



## BUSINESS ASSURANCE

# EMISSIONS TRADING

Emissions trading is a Kyoto Protocol mechanism established to cost effectively reduce emissions and meet Kyoto Protocol commitments.

### Purpose

An emission trading programme allows for sale or transfer greenhouse gas (GHG) emission reductions. Countries, companies, and organizations that participate in an international or national emission trading scheme have the flexibility to determine the most economic means to reduce their emissions. Consequently, greenhouse gas emissions could have a direct impact on the value of your company's assets and liabilities.

Emissions trading represents co-operation between two countries, companies or organizations that have reduction commitments. Any company in a country that has reduced its emissions below the determined commitment can sell its surplus units to another company in a country that find it more difficult to reduce its emissions and meet its reduction commitment. There are both international and national programmes that cover emissions trading.

### Benefit

Emissions trading allows for the sale or transfer of achieved GHG emission reductions or removals by countries, companies,

and organizations. A trading programme can help you reach your emission reduction targets. The programme provides countries, companies, and organisations with flexibility to determine the most economic means to reduce its emissions.

### Features

We have developed a number of trading-related climate change services that will help you comply with the EU ETS requirements:

#### Review of greenhouse gas monitoring and reporting systems

The EU ETS requires that greenhouse gas emissions from your installation are verified annually. We have developed a robust audit process and employs sectorial expertise for the verification of corporate greenhouse gas monitoring and reporting systems. The required independent review confirms whether your company is monitoring and reporting greenhouse gas emissions as prescribed by the EU guidelines. This allows you to carry out any necessary adjustments before the year-end audit and reconciliation of emissions.

### **Emission baseline verification**

Verification of base year emissions increases the credibility of the emissions data that might be used by national authorities for your company's allocation of allowances. An independent verification of your emission base year emissions can provide you with precise arguments the authorities can take into account during the allocation of your allowances.

Assessment of your current emission inventory An independent assessment of your current emission inventory gives an overview of your business' current emissions.

### **Annual emission verification**

Under the EU ETS, verification of your installations' annual emissions is required to determine whether you are in compliance with your allowance. DNV GL can work with you to schedule a cost-effective verification process. The EU ETS Industrial installations and aircraft operators are required to monitor and report their annual emissions in accordance with legally binding guidelines adopted by the European Commission. New rules concerning EU ETS monitoring and reporting, and accreditation and verification, apply to emissions from 1 January 2013.

### **The EU ETS**

Industrial installations and aircraft operators covered by the EU ETS are required to have an approved monitoring plan, according to which they monitor and report their emissions during the year. In the case of industrial installations, the monitoring plan forms part of the approved permit that is also required.

The data in the annual emissions report must be verified before 31 March each year by an accredited verifier. Once verified, operators must surrender the equivalent number of allowances by 30 April of the same year.

The verifications will be carried out according to EU 600/2012 Accreditation and Verification Regulation (AVR) of 21 June 2012.

Common rules for monitoring and reporting, as well as the accreditation of verifiers and the verification of annual emissions reports are important for ensuring the quality of the annually reported emissions and the credibility of the data.

### **Our expertise**

Our climate change specialists have a broad greenhouse gas verification and certification expertise combined with specific industry knowledge. As a leading independent greenhouse verifier operating globally, we believe in a partnership approach that benefits you and your organization.

### **Why partner with DNV GL?**

Driven by our purpose of safeguarding life, property and the environment, DNV GL enables organizations to advance the safety and sustainability of their business. DNV GL is a leading provider of classification, certification, verification and training services. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping our customers make the world safer, smarter and greener.

As a world-leading certification body, DNV GL helps businesses assure the performance of their organizations, products, people, facilities and supply chains through certification, verification, assessment, and training services. Partnering with our customers, we build sustainable business performance and create stakeholder trust.

\*Risk Based Certification is a registered EU trademark of DNV GL AS.

### **For more information:**

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