Verification of GHG Emissions
What does Verification mean?

• **It is an objective assessment** of accuracy and completeness of reported GHG information;

• **Confirmation** towards pre-established GHG Accounting & reporting principles.
Objective of Verification

• Provide confidence to the users that reported information represents **faithful, true** and **fair** account of company’s GHG emissions;

• Ensures transparency and verifiability;

• Leads to well controlled and well documented emissions data and systems (audit trail);

• Adherence to the GHG accounting and reporting principles.
Common Reasons to undertake Verification

• Enhanced stakeholder’s trust
  ❖ when GHG emissions information and progress towards GHG targets are publicly reported

• Increased Senior Management confidence
  ❖ Publicly reported GHG information serves basis of future investment and target – setting decisions

• Improvement of internal accounting and reporting practices
  ❖ Facilitating learning & knowledge transfer within the organization (data collection, calculation, etc.)
Materiality

• Information is material if its inclusion or exclusion would influence any decisions or actions taken by its users;

• **Material discrepancy**: error that results in a reported quantity or statement, being significantly different from the true value or meaning;

• **Material threshold**: the point at which the discrepancy becomes material.
  ❖ As rule of thumb, if error exceeds 5% of total inventory;
  ❖ GHG Programs (like national or International) may have specified materiality threshold.
Material Discrepancy

• Errors, omissions and misrepresentation that can affect the accuracy or validity of GHG assertion of an organization;

• Errors can be material in isolation or in aggregate;

• Material Discrepancy can be classified into two types:
  ❖ **Quantitative Materiality**: calculated as a percentage of the inventory (in total or on an individual line item basis);
  ❖ **Qualitative Materiality**: Misstatement that have immaterial quantitative effects but could materially affect the reporting organization’s emissions in future and/or mislead the decision making of intended user.
Factors considered in Assessing Material Discrepancy

1. Structure of organization & approach used to assign responsibility for monitoring & reporting GHG emissions;
2. Approach & Commitment of Management of Organization to GHG monitoring & reporting;
3. Development & implementation of policies and processes for monitoring & reporting;
4. Process used to check & review calculation methodologies;
5. State of calibration & maintenance of monitoring equipment used;
6. Reliability and availability of input data;
7. Assumptions and estimations applied;
8. Aggregation of data from different sources;
9. Other assurance processes (internal audit, external reviews & certifications)
Timing of the Verification

• Verification is normally conducted prior to public release of inventory report;

• Engagement of verifier can happen at various points:
  ❖ Semi-permanent internal verification team (half-yearly/quarterly);
  ❖ Third party verifier before release of report publicly;

• Verification that occurs during a reporting period allows for any reporting deficiencies or data issues to be addressed before the final report is prepared;

• Ideally, internal team should consist of personnel who is not involved in GHG Inventorization process – helps in providing unbiased opinion.
Common criteria for selecting a Verifier

• Previous experience;

• Competence of Team to undertake GHG verifications;

• Understanding of calculation methodologies;

• Understanding of reporting organization’s operations (or understanding of sector/industry);

• Objectivity, credibility and independence.
Preparing for Verification

• Information on activities that produces GHG emissions and its types;

• Information on geographic locations – No. of sites, ownership structure, financial entities within organization;

• Details on JVs/ outsourcing and contractor agreements, any other legal documents – handy to determine organizational and operational boundaries;

• Documented procedures for identifying sources of GHG emissions, organizational and operational boundaries;

• Data used for calculating GHG emissions;

• Description of how GHG emissions data has been calculated;

• Information gathering system.
India GHG Program Secretariat:
• http://indiaghgp.org/
• indiaghgpsecretariat@wri-india.org

Address:
• 1st Floor, WRI India, Godrej and Boyce Premises, Gasworks Lane, Lalbaug, Parel, Mumbai-400012
• Tel: +91 (22) 2471 3565

Contact:
• Name – subrata.chakrabarty@wri.org

Additional Contact:
• Name – vadhia@wri.org
cgajjar@wri.org
tanvi.bongale@wri.org
ashwini.hingne@wri.org

Social Media:
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Thank You
The programme is actively promoted by:

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