

Ensuring Impartiality and Independence

1. Aim and objective

EASY-CERT Group (ECG) AG has set up a system of impartiality and independence which is upheld by all companies within ECG and therefore also apply to Carbon Standards International. The risks to impartiality are continuously identified and where potential risks to impartiality are found, appropriate corrective measures are set out to ensure impartiality.

The compliance guidelines describe the process and the requirements of the impartiality and independence as well as the confidentiality and protection of data. The confidentiality and protection of data is a legal requirement, which is taken into consideration in different contracts and norms. The compliance guideline describes the basics. The details are given in the individual contracts.

2. Scope

All employees of the EASY-CERT Group AG, committees according to the organisation structure, as well as external Expert Groups or Partner organizations abide to these rules.

3. Process responsibility

- Implementation of process specifications by Head of QM of the respective companies
- Monitoring of risks to maintaining impartiality; ensured by the Committee for Safeguarding Impartiality
- Each individual employee is responsible for notifying the current status of potential conflicts of interest, using Form 1000001.
- HR ensures the administration of the information in Intact.

4. Process indicators

- Signed copies of Declaration 1000001 have been filed by all internal and external staff
- Conflicts are recorded in Intact
- Breach and complaints of impartiality are recorded under complaints of the respective company

5. Related documents

- 1000001 Declaration Conflicts of Interest
- Compliance guidelines EASY CERT group AG
- Contracts with employees, clients and external services
- General terms of Business
- IT security guidelines
- Provisions of the European and Swiss laws on data protection

6. Impartiality management process

Input	Activities	Descriptions	Responsibility	Output
Existing conflicts, new conflicts	Declaration of conflicts	Complete 1000001 New and existing employees	- New employee introduction - Division Heads	All employee conflicts known at all times, evaluated and measures determined
Conflicts with regard to clients	Manage in Intact	Blocks and approvals of operations	Administration Division	- Impartiality ensured for inspection and certification
Changes	Risk assessment	Assess relevant risks and determine corrective measures	Head of QM	Assessment of status is always up-to-date
Internal processes	Monitoring	Periodic check Impartiality Committee	Coordination Head of QM	System check for vulnerabilities
Audit results	Effective-ness review	Assessment by Management Board	Coordination Head of QM	Feedback to Impartiality Committee
Mandate to Management	Implement-ation of specification	Integration of measures in Management Review	Coordination Head of QM	Continuous improvement of process

7. Impartiality at different levels

7.1 Company

- There is a balance between the interests of the company's different owners. They have no influence over the operative business or certification outcome.
- The CEO is committed to impartiality in business presentation. Commercial, financial or other pressures are not allowed to compromise impartiality.
- All employees and members of committees or expert groups according to the organigram, external involved partner companies and their employees notify CSI about any potential conflict of interest using form 1000001 as soon as they become aware of such conflicts. Periodic update is required.
- The external Committee for Safeguarding Impartiality performs the tasks assigned to it as described in chapter 8.2 of this document and prepares an annual audit report.
- The Management Board assesses the audit report prepared by the Committee for Safeguarding Impartiality. Where necessary the Management Board determines additional measures to be taken.
- The CEO determines additional measures if needed and implements these measures.
- The Head of QM monitors all steps of the process and coordinates the interfaces.

7.2 Inspection and certification

- Clients can access services on equal terms, independent of size, turnover, number of employees or existing service orders or certifications.
- Fee schedules are publicly available at the company homepage at www.carbon-standards.com.
- Consulting: CSI can offer consultation to clients as long as not the same person provides any type of inspection, verification or certification.

7.3 Partners

The Management Board decides on collaborations with partners and sub-contractors. Impartiality is a component of any cooperation agreement and is defined by a quality management agreement.

7.4 Complaints and appeals

Complaints and appeals are processed by the Head of Division. They cannot be processed by personnel that was involved in the applicant party's inspection and/or certification process.

7.5 Personnel

Employees at all levels and in all Divisions sign employment contracts and commit to declaring conflicts of interest. Possible changes regarding conflicts of interest must immediately be notified.

7.6 Notification requirement – personnel (passive)

In accordance with the employment contract, personnel are under obligation to immediately report any past or present relationship with an operation assigned to them.

Non-compliance with the notification requirement constitutes a breach of contract and may result in the immediate termination of the contractual relationship.

7.8 Self-declaration of conflicts of interest (active)

Personnel declare existing relationships as they commence their employment with the company. The current status is checked as part of the annual staff appraisal meeting. If new conflicts of interest appear during the time the personnel is employed they are obliged to submit the "Self-declaration of conflicts of interest" [[1000001](#)] and a new assessment is undertaken of the relationships.

The Administration is responsible for collecting these. Persons working for different companies within the group do not need to fill in the same form for each company, but the form is valid for all companies with the EASY-CERT group AG.

In the compliance guidelines of the EASY CERT group AG (QM Dok 1000003), the possible relations are described which can lead to a conflict of interest.

7.9 Assessment of relationships, applicable measures

Relationships declared by personnel are assessed in accordance with the following criteria. A decision is taken as to whether the declared relationship constitutes a conflict of interest compromising impartiality.

Nature of relationship	Criteria for prejudice	Measure in accordance with 7.9
Involvement in or cooperation with the operation	Any form of involvement or cooperation independent of its nature and/or extent	Block the employee for individual operator
Activities rendered to the operation, including consultancy	Any form of activity independent of its nature and/or extent	Block the employee for individual operator If activities ceased more than two years ago. If the related employee agree that, the risk of a conflict can be evaluated by QM
Relatives in the operation or voluntary involvement	Relatives up to and including the 3rd degree of kinship. Voluntary involvement of any nature independent of its nature and/or extent	Block the employee for individual operator
Other relationships which may risk impartiality	Ownership, directorship, management, personnel, joint utilization of resources, finances, contracts, marketing, membership in associations	Assessment dependent on nature of relationship

The measures to be taken with regard to the declared relationships are checked by the Head of QM and special activities are assessed. If the employee declares specific conflict of interests they do not need to be approved by the QM but the administration enters those directly in Intact and the specific operators are blocked.

7.10 Technical implementation

The Intact software used by CSI is being used for the technical implementation of the above measures.

8 The Committee for Safeguarding Impartiality

8.1 Tasks for safeguarding impartiality

The Committee for Safeguarding Impartiality was installed at EASY-CERT AG and is responsible for the for all companies within the group.

- It develops fundamental rules on the independence of certification activities
- It ensures that conflicts of interest either do not arise or are settled.
- It ensures that the objectivity and independence of CSI is not impacted upon by commercial or other interests.
- The Committee may take independent measures (inform authorities, accreditation bodies etc.) if the CEO does not respect the Committee's recommendation or if the impartiality of CSI is at risk.

8.2 The composition and organization of the Committee for Safeguarding Impartiality

The ECG Board of Directors decide on the appointment of Committee Members. Representatives are recruited from different Divisions so as to guard against the predominance of any particular interest.

Committee Members must be impartial and pre-confirm that their appointment will not present a conflict of interest.

Minutes are taken for all the decisions taken by the committee or by other written confirmation of all members. Meetings take place at least once yearly. The chair of the meeting is one of the committee members elected who is also responsible for inviting to the meeting. Decisions are taken by simple majority of votes. The chair has the casting vote.

The minutes of the meeting are distributed to all members of the committee. The steering committees as well as the Board of Directors are informed about the decisions taken and activities carried out by the committee for safeguarding impartiality.

8.3 The Committee safeguards the impartiality of CSI in all its business activities.

- The impartiality of CSI's work is assessed once a year.
- The analysis includes all risks to impartiality that may arise from self-interest, self-assessment, lobbying, undue familiarity, intimidation and competition, and is evaluated.
- At least one independent person as part of the Committee for Safeguarding Impartiality or one external, independent authority commissioned by the Committee is deployed to assess the analysis, its plausibility and its embeddedness in the company group's practical activities.
- The assessment results are reported to the other Committee members. Additionally, preventive or corrective measures may be derived from the assessment for implementation by CSI

a) Ensuring that the objectivity is not influenced by commercial interests

Fee schedules are publicly displayed on the company homepage.

Corruption: there is a risk that CSI could accept money/bribes in order to simplify client certification. The CEO commits to impartiality, does not allow commercial or financial pressures to be exerted, and does not allow stakeholders to lobby on behalf of clients to be inspected. Financial aspects are dealt with following the four-eye principle.

b) Advising on matters affecting confidence in certification, including openness and public perception

Business activities are conducted in a transparent manner. All pertinent information can be accessed via the CSI homepage.

The certificates are published at www.easy-cert.com.

All complaints and appeals are followed up immediately. Complaints and appeals must not be dealt with by personnel involved in marketing processes on behalf of the applicant party.

The Management Board decides on cooperation with partners and VVB/CBs. Impartiality is a component of any cooperation agreement.

Customer data and inspection/certification results are confidential. Confidential information must not be passed on to third parties. Breaches will be sanctioned.

c) Taking independent measures

If the Management Board is obliged to follow the Committee's recommendations.

The Committee assesses the independence of CSI on an annual basis. It may commission, where necessary, an external and neutral party to verify independence. Risks identified as part of the assessment of impartiality would be analysed by the steering committee and included in the company's overall risk assessment.