**

No additional requirements for ISO 14065.

## **8. VALIDATION/VERIFICATION PROGRAMME**

### **MD 8.1.**

The V/VB shall establish a development process for each new environmental information validation or verification programme in which it wishes to operate. This development process shall provide outputs related to the following:

- Identification of intended users, and their expectations and requirements as applicable to the outcome of validation or verification activities.
- Review and understanding of the applicable scope of validation/verification including applicable criteria.
- Review and understanding of the applicable criteria for validation or verification.
- Consideration of V/VB strategic and business risks.
- Identification of the competence requirements for validation/verification team, validators or verifiers, independent reviewers and support personnel, as relevant to the criteria of each validation or verification.
- Confirmation that the proposed validation or verification arrangements are capable of meeting the requirements of the applicable programme.
- Necessary tools for gathering evidence during the validation/verification.

Note: Elements of validation and verification programmes can be found in ISO/IEC 17029 Annex A.

## **9. PROCESS REQUIREMENTS**

### **9.1. General**

No additional requirements for ISO 14065.

### **9.2. Pre-engagement**

#### **MD 9.2.1.**

The V/VB shall confirm the type of engagement with the client or responsible party. Types may be verification, validation, agreed-upon procedures, or mixed engagement.

### MD 9.2.2. (ISO/IEC 17029)

AUP are applied when the intended user(s) require the results of verification evidence-gathering activities but do not require the opinion of the verifier. The V/VB shall only use AUP within accredited validation and verification under the following conditions:

- The requirements of ISO/IEC 17029 are applied.
- The agreed upon procedures have been determined in advance and are agreed with the client or responsible party.
- An independent review and approval of the issuance of the report of factual findings shall take place in line with the requirements of ISO/IEC 17029 (ref. cl. 9.6 and 9.7).
- The V/VB's report of factual findings shall clearly describe restrictions on the use and distribution of the report of factual findings. The report of factual findings may be to the organisation and intended users only.
- The report of factual findings clearly describes the procedures performed and the factual findings resulting from those procedures.

Additionally, a programme may specify the use of AUP rather than an assurance engagement.

Note: ISO 14064-3 requires "sufficiency of evidence" to support a GHG statement, and states that, in the absence of sufficient information, the verification/validation shall not proceed (5.4.2). Sufficient information to support an environmental information statement may not exist when statements include information provided by third parties, such as suppliers. In such cases, a V/VB and its client may agree on a mixed engagement type (5.1.2) which can include the use of AUP for statements about which the verifier lacks the ability to determine the existence of data trails (6.1.3.2) or to understand the data management systems and controls that generated the information (6.1.3.3).

The time allocation for the engagement shall be justified based on the review of the provided information and recorded by the V/VB.

Note: The use of AUP is optional for an AB.

## **9.3. Engagement**

### MD 9.3.1. (ISO/IEC 17029)

The V/VB shall ensure its agreement requires the client to cooperate in the case where facts or information discovered materially affects the validation or verification opinion.

The legally enforceable agreement shall include a policy governing marketing and other references to the V/VB that the V/VB authorizes its clients to use with respect to any environmental information statement. Where there is a license to use a validation or verification mark, or specific text, there shall be no ambiguity in the proposed use of the environmental information statement that has been validated or verified. The policy shall ensure conformance to ISO 14065 Annex B, Reference to validated/verified statements and use of marks.

#### **9.4. Planning**

##### MD 9.4.2.1.

The V/VB shall document the results of the strategic analysis<sup>1</sup>.

#### **9.5. Validation/Verification Execution**

##### MD 9.5.4.1. (ISO/IEC 17029)

In the case of statements with quantitative information, the V/VB shall perform a materiality assessment (3.1) on the statement to identify potentially material inputs.

Note: For GHG, inputs include sources, sinks, and reservoirs.

##### MD 9.5.4.2. (ISO/IEC 17029)

The validation or verification shall be conducted with an attitude of professional scepticism, which assumes that the presented information and data may be wrong until proven differently.

#### **9.6. Review**

MD 9.6.1. Documentation resulting from the validation or verification activity should contain sufficient traceability such that it can be demonstrated that validation/verification risk was reduced to an acceptable level.

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<sup>1</sup> ISO 14064-3 6.1.1 Strategic analysis

**9.7. Decision and Issuance of the Validation/Verification Opinion**

MD 9.7.1.3.1.

A V/VB shall ensure that the wording of its report of factual findings does not state or imply provision of assurance to intended users. This shall also apply when a V/VB has tested elements of a statement using agreed-upon procedures in a mixed engagement.

**9.8. Facts Discovered After the Issue of the Validation/Verification Opinion**

No additional requirements for ISO 14065.

**9.9. Handling of Appeals**

No additional requirements for ISO 14065.

**9.10. Handing of Complaints**

No additional requirements for ISO 14065.

**9.11. Records**

No additional requirements for ISO 14065.

**10. INFORMATION REQUIREMENTS****10.1. Publicly Available Information**

No additional requirements for ISO 14065.

**10.2. Other Information to be Available**

No additional requirements for ISO 14065.

**10.3. Reference to Validation/Verification and Use of Marks**

No additional requirements for ISO 14065.

**10.4. Confidentiality**

No additional requirements for ISO 14065.

## **11. MANAGEMENT SYSTEM REQUIREMENTS**

### **11.1. General**

No additional requirements for ISO 14065.

### **11.2. Management Review**

No additional requirements for ISO 14065.

### **11.3. Internal Audits**

No additional requirements for ISO 14065.

### **11.4. Corrective Action**

No additional requirements for ISO 14065.

### **11.5. Actions to Address Risks and Opportunities**

No additional requirements for ISO 14065.

### **11.6. Documented Information**

No additional requirements for ISO 14065.

## **BIBLIOGRAPHY**

ISO 14064-1:2018 *Greenhouse gases – Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals*

ISO 14064-2:2019 *Greenhouse gases – Part 2: Specification with guidance at the project level for quantification, monitoring and reporting of greenhouse gas emission reductions or removal enhancements*

ISO 14064-3:2019 *Greenhouse gases – Part 3: Specification with guidance for the verification and validation of greenhouse gas statements*

ISO 14065:2020 *General principles and requirements for bodies validating and verifying environmental information*

ISO 14067 *Greenhouse gases – Carbon footprint of products – Requirements and Guidelines for Quantification*

End of IAF Mandatory Document for the Application of ISO 14065:2020.

### **Further Information**

For further information on this document or other IAF documents, contact any member of IAF or the IAF Secretariat.

For contact details of members of IAF see the IAF website: <http://www.iaf.nu>.

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