



*International Accreditation Forum, Inc.*

June 17, 2022

Vanessa A. Countryman,  
Secretary, Securities and Exchange Commission,  
100 F Street NE, Washington, DC 20549-1090

Comment of the reference to File Number S7-10-22

Dear Ms. Vanessa A. Countryman,

The International Accreditation Forum (IAF) appreciates this opportunity to respond to the United States Securities and Exchange Commission's (SEC) request for comment on its proposed rule, "The Enhancement and Standardization of Climate-Related Disclosures for Investors" hereinafter referred to as the "Proposed Rule".

IAF is a worldwide association of accreditation bodies and other bodies interested in conformity assessment in the fields of management systems, products, processes, services, personnel, validation and verification and other similar programmes of conformity assessment. Our primary function is to develop a single worldwide program of conformity assessment which reduces risk for businesses and their customers by assuring them that accredited certificates and validation and verification statements may be relied upon. IAF members consist of global accreditation bodies, and association members.

Accreditation of third party GHG attestation providers is required or encouraged across many GHG programs and in many countries. Accreditation is vital to ensure that third party assurance providers meet applicable program requirements. These requirements include the competence of personnel, management of impartiality, and criteria for conducting the assurance process. The assurance process ensures that a statement (attestation) is in accordance with criteria, free of material misstatement, clearly stated, and supported by sufficient and appropriate evidence. The end result should be consistent and comparable and provide intended users with clear information on a company's GHG emissions.

IAF maintains a global oversight system that strives to maintain such a level of standard. This is achieved through a Multilateral Recognition Arrangement (the IAF MLA) in which accreditation bodies undergo periodic peer evaluations to ensure that they are meeting the requirements of ISO/IEC 17011, *Conformity assessment – Requirements for accreditation bodies accrediting conformity assessment bodies*.

The ISO 14065 IAF MLA enables the mutual recognition of opinions issued by accredited validation and verification bodies. More than 35 national accreditation bodies operate ISO 14065 accreditation schemes and 29 of these are signatories to the ISO 14065 IAF MLA. Globally, there are over 303 accredited validation and verification bodies working with ISO 14065 and ISO 14064-3.

Regarding the Proposed Rule, IAF would like to address the following questions:

1. Q115: Is there another methodology that we should require a registrant to follow when determining its GHG emissions?

ISO 14064-1 should be recognized as an acceptable disclosure standard under the Proposed Rule. ISO 14064-1 and the GHG Protocol both share similar principles such as relevance, completeness, consistency, accuracy, and transparency. The application of these principles ensures that GHG emissions are truthfully and accurately disclosed. Both the GHG Protocol as well as ISO 14064-1, *Specification with guidance at the organizational level for quantification and reporting of greenhouse gas emissions and removals* are commonly used for reporting greenhouse gas emissions. ISO 14064-1 has also been developed, and updated, with due process procedures.

2. Q143: Should we specify that a GHG emissions attestation provider meets the expertise requirements if it is a member in good standing of a specified accreditation body that provides oversight to service providers that apply attestation standards? If so, which accreditation body or bodies should we consider (e.g. AICPA)? Are there any other requirements for the attestation provider that we should specify? Should one of the requirements be that the attestation provider is an expert in GHG emissions, with significant experience in measuring, analyzing, reporting, or attesting to GHG emissions, as proposed?

IAF recommends that SEC recognize or collaborate with existing accreditation frameworks such as ISO 14065 that require attestation providers to demonstrate expertise in measuring, analyzing, reporting, and validating and verifying GHG emissions. Notwithstanding that many public accounting firms have expertise in GHG accounting, reporting and assurance; there is a much larger professional network of organizations that can offer assurance under the Proposed Rule. These organizations include specialized environmental consultants, permitting and inspection bodies, engineering firms, and other service providers. IAF believes that these qualified organizations should be permitted to provide assurance as long as they undertake engagements in accordance with these international standards or other standards which could serve as a basis for consistent and transparent reporting under the Proposed Rule. Expanding assurance beyond accounting firms has the added benefit of provided a much larger pool of assurance providers which could potentially lower compliance costs.

IAF also recommends that SEC endeavor to develop an oversight system including accreditation requirements and robust assurance requirements that are fit for purpose, can be implemented in a phased-in approach, and can be improved upon over time. The standards below as well as can provide that system.

- ISO 14065, *General principles and requirements for bodies validating and verifying environmental information.*
- ISO 14064-3, *Greenhouse gases – Specification with guidance for the verification and validation of greenhouse gas statements*
- ISO 14066, *Greenhouse gases – Competence requirements for greenhouse gas validation teams and verification teams.*

Such a system is now widely utilized to support a wide variety of environmental disclosure schemes. In most cases it serves as the basis upon which regulators or voluntary programs layer additional requirements or assurance procedures. Furthermore, the World Trade Organization's Technical Barriers

to Trade (TBT) Agreement strongly encourages members to base their measures on international standards as a means to facilitate trade. Below are just some examples of the application of ISO 14065 accreditation to support GHG disclosure schemes globally:

- European Union Emissions Trading Scheme<sup>1</sup>,
- Canadian Greenhouse Gas Offset Credit System Regulations: SOR/2022-111<sup>2</sup>,
- Canadian Output-Based Pricing System Regulations<sup>3</sup>,
- Canadian Clean Fuel Regulations<sup>4</sup>,
- Colombia Emissions Trading Scheme<sup>5</sup>,
- Costa Rica Country Program for C-Neutrality<sup>6</sup>,
- German National Emissions Trading System<sup>7</sup>,
- Kazakhstan Emissions Trading System<sup>8</sup>
- Korea Emissions Trading Scheme<sup>9</sup>,
- Province of Alberta, Technology Innovation and Emissions Reduction Regulation<sup>10</sup>,
- Mexico GHG Reporting Program, SEMARNAT<sup>11</sup>
- The Climate Registry's Greenhouse Gas (GHG) Reporting Program or Carbon Footprint Registry<sup>12</sup>,
- UK Emissions Trading Scheme<sup>13</sup>,
- International Civil Aviation Organization (ICAO), Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)<sup>14</sup>

We thank SEC again for the opportunity to comment and collaborate on the Proposed Rule.

Kind Regards,



Ann Howard

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On behalf of International Accreditation Forum

Cc:

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<sup>1</sup> [https://ec.europa.eu/clima/eu-action/eu-emissions-trading-system-eu-ets/monitoring-reporting-and-verification-eu-ets-emissions\\_en](https://ec.europa.eu/clima/eu-action/eu-emissions-trading-system-eu-ets/monitoring-reporting-and-verification-eu-ets-emissions_en)

<sup>2</sup> Canada Gazette, Part 2, Volume 156, Number 12: Canadian Greenhouse Gas Offset Credit System Regulations

<sup>3</sup> <https://laws-lois.justice.gc.ca/eng/regulations/SOR-2019-266/index.html>

<sup>4</sup> [https://publications.gc.ca/collections/collection\\_2020/eccc/En4-419-4-2020-eng.pdf](https://publications.gc.ca/collections/collection_2020/eccc/En4-419-4-2020-eng.pdf)

<sup>5</sup> <https://www.funcionpublica.gov.co/eva/gestornormativo/norma.php?i=87765>

<sup>6</sup> <https://cambioclimatico.go.cr/programa-pais-carbono-neutralidad/>

<sup>7</sup> [https://www.dehst.de/EN/national-emissions-trading/national-emissions-trading\\_node.html](https://www.dehst.de/EN/national-emissions-trading/national-emissions-trading_node.html)

<sup>8</sup> <https://adilet.zan.kz/rus/docs/K2100000400>

<sup>9</sup> <http://m.me.go.kr/eng/web/index.do?menuId=463>

<sup>10</sup> <https://www.alberta.ca/technology-innovation-and-emissions-reduction-regulation.aspx>

<sup>11</sup> [http://www.diputados.gob.mx/LeyesBiblio/regley/Reg\\_LGCC\\_MRNE\\_281014.pdf](http://www.diputados.gob.mx/LeyesBiblio/regley/Reg_LGCC_MRNE_281014.pdf)

<sup>12</sup> <https://www.theclimateregistry.org/>

<sup>13</sup> <https://www.legislation.gov.uk/uksl/2020/1265/contents/made>

<sup>14</sup> <https://www.icao.int/environmental-protection/CORSIA/Pages/CCR.aspx>