TSM Verification Oversight Policy

The aim of the verification oversight process is to ensure that active verifiers are conforming with the *Terms of Reference for Verifiers* and that verifiers are demonstrating sound interpretation and application of TSM protocol requirements. The process includes direct oversight of verifiers, a general evaluation of effectiveness of certain elements of TSM verification, and an annual report to share findings and recommendations.

Direct oversight and review process

Direct oversight to ensure conformance with the *Terms of Reference for Verifiers* involves an assessment of verifier competency and a review of interpretation consistency of the TSM protocols across verifiers, allowing both verifiers and MAC an opportunity for continual learning and improvement. The oversight process is structured to ensure that each active verifier is reviewed every three to five years. This involves document review and a discussion with each verifier to ask questions, collect additional information, and provide feedback. A third party reviews auditor credentials, the verification plan, and sampling strategy to assure conformance with the requirements of the *Terms of Reference for Verifiers*.

The third party also reviews the verifier's final verification report(s) and copies of documents used to conduct the verification (e.g., completed checklists) for a sub-set of protocols. If anomalies are detected in sampling a verifier's protocols, the sample size may be expanded to include additional protocols. Note that, if necessary, the third party may request a copy of a client document for confidential review to support verification oversight activities. Such documents are not to be provided to the third party by the verifier without a client's consent.

Any feedback or recommendations resulting from the direct oversight and review process are shared with both the verifier and their client(s). If concerns are raised about a verifier's approach, this will not result in changes to a client's ratings, but relevant findings should be considered by the client in subsequent self-assessments. Concerns can also be escalated and addressed through a formal dispute resolution process as outlined in the *TSM Verification Guide*.

General oversight process

A general oversight process allows the third party to assess the effectiveness of different elements of TSM verification on an annual basis, in tandem with the direct oversight and review process. For example, the third party may choose to review a particular protocol to assess verifier consistency in interpretation or to examine how verifiers meet the competence requirements in the *Terms of Reference for Verifiers*. This process is conducted through a survey or short telephone interviews with verifiers. Findings may inform MAC's ongoing policy work to meet evolving expectations of customers and investors, address changes in best practice for standards, and consider issues that emerge through TSM application.

Annual oversight report

The third party ensures the transparency of the oversight process by preparing an annual report that summarizes both the direct oversight and general oversight processes. The report includes information on the types of reviews conducted and a summary of results and findings. It also includes observations or recommendations to improve the effectiveness of the verification process or to highlight areas where additional guidance may be required for verifiers or their clients. These recommendations may also be informed by a survey of verifiers conducted by MAC each year to log any questions or issues related to TSM. The report includes consolidated information so as not to identify individual verifiers or clients. TSM Initiative Leaders discuss the report each year and MAC shares the report with the Community of Interest Advisory Panel for discussion or awareness. The report will also be posted on the MAC website and discussed with verifiers during the annual verifier update webinar. The report's recommendations will inform revisions to the *Terms of Reference for Verifiers*, the *TSM Verification Guide*, or other TSM policies or protocols if warranted.