

# CODE OF PRACTICE FOR THE VERIFICATION OF GREENHOUSE GAS DECLARATION OF AN ORGANIZATION - ISO 14064-1

## INTRODUCTION AND SCOPE

SGS Italia SpA (hereinafter also "SGS Italia"), belonging to the SGS International Group, acts as a certification body of management systems (hereinafter also "systems") against internationally recognized standards.

SGS Group operates in several countries with accredited certification bodies. The list of the accreditations of the SGS Group Certification Bodies and related accreditations sectors are available upon request.

SGS Italia also offers service / product certification (to mandatory and voluntary requirements) and acts as environmental verifier according to EC Regulation No. 1221/2009 (hereinafter referred to as the EMAS Regulation), verifications according to EU ETS scheme, product / system EPD certifications. SGS Italia services are provided in compliance with the General conditions for certification services (see Part 2).

SGS Italy offers, within the voluntary GHG inventories verification, services for the verification of greenhouse gas declaration developed by an organization according to ISO 14064-1:2018 requirements. The verification will be performed according to 14064-3:2019 requirements.

## DEFINITIONS

"GHG statement/ GHG declaration": declaration provided by an interested party (organization) on GHGs related to the organization's activities.

"GHG report": document that presents the boundaries, methodologies, calculation and quantification models of the organization's GHGs which are presented in the GHG declaration.

"Organization": person or group of persons that has its own functions with responsibilities, authorities and relationships to achieve its objectives.

"Certification body": any SGS company having the authorization to issue Certificates and/or verification statement.

"Non-conformities": non-fulfilment of a requirement. (for example: material misstatement or omissions).

"Verification statement": document issued by the certification body containing an opinion on the organization GHG Declaration.

"Opinion": certification body written declaration on organization GHG Declaration conformity to ISO 14064-1 requirements and on the absence of material misstatements or omissions or misrepresentations that may affect the validity of the GHG declaration.

"Level of assurance": degree of confidence that is required for the verification activities. The level of assurance (limited or reasonable) is used to define the degree of detail that the verifier uses in its verification plan to define if there are material misstatements, omissions or misrepresentations.

"Misstatement": errors, omissions, misreporting or misrepresentations in the GHG declaration and related to GHG quantification.

"Material misstatement": errors, omissions, misreporting or misrepresentations in the GHG report errors that do not allow validation of the declared results.

## 1 PART 1:

### TECHNICAL CONDITIONS FOR CERTIFICATION SERVICES

#### 1.1 GENERAL REQUIREMENTS

1.1.1 This document regulates the certification services provided by SGS Italy. The Organization is contractually bound to comply with the requirements set out therein. The Code of Practice is applied with independence and impartiality to all organizations that apply or have access to SGS Italia Certification Services.

1.1.2 Organizations are therefore committed to: supply SGS with all the documents defining the system and its implementation; co-operate as is necessary during all Verification activities, by providing access to all information, staff and areas of the premises, as deemed necessary by the audit team to evaluate the conformity to the applicable standard; identify its own Representative to support the audit team and ensure that the consultant of the Organization assisting to the audit maintains the role of observer.

#### 1.2 SCOPE AND ORGANIZATIONAL STRUCTURE

1.2.1 These technical conditions apply to the Verification activities specified in points 2.3.1 g) of the General Conditions that follow (see Part 2).

1.2.2 A copy of the organization chart of the Certification Body, showing the responsibility and reporting structure of the organization, and documentation identifying the legal status of the Certification Body are available on request.

Verification Services are provided by SGS Italia's direct staff or, at its discretion, SGS Group Affiliates (generally for activities abroad) or by other external resources according to agreed requirements. In any case, SGS Italia still holds full responsibility for issuing, maintaining, suspending or withdrawing the verification statement.

#### 1.3 CONFIDENTIALITY

1.3.1 SGS Italia ensures that all confidential information gathered during Verification activities is kept strictly confidential at all levels of its structure. No information will be disclosed to any third party unless in response to legal process or required by an accreditation body as part of the accreditation process or with written authorization from the Organization concerned.

The client's name, location, scope of certification and contact numbers may be entered into dedicated directories.

1.3.2 SGS Italia will deal with the data that will be provided or to which it has access, in compliance with UE 2016/679 "General Data Protection Regulation" – "GDPR", in electronic or paper form, for the sole purpose of fulfilling the requested service; the data controller for processing the data and information is SGS Italia S.p.A., at its registered office, to which the Organization may apply for the exercise of the rights referred UE 2016/679 "General Data Protection Regulation" – "GDPR".

## 1.4 APPLICATION FOR VERIFICATION

1.4.1. Upon receipt of a completed Questionnaire submitted to the Organization by SGS Italia, the Certification Body sends a proposal to the Client outlining scope and costs of the services together with an Application for Certification. The proposal is complemented by this Code of Practice.

For specific certification schemes and / or industry sectors, regulatory requirements for certification can be supplemented by specific Technical Regulations (RT) or Circular letters issued by the Accreditation Body.

1.4.2. Once the Application is returned, together with any due copy of relevant documentation, SGS Italia shall send the confirmation order to the Organization which formalize the contractual terms and conditions. The project is then assigned to SGS Italia staff responsible for ensuring the delivery of the service in accordance with SGS Italia procedures. The names of the staff involved in the individual inspection activities are communicated in advance to the Organization; any motivated objections by the Organization shall be immediately notified to SGS Italia.

## 1.5 INITIAL VERIFICATION AUDIT

1.5.1 The initial audit is conducted under the responsibility of a Lead Auditor of SGS Italia in accordance with the audit plan sent in advance to the Organization, which details the audit objectives and procedures. For each audit, two meetings are held: an opening meeting (where the Lead auditor presents all the key aspects of the audit: the evaluation procedure, the classification of non-conformities and subsequent corrective actions, the confirmation of the Audit Group confidentiality commitment, etc.) and a closing meeting (where the outcome of the audit is communicated and any clarification on the results registered in the audit report is provided, including information on procedures and deadlines to close non-conformities).

1.5.2 The initial audit of GHG statement verification is conducted in two Stages:

**1. Stage 1:** Document review (at SGS offices or on site upon approval by SGS Technical Staff)

The organization makes the following documents available to SGS Italy:

- Copy of the GHG report (s) and GHG statement to be verified;

- Screenshot of the calculation model (main processes);
- GHG information management procedure (s) (§8.1.1, ISO 14064-1).

At the end of stage 1 an audit report is issued in which the audit team expresses an evaluation of the existence of the minimum conditions for the execution of the next stage 2. Once the document review is done, if properly justified, the Lead Auditor may ask for a temporal extension of the verification activity of stage 2. The maximum time extension is listed in the contract.

**2. Stage 2:** Verification (on-site audit).

The Organization makes the following documents available to SGS Italy:

- All documentary evidence supporting the data used in GHG quantification;
- Calculation model (on software or any other adopted tool);
- Possible updates of GHG report, GHG statement and/or GHG management procedure (s) (§8.1.1, ISO 14064-1) performed after stage 1.

At the end of stage 2 an audit report is issued in which the audit team recommends or not the release of the verification statement.

Based on the verification of these documents, SGS Italia assesses whether the requirements of the reference standard are taken into consideration (stage 1) and adequately met (stage 2).

1.5.3 If SGS Italia deems that not all the requirements are met or that material errors are present, non-conformities are issued and are communicated (see paragraph 1.6) to the Organization during the closing meeting and formalized in the Audit Report. If any non-conformities are reported, the Organization undertakes to respond in the manner and within the time frame indicated in the audit report.

1.5.4 Following the positive conclusion of the verification process the Lead Auditor sends the audit pack, including all the documents analyzed and produced, to SGS Italia to be submitted to the internal technical review. Following a positive technical review, a verification statement will be issued confirming the reliability and compliance of the GHG statement with the reference standards.

1.5.5 SGS Italia and the Organization have the following responsibilities:

- SGS Italia coordinates audits with the organization, prepares an audit program and performs the audit activities.
- The organization must provide SGS Italia with the documents needed for the verification

## 1.6 NON-CONFORMITIES AND CORRECTIVE ACTIONS

1.6.1 Non-conformities to the applicable standard requirements or due to material errors are classified as major. The Organization shall provide to SGS Italia, within the timing specified in the audit reports, the related causes and corrective actions planned or taken to close the non-conformities within a set timeframe; SGS Italia will subsequently verify its implementation and effectiveness.

1.6.2 If non-conformities are raised, certification is subject to Verification of the positive implementation of corrective actions by the Organization, generally conducted by an additional audit (see paragraph 1.11).

1.6.3 Failure to implement corrective actions within the specified times may result in the interruption of the certification process and the need to repeat the initial audit entirely.

## 1.7 ISSUANCE AND VALIDITY OF THE VERIFICATION STATEMENT

1.7.1 When SGS Italia, through its internal technical reviewers, accepts the positive evaluation given by the audit team, the Organization receives a report containing the verification statement. Otherwise, SGS Italia notifies the Organization of the decisions taken and the actions to be implemented.

The verification statement is sent to the organization by e-mail (scan) or ordinary post.

1.7.2 The GHG verification statement is made by a main section containing the following minimum contents:

- The name of the organization;
- The activity of the organization;
- The temporal boundaries;
- Production sites included in the study;
- Reference to the GHG report and the GHG statement;
- Result of GHG emissions;

- The applicable standard and by a technical annex containing additional information such as, for example, the level of guarantee applied.

1.7.3 The verification statement does not expire. It contains an opinion about the correctness of the organization's GHG statement and GHG report referred to the reporting period under verification. In the event of a change in the reference year, a new verification process must be carried out, following which a new verification statement will be issued.

1.7.4 The verification statement issued shall remain property of SGS Italia and the Organization shall send it back to the Certification Body in case it is changed or cancelled. The Organization's right to use mark/verification statement issued by SGS Italia is contingent on maintaining the compliance with requirements declared within the GHG report as well as with any regulations governing the use of the certification mark/certificate or opinion issued by SGS Italia.

1.7.5 The Verification statement released by SGS Italia is issued in Italian; Verification statement in a different language can be issued on request and according to the terms and conditions expressed in the proposal.

## 1.8 REGISTRATION OF THE VERIFICATION STATEMENT

1.8.1 Verification statement issued by SGS Italia are reported in a register updated at least once every six months.

1.8.2 Any request on state of validity/truthfulness of the verification statements may be requested using the fax number inserted into the verification statement

## 1.9 USE OF THE VERIFICATION STATEMENT

1.9.1 The Organization may refer to the verification statement obtained in its publications, in its correspondence, on business cards, etc. In any case, the use of the verification statement must be such as to be consistent with the purpose of verification process and with the activities referred to therein.

1.9.2 The conditions for using the SGS verification statement are set out in this code of practice.

1.9.3 The Organization shall immediately stop to refer to the verification statement (i) after the suspension or withdrawal of the verification statement, (ii) in the event of any change in the system

/ process / product not notified and accepted by SGS Italia, (iii) if SGS Italia modifies the rules of the verification scheme and the Organization does not intend to comply (iv), in case of any other circumstance that could adversely affect the verification process.

1.9.4 In case of incorrect use of the verification statement, SGS Italia will take suitable actions which may include the request of major corrective action, suspension or withdrawal of the verification statement, legal action and/ or publication of the transgression.

## 1.10 SURVEILLANCE AUDIT

1.10.1 Surveillance activities are not applicable.

## 1.11 ADDITIONAL AUDITS

1.11.1 SGS Italia reserves the right to perform additional audits, notifying the Organization in writing; for example, to verify the implementation of corrective actions, to address any requests that have arisen when the verification statement was being issued, to revoke a suspension of the verification statement, on receipt of whistleblowing, reporting serious problems or complaints related to the Organization's activities verified within the reference period or if facts or new information emerge that could materially affect the verification opinion. In conclusion of the audit, the Organization receives the audit report.

1.11.2 Any refusal of these audits by the Organization leads automatically to the initiation of the suspension and / or withdrawal process of the verification statement or interruption of the initial verification.

## 1.12 SUSPENSION OF THE VERIFICATION STATEMENT

1.12.1 SGS Italia has the power to suspend, for a limited period, the verification statement already granted, for reasons deemed serious, by notifying the Organization in writing. For example, suspension can be implemented when (i) the Organization does not readily inform the Certification Body of ongoing legal proceedings related to non-compliance with binding legal requirements (ii) the Organization fails to comply with the contractual obligations of SGS Italia, SGS Italia Regulation or rules for the use of the SGS mark/verification statement, (iii) facts or new information emerge that significantly affect the GHG declaration.

1.12.2 In the event of suspension, SGS Italia shall officially notify the organization by e-mail, fax or other equivalent means and shall notify also the conditions under which the suspension may be revoked.

1.12.3 If the Organization fulfills the conditions set by SGS Italia within the specified time limits, the suspension may be revoked; Otherwise, SGS Italia will proceed with the withdrawal of the verification statement. Any subsequent withdrawal of the suspension is also made public by the same means. The costs associated with the suspension and restoration of the verification statement shall be borne by the Organization.

The maximum duration of suspension does not generally exceed 6 (six) months.

## 1.13 CANCELLATION OF VERIFICATION STATEMENT

1.13.1 The cancellation of the verification statement can be due to its withdrawal by SGS Italia or can be requested by the Organization.

1.13.2 SGS Italy may cancel the verification statement for reasons deemed to be of significant concern and providing an explanation in writing to the Organization. This can occur when (i) the Organization fails to comply with SGS Italia's terms for revoking the suspension of the verification statement, (ii) the Organization fails to pay the amounts due to SGS Italia required by this or other contracts with SGS Italia, (iii) SGS Italia modifies the rules of its verification scheme and the Organization does not intend to comply with the new requirements, (iv) the Organization violates the agreements entered into with SGS Italia or the Organization itself requests formally, (v) the Organization does not accept changes to the economic conditions.

1.13.3 The cancellation of the verification statement shall be officially notified to the Organization by e-mail, fax or other equivalent means.

1.13.4 If, after the cancellation of the verification statement, the Organization continues to refer to it in any way, SGS Italia will be free to protect itself in the most appropriate manner. In case of withdrawal, no reimbursement of any expenses related to the audit work already completed by SGS Italia will be provided.

## 1.14 CHANGES TO THE VERIFICATION SCHEME

1.14.1 If substantial changes to the rules / requirements of the verification scheme are made, SGS Italia informs the Client Organizations and considers the observations submitted by them. SGS Italia shall specify the date when the changes come into force and any corrective action required and the time allowed for their implementation (if necessary).

## 1.15 CHANGES TO THE SYSTEM/PROCESS VERIFIED

1.15.1 The Organization shall communicate in writing to the Certification Body any changes to the information contained in the GHG report for the reporting period that may affect compliance with standards, legally binding requirements or regulations. The Certification Body will determine whether the changes so notified will require further evaluations. Failure to notify the Certification Body of any intended modifications may result in the suspension of the verification statement.

1.15.2 The Organization shall promptly notify SGS of the following types of significant changes:

- Correction or modifications to the information contained in the GHG report.

The Organization shall give to the revised GHG report a new version number to indicate the changes made.

1.15.3 The Organization will have to accept the resolutions of SGS Italy, justified in writing, about the possible need for an additional audit or a complete repetition of the verification process. SGS Italia informs the Organization of its decisions within 30 working days from the receipt of the notification of the proposed modifications.

## 1.16 COMPLAINTS, APPEALS AND LITIGATION

1.16.1 Written complaints may be submitted to SGS Italia by its Client Organizations (e.g. regarding staff behavior) or by Customers of verified Organizations, other interested parties, etc.

1.16.2 The Organization that uses the verification services provided by SGS Italia has the right to appeal in writing in relation to the decisions taken by SGS Italia (e.g. for failure to issue the verification statement).

1.16.3 In the presence of complaints or appeals, SGS Italia confirms in writing their receipt. Then, in compliance with its internal procedure, it undertakes to evaluate them with independent and qualified staff to reach a decision and provide a reply within 30 days of receipt of the complaint or appeal.

## 1.17 REPORTS AND VERIFICATION STATEMENT (INTELLECTUAL PROPERTY)

1.17.1 Any document, including any report or verification statement, provided by SGS Italia and the copyright therein contained remains the property of SGS Italia and the Organization shall not alter its content in any way nor make misleading claims.

1.17.2 The Organization will only be authorized to make copies for internal use only. Duplicates of verification statement are available upon request.

## 2 PART 2:

### GENERAL CONDITIONS FOR VERIFICATION SERVICES

#### 2.1 SCOPE

2.1.1 Unless otherwise agreed in writing, all offers or services and all resulting contractual relationship(s) between SGS Italia S.p.A. (the "certification body") to any person applying for certification services (the "Client") shall be governed by these General Conditions.

2.1.2 These General Conditions, the Proposal, the Application, the Codes of Practice, the SGS Certification Marks License Terms and Conditions constitute the entire agreement (the "Contract") between the Client and SGS Italia S.p.A. with respect to the subject matter hereof. Unless otherwise agreed no variation to the Contract shall be valid unless it is in writing and signed by or on behalf of the Client and SGS Italia S.p.A.

2.1.3 Certificates are issued to the Client by SGS Italia S.p.A. in accordance with the Codes of Practice then in force of the relevant Certification Body. A copy of such Codes of Practice is provided with the Contract and can be amended even after the commencement of the Services.

2.1.4 The Company reserves the right to modify the Regulations even when the service has started.

#### 2.2 GLOSSARY

"Accreditation Body": any organization (whether public or private) having the authorization to appoint Certification Bodies.

"Application": the request for services by a Client;

"Codes of Practice": those codes of practice issued by a Certification Body in accordance with the relevant certification scheme;

"Proposal": the outline of services to be rendered by SGS to the Client;

"SGS Certification Mark License Terms and Conditions": the terms and conditions of use of the licensed SGS Certification Mark.

#### 2.3 SERVICES

2.3.1 These General Conditions apply to the following services ("the Services"):

- a. System certification services: quality, environmental, safety, health and other management system certification in accordance with international or national standards.
- b. Verification of Environmental Declaration in accordance with EMAS Regulation.
- c. Product/Service certification services in accordance with nonmandatory normative documents, specifications or technical regulations and / or technical documents of the Client approved by the Certification Body.
- d. Second party audit, preliminary audit, training courses on management systems and connected activities.
- e. Environmental Product Declaration (EPD) Verification and EPD Process Certification in accordance with the applicable standards.
- f. Product carbon footprint CFP Verification in accordance with applicable standards.
- g. GHG statement verification in accordance with applicable standards.

2.3.2 On completion of an assessment program, SGS will prepare and submit to the Client a Report. Any recommendation given in a Report is not binding on the Certification Body and the decision to issue a Certificate is at the sole discretion of the Certification Body.

2.3.3 The Client acknowledges that SGS, either by entering into the Contract or by providing the Services, neither takes the place of Client or any third party, nor releases them from any of their obligations, nor otherwise assumes, abridges, abrogates or undertakes to discharge any duty of Client to any third party or that of any third party to Client.

2.3.4 The release of Certification, suspension, withdrawal or cancellation of a Certificate shall be in accordance with the applicable Codes of Practice in force.

2.3.5 SGS may delegate the performance of all or part of the Services to an agent or a subcontractor and Client authorizes SGS to disclose all information necessary for such performance to the agent or subcontractor.

## 2.4 OBLIGATIONS OF THE CLIENT

2.4.1 The Client shall ensure that access to facilities is made available to SGS auditors (including observers) when required, and, upon request by SGS, to the Accreditation body personnel

2.4.2 The Client shall also provide to SGS access to all product samples, information, records, documentation and facilities requested and provide the assistance of properly qualified, briefed and authorized personnel of the Client. The Client shall in addition provide SGS free of charge suitable space for drafting the audit reports and conducting meetings.

In the event that during the certification process there is a need for Verification on the Client's suppliers/outsourcers for inquiries related to the scope of the certification requested (e.g. examination of outsourced processes), the Client must ensure access to Premises of its Suppliers to the Company's auditors and, where required, the Accreditation Body.

The Client shall ensure compliance with agreed (annual or semi-annual) timelines for initial audit and any additional audits required. The Company reserves the right to suspend or cancel certification in cases where timelines are not respected.

So far as it is permitted by law, the Client acknowledges that, it has not been induced to enter into the Contract in reliance upon, nor has it been given, any warranty, representation, statement, assurance, covenant, agreement, undertaking, indemnity or commitment of any nature whatsoever other than as are expressly set out in these General Conditions and, to the extent that it has been it unconditionally and irrevocably waives any claims, rights or remedies which it might otherwise have had in relation thereto.

Any conditions or stipulations included in the Client standard form documents which are inconsistent with, or which purport to modify or add to, these General Conditions shall have no effect unless expressly accepted in writing by SGS.

The Client shall take all necessary steps to eliminate or remedy any obstacles to or interruptions in the performance of the Services.

2.4.3 In order to allow SGS to comply with the applicable health and safety legislation the Client shall provide SGS with all available information regarding known or potential hazards likely to be encountered by SGS personnel during their visits. SGS shall take all reasonable steps ensure that whilst on the Client's premises, its personnel comply with all health and safety regulations of the Client, provided that the Client makes SGS aware of the same.

2.4.4 The Client undertakes to conform and maintain its products and / or services in compliance with all applicable legal and binding requirements (such as Directives, Laws, Regulations).

2.4.5 The Client undertakes to promptly notify SGS of:

- all non-compliant situations detected by the Control Authorities, as well as any suspensions or revocations of permits, concessions, etc. Relating to the products / services associated with the certification issued;
- any ongoing judicial and / or administrative proceedings concerning the scope of the certification and keep SGS informed of any further development in these proceedings.

SGS reserves the right to carry out appropriate and timely additional audits and to take, if necessary, precautionary suspension measures and / or revocation of the issued certification

2.4.6 The Client may only reproduce or publish extracts of any report of SGS if the name of SGS does not appear in any way or the Client has obtained the prior written authorization of SGS.

SGS reserves its rights to lodge a complaint in case of disclosure in breach of this clause or disclosure which SGS considers in its sole discretion is abusive.

The Client shall not publicize details of the way in which SGS performs, conducts or executes its operations.

Any breach of this obligation to inform may lead to the withdrawal of the verification statement.

The Client undertakes to ensure the completeness and veracity of the documents and information made available to the SGS Auditors. SGS is explicitly exonerated from any liability in case of failure or incomplete communication of data, as well as in the case they do not correspond to the actual business situation.

## 2.5 FEES AND PAYMENT

2.5.1 The fees quoted to the Client cover all stages leading to completion of the assessment program or operations and the submission of a Report included the issuance of the verification statement. As fees are based on the charge rate applicable at the time of submitting a Proposal, SGS reserves the right to increase charges during the registration period. SGS may also increase its fees if the Client's instructions change or are found to be not in accordance with the initial details supplied to SGS prior to it providing the relevant fee quotation. Clients will be notified of any increase in fees.

2.5.2 Additional fees shall be charged for operations that are not included in the Proposal and for work required due to non-conformities being identified. These will include, without limitation, costs resulting from:

- a. repeats of any part, or all, of the assessment program or operations due to the registration procedures and rules not being met;
- b. additional work due to suspension, withdrawal and / or reinstatement of a verification statement;
- c. compliance with any subpoena for documents or testimony relating to work performed by SGS.

2.5.3 Additional fees will be payable at SGS' charging rates in force from time to time in respect of rush orders, cancellation or rescheduling of services or any partial or full repeats of the assessment program or operations which are required as set out in the Code of Practice. In particular, if scheduled activities, requiring the presence of SGS' staff at the Client location, are postponed upon Client's request, and this request does not reach the Client at least 15 working days in advance, the Client will charge, as compensation, additional charges equal to 50% of the contractual fee for the activities scheduled.

2.5.4 A copy of the current rates applied by SGS may be made available at the request of the Client."

2.5.5 Unless otherwise stated, all fees do not include travel and accommodation costs (which will be charged to the Client in accordance with SGS Travel Expense Policy). All fees and additional charges are exclusive of any applicable Value Added Tax, Sales Tax or similar tax in the country concerned.

2.5.6 Following submission of the Report to the client and / or issuance of the verification statement, SGS shall issue an invoice to the Client, in accordance to the Proposal signed by the Client. Invoices for additional and further work will be issued on completion of the relevant task. Unless advance payment has been agreed upon, all invoices are payable within thirty (30) days of the date of each invoice (the "Due Date") regardless of whether the Client's system or products qualify for certification or fail.

2.5.7 Any use by the Client of any Report or verification statement or the information contained therein is conditional upon the timely payment of all fees and charges. In addition to the remedies set out in the Codes of Practice, SGS reserves the right to cease or suspend all work and / or cause the suspension or withdrawal of any verification statement for a Client who fails duly to pay an invoice, even those related to a different contract between SGS and the Client or related companies.

2.5.8 In the event of non-payment by the Client of invoices relating to another contract in force between SGS and the Client, or its parent companies, whether controlled or otherwise affiliated to SGS, the latter may also suspend or interrupt any further ongoing business activities for such other existing contracts and / or withdraw these other relevant verification statement.

2.5.9 For late payment of invoices, SGS will be entitled to the payment of interests due by law.

SGS may elect to bring action for the collection of unpaid fees in any court having competent jurisdiction.

2.5.10 The Client shall pay all SGS' collection costs including reasonable attorney's fees and related costs.

## 2.6 ARCHIVAL STORAGE

2.6.1 SGS shall retain in its archive, for the period required by the relevant Accreditation Body or by law in the country of the Certification Body, all materials relating to the assessment program.

2.6.2 At the end of the retention period, the Certification Body shall transfer, retain or dispose of the materials at its discretion, unless instructed otherwise by the Client. Fees for carrying out such instructions may be invoiced to the Client.

2.7 Report and verification statement ownership and intellectual property.

2.7.1 Any document including, but not limited to any Report or any verification statement, provided by SGS and the copyright contained therein shall be and remain the property of SGS and the Client shall not alter or misrepresent the contents of such documents in any way.

2.7.2 The Client shall be entitled to make copies for its internal purposes only. Duplicates of Certificates are available upon request for external communication purposes.

## 2.8 COMMUNICATION

2.8.1 The Client may promote its assessment in accordance with the terms set out in the Regulations governing the use of the certification marks. Use of SGS corporate name or any other registered trademarks for advertising purposes is not permitted without SGS' prior written consent.

## 2.9 CONFIDENTIALITY

2.9.1 As used herein, "Confidential Information" shall mean any oral or written proprietary information that a party may acquire from the other party pursuant to the Contract or information as to the business of the other party provided, however, that Confidential Information shall not include any information which (1) was available to the receiving party on a non-confidential basis prior to the time of its disclosure by the disclosing party; (2) is or hereafter becomes generally known to the public, not because of the receiving party; (3) is disclosed to a party by an independent third party with a right to make such disclosure.

2.9.2 Unless required by law or by a judicial, governmental or other regulatory body, neither party nor their agents or subcontractors shall use the Confidential Information other than for the purpose of the Contract nor disclose the other's Confidential Information to any person or entity without the prior written approval of the other party except as expressly provided for herein.

## 2.10 DURATION AND WITHDRAWAL

2.10.1 Unless otherwise agreed, the Contract shall continue (subject to the termination rights set out in these General Conditions) for the term set forth in the Proposal (the "Initial Term").

2.10.2 SGS is entitled, at any time prior to the issue of a verification statement, to terminate the Contract if the Client is in material breach of its obligations and, following receipt of notice of such breach, the Client fails to remedy to the satisfaction of SGS such breach within 30 days.

2.10.3 Either party shall be entitled to terminate immediately the provision of the Services in the event of any arrangement with creditors, bankruptcy, insolvency, receivership or cessation of business by the other Party.

2.10.4 Transfers of GHG verification statement between the customer and other organization are not permitted.

## 2.11 FORCE MAJEURE

2.11.1 If SGS Italia is prevented from performing or completing any service for which the Contract has been made by reason of any cause whatsoever outside of the Certification Body's control, including, but not limited to, acts of god, war, terrorist activity or industrial action; failure to obtain permits, licenses or registrations; illness, death or resignation of personnel or failure by Client to comply with any of its obligations under the Contract, the Client will pay to SGS:

- a. the amount of all expenditures made or incurred;
- b. a proportion of the agreed fees equal to the proportion (if any) of the service carried out;

SGS Italia shall be relieved of all responsibility whatsoever for the partial or total non-performance of the required Services.

## 2.12 LIMITATION OF LIABILITY AND INDEMNITY

2.12.1 SGS undertakes to perform the services with care and due diligence. The Company will be held responsible only in the event of serious negligence.

2.12.2 Nothing in these General Conditions shall exclude or limit SGS' liability to the Client for death or personal injury or for fraud or any other matter resulting from SGS' negligence for which it would be illegal to exclude or limit its liability.

2.12.3 Given the above 2.12.2, the liability of SGS to the Client in respect of any claim for losses, damages or expenses of any nature and howsoever arising shall be limited, in respect of any one event or series of connected events, to an amount equal to the fees paid to SGS under the Contract (excluding Value Added Tax thereon).

2.12.4 Given the above 2.12.2, SGS shall have no liability to the Client for claim for losses, damages or expenses if proceedings are commenced within one year after the date of the performance by SGS of the service which gives rise to the claim or in the event of any alleged non-performance within one year of the date when such service should have been completed.

2.12.5 Given the above 2.12.2, SGS shall not be liable to the Client nor to any third party:

- a. for any loss, damage or expense arising from (I) a failure by Client to comply with any of its obligations herein (II) any actions taken or not taken on the basis of the Reports or the Certificates; and (III) any incorrect results, Reports or Certificates arising from unclear, erroneous, incomplete, misleading or false information provided to SGS;
- b. for loss of profits, loss of production, loss of business or costs incurred from business interruption, loss of revenue, loss of opportunity, loss of

contracts, loss of expectation, loss of use, loss of goodwill or damage to reputation, loss of anticipated savings, cost or expenses incurred in relation to making product recall, cost or expenses incurred in mitigating loss and loss or damage arising from the claims of any third party (including without limitation product liability claims) that may be suffered by the Client;

- c. any indirect or consequential loss or damage of any kind (whether or not falling within the types of loss or damage identified in (b) above).

2.12.6 Except for cases of proven negligence or fraud by SGS, the Client further agrees to hold harmless and indemnify SGS and its officers, employees, agents or subcontractors against all claims (actual or threatened) by any third party for loss, damage or expense of whatsoever nature including all legal expenses and related costs and howsoever arising in relation to the performance or non-performance of whichever Service.

2.12.7 Each party shall sign up adequate insurance to cover its liabilities under the Contract.

## 2.13 MISCELLANEOUS

2.13.1 If any one or more provisions of these General Conditions are found to be illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

2.13.2 During the provision of services and for a period of one year after their completion, the Client undertakes, directly or indirectly, not to instigate and / or encourage the employees of SGS to leave their employment, or to make offers in that sense.

2.13.3 Use of the Company's name or registered trademark information is not permitted without the prior written consent of the Company.

2.13.4 Except as expressly provided for herein, the Client may not assign or transfer any of its rights hereunder without SGS' prior written consent.

2.13.5 Neither party shall assign the Contract without the prior written consent of the other Party such consent shall not be unreasonably withheld. Any assignment shall not relieve the assignor from any liability or obligation under the Contract.

2.13.6 The Parties acknowledge that SGS provides the Services to the Client as an independent contractor and that the Contract does not create any partnership, agency, employment or fiduciary relationship between SGS and the Client.

2.13.7 Any failure by SGS to require the Client to perform any of its obligations under these General Conditions or the Contract shall not constitute a waiver of its right to require performance of that or any other obligation.

## 2.14 DISPUTES RESOLUTION

2.14.1 Unless specifically agreed otherwise, all disputes arising out or in connection with these General Conditions or the Contract shall be governed by the Italian laws, exclusive of any rules with respect to the conflicts of laws, and finally submitted to the exclusive jurisdiction of the competent courts in Milan.

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The certification body reserves the right to add to, delete or change these codes of practice without prior notification and even after the beginning of the service provision.

Unless otherwise explicitly agreed in writing, all services are performed according to the general conditions for certification services, which shall prevail, in case of conflict with any other provision.



WHEN YOU NEED TO BE SURE