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Circular Certification Product

SCHEME REGULATION

Circular Certification

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FOREWORD

This document represents the Regulation that defines the rules of the scheme and the requirements for the calculation of Circularity Indices during the entire life cycle of a Product. In addition, the document is useful to the applicant organisation as a reference for obtaining, from the Body, the Verification Statement of the declared values.
This document was produced through a collaboration between ICMQ S.p.A. and ENEL X.

ICMQ S.p.A. (ICMQ) was the first Certification Body accredited by Accredia (the Italian accreditation body), starting in 2004, to perform EPD verification and validation activities. EPD verification and validation activities are done by ICMQ through highly qualified auditors with proven international experience. In order to enhance the investments of organisations operating in all international market sectors to reduce the environmental impacts associated with products or services, ICMQ has developed the EPDItaly Program, where companies can publish their EPDs and obtain national and international visibility on www.epditaly.it.

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1 PURPOSE AND FIELD OF APPLICATION

1.1 GENERAL INFORMATION

The paradigm of the circular economy is based on the ability to maintain the value of products, materials and resources for as long as possible within the economic context, and minimizing the amount of waste that is generated.
In order to measure the Circularity Indices, the Circular Certification Program was developed, and this Regulation is a part of this program.
The Circular Certification Program envisages different levels of scrutiny, each of which involves a dedicated scheme.
The levels consider:

- Corporate
- Energy site
- Product

This Regulation describes in detail the procedures for the application of the product circularity assessment, connected with the methodology for analysing the product life cycle and using the same criteria found in the Environmental Product Declaration EPD, so that the two documents can be connected.

1.2 STRUCTURE OF THE SCHEME DOCUMENTS

This scheme, called 'Circular Certification Product', consists of the following parts:

- The Circular Certification Product Scheme Regulation, in its current revision, consists of this document. The regulation is public and allows all users and interested parties to find out about the operating methods and the entire process.
- The Calculation and Verification Model, in its current revision, which represents the scheme calculation tool and consists of an Excel workbook for collecting information and calculating the Circularity Indices. This tool is made available on request.
- The calculation method and technical manual, in its current revision, containing the methods for calculating the indices and instructions for using the tool.
- The “Regulation regarding use of the Circular Certification Mark” in its current revision, which defines the rules for the use of Circular Certification labels.

1.3 PURPOSE AND FIELD OF APPLICATION

The subject of this Scheme, of voluntary application, is the verification of the New Circular Indices (NCIs), relating to materials, energy, water and waste, by assessing the correct application of a tool made available to the requesting Organisation and the reliability of the data entered therein.

It does not take into account the physical and mechanical performance aspects or suitability for use of the products, because assessments of compliance with legislation, with regard to hazardous substances nor any other information required by domestic legislation under EU Regulation 305/11, are and remain the exclusive responsibility of the manufacturer.

To adapt the plan to the needs and technical and scientific developments on which the assessment model is based, it is reviewed every 3 years or when market input is provided. Specific reports from users are collected, and the plan manager will assess their substantiality. For non-substantial modifications (for example: editorial changes, regarding regulation updates that do not require technical modifications, etc.) the evaluation period

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for comments is 10 calendar days. For substantial modifications, the comment will be brought to the attention of the Scientific Committee for evaluations that will define possible later editions of the regulation itself.

This Regulation is intended for all Organisations operating in any product sector or geographical location with the exception of those commonly considered UNETHICAL. Below is a non-exhaustive example:

a) weapons or other objects intended to harm living beings;
b) drugs and similar products;
c) products containing material from threatened or endangered species;
d) products containing mink;
e) products that are or are composed of toxic/carcinogenic chemicals or raw materials;
f) soaps, detergents, and cleaning products that contain antimicrobial substances known to contribute to antibiotic resistance;
g) The production of asbestos fibres;
h) The manufacture or sale of products containing PCBs (polychlorinated biphenyls);
i) Trade in plant and animal species that are part of the Convention on International Trade in Endangered Species of Fauna and Flora (CITES) that has not been authorised with the issuance of a CITES permit.

The Regulations describe the procedures to apply so that a Verification Body (henceforth VB) is able to certify the level of product circularity in compliance with the assessment criteria described in chapter 5.

The field of application of this Regulation is related to the products identifiable as autonomous objects for which a function can be defined.

- Subject: this term identifies a material or device for which a physical dimension can be defined, excluding anything that can fall into the sectors of services or work;
- Autonomy: products to which NCI applies are to be considered autonomous, or rather, able to present their own performance characteristic, excluding those elements that by nature are part of a complex system;
- Function: products that can have NCI values must be able to perform a clearly identifiable function.

From this description, it is clear that the NCI cannot be applied to:

- services
- works
- plants or complex systems
- subjects that have no identifiable function

An exception is made for services related to a single product.

With regard to plants and systems, the NCI cannot be applied to the complete system (e.g.: a lighting system) but it can be applied to its individual parts (products) (e.g.: luminaire, cable, switch) since each of these has an identifiable dimension/ performance/ function. Furthermore, systems and plants are normally made up of many different products made by different producers, and the organisation that builds the system/plant does not have knowledge or control of each part.

The NCI can also apply to complex systems, systems, for which a PCR exists (for the same system or for a similar system that can perform the same function). Moreover, to ensure that the NCI is applicable, the

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complex system must be identifiable as a product made by a responsible organisation through a repetitive industrialised production process and that it can be assessed as having an LCA.

The NCI also cannot be applied to agricultural products and fuels.

Organisation means:

- a legal entity that requires verification of the NCI.

The assessment activity must be carried out by bodies that operate as Verification Bodies in compliance with the current version of the UNI CEI EN ISO/IEC Standard 17029 and ISO 14065, and they must be specifically accredited. For further specifications regarding the VB, please refer to Chapter 4.

The NCI Verification Process, as defined by the UNI CEI EN ISO/IEC Standard 17029 and ISO 14065, involves the following steps:

a) Pre-engagement
b) Engagement
c) Planning
d) Verification execution
e) Review
f) Decision and issue of the Verification Statement
g) Facts discovered after the issuance of the Verification Statement
h) Handling of appeals and complaints
i) Records
j) Right to use the Conformity Mark
k) Managing maintenance of the Verification Statement
l) Amendments to the Verification Statement
m) Data confidentiality
n) Access to documents
o) Information requirements

Passing the checks required by the Scheme allows the Applicant to obtain a Verification Statement and the License to use the “Circular Certification Product” Brand certifying the Circularity Indices obtained relating to the product being verified.

1.4 REGULATORY REFERENCES

The activities covered by this regulation refer to the current version of the following documents:

- Standard UNI EN ISO 14021 “Environmental labels and declarations — Self-declared environmental statements (Type II environmental labelling)”;
- UNI EN ISO 14025 “Environmental labels and declarations — Type III environmental declarations — Principles and procedures”
- UNI EN ISO 14020, ‘Environmental labels and declarations - General principles’;
- UNI CEI EN ISO/IEC 17000:2020, “Conformity assessment - Vocabulary and general principles”
- UNI CEI EN ISO/IEC 17029 "Conformity assessment – General principles and requirements for Validation and Verification Bodies";
- ISO 14065 “General principles for bodies validating and verifying environmental information”.

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1.5 DEFINITIONS

For all the terminology and product requirements covered by this Regulation, in addition to the definitions contained in the standards mentioned in the previous section, the following apply:

Claim	Information declared by the Organisation regarding product circularity indices.
Corrective Actions	all the actions that the Organisation must take to eliminate the detected Non-Conformities.
Circular and non-circular flows	Numbers that represent quantities of materials/ energy/ water/ waste involved in the process, separated into two categories: ○ circular flows involve materials that are recycled, recovered and from renewable sources; renewable energy; reclaimed water and waste sent for recycling; ○ non-circular flows involve new materials that are not renewable, energy from non-renewable sources, water that is not reclaimed and waste sent to landfills or disposed of in other ways.
Scheme Manager	Legal entity that has full ownership of the verification scheme and that is responsible for maintaining it.
Circularity Index	Relationship between circular flow and total flows (circular + non-circular) as defined in chapter 5, relating to materials, energy, water and waste
Virgin material from renewable sources	Raw materials of vegetable or animal origin that can be regenerated at the end of each production/consumption cycle within certain exploitation rates and, by extension, whose use does not affect natural resources for future generations (UNI/TS 11820), for example wood, bamboo or material with certifications attesting to their origin.
Product	Result of the Organisation's activities, of which the circularity index must be verified by the VB.
Publication	Action through which the Scheme Manager publishes the Verification Statement of the Applicant Organisation.
Registration	Action through which the Scheme Manager identifies the process of the Organisation requesting publication.
Verification Scheme (Scheme)	It represents the set of procedures and documents necessary to explain the methods of verification according to the requirements of the relevant standards.
Tool	NCI calculation algorithm.
Functional Unit	Quantified performance of a product used as a reference unit.

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Operational Unit	Place where the activities of the Organisation are carried out.
Assessment	Action through which the VB ascertains how the Client operates in order to ensure the accuracy of the statements relating to the circularity index.

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2 MANAGEMENT AND ORGANISATION OF THE SCHEME OWNER

2.1 STRUCTURE

ENEL X S.r.l. (hereafter, ENEL X) and ICMQ S.p.A. (hereafter, ICMQ) are the scheme owners and have conferred management and financial responsibility for the entire operative structure to the CircularEvolution association. The management and support of the Scheme is guaranteed by the following organisational group, comprising:

- Technical Secretarial Office
- Scientific Committee

Technical Secretarial Office

The Technical Secretariat:

- keeping all applicable documents available on the website;
- managing the license of the mark;
- analysing market reports pertaining to the scheme.

Scientific Committee

The main activities of the Scientific Committee are listed here below.

1. Market analysis, which entails:
   - collecting and analysing market feedback in order to periodically review this Regulation and keep it up to date;
   - verifying whether there is a need to modify the calculation tool;
   - monitoring market sensitivity with regard to energy sustainability and the circular economy.
2. Promoting the Program, which entails:
   - suggesting activities/events to promote the Circular Certification Programme;
   - providing input for managing the Regulation;
   - It gives the Technical Secretariat indications on potential technical evolutions and developments of the Programme.

Members of the scientific committee have specific competences in the fields of circular economy and certification.

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3 APPLICANT ORGANISATIONS

3.1 NATURE OF THE ORGANISATION APPLYING FOR CERTIFICATION

As already specified in paragraph 1.3, an Organisation applying for the Verification Statement must be a legal entity.

3.2 REQUIREMENTS

This Scheme, whose application is voluntary in nature, is open to all applicants (with the limitations described in 1.3) and it refers to sites which are not affected by legal impediments or business restrictions, due to bankruptcy or insolvency proceedings or business restrictions for environmental reasons.
The Organisation must identify contact people who will interface with the VB for all communication.
The applicant organisation must sign and accept the Regulation and the Contractual Conditions offered by the VB, and comply with the deriving requirements, including financial conditions.

3.3 CLAIM

The Organisation must identify the products for which it requires NCI verification by drafting an Assertion for which it is fully responsible, stating the following at a minimum:

- Nature of the organisation;
- specification of verification activities;
- address of the Organisation's Operational Unit;
- identification of the products;
- reference year of the collection of data;
- indication of the nature of the data (historical);
- assessed life cycle modules;
- indication of the level of assurance and materiality;
- indication of the NCI values;
- the date the document was issued.

3.4 DOCUMENTED BUSINESS PROCEDURE

The organisation must establish a Documented Procedure that specifies how it monitors all the elements that directly or indirectly affect the declared Circularity indices. The procedure must include at least:

- identification of the product and any criteria for the bundling of similar products;
- a description of the Organisation’s process with identification of the input material flows, the manufacturing processes, and the procedures used to keep records of process parameters relevant to determining the Circularity Indices;
- identification of the time period referred to for the data collected;
- methods for determining the Circularity Indices, including information relating to the assumptions made by the Organisation to correctly reprocess the data collected in the format required by the Tool;
- ways in which the Organisation controls the value of the NCI (self-monitoring);
- how anomalies and complaints are managed.

3.5 MATERIALITY

This Scheme allows a materiality value of 1% of the final result to be used when calculating the Circularity Indices. This error involves a level of assurance of verification defined as 'reasonable'.

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If this value were exceeded, the output would represent a Non-Conformity.

3.6 DOCUMENTATION SUPPORTING THE RECYCLED CONTENT

The organisation must reach a reasonable degree of certainty about the percentage of renewable/recycled/reused content in the raw materials declared by its suppliers. The level of control varies according to the overall "weight" that the data has on the final value declared by the organisation.

The organisation can accept, without further verification, the value of the percentage in the following cases:

- Accredited product certification (for example UNI-PDR 88:20, Remade in Italy, etc.);
- Environmental Product Declaration (EPD) drawn up in accordance with ISO 14025 and published by a Programme Operator (for example EPDItaly);
- The documentation proving the content of recycled material and its origin from an authorised entity for waste recycling or preparation for re-use (e.g. waste recovery authorisation and evidence of the recycled content declared by the authorised entity and all intermediaries in the supply chain);
- The validation of a self-declared environmental claim in accordance with ISO 14021 validated by a Body accredited in accordance with ISO 17065 for product certification and released by the Body within 6 months of the date of entry into force of this Regulation and until the expiry of the validation. After that date, self-declarations validated in accordance with ISO 14021 cannot be accepted.

In the absence of one of the certifications referred to in the previous points, the supplier's self-declaration is to be considered necessary and it must be accompanied by further evidence to guarantee the declared values, such as additional documentary verifications, the results from a second party audit aimed at ascertaining the declared value, the supplier's documentation certifying the waste recovery activity and the quantities recovered (MUD) or other evidence considered equivalent to the above.
In the absence of the above, the Organisation has the option of conducting a second-party audit at its supplier, otherwise the value not supported by any declaration must be deducted from the calculation of the NCI.

3.7 SELF-MONITORING AND MANAGING ANOMALIES AND COMPLAINTS

The Organisation applying for the Verification Statement must define, document, implement, and maintain an active control system in order to ensure that the NCI values are compliant with the values declared.

All documents and records (e.g. transport documents, waste management documentation, test reports, calibration certificates, etc.) must be available for a time, clearly spelled out in the self-monitoring document, defined by the organisation. Without prejudice to longer deadlines defined by law, documentation must be kept for at least three years.

The Organisation must define the methods for managing the documents relevant to the verification, in order to:

- ensure that the relevant versions of the applicable documents are available at the points of use;
- ensure that the documents remain legible and easily identifiable;
- ensure that documents of external origin deemed necessary for verification purposes are identified and that their distribution is controlled;
- prevent the unintentional use of obsolete documents, and adopt a way to appropriately identify them if they are kept for any purpose.

The Organisation must keep track of any anomalies in the production process that may affect the reliability of the data collected for the purpose of verification, demonstrating the ability to identify and validate

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replacement data in the event that process anomalies prevent the availability of real data in compliance with the expected 1% materiality limit.

The organisation must assess the influence of the recorded anomalies on the reliability of the overall data reported in the Verification Statement.

The organisation must record any complaints received regarding the NCI values and analyse the causes of those deemed to be justified in order to assess the need for corrective actions.

3.8 IDENTIFICATION AND TRACEABILITY

Each product must be clearly and unambiguously identifiable through an appropriate code combined with a commercial name. This code, supplied by the organisation, must consist of a set of alpha-numeric characters.

The Mark must be clearly and unequivocally affixed. The Mark must be distinct and separated from any CE marking. The organisation must be careful not to mislead users.

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4 VERIFICATION BODIES

4.1 GENERAL INFORMATION

The certification activity must be carried out by bodies that operate as Verification Bodies, in conformity with the Standard UNI CEI EN ISO/IEC 17029 and ISO 14065, and they must be specifically accredited by Accredia, the sole Italian accreditation body, except for circumstances described in art. 4.2.
Tasks of the VB include:

- checking that the NCI values were calculated correctly;
- verifying that the chosen NCI calculation model is coherent with the actual situation;
- verifying that the organisation is able to maintain NCI values constant with its production;
- verifying that the data contained in the NCI calculation model are represented in compliance with this Regulation;
- producing a report containing the results of these verifications, including the closure of any Non-conformities or Recommendations, and its position with regard to validating the NCI values;
- guaranteeing the competence of the verification team and supervising its work.

This Regulation refers only to the verification activities, as the Body either assesses the compliance of the Assertion with specified requirements based on historical data and information regarding events that have already occurred, or confirms the truthfulness of the results already obtained.

4.2 REQUIREMENTS FOR VERIFICATION BODIES

Subjects that are allowed to carry out third party verifications in compliance with this Regulation are VBs that are licensees of this Scheme according to their own specific procedures and accredited by Accredia, for this specific scheme, in compliance with the UNI CEI EN ISO/IEC standard 17029 and ISO 14065.

The VB must be a legal entity, or a defined part of a legal entity, so that it can assume legal responsibility for its activities. The Body must be able to prove this by its statutes, which must include, if applicable, the names of the owners or persons controlling it.

The Verification Body is solely responsible for the issuance of the Verification Statement and for reports resulting from the discovery of facts after its issuance.

Personnel and members of the verification team must comply with the VB's Code of Ethics.

4.2.1 Impartiality management

Verification activities must be conducted in an impartial manner, ensuring commitment by the senior management of the VB.

The VB must have a Committee for Safeguarding Impartiality.

The requirements of paragraph 5.3 of UNI CEI EN ISO/IEC 17029 and ISO 14065 also apply.

4.2.2 Legal liability

The Body must demonstrate that it has assessed the risks arising from its verification activities and that it has adequate means (e.g. insurance or reserves) to cover any liabilities arising from its Scheme-related activities in the geographical area in which it operates.

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4.2.3 Structure of the Body

See chap. 6 of UNI CEI EN ISO/IEC 17029 and of ISO 14065.

4.2.4 Resource requirements

See chap. 7 of UNI CEI EN ISO/IEC 17029 and of ISO 14065.

4.2.5 Management System Requirements

The Body must follow the provisions of paragraph 11 of UNI CEI EN ISO/IEC 17029 and of ISO 14065.

4.3 VERIFICATION TEAM

Third party verification activities in compliance with this regulation can be carried out by VB sub-licensees of this scheme and accredited by Accredia. The VB must base its decisions on objective evidence and must not be influenced by other interests or parties.
Threats to impartiality to be analysed by the VB may include, for example, the following:

- self-interest: threats from a party acting in its own interest (e.g. financial);
- self-monitoring: threats related to the lack of monitoring by a person other than the one who performed a job;
- familiarity or trust: threats arising from the fact that a person or body is too familiar with or trusts another person instead of looking for evidence for the evaluation;
- intimidation: threats from an individual or organisation that has the perception of being coerced, either openly or indirectly, such as the threat of being replaced or reported to a supervisor.

4.3.1 Verification of independence

The VB must monitor the independence of the members of the verification team and of the Reviewer by ascertaining that they are not involved in and have no financial relations with the Organisation.
The verification team must:

- be uninvolved in any event or condition that could hinder their free and unbiased performance of the services assigned to them;
- not have had economic relationships with the Organisation over the past three years;
- be free from any conflict of interest that might prejudice their proper performance of the verification process;
- They must not be involved in consulting activities related to the verification;

It is in any case the duty of the members of the verification team to report any conflicts of interest that should arise in the performance of the engagement. Finally, the VB analyses the risk associated with using the verifier and the risk of non-impartiality linked to their activities, and takes appropriate measures to ensure the elimination/mitigation of such risks.

4.3.2 Verifying the competence of the verification team members

The process of verifying these competences is the responsibility of the VB and must be based on verification of the documents attesting to competences, such as the CV, certificates, publications, etc.

The VB must monitor the members of the verification team based on specific competences by product sector and Programme with reference to any updates to this Scheme. This process must also involve technical experts and reviewers (internal or external). CVs must be kept by the VB.

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The VB must provide for a review of the competences of the members of the verification team, and of the technical experts and reviewers in proportion to the impact on verification activities. This review may, for example, consist of a periodic check of CVs, and feedback on checks conducted for similar schemes.

The scheme manager reserves the possibility of supervising the activities of the members of the verification team through annual sample inspections.

The minimum competence for verifiers must include:

- knowledge of the applicable standards;
- knowledge of the production processes and the product sector;
- knowledge of principles of circular economy;
- technical experience to assess quantification, monitoring and reporting activities;
- basic knowledge of the language in which the verification is conducted;
- sufficient competence to manage the verification activities in order to achieve the proposed objective, to conduct the verification activities and management skills of the verification team;
- qualification by a VB and experience in verification and conducting audits (at least 3 audits on schemes that include a LCA verification, such as EPD and CFP, or 5 checks on schemes that involve verifying recycled content);
- knowledge of this regulation, its technical annexes and all of the rules necessary for the correct development of the activities, including those from the accreditation body ACCREDIA, with a certificate of participation for specific courses organised by the Scheme manager, the list of which has been made public. These courses provide specific training about the assessment methods, they explore the basic principles of this regulation and then guarantee correct application so that all the members of the verification team apply a homogeneous approach to the interpretation of the different situations that they encounter.

The provisions of paragraph 7 of UNI CEI EN ISO/IEC 17029 and of ISO 14065 must be applied.

The VB must choose the members of the verification team from among competent professionals and must provide appropriate support to them through reviewers that meet the competences in the next paragraph 4.3.3. A verification team may consist of only one person (team leader) if all competences are guaranteed by the same professional.

4.3.3 Competency of the Decision-Making Body and of the Reviewer

The minimum competency envisaged for the Reviewer and the Decision-making Body must include:

- knowledge of the applicable standards;
- knowledge of principles of circular economy;
- knowledge of this regulation, its technical annexes and all of the rules necessary for the correct development of the activities, including those from the accreditation body ACCREDIA.

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5 CALCULATION OF THE CIRCULARITY INDICES

5.1 FOREWORD

The assessment of the Circularity Indices will be connected with the methodology used to analyse the life cycle, which uses the same references found on the EPD, so that the documents are connected.

The approach was developed by Enel X and ICMQ for the purpose of measuring the relevance of non-virgin materials and renewable energy, consumed throughout the entire life cycle of a product, calculated as a relative percentage of the total flows of matter and energy. The NCI can be calculated using the Calculation Tool, which forms an integral part of the Scheme and allows the insertion of the corresponding inputs for each phase of the life cycle.

The NCI applies to products for which a function can be identified throughout their life. The calculation model takes into account the quantity of materials, water, energy and transport involved in the process and the waste produced; the results are expressed in the form of 4 Circularity Indices relating to materials, energy, water and waste.

5.2 SYSTEM BOUNDARY

The NCI Circularity indices are assessed with reference to a specific operational unit, a specific product and a reference year.

For the scope of application, see paragraph 1.3.

The NCI calculation involves collecting qualitative and quantitative data relative to materials and components of the product in question, energy consumption and waste management during the production process managed by the organisation accessing this Scheme, energy consumption during the operational phase, and end-of-life scenarios.

The calculation is processed using a calculation tool and input data which must relate to the Functional Unit defined for the product being checked, according to the following segmentation:

A1 – Raw Materials: raw materials used to make the product;
A1 – Materials Packaging: packaging of the raw materials;
A2 – Materials Transport: transport of the raw materials to the production site;
A3 – Aux+Pack Materials: auxiliary production materials and materials used to package the finished product;
A3 – Production: energy and water consumption during production, destination of production waste;
A4 – Product Transport: transport of the finished product to the installation site;
A5 – Installation: installation of the product at the site where it will be used;
B1 – Energy+Water Use: consumption of water and energy for use phase;
B1 – Use of Consumables: consumable materials during the use phase;
B2 – Maintenance Materials: raw materials and components for maintenance;
B2 – Maintenance Transport: transport of raw materials and components for maintenance;
B2 – Maintenance Energy: energy consumption for maintenance;
C1 – Decommissioning: disinstallation of the product at the end of its life cycle;

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C2 – EoL Transport: transport of the product at the end of its life cycle;
C3 – Waste (Producer): destination of EoL waste, according to the producer's policies;
C3 – Remanufacturing Materials: raw materials and components for remanufacturing;
C3 – Remanufacturing Transport: transport of raw materials and components for remanufacturing;
C3 – Remanufacturing Energy: energy consumption for remanufacturing.

The list of elements related to each phase of the product life cycle is explained in detail in the technical manual "Circular Certification Product - ASSESSMENT METHODOLOGY AND TECHNICAL MANUAL".

5.2.1 Selecting the phases of the life cycle

Theoretically speaking, circularity analysis involves making a comprehensive assessment of all phases of the life cycle of a product. However, some steps may not be directly under the control of the person applying for the verification. For this reason, the use of plausible scenarios and/or test evidence is allowed.

5.3 ASSESSMENT OF CIRCULARITY

The assessment system has constructed to recognize the value of forms of product circularity based on the following principles:

- recovery or reuse of materials in production processes;
- use of virgin materials from renewable sources;
- use of energy from renewable resources;
- recovery of water.

5.3.1 Input data

The input data required to calculate the NCI must be specific to the product and related to its functional unit, adopting an approach based on the life cycle.
The specific inputs are:

- functional unit based on product category
- reference service life based on the product category and a specific RSL if the manufacturer can justify a different scenario
- materials such as raw materials and components, packaging materials, auxiliary materials connected to production, consumables in use, materials for maintenance and their packaging, materials for regeneration and their packaging
- energy such as electrical energy and thermal energy consumed during production, installation, use, maintenance, dismantling, regeneration and transport in all phases of life
- water as water consumed during production and use
- waste such as waste generated during production, maintenance, end-of-life and regeneration

5.3.2 Value of the NCI

This result is represented with two numbers and the two corresponding percentage values which represent:

- non-circular flows;
- circular flows.

The product NCI is derived from a set of four specific NCI values which represent:

- NCI of materials;
- NCI of energy;
- NCI of water;
- NCI of waste.

Therefore, the quantitative values and the specific percentages indicate:

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- non-renewable virgin materials;
- circular materials;
- non-renewable energy;
- renewable energy;
- virgin water;
- recycled water;
- non-recycled waste;
- recycled waste.

5.3.3 Calculation methodology

The methodology for calculating the circularity indices is based on the analysis of material and energy, water and waste flows that concern the entire life cycle of a product. The index is produced by the relationship between contributions identified as circular and the total contributions that go into the life cycle of the product being assessed.

The NCI of materials considers the circular fraction of materials, or rather those that derive from renewable sources, those that are recycled, and those that are reused. Specifically, all inputs to the system are analysed: raw materials and components, including their packaging, production auxiliaries, the packaging of the finished product, consumables used during the use phase and those used during maintenance, and the raw materials and components for remanufacturing.

The NCI of energy considers each source of energy used during the different phases of the life cycle analysed, and in particular:

- electrical and thermal during production (A3) and during use (B1);
- electricity used during installation (A5), maintenance (B2), disinstallation (C1), and remanufacturing (C3);
- fuel used for all transport and handling (A2, A4, B2, C2 and C3).

The circular component of electrical energy is given by the fraction of energy produced from renewable sources that makes up the residual mix in the country where the product is made and/or used. Thermal energy is considered circular if it a renewable fuel is used (e.g.: wood, biodiesel, etc.). Lastly, for transportation, the renewable component of the fuel is recognized.

The NCI of water is considered to be the fraction of water deriving from reclaimed water, in relation to the total quantity of water consumed during production (A3) and use (B1). Water uses that pertain to the company management sphere, and not to production processes, are excluded.

Lastly, the NCI of waste considers both waste from the production cycle and waste from maintenance operations carried out on the product during its lifespan, and also the waste deriving from the product's end of life and from remanufacturing. The flows of material and energy waste that are recycled and those that are reused are considered circular.

The details of the calculation methodology are given in the technical document "Circular Certification Product - ASSESSMENT METHODOLOGY AND TECHNICAL MANUAL". This methodology takes the sum of all contributions according to the category, and obtains comprehensive numbers as listed in paragraph 5.3.2.

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6 VERIFICATION PROCESS

6.1 DESCRIPTION OF THE PROCESS

As mentioned in section 1.3, the Body must establish a Verification Process that includes the following activities:

- Pre-engagement
- Engagement
- Planning
- Verification execution
- Review
- Decision and issue of the Verification Statement
- Facts discovered after the issuance of the Verification Statement
- Handling of appeals and complaints
- Records
- Right to use the Conformity Mark
- Managing maintenance of the Verification Statement
- Amendments to the Verification Statement
- Data confidentiality
- Access to documents
- Information requirements

6.2 PRE-ENGAGEMENT

Upon an Organisation showing interest in a verification, before deciding to accept the engagement, the VB must request certain information that will form the basis on which to conduct the pre-engagement review:

- name of the Organisation and Claim to be verified, if already available during the pre-engagement phase;
- places where the Organisation's activities are carried out;
- reference to this Scheme;
- goals and scope of the verification;
- data historicity;
- materiality and (reasonable) assurance level;
- any other relevant information.

The VB must clarify in advance that the only type of activity carried out, if the assignment is accepted, is the verification of the Circularity Indices. Validation is not applicable.
The materiality and assurance level are established in this document and cannot be changed at all on the basis of the Organisation's requests.

6.2.1 Pre-engagement review

- Through the use of appropriate resources (see section 4.3.3), the VB shall conduct a pre-engagement review to verify that: explicit reference has been made to this Programme and that the Claim has been understood;

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- the goals, the scope of the verification and the verification requirements of the Claim have been appropriately identified by the Organisation;
- the materiality and level of assurance have been understood by the Organisation and are present in the request for quotation;
- all the prerequisites have been met in order to commence the verification activities with confirmation of their duration;
- resources and competences for carrying out the verification can be identified;
- a timeline can be proposed by which the activity is expected to be completed.

At the end of the review, the VB may accept or refuse to perform the verification activity.

In case of acceptance, the VB will proceed with the issuance of the quotation for the service covered by this Regulation.

6.3 ENGAGEMENT

The Organisation enters into a legally valid formal agreement with the VB for the provision of verification activities in accordance with the requirements of this Scheme.
When verifying the Circularity Index, the following scheme is adopted:

	Reasonable level of assurance
Objective	• Confirmation of truthfulness of the input data • Verification of reliability of the internal control processes for input data

The agreement must ensure that the Organisation complies with the following:

a) verification requirements;
b) all arrangements have been made to conduct the verification, including those concerning the review of documentation and access to all relevant processes, areas, recordings and personnel;
c) arrangements have been made for possible observers;
d) compliance with the rules of the VB regarding reference to the verification and use of the mark.

The agreement must confirm that the Organisation engages the VB for the activities and specify the elements listed in section 6.2.1 and the specific requirements for verification activities.

The VB must take responsibility for any input it agrees to consider as part of the verification activities generated by the Organisation or other external parties.

At the Engagement stage, the Organisation must communicate any fact that may compromise the verification activities.

6.4 PLANNING

The VB:

A. must select appropriate competent resources for the purposes of the verification of the NCI;
B. determines the verification activities, based on its understanding of the Claim;
C. must assess the risk of inaccuracies in the Claim;

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Before starting activities, the VB must carry out an analysis and risk assessment in order to identify the critical elements of the NCI calculation process. The risk assessment may require a change in purpose and objectives. The level of depth of the risk assessment may vary depending on the purpose and complexity of the organisation. The result of the risk assessment must be documented and used to guide assessment activities.

D. initiates the verification process by communicating the names of the members of the verification team appointed to perform the verifications, after having ascertained their competence and independence, as well as the resources allocated to managing the file;
E. confirm the timing with the Organisation;

The VB must inform the Organisation of the names and roles of group members in sufficient time for any objections to be raised about the appointment of a group member.

F. prepares a strategic analysis to understand the nature and complexity of the Claim and to determine the scope of activities based on the engagement.
G. assesses the risk of Non-Compliance with the requirements of this Scheme.
H. determines the evidence collection activities (see section 6.4.2);
I. draws up an evidence collection plan (sampling plan) taking into account the possible risks of inaccuracy of the Claim;
J. draws up a verification plan and communicates it to the Organisation.

6.4.1 Risk analysis

Before starting the activities, the VB must carry out a risk analysis in order to identify the critical elements of the index assessment process to ensure the accuracy of the Verification Statement and reduce the likelihood of subsequent significant errors.

The risk assessment must consider, as appropriate, the following:

- the context in which the organisation operates;
- an identification of the parties concerned;
- a determination of the aspects concerning the materiality;
- the recipients of the Statement;
- the degree of complexity;
- the probability of omitting a potentially significant input for the calculation of the Indices;
- the available documentation's level of detail;
- the nature of the inputs (e.g. third-party certifications, self-declarations).

The result of the risk assessment must be documented and used to guide assessment activities.

The determination of the duration of the verifications is strictly dependent on the result of the risk assessment and is VB's responsibility.

6.4.2 Verification Plan

Before starting activities, the verification team must prepare a sufficiently detailed verification plan, considering the risks of potential errors or significant non-conformities.

The verification plan must take into account the sampling plan and include the following information at a minimum:

- the identification of the Organisation and the members of the verification team;

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- the objectives and purpose of the engagement;
- this Regulation to which reference should be made;
- identification of the members of the verification team and their roles and responsibilities;
- the timing and duration of the activities.

The verification plan must be documented and report the level of assurance and materiality.

In order to meet the requirements established by the reasonable level of assurance, the verification team must identify where sampling of the input data is required. Sampling should be carried out referring to the table below:

Reasonable level of assurance
• At least 75% of the input data for each module of the tool applied to each input block within the module itself[1] • Self-monitoring procedure • At least one piece of evidence of control of data collection processes

Sampling must be related to the risk of an untruthful verification statement being issued. It is VB's responsibility to ensure that the sampling value established by the VB itself is respected.

In addition, the members of the verification team must:

a) identify the areas where there is the greatest likelihood of a significant error occurring during calculation of the Circularity Indices and provide evidence on which to plan and implement appropriate procedures to address these areas and to gain a reasonable level of confidence to support conclusions.
b) assess the self-monitoring system defined to reduce the risk of errors. This includes verifying its correct implementation in accordance with the procedure defined by the Organisation.

If the verification team discovers that one or more of the prerequisites for the engagement are not present and/or that the assurance objectives cannot be achieved and/or that the purpose of the evaluation is not appropriate, the terms of the engagement must be renegotiated with the Organisation.

The verification plan may also undergo changes requiring the approval of the verification team under the following circumstances:

a. change in the scope or timing of activities;
b. change in evidence collection procedures;
c. change of sites and information sources;
d. when the process identifies new risks that would lead to non-compliance.

[1] Example: in the A2 Materials Transport module, the following must be checked: 75% of the input data of "Transport of raw materials...", 75% of the input data of "Transport of auxiliary materials..." and 75% of the input data of "Transport of packaging materials".

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The VB must communicate the assessment plan to the Organisation before the start of verification activities or when the plan is amended.

6.5 VERIFICATION EXECUTION

The VB must conduct activities in accordance with the verification plan and taking into account the following:

	Reasonable level of assurance
Verification	• Documentary examination of the tool and the Self-Monitoring Procedure + • Visit to the Organisation's offices or data collection site, in order to verify the effectiveness in implementing control systems for input data. The visit takes place either physically at the offices of the Organisation or adopting a methodology that guarantees the same effectiveness (e.g.: with CAAT — Computer Assisted Auditing Techniques).

The VB must undertake the following activities:

a. gather sufficient objective evidence and ensure its traceability;
b. identify inaccuracies and consider their materiality;
c. assess compliance with the specified requirements, taking this Scheme into account.

6.5.1 Confirmation of the acquired data

The purpose of this phase is making sure that the data used for the NCI calculation procedure are true and documented.

This activity consists in an independent verification of the data used, and in the verification of the calculation process itself.

The input data to the Calculation Tool must be verified to demonstrate accurate calculation of the product's NCI. Whenever there is a change in the raw materials, the proportions used, or the processes that could significantly alter the NCI, the calculation must be re-verified.
The verification must be conducted for each operational unit.

During the visit, the team will verify:

- the complete and exact definition of the products subject to verification;
- the control system of the production process set up by the organisation;
- the implementation, maintenance and recording of all actions under the self-monitoring system;
- the correct entry of information in the Tool;
- the documents that confirm the information entered into the Tool.

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6.5.2 Verification of some aspects of self-monitoring

The VB must assess how the Organisation keeps its process under control, in order to guarantee the stability of the declared values.

6.5.3 Non-conformity

Non-conformities can emerge during the assessment and the verification of the circularity index calculations. They can also occur during the use of the Verification Statement or the Mark during the license for use. A Non-conformity is any lack or clear shortcoming with regard to correct verification or applicability of the NCI calculation tool.

The following cases are examples of non-conformities:

- lack of documentation to support the correct assessment of indices;
- wrong calculations of the NCI;
- wrong input of data to calculate the NCI;
- incorrect communication to customers.

In particular, examples of Non-Conformity of the acquired data are:

- the absence of supporting documentation;
- a missing or wrong declaration of material or energy input;
- errors in filling in the Tool;
- the lack of a self-monitoring procedure;
- errors above the materiality threshold.

A non-conformity detected during the verification process must be correctly reported to the organisation, and then duly traced to verify the solution process.

If, on the other hand, the Non-Conformity is due to incorrect communication to customers or to any other fact discovered following the issuance of the verification statement, it must be managed in accordance with section 6.8.

All Non-Conformities must be managed and resolved by the Organisation before resolution by the VB.

Failure to fix the Non-Conformity within the established time frame due to the organisation's shortcomings is a reason for not issuing or suspending the Verification Statement.

6.6 REVIEW

6.6.1 File review

The verification team prepares a report (Assessment Report) which must contain evidence of the verifications which were carried out. This report must give evidence of any discrepancies and of any requests for clarification put forward by the verifier.

The conclusions of the verification process must be formulated according to the following statement:

Reasonable level of assurance: *Based on the procedures carried out, the sampling performed, the self-monitoring procedure and the evidence acquired, the Claim prepared by the*

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Organisation in accordance with the Scheme Regulation has been correctly drafted in all significant aspects.

The Report analysis is carried out by a Reviewer who will present the file to the Decision-Making Body. This figure must not be involved in the planning of the verification.
The Reviewer must notify the verification team when a need for clarification arises. The group must respond to the issues raised. The review must keep all available recordings.

In particular, the review must ascertain at least the following:

- All activities have been completed in accordance with this Scheme;
- the assessment report is complete;
- the calculation tool was used correctly;
- all non-conformities were resolved;
- all the evidence is there and is appropriate for a decision to be made.

The analysis must also confirm:

- the competences of the verification team;
- whether the planning was appropriate;
- whether the goal, purpose and materiality have been identified by the strategic and risk analysis, the verification plan and the evidence plan;
- any significant decisions taken by the group;
- whether the opinion has been properly drafted;
- whether the Claim meets the criteria.

At the end of the Review, the decision on the verification must be taken and made known to the Organisation in the form of a draft of the Verification Statement.
The decision must be made by persons who have not been involved in the verification process (Decision-Making Body) and may be positive or negative. Any decision must be communicated to the Organisation.

6.7 DECISION AND ISSUE OF THE VERIFICATION STATEMENT

6.7.1 Issue of the Verification Statement

At the end of the review activities, the VB must decide whether or not to confirm the Claim.
The decision must be taken by a Decision-Making Body composed of a chairman and at least one other technical figure. All members of the Decision-Making Body must not have been involved in the planning and execution of the activities.
If the assessment activities envisaged by the assignment are not completed, the VB will not issue any opinion regarding the Claim.

6.7.2 Elements of the Verification Statement

At the end of the verification activity and subsequent decision-making, the VB issues a Verification Statement that certifies that the calculation of the NCI (in its expressions: material, energy, water and waste) was carried out in accordance with this Regulation and gave a positive/negative result.
If the outcome of the verification is negative, the VB must communicate this outcome to the Organisation, with the corresponding justification.

The Verification Statement must contain the following minimum elements:

- reference to the applicant;

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- specification of verification activities;
- reference to the claim including its issuance date;
- name of the Operating Unit and its identification;
- reference to the Scheme;
- reference to these Regulations, including the current version;
- details of the VB with specification of the type (third party);
- a statement specifying that the Claim is the Organisation's responsibility;
- reference period of data collection (nature of the data: historical);
- life cycle stages;
- materiality (1%) and (reasonable) level of assurance;
- name of the product(s) (goal and scope of the verification);
- values of the circularity indices, according to the raw materials, energy, water and waste;
- outcome of the verification (positive);
- any findings that were not taken into account before the verification statement was issued;
- issue date;
- Logo of the VB.

6.8 FACTS DISCOVERED AFTER ISSUING THE VERIFICATION STATEMENT

If matters that could affect the validity of the Statement are discovered, the VB must include appropriate actions in its procedures.
Furthermore, if the validity of the Statement is compromised by these facts, the VB has the right to communicate it to the other interested parties as well.
In particular, it must:

b. Communicate the matter to the organisation and the owner of the Scheme;
c. Take appropriate action, including discussing the case with the Organisation and considering whether the verification statement needs to be reviewed, suspended or revoked.

If the Verification Statement needs to be reviewed, the VB must implement processes to issue a new statement, including specifying the reasons for the review possibly including the repetition of significant steps of the verification process.

6.9 HANDLING OF APPEALS AND COMPLAINTS

The Organisation may appeal against decisions and resolutions taken by the VB and send a copy to the scheme manager. The procedures for handling appeals are defined in the Contract signed by the VB and the Organisation.
The Body must have a documented process for receiving, assessing and making decisions on appeals.
The provisions of paragraph 9.9 of UNI CEI EN ISO/IEC 17029 and of ISO 14065 must be applied.
Any complaints or grievances relating to the activities of the Scheme Manager or VB can be sent by the Organisation itself, and also by third parties who can refer to the Contract signed by the VB and the organisation. The description of the appeals and the complaints process is given to those applying therefor.
Paragraph 9.10 of EN ISO/IEC 17029 and ISO 14065 applies.

6.10 RECORDS

The VB must maintain and manage recordings relating to the activities described in these Regulations.
Paragraph 9.11 of EN ISO/IEC 17029 and ISO 14065 applies.

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6.11 RIGHT TO USE THE CONFORMITY MARK

Please refer to Chap. 8.

6.12 MANAGING MAINTENANCE OF THE VERIFICATION STATEMENT

The activity of verifying the Product Circularity Indices is understood as a specific activity the purpose of which is to assess the reliability of the data used to fill in the tool and to calculate the indices themselves in a specific period of time. For this reason, no surveillance cycle is envisaged for the verification of NCIs. This implies that the Verification Statement does not expire, but refers to the year of data collection.

6.13 AMENDMENTS TO THE VERIFICATION STATEMENT

6.13.1 Reduction or extension

The VB must regulate the methods of reducing/extending the Statement.
If any of the following occur:

- reduction of the scope;
- extension to other products;
- other factors that can modify the previous verified NCI;

the Statement must be modified and will be re-assessed in the manner described in this Regulation, possibly including the repetition of significant steps of the verification process. The VB will decide to reissue the Statement, which must also include the date of the update.

6.13.2 Suspension or revocation

The VB must regulate the procedures for suspending and revoking the Statement. For these aspects, please refer to sections 6.8 and 6.9.

6.14 DATA CONFIDENTIALITY

All data and information concerning the Organisation, of which the VB becomes aware as it carries out the activities subject to these Regulations, are confidential. Access to them must be regulated by a procedure, which provides for the duty of confidentiality to the members of the verification team and to all personnel involved in the processes covered by these Regulations. As for the Organisation, this must give the verifier access to its data to ensure that the assessment can be conducted properly by an independent party.
In any case, the provisions of paragraph 10.4 of UNI CEI EN ISO/IEC 17029 apply.

6.15 ACCESS TO DOCUMENTS

The VB must take into account, in the contract with the Organisation, the provisions of paragraph 10.4 of UNI CEI EN ISO/IEC 17029 with particular reference to any third parties, e.g. Accredia and the Ministry.

6.16 INFORMATION REQUIREMENTS

The VB must ensure, through an independent mechanism, that impartiality has been achieved and that the following information is made publicly accessible:

a. information about the verification process;
b. commitment to impartiality;
c. list of verification activities, including reference to this Scheme;
d. the process of handling complaints and appeals.

Paragraph 10 of UNI CEI EN ISO/IEC 17029 and ISO 14065 applies.

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7 ADMINISTRATIVE TASKS

7.1 FEES

The VB sets its own rates based on the minimum rates imposed by the Scheme Manager.

The minimum rates are available on the Scheme Manager's website and, specifically, refer to the following activities:

- Documentary activity and on-site verification per day of verification;
- Issuance of a Verification Statement (one shot);
- Use of the mark (annual fee).

7.2 PUBLICATION

The publication of the Verification Statement, as with its issuance, is the sole responsibility of the VB.
If it is the organisation's intention to also publish on the Scheme Manager's website, the requirements and fees will be defined in a possible contract between the organisation and the Scheme Manager.
At any time, the Organisation can give up publication of the Statement on the Scheme Manager's website. In this case, the legal representative will send a written notice, signed thereby, to the Technical Secretariat. Giving up publication does not involve paying any penalties. However, it is necessary that payments for the year in course be duly settled. Such cancellation is effective from the date indicated by the Organisation and may not be earlier than that of receipt of the aforesaid notice.
The Statement remains valid and available to interested parties even if there is no agreement to publish it on the Scheme Manager's website.

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8 CIRCULAR CERTIFICATION PRODUCT MARK

8.1 ISSUE OF THE LICENSE TO USE THE MARK

The Circularity Indices, identified as described in paragraph 5.3.2, allow the attribution of a version of the "Circular Certification Product" Mark, as described in the document "Regulation regarding use of the Circular Certification mark".

The VB issues the Verification Statement and transmits the results to the Scheme Manager, which then issues the License for use of the CIRCULAR CERTIFICATION PRODUCT mark relating to the identified indices.

The Body must ensure that the organisation does not use the Verification Statement and the Mark in a way that damages the reputation of the Body itself.

Paragraph 10.3 of UNI CEI EN ISO/IEC 17029 and ISO 14065 applies.

For the rules of use of the mark and the obligations of the licensees, please refer to the public document "Regulation regarding use of the Circular Certification mark" and to the Accredia RG09 Regulation.

Each index will be marked by a 'line' in the mark, the number of which is determined as follows:

- 1 line: from 0.00% to 19.99%;
- 2 lines: from 20.00% to 39.99%;
- 3 lines: from 40.00% to 59.99%;
- 4 lines: from 60.00% to 79.99%;
- 5 lines: from 80.00% to 100.00%.

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9 PROGRAMME ELEMENTS

With reference to Annex A of UNI CEI EN ISO/IEC 17029, we summarise below the elements of this Scheme that must be taken into consideration and their place within the document.

9.1 MANDATORY REQUIREMENTS

a. The type of statement that is subject to verification and the requirements against which the statement is assessed [3.3];
b. The competence criteria of the staff and the review team [4.3.2];
c. The steps in the verification process [6];
d. The level of assurance and materiality [3.5];
e. Evidence-gathering activities [6.4.2];
f. Reporting requirements [6.6.1];
g. Review activities, including confirmation that all activities have been completed in accordance with the requirements of the Programme [6.6.1];
h. How the verification results are to be interpreted and what the consequences of the results are [6.7/6.8];
i. The wording used for verification statements [6.7.2];
j. Requirements concerning which recordings should be kept by the verifying body as evidence of the verification having been carried out [6.10];
k. The verification statement issued on the basis of the assessment to comply with the verifications performed [6.7].

Furthermore, with reference to point a., it is specified that the type of verification opinion is established as indicated by Program E (positive or negative opinion) of Table A.1 present in Annex A of ISO 14065.

9.2 OPTIONAL REQUIREMENTS

a. The need for an impartiality monitoring function [Mandatory, see 4.2.1];
b. The period within which the staff who provided information on the subject matter of the verification must not perform verification activities in connection with their previous engagements [Mandatory, see 4.3.1];
c. Staff training needs regarding processes, requirements, methods, verification activities and other relevant Programme requirements [Mandatory, see 4.3.2];
d. Staff monitoring requirements [Mandatory, see 4.3.2];
e. Requirements relating to staff, facilities, equipment, systems and support services [Not applicable];
f. Whether, and under what conditions, the VVB may outsource verification activities [Not applicable];
g. Additional parameters for the pre-engagement phase, e.g. sampling, materiality criteria, quality parameters, time schedules, fees [Mandatory, see 6.2];
h. Requirements for the verification agreement [Mandatory, see 6.3];
i. Planning and preparation of the activities to be undertaken by the VVB before starting the actual verification [Mandatory, see 6.4];
j. The provisions to be adopted in the event of new matters being discovered after the issuance of the Verification Statement that could influence, in materiality terms, the Statement itself [Mandatory, see 6.8];
k. Specific confidentiality requirements [Mandatory, see 6.14];

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l. Rules governing any references to verification, including the use of trademarks by the VVB or its customers [Mandatory, see 8];
m. Rules governing liability in terms of accepting inputs taken into account as part of verification activities, e.g. conformity assessment results that were generated prior to the engagement or that are provided by the Organisation [Not applicable].