ISS-CORPORATE

External Review Services

Verification of Future Environmental Performance Claims

Methodology

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Contents

Background 3
Purpose 3
Scope 3
Services Covered 4
Methodological Principles 4
Evidence-based review process 5
Information reviewed 5
Information quality 5
Assessment process 5
Transparent assessment outcome 6
Assessment and verification output 6
Basis for the conclusion 6

Background

Directive (EU) 2024/825, commonly referred to as the Empowering Consumers for the Green Transition Directive ("EmpCo"), strengthens protections against misleading environmental and sustainability-related claims. Future environmental performance claims must be supported by clear, objective, publicly available and verifiable commitments set out in a detailed and realistic implementation plan. The plan must include measurable and time-bound targets and other relevant elements necessary to support implementation. Based on the implementation plan, the claims must be regularly verified by an independent, conflict-free environmental expert, with the findings made available to consumers.

This methodology sets out the approach applied by ISS-Corporate when conducting independent assessment of implementation plans supporting future environmental performance claims and periodic verification of reported progress against those plans.

Purpose

For the purposes of this methodology, the following terms are used consistently:

- Assess whether a claim is supported by a credible implementation plan that satisfies applicable legislative requirements.
- Provide a structured, evidence-based framework for evaluating the quality, completeness and credibility of implementation plans.
- Verify periodically whether reported progress remains consistent with the commitments, targets, assumptions and implementation pathway underlying the claim.
- Promote consistency, transparency and comparability across assessments.
- Support publication of independent verification findings that strengthen stakeholder confidence and market integrity.

Scope

The methodology may be applied to future environmental performance claims made by corporates, financial institutions, public sector entities or other organisations. Examples include net-zero, carbon neutrality, greenhouse gas emissions reduction, renewable energy and water reduction commitments. It may be applied at product, product line, business unit or brand, operational activity, or entity-wide level. The scope of each assessment is determined by the claim and the associated implementation plan.

Nature of the assessment

The methodology provides an independent assessment of the credibility and implementation of the plan supporting a claim. It does not certify environmental performance or guarantee that the environmental objective will ultimately be achieved.

Services Covered

ISS-Corporate may provide two independent verification services under this methodology.

Initial Plan Assessment

An assessment performed at or prior to the launch of a future environmental performance claim to evaluate whether the implementation plan provides a credible basis for the claim. The assessment focuses on:

- Claim(s) and Targets;
- Baseline and Scope Integrity;
- Credibility of Implementation Plan, including any use of offsetting; and
- Resource Planning and Allocation.

Periodic Monitoring Verification

A recurring assessment performed after publication of the claim to evaluate whether actual implementation and reported progress remain consistent with the implementation plan supporting the environmental claim. The assessment focuses on:

- Progress against targets;
- Data quality and traceability;
- Integrity of commitments and targets;
- Ongoing resource commitment, including whether planned resources remain available and committed during implementation.

Methodological Principles

The methodology is founded on five core principles:

- Independence – assessments are conducted free from conflicts of interest and undue influence.
- Objectivity – conclusions are based on predefined and transparent criteria.
- Evidence-Based Assessment – findings are supported by documented evidence and verifiable information.
- Consistency – assessment criteria are applied consistently across engagements and review cycles.
- Transparency – methodology, scope, limitations, and conclusions are disclosed in a clear and understandable manner.

These principles underpin all assessments performed under this methodology and support the credibility and integrity of the resulting verification statements.

Evidence-based review process

The assessment is primarily conducted as a desktop review of information, documentation, data and evidence made available by the organisation making the claim, together with publicly available information where relevant. The process is iterative and may require multiple rounds of information requests, clarifications and evidence review before a final conclusion is reached.

Information reviewed

Information may include implementation and transition plans, target-setting documentation, governance frameworks, budgets and investment plans, technical studies, progress reports, sustainability disclosures, baseline calculations, environmental inventories, data-management procedures, internal controls and relevant public information.

Information quality

- Completeness: sufficient information to assess the plan, assumptions, progress and supporting evidence.
- Consistency: alignment across documentation, disclosures, targets, methodologies and reported performance.
- Traceability: records and evidence that enable conclusions to be traced to source information.
- Accuracy: information appears reasonable and free from material inconsistencies based on the evidence reviewed.
- Transparency: key assumptions, methodologies, limitations, exclusions and uncertainties are disclosed.

Assessment process

1	**Engagement initiation and scope confirmation**	2	**Information submission and initial completeness review**
3	**Review against applicable assessment criteria**	4	**Clarifications and additional information requests**
5	**Detailed assessment and evidence evaluation**	6	**Internal quality review**
7	**Factual accuracy review, where applicable**	8	**Final verification statement**

Transparent assessment outcome

Where material findings are identified, the organisation may be given an opportunity to provide clarification, additional evidence or proposed remedial measures within an agreed timeframe. Sufficient evidence of implementation or a credible and time-bound remediation plan must be available, as appropriate to the assessment stage.

Where a material finding remains unresolved, agreed remedial measures are not completed, required information is not provided, or completion of the review is otherwise prevented, ISS-Corporate will not issue an unqualified positive outcome. Depending on the significance of the matter, the result may be modified, qualified or negative, or ISS-Corporate may be unable to complete the assessment or verification.

Assessment and verification output

Assessment signal	Interpretation
Satisfies the applicable criteria	All four assessment dimensions satisfy the applicable criteria.
Partially satisfies the applicable criteria	One or more dimensions partially satisfy the applicable criteria, and no dimension does not satisfy.
Does not satisfy the applicable criteria	One or more dimensions do not satisfy the applicable criteria.

Basis for the conclusion

Shall criteria are treated as mandatory, while Should criteria are supporting good-practice criteria. A dimension satisfies where all applicable Shall criteria are met; partially satisfies where one Shall criterion is not satisfied and the limitation is documented; and does not satisfy where two or more Shall criteria are not satisfied. The overall conclusion follows the dimension outcomes.

Limitations

The assessment is based on information available at the time of review. It does not constitute an operational, financial or engineering audit; independent verification of raw data; continuous monitoring; an assurance engagement under financial reporting assurance standards; or legal advice. Responsibility for the claim, implementation plan and related public disclosures remains with the organisation making the claim.

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