

CODE OF PRACTICE FOR THE VERIFICATION OF THE PRODUCT CARBON FOOTPRINT AND CFP SYSTEMATIC APPROACH – ISO 14067:2018

INTRODUCTION AND SCOPE

SGS Italia SpA (hereinafter also "SGS Italia"), belonging to the SGS International Group, acts as a management systems certification body (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), EU ETS verification, EPD certification and Product Carbon Footprint (CFP) verification (product and system)

SGS Italia services are provided in compliance with the General conditions for certification services (see Part 2).

In particular, considering the voluntary product verification, SGS Italia provides the service of the CFP product verification and CFP systematic Approach certification according to ISO 14067 requirements and considering the verifications requirements developed in ISO 14064-3 standards, limited to single CFP and CFP Systematic approach verification.

The CFP can be calculated for a single product or for similar products as per the definition below.

DEFINITION

"Carbon footprint of a product": sum of GHG emissions and GHG removals in a product system, expressed as CO₂ equivalents and based on life cycle assessment using the single impact category of climate change.

"CFP Systematic approach": set of procedures and management system to facilitate the quantification of the CFP for two or more products of the same organization.

"Similar products": Products covered by the same PCR (if existing) and manufactured by the same company with the same core process, in the same sites and with differences between the CFP lower than $\pm 10\%$

"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 authorisation to issue Certificates and/or verification statements.

"CFP study report": report that documents the CFP study, presents the CFP or partial CFP results, and shows the decisions taken within the study.

"Audit Report": a report issued by SGS to the Client indicating whether or not a recommendation to issue a verification statement is to be made.

"Misstatements": errors, omissions, misreporting or misrepresentations present in the CFP study report and relative to the CFP quantification and to the description of the lifecycle and/or of the organization's processes and/or other requirements of the standard.

"Material misstatements": errors, omissions, misreporting or misrepresentations, present in the CFP study that do not allow the validation of the results declared in the CFP study.

"Verification statement": document released by the Certification Body containing an opinion attesting the conformity of the Product Carbon Footprint and of the CFP Study report to the reference standard and to the reference technical standards (e.g. Product Categories Rules), and attesting that the CFP is reliable and free of material misstatements.

"Nonconformity": non-fulfilment of a requirement (e.g. material errors or omissions).

"Opinion": certification body written declaration concerning the conformity to ISO 14067 requirements of the organization GHG Declaration of CFP results' and on the absence of material misstatements or omissions or misrepresentations that may affect the validity of the GHG declaration contained in the CFP study report.

"Level of assurance": degree of confidence requested by the user in a verification. The level of assurance (limited or reasonable) is used for determining the degree of detail used by the verifier in the verification plan, in order to verify if there are material misstatements, omissions or misrepresentations.

PART 1: TECHNICAL CONDITIONS FOR VERIFICATION SERVICES

1.1 GENERAL REQUIREMENTS

1.1. This document regulates the verification services provided by SGS Italia and 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 verification Services.

1.1.2. Organizations are therefore committed to supply to SGS Italia all the documents defining the system and its implementation; co-operate as 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 (f) 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.

The Verification Services are provided by SGS Italia's direct staff or, at its discretion, by 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/certification.

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.

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

1.3.3. 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 SpA, 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 (provided by the Certification Body upon request) containing the organization's data, a Proposal is sent to the Client outlining the scope and costs of the services and the initialization of the verification of the CFP or CFP Systematic Approach and the level of assurance (limited or reasonable). The proposal is complemented by this Code of Practice.

1.4.2. 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.

1.4.3. Once the Application is returned, together with any due controlled copies of relevant documentation, SGS Italia shall send the order confirmation 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; any motivated objections by the Organization should 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, and confirms 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 Product CFP verification is conducted in two Stages:

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

The organization makes the following documents available to SGS Italia:

- Copy of the CFP study report (s) to be verified for the product (s) being studied;
- CFP-PCR or in their absence reference PCR approved and registered by a Program Operator;
- Screenshot of the calculation model (main processes)

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 phase 2.

For the verification of the CFP Systematic Approach, Stage 1 will consist of a verification of the system documentation prepared by the organization, in particular the organization must provide:

- copy and list of the procedures used to develop CFPs and maintain the certification of the CFP Systematic Approach (as required by Annex C of ISO 14067)
- list of CFPs developed within the CFP Systematic Approach system
- at least one CFP study report for each CPC / CPA CODE (2 DIGIT) falling within the scope of the system.

2- Stage 2: Evaluation (on-site audit): data verification, CFP model verification.

The Organization makes the following documents available to SGS Italia:

- All documentary evidence supporting the data used in the study;
- Calculation model (on software);
- Possible updates of CFP study report. for the CFP Systematic approach, Stage 2 will verify the implementation of the system and a sample of the product CFPs created through the system.

At the end of Stage 2 an audit report is issued in which the audit team recommends or not the validation of the product CFP or the CFP Systematic approach. Based on these documents subjected to verification, SGS Italia assesses whether the requirements of the reference standard are taken into consideration (stage 1) and adequately met (stage 2).

1.5.3. In the event that SGS Italia deems that not all the requirements are met or that material errors are present, non-Conformities are issued, communicated (see paragraph 1.6) to the Organization during the closing meeting and formalized in the Audit Report. In the event that any non-conformities are issued, 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 technical review. Following a positive technical review, a verification statement/certificate will be issued confirming the reliability and compliance respectively of the CFP/CFP Systematic approach with the reference standards.

1.5.5. SGS Italia and the Organization have the following responsibilities:

- a. SGS Italia coordinates audits with the organization, prepares an audit program and performs the audit activities.
- b. 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 to material misstatements are classified as major (for CFP product). For the CFP Systematic Approach, major or minor non-conformities can be formulated, based on the relevance of the issues found (typically situations that highlight that one or more requirements of the reference standards are not met or that raise significant doubts regarding the capacity of the management system to achieve the expected results and those related to mandatory laws 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 major non-conformities are raised, the issuing of the verification statement for the CFP/certificate for the CFP Systematic approach is subject to Verification of the positive implementation of corrective actions by the Organization, generally conducted by an additional audit (see 1.11).

1.6.3. Failure to implement corrective actions within the specified times may result in the interruption of the verification 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 the Verification Statement or a certificate for the CFP Systematic approach. Otherwise, SGS Italia notifies the Organization of the decisions taken and the actions to be implemented.

1.7.2. In particular, SGS Italia will issue, for each CFP under verification, a verification statement in compliance with reference standards and Regulations, while for CFP Systematic approach a single certificate will be issued.

1.7.3. The verification statement/certificate is sent to the organization by e-mail or ordinary post.

1.7.4. The verification statement on a CFP is composed by a main part containing the following minimum contents:

- the description of the product subject to CFP;
- the CFP-PCR or the relevant PCR (hereinafter both referred to as "PCR") used, where present, in accordance with the requirements of ISO 14067;
- the functional unit (UF), or the declared unit (UD) where required by the PCR;
- the CFP value expressed in kg (or g) of CO₂e for UF or UD;
- the temporal boundaries of the CFP;
- the production facilities included in the study;
- system boundaries in the case of partial CFP or confirmation that the CFP includes all the phases from cradle to grave;
- any phases excluded from the system boundaries, where applicable;
- reference to the CFP study report

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

The certificate for the CFP Systematic Approach includes:

- the Scope, the type of products covered by the CFP systematic approach, the CPC/CPA CODE (2 digits);
- the CFP-PCR or the relevant PCR (hereinafter both referred to as "PCR") used, where present, in accordance with ISO 14067;
- any reference to programme operator requirements (if any)
- the expiry date within which subsequent surveillance audits are to be carried out at annual intervals in order to confirm that the system remains in compliance with the reference requirements. The renewal must be carried out in a period prior to the expiry date (approximately 40 days), in order to maintain the historicity and the certificate number.

1.7.5. The CFP verification statement does not expire: it states the correctness of the calculation of the product CFP referred to the year of reporting 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.

1.7.6. The CFP Systematic Approach certificate has a validity of 3 years and annual surveillance activities are to be performed.

1.7.7. The Verification statement/certificate shall remain property of the Certification Body and the Organization shall send it back to SGS in case it is changed or cancelled. The Organization's right to use the certification mark/SGS Certificate or Verification statement is contingent on maintaining a valid verification statement/Certificate in respect of the certified management system and compliance with the Regulations governing the use of the Certification mark/Certificate or statement issued by SGS Italia.

1.7.8. The Verification statement/certificate issued by SGS Italia is in Italian; Verification statements in a different language can be issued on request and according to the terms and conditions expressed in the certification proposal.

1.8. REGISTRATION OF THE CFP VERIFICATION STATEMENT

1.8.1. Verification statements/certificates issued are reported in a register available to the public and regularly updated. Any request of information on the reliability/validity of the verification statement/certificate can be requested using the fax number indicated in the verification statement/certificate.

1.9. USE OF THE VERIFICATION STATEMENT/CERTIFICATE

1.9.1. The Organization may refer to the Verification statement/certificate obtained in: its publications, its correspondence, on business cards, etc. In any case, the use of the Verification statement/certificate must be such as to be consistent with the Scope and with the products and / or services referred to therein.

1.9.2. The conditions for using the SGS Verification statement/certificate are set out in this Code of practice.

1.9.3. SGS Italia will take any action deemed appropriate, at the expense of the Organization, to deal with incorrect or misleading references to verification or use of the Verification Statements/certificates and SGS marks (e.g. suspension or withdrawal of the verification statement/certificate, legal action and/or publication of the transgression).

1.9.4. The Organization shall immediately cease to refer to the verification statement/certificate (i) after the expiry, suspension, cancellation, withdrawal of the verification statement/certificate, (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 any other circumstances that could adversely affect the verification process.

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

1.10. SURVEILLANCE AUDIT

1.10.1. Surveillance activities are not applicable in the product carbon footprint verification process.

1.10.2. Surveillance activities of the CFP Systematic approach: annual surveillance audits shall be carried out during the period of validity of the certificate, conducted on-site, to ensure that the system is maintained and any problems identified during the initial audit have been resolved. Surveillance audits are conducted on an annual basis and a lower frequency may be agreed with the organisation. The calculation of the duration of the surveillance audit shall be carried out on a case-by-case basis, depending on the changes made to the CFP Systematic Approach and their significance (see section 1.14, 1.15 of this document). Any Non-conformities (major or minor) must be managed within the times indicated in the Audit Report.

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 major corrective actions, to address any requests that have arisen when the verification statement/certificate was being issued, to revoke a suspension of the verification statement/certificate, on receipt of whistleblowing, reporting serious problems or complaints related to the system / product verified within the reference period or if facts or new information emerge that could materially affect the verification statement/certificate.

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/certificate and /or interruption of the verification process.

1.12. SUSPENSION OF THE VERIFICATION STATEMENT/CERTIFICATE (FOR THE CFP SYSTEMATIC APPROACH)

1.12.1. SGS Italia has the power to suspend, for a limited period of time, the verification statement/certificate 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 that significantly affect the CFP/CFP Systematic approach.

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. The suspension can be made public by indicating the status of suspension on the website listing the Organizations Certified by SGS Italia.

1.12.4. 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/certificate. 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/certificate shall be borne by the Organization.

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

1.13. CANCELLATION OF VERIFICATION STATEMENT/CERTIFICATE

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

1.13.2. SGS Italia may cancel the Verification statement/certificate, 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/certificate (ii) the Organization interrupts the production and supply of the products / services mentioned in the verification statement/certificate for a considerable period of time (in the order of 12 months) or has gone into administration (iii) the Organization fails to pay the amounts due to SGS Italia required by this or other contracts with SGS Italia (iv) SGS Italia modifies the rules of its verification scheme and the Organization does not intend to comply with the new requirements, (v) the Organization violates the agreements entered into with SGS Italia or the Organization itself requests formally, (vi) The Organization does not accept changes to the economic conditions

1.13.3. The cancellation of the verification statement/certificate shall be officially notified to the Organization by e-mail, fax or other equivalent means and will be made public by SGS Italia (e.g. by excluding the Organization from the Register of the Certified Organizations).

1.13.4. If, after the cancellation of the verification statement/certificate, 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 takes into account 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. Failure to adjust the Organization to the corrective measures established, in the agreed times, may lead to suspension / withdrawal of the verification statement/certificate.

1.15. CHANGES TO THE SYSTEM / PRODUCT / PROCESS VERIFIED

1.15.1. The Organization shall communicate in writing to the Certifying Body any changes to the products, production process or management system or impact contained in the study 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 Certifying Body of any intended modifications may result in the suspension of the Verification statement/certificate.

1.15.2. In particular the Organization shall promptly notify SGS of the following types of significant changes:

- Correction or modifications to the information or impact in the CFP included in the study report in the reporting period or to the CFP Systematic Approach
- Extension of the scope of the CFP Systematic Approach to new PCRs
- Extension of the scope of the CFP Systematic Approach to new products not within the CPC Code (2 digits) declared in the Certificate.

1.15.3. Organization shall give revised CFP study reports new version/version number to indicate the change in the reports.

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

1.15.5. In case of failure of notification to SGS of such modifications, SGS Italia can decide to suspend/withdraw the verification statement/certificate

1.16. COMPLAINTS, APPEALS AND LITIGATION

1.16.1. Written complaints may be filed with 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/certificate).

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/CERTIFICATE INTELLECTUAL PROPERTY

1.17.1. Any document, including any report or verification statement/certificate, 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. Duplicate of verification statements/certificates are available upon request.

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 organization 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.. 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/verification statements 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" means any organization (whether public or private) having the authorization to appoint Certification Bodies;

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

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

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

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

2.3. SERVICES

2.3.1. These General Conditions cover 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 and CFP Systematic Approach Verification in accordance with applicable standards.

2.3.2. On completion of an assessment programme, 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. 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 authorises 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 factories 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.

2.4.3. 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.

2.4.4. The Client shall ensure compliance with agreed (annual or semi-annual) timelines for initial audit and any additional audits required and for the surveillance and renewal audits for the CFP Systematic Approach. The Company reserves the right to interrupt the verification process, suspend or cancel certification in cases where timelines are not respected.

2.4.5. 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.

2.4.6. 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.

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

2.4.8. 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.

2.4.9. 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).

2.4.10. 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 to keep SGS informed of any further development in these proceedings.

2.4.11. 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

2.4.12. 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.

2.4.13. 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.

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

2.4.15. Any breach of this obligation to provide information may lead to the withdrawal of the Verification Statement/certificate.

2.4.16. 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/certificate. 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 programme 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/certificate;
- 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 programme or operations which are required as set out in the Code of Practice.

2.5.4. 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 SGS at least 15 working days in advance, the Client will be charged, as compensation, additional charges equal to 50% of the contractual fee for the activities scheduled.

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

2.5.6. 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.

2.5.7. Following submission of the Report to the client and / or issuance of the Verification Statement/certificate, 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.

2.5.8. Any use by the Client of any Report or Verification Statement/certificate 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/certificate 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.

2.5.9. 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 statements/certificates.

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

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

2.5.12. 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 programme.

2.6.2. At the end of the archive 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 Statements/certificates, 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. 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 CFP verification certificates between the customer and other organization are not permitted.

2.11. FORCE MAJEURE

2.11.1. If SGS Italia S.p.A. 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 actually made or incurred;
- b. a proportion of the agreed fees equal to the proportion (if any) of the service actually carried out;

SGS Italia S.p.A. 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 loss, damage or expense 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 loss, damage or expense unless arbitral 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; and

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. A Party giving notice under these General Conditions must do so in writing with such notice being hand delivered or sent by prepaid, first class post or facsimile to the address for the other Party as set out in the Application.

2.13.7. 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.

2.13.8. 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.

The logo for SGS, consisting of the letters 'SGS' in a bold, sans-serif font. The letters are dark grey or black. To the right of the letters, there is a vertical orange line that extends from the top of the 'S' down to the bottom of the 'S'. At the bottom of the 'S', there is a horizontal orange line that extends to the right, crossing the vertical line.