



# CO<sub>2</sub>-PERFORMANCE LADDER<sup>®</sup>

Working together to cut CO<sub>2</sub>



An innovative sustainable procurement tool

The CO<sub>2</sub>-Performance ladder is owned by the Independent Foundation for Climate Friendly Procurement and Business (Stichting Klimaatvriendelijk Aanbesteden en Ondernemen, SKAO). The foundation stimulates the introduction of the scheme by relevant organisations in other countries. However for reasons of consistency only the full scheme without restrictions and without additions may be used.  
An English version of the full certification scheme is available at [www.skao.nl](http://www.skao.nl)

# CO<sub>2</sub>-Performanceladder

## Working together to cut CO<sub>2</sub>

### Introduction

The CO<sub>2</sub>-Performanceladder is a procurement tool to encourage companies to be aware of their CO<sub>2</sub> emissions (and those of their suppliers), and to be permanently on the lookout for new ways to save energy, use materials efficiently, and to use renewable energy. It encourages companies to actually carry out such measures and to share the knowledge they have acquired in the process, and to look for yet more ways of cutting emissions, with colleagues, research institutes, NGO's and government bodies.

The instrument is part of the ambition to introduce a limited set of instruments for sustainable procurement, that can be used by every major commissioning party in the Netherlands. The instrument can be used by public sector organisations and private sector companies in (complex) calls for tenders. The principle behind the ladder is that effort is rewarded: a higher score on the ladder means a concrete advantage in the tendering process, in the form of a nominal discount on the tender price.

The CO<sub>2</sub>-Performanceladder was originally developed by ProRail, the Operator of the Dutch railway infrastructure, and has been used for tenders in the railway industry since 2009. However, it quickly became apparent that other commissioning parties saw the potential of the ladder as well.

This is why version 2.0 of the CO<sub>2</sub>-Performanceladder has been developed. It can now be applied more broadly, for other organisations issuing tenders and in other sectors. The ladder is now fully compatible with European regulations and the Public Procurement (Tendering Rules) Directive.

The CO<sub>2</sub>-Performanceladder operates on the basis of two important principles: attaining the best possible practical results and maximising innovation, and a minimal restriction of the operational activities of companies. The ladder does not seek to regulate production methods or product standards, but actually creates greater scope for creativity and the renewal of company processes and products. The ambition is that for companies who allow themselves to be registered on the ladder to regard it as investment, the return on which comes in the form of reduced energy consumption and less use of materials, for example.

The CO<sub>2</sub>-Performanceladder rewards concrete improvements in the CO<sub>2</sub> performance of companies as a whole, which is appreciated by many parties. It stimulates the private sector to incorporate CO<sub>2</sub> awareness in the way it organises its activities.

## Award advantage

The level which a company has reached in reducing its CO<sub>2</sub> emissions is described as a so-called 'award advantage'. It has been decided that an award criterion should apply because the degree of environmental harm (as an environmental feature) involved in the carrying out of a project represents an economic value: the higher the level on the certificate, the greater the advantage for the company in the award weighting.

CO <sub>2</sub> awareness certificate level	Award advantage
5	...%
4	
3	
2	
1	...%

In the case of awards based on 'lowest price', the award advantage means a nominal discount of a certain percentage of the tender price. In the case of awards based on 'the most economically favourable bid', the price component in the score is modified by the percentage of the award advantage. It is up to each individual commissioning party to decide the applicable nominal discount for each level on the CO<sub>2</sub>-Performanceladder. This can be seen in the tendering documentation.

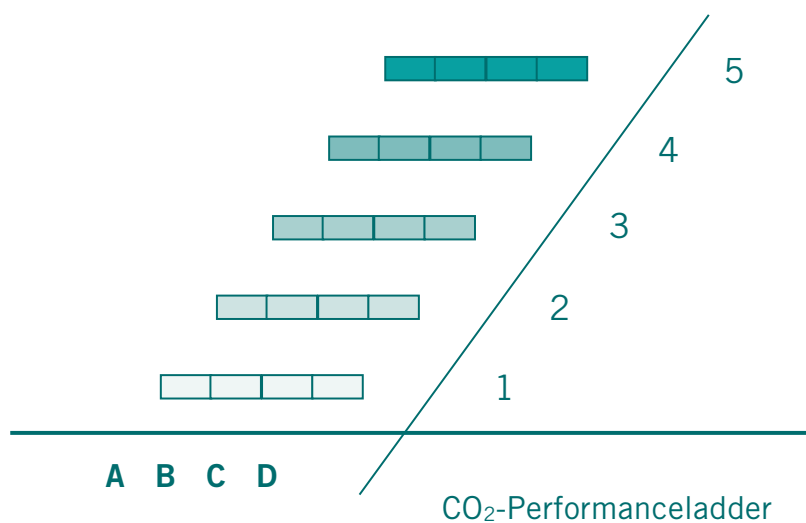
Where a consortium of companies is taking part in a tendering process, as is often the case, the award advantage is determined by the lowest CO<sub>2</sub>-Performanceladder score of the individual companies involved.

## The CO<sub>2</sub>-Performanceladder in brief

The CO<sub>2</sub>-Performanceladder uses a methodology that is based on the Capability Maturity Model (CMM). The CMM states that the execution of each project and the way in which processes are managed, are at a certain stage of maturity. The model distinguishes five maturity levels. A company can reach the next level through incremental improvements in its existing processes, and through innovations in technologies and methods.

In the CO<sub>2</sub>-Performanceladder, the CMM has been categorized into five levels, numbered from 1 to 5. A fixed set of requirements has been defined for each level, with which the CO<sub>2</sub> performance of a company and its projects must comply. These requirements are founded on four aspects – A, B, C and D – each of which has been given its own weighting. The position of a company on the ladder is determined by the highest level to which it meets the requirements.

Below, the CO<sub>2</sub>-Performanceladder is shown in diagrammatical form.



Aspects:

A	=	Insight	A	=	40%
B	=	Reduction (ambition) in CO <sub>2</sub> emissions	B	=	30%
C	=	Transparency (internal and external)	C	=	20%
D	=	Participation in CO <sub>2</sub> initiatives]	D	=	10%

## One certificate per level

The set of requirements that companies must meet are contained in a general certification scheme and related audit checklists. The audit checklists have been drawn up as a 'sub-ladder' for each aspect: there are therefore four audit checklists, each with five levels. A fixed set of criteria and scoring directions apply to each aspect and level. Every company assesses the CO<sub>2</sub> performance of its projects and internal operations on the basis of these audit checklists. If a company believes it has reached a certain level, then the evidence is placed into a portfolio. A portfolio contains policy documentation, technical reports, management reports, minutes, annual report, communications procedures and so on.

The portfolio is then put before an authorised ladder-certifying organisation (or Ladder CI) which, using its expert judgement, assesses the evidence and awards a score to each requirement. The maximum score can only be given, if the requirement in question has been demonstrably met with in full. The minimum requirements with which companies must comply are also listed for each aspect and level in the audit checklists. A company only fulfils the requirements of a particular level if (1) it meets the minimum requirements for A, B, C and D of the relevant level, and the requirements of all lower-ranking levels and (2) the sum of the weighted scores of the level is at least 90% of the maximum score. This means that the company has to remain active in all aspects covered by the lower-ranking levels. Its performance at these lower levels is a prerequisite for approval of its performance at its certified level.

If the Ladder CI determines that the level has been attained by the company, it will issue a CO<sub>2</sub> awareness certificate for the level in question - 1, 2, 3, 4 or 5 – to the company.

Certificates are valid for three years; companies are re-assessed by the Ladder CI every year, which will then decide whether they still fulfil the requirements. A company is always free to apply for a higher-level assessment in order to climb further up the ladder.

The certifying organisations consult with each other and the Central College of Experts for the purpose of harmonising the way in which the requirements are interpreted.

# The five rungs on the ladder

The five levels at which a company may be certified are defined as follows:

The CO <sub>2</sub> -Performanceladder		Level certification plan (outline)
5	<p>The company has a CO<sub>2</sub> emissions inventory of its most important suppliers.</p> <p>The company can demonstrate that the objectives for levels 3 and 4 have been attained.</p> <p>The company is publicly committed to a government or NGO CO<sub>2</sub> reduction programme, and is able to demonstrate that it is making a relevant contribution to an innovative CO<sub>2</sub> reduction project.</p>	
4	<p>The company has identified its chain emissions in outline terms, and chain analyses have been carried out for two relevant chains. The company has quantitative objectives for its chain emissions. The company is in dialogue with relevant parties (government bodies and social organisations) and can demonstrate its role as the instigator of sector and chain initiatives in the field of CO<sub>2</sub> reductions.</p>	
3	<p>The company has an official CO<sub>2</sub> emissions inventory that has been drawn up in accordance with the ISO (GHG) standard, and which has been verified by an independent organisation. The company has quantitative objectives for its own (scope 1 and 2) CO<sub>2</sub> emissions. It communicates – internally and externally – in relation to its CO<sub>2</sub> footprint on a structural basis and actively participates in at least one sector and chain-based CO<sub>2</sub> reduction initiative.</p>	
2	<p>The company has quantified its energy flows and formulated a qualitative objective for saving energy and using renewable energy. Internally, the company communicates its energy policy on a structural basis and takes a passive role in at least one sector and chain-based CO<sub>2</sub> reduction initiative.</p>	
1	<p>The company has identified its energy flows in qualitative terms and has a list of potential options for saving energy and using renewable energy. Internally, the company communicates its policy in relation to energy-saving and renewable energy on an ad hoc basis and is aware of sector and chain-based CO<sub>2</sub> reduction initiatives.</p>	

## CO<sub>2</sub>-Performanceladder and the Most Economically Advantageous Tender (MEAT)

The CO<sub>2</sub>-Performanceladder will be used by public sector organisations and private sector companies for calls to tender, many of which are highly complex. The principle behind the ladder is that effort is rewarded: a higher score on the ladder means a concrete advantage in the calls for tenders process.

As described above, the CO<sub>2</sub>-Performanceladder includes a fixed set of requirements at five different levels, numbered 1 to 5, with 5 being the most stringent. In addition to this, the CO<sub>2</sub>-Performanceladder consists of a package of MEAT requirements that are linked to the set of requirements at the five different levels. Public and private sector organisations issuing calls for tenders for a concrete project can set this package of MEAT requirements that are as stringent as those of the CO<sub>2</sub>-Performanceladder. If a company has a CO<sub>2</sub> awareness certificate for a particular level, then that counts as sufficient evidence that the company meets these requirements when carrying out projects at that level. A company that has no CO<sub>2</sub> awareness certificate, or cannot obtain one, may still be eligible for an award advantage through the package of MEAT requirements for specific projects. The MEAT requirements become hard contract requirements after the awarding of the contract.

### Sector-specific explanation

Each sector may draw up its own sector-specific explanation of the ladder, to link the general instrument to the specific characteristics of and the specific potential for reductions in CO<sub>2</sub> that exist in that sector. It can include the type of projects for which the CO<sub>2</sub>-Performanceladder will be used, how distinctive aspects of a sector can be approached in an efficient and effective manner, and how existing endeavours can best be used, such as long-term energy-efficiency agreements. As in the case of the construction industry, the sector-specific explanation may refer to existing ISO norms and the international GHG protocol. Where it is sensible to do so, the sector-specific explanation may also include other existing sustainability instruments in the Netherlands, such as DuboCalc, GreenCalc and other organisations .

The aim is for each sector to draw up its own sector-specific statement, as much as possible, but each sector must show that it has consulted with external parties in the process. The sector-specific statements will be evaluated by the Central College of Experts in terms of their feasibility and their consistency with the ambitions of the CO<sub>2</sub>-Performanceladder. In addition, the Advisory Council of the Foundation for Climate-Friendly Procurement and Business (the SKAO), who own and manage the ladder (see elsewhere in this brochure), will evaluate the ambitions of the sector-specific statements. The definitive version of the sector-specific statement will be laid down by the Board of the SKAO (see under 'Organisation').

## What makes the CO<sub>2</sub>-Performanceladder different?

1. It is an initiative that originated in the market.
2. The ladder asks for no grants or any action on the part of the government.
3. The ladder does not concentrate on its own criteria or rules, but on ambition, creativity and innovation.
4. The ladder reduces bureaucracy and promotes initiative.
5. Focusing on reducing CO<sub>2</sub> means a leap forward on many fronts for a large number of companies.
6. CO<sub>2</sub> awareness operations are an integral part of what can often be complex calls for tenders.
7. The instrument affects tendering parties, parties seeking tenders and chain partners.
8. It encourages companies to become familiar with, to understand and to curtail their CO<sub>2</sub> emissions.
9. It encourages structural and guiding dialogue with social organisations and public sector bodies.
10. It rewards positive effort, even for those in a 'poor' starting position: it is levels of reduction that count.
11. The influence of the ladder concerns products, production and business operations.
12. The ladder promotes and rewards the sharing of newly-discovered solutions and renewal.
13. The ladder promotes and rewards collaboration between companies, NGOs and public sector bodies.
14. Companies that take reductions of CO<sub>2</sub> emissions seriously stand to actually profit from the fact.
15. The initiative can also be applied to calls for tenders in other industries.
16. The ambitions associated with the ladder will increase in parallel with the improved CO<sub>2</sub> performance in the relevant branch of industry.



# Organisation

The CO<sub>2</sub>-Performanceladder is owned by the independent Foundation for Climate-Friendly Procurement and Business, the SKAO. The foundation is responsible for all matters relating to the ladder: its use, its further development, administering the certification plan and broadening its scope to other commissioning parties and new sectors.

The starting point is that every user of the ladder – commissioning parties as well as parties accepting commissions – has an interest in having one effective CO<sub>2</sub>-Performanceladder and one sector-specific statement for each sector.

## **The objectives of the Foundation for Climate-Friendly Procurement and Business are:**

1. To manage and further develop the CO<sub>2</sub>-Performanceladder.
2. To create support among private parties and social organisations for the approach and the method of the CO<sub>2</sub>-Performanceladder.
3. To promote and facilitate effective dialogue between companies and social organisations about climate-friendly business aimed at concrete reductions in CO<sub>2</sub>.
4. To promote the development of and active participation in sector-wide CO<sub>2</sub> reduction programmes run by participating companies.
5. To promote the widespread use of the CO<sub>2</sub>-Performanceladder in multiple sectors.

## **With regard to the certification process, the foundation has the following tasks:**

1. To manage and modify the certification plan.
2. To assist in the development and subsequent setting down of sector-specific statements.
3. To enter into agreements with ladder-certifying organisations.
4. To secure recognition of the ladder as an official compliance mark by the Dutch Accreditation Council.
5. To publish all accredited ladder-certifying organisations on its website.
6. To coordinate matters of optimisation and consistency with the ladder-certifying organisations.

## **With regard to supporting businesses, the foundation has the following tasks:**

1. To encourage the use of the ladder by businesses.
2. To promote professional training courses and coaching for greater ladder participation.
3. To present the certification plan, handbook and sector-specific statements on the website.
4. To make relevant knowledge, dialogue reports and relevant links accessible on the website.
5. The helpdesk function (for providing an explanation of the handbook) for parties putting out calls for tenders and companies.
6. To publish all certified companies on the website.
7. To publish sector and chain initiatives and CO<sub>2</sub> reduction programmes in collaboration with public sector bodies and NGOs.

The Foundation for Climate-Friendly Procurement and Business has a Board, an Advisory Council, a Central College of Experts and a secretarial office.

The Board is responsible for upholding the independence, the qualitative development, the operating, the organising and the promoting of the ladder. There is a broad cross-section of representatives on the Board, comprising commissioning parties, the private sector, academics and social organisations.

The Advisory Council advises the Board about the substance and applicability of the ladder, and it also puts forward relevant new developments and topics. This way, the council safeguards the substantive objectives and relevance of the ladder for the benefit of its applicability in practice and the concrete reduction of CO<sub>2</sub> emissions in the chain. The Advisory Council consists of academics, professionals involved in everyday practice, government bodies and social organisations.

The Central College of Experts is responsible for the operational management of the ladder. The college is made up of experts from commissioning parties, the private sector and independent specialists.

The Central College of Experts is primarily responsible for keeping the certification plan up to date, and functions as a point of contact for the certifying organisations. In addition, the Central College of Experts deals with certification-related complaints from companies.

The financing of the foundation is based on the principle that all involved parties should contribute.

The CO<sub>2</sub>-Performanceladder is an initiative that originated in the market, so the ladder does not receive any government grants or resources. The principle behind the ladder is that every company and organisation that is involved should finance it on a pro rata basis: contributions cover the costs of the website, the helpdesk, the further development of the ladder, the supervision of initiatives, the management of the certification plan, the foundation, and other items.

Being actively involved with the CO<sub>2</sub>-Performanceladder therefore always entails making a modest contribution to the Foundation for Climate Friendly Procurement and Business – a not-for-profit foundation that became the owner, administrator and promoter of the CO<sub>2</sub>-Performanceladder on 16 March 2011. The contributions will therefore go towards covering the costs of the ladder; they will be kept as low as possible.

Parties that want to introduce the ladder in other countries can contact the foundation.

**For more information and contact:**

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