



CO₂-PERFORMANCE LADDER[©]

THE CO₂- PERFORMANCE LADDER FOR (LOCAL) GOVERNMENTS

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ACTING UPON CLIMATE GOALS THROUGH PROCUREMENT

With the worldwide signature of the Paris Climate Agreement, the fight against climate change has gained importance for many businesses and (local) governments. How does your organisation contribute to the mitigation of climate change? Whether your organisation is looking into low carbon procurement or reducing its carbon emissions, the CO₂ Performance Ladder paves the way towards achieving climate goals.

WHAT IS THE CO₂ PERFORMANCE LADDER?

The CO₂ Performance Ladder is both a **sustainable procurement instrument** and a **CO₂ management system** that helps organisations and (local) governments reduce their CO₂ emissions and costs. Certified organisations reduce their carbon emissions in company processes, projects and their supply chain. The CO₂ Performance Ladder is the most used sustainable procurement instrument in the Netherlands and international attention is growing rapidly. More than 75 Dutch commissioning parties include the instrument in their procurement strategy and tenders annually. Scientific research proves that organisations that have implemented the Ladder in their organisation reduce CO₂ emissions two times faster than the national Dutch average.

“Rijkswaterstaat (responsible for the design, construction, management and maintenance of the main infrastructure facilities in the Netherlands) uses the CO₂ Performance Ladder as a standard for all major projects. Together with DuboCalc, this instrument ensures that there is a structural focus on energy saving, sustainable energy and careful use of materials in all projects.”

— Jan Henrik Dronkers, Director-General for Aviation & Maritime Affairs, also deputy secretary-general of the Ministry of Infrastructure & Water Management

1 THE CO₂ PERFORMANCE LADDER FOR SUSTAINABLE PROCUREMENT



ABOUT THE FOUNDATION

The not for profit foundation SKAO is the owner and manager of the CO₂ Performance Ladder. SKAO is independent and responsible for the management and further development of the CO₂ Performance Ladder. The board and the Central College of Experts of the foundation consists of both large commissioning parties as well as trade associations for business and NGO's. Together they continuously further develop the CO₂ Performance Ladder and the strategy of SKAO.

THE CO₂ PERFORMANCE LADDER AS A SUSTAINABLE PROCUREMENT INSTRUMENT

Public authorities are increasingly focusing on sustainability by embedding sustainable practices in their strategy and procurement policies. By using the CO₂ Performance Ladder as a means for sustainable procurement, public authorities take concrete measures towards sustainability and ensure the reduction of carbon emissions in its procured projects. The CO₂ Performance Ladder includes an award advantage, that allows authorities to reward contractors that actively reduce their carbon emissions with the CO₂ Performance Ladder with a fictitious discount on their bids. As a commissioning party, you therefore stimulate businesses to cut back CO₂ emissions within the organisation and projects. The Ladder encourages cooperation and a structural dialogue between the public and private sector.

PROCUREMENT AND PURCHASING WITH THE CO₂ PERFORMANCE LADDER

In the Netherlands, public authorities spend around 4 billion euro's a year on procurement with the CO₂ Performance Ladder. The CO₂ Performance Ladder is used as a sustainable procurement instrument in one out of ten procurements in the Netherlands. Based on research by the Foundation for Climate Friendly Procurement and business (SKAO), sustainable procurement with the CO₂ Performance Ladder has grown from 1 to more than 75 public authorities in six years. With this 'power of procurement' the government has an important influence on climate and society.

ADVANTAGES OF PROCUREMENT WITH THE CO₂ PERFORMANCE LADDER:

1 Power of procurement: shifting the market

When commissioning parties apply the CO₂ Performance Ladder during projects, CO₂ reduction is rewarded with award advantage for the bidding companies. The higher the ambition level of the company, the higher the award advantage in procurements.

2 One tool, one language

A CO₂ Performance Ladder certificate is an objective manner to measure comprehensive CO₂ management. As a commissioning party you don't have to design specific measures for each project, a certificate for the Ladder ensures CO₂ reduction. Furthermore, companies with a certificate on the CO₂ Performance Ladder can use their certification for multiple commissioning parties. The method of procurement with the CO₂ Performance Ladder is ready for use and in line with the European Public Procurement Directives. It is possible to use the Ladder for all kinds of projects in different sectors. On the website of SKAO you can find a procurement guide for commissioning parties.

3 Translating sustainability goals to procurement policies in line with ISO 20400

Your organisation has goals in terms of sustainability and CO₂ reduction, but what about your procurement or purchasing policy? Is sustainability an important factor of your procurement and purchasing decisions? With the CO₂ Performance Ladder, you have a practical instrument that helps you transform sustainability goals into actions.

THE MOST ECONOMICALLY ADVANTAGEOUS TENDER

Companies that respond to a procurement that includes the MEAT Criterion CO₂ Performance Ladder have two ways of meeting this criterion. In both cases, within one year after awarding and annually thereafter within the duration of the project, the company must demonstrate that it meets the MEAT Criterion.

1

The first possibility is that the company has a CO₂ awareness certificate and submits it. The CO₂ awareness certificate is a company certificate based on the CO₂ Performance Ladder Handbook. This way, the company demonstrates that the entire organisation operates in a CO₂ aware manner, including in the projects it carries out, whereby the levels of the certificate and of the MEAT Criterion are comparable.

2

The second possibility is that the company specifically demonstrates, at a project level, that it (for the relevant project) meets the ambition level (and lower levels) with which it has responded.

For procurements with a MEAT Criterion CO₂ Performance Ladder, having or obtaining a CO₂ awareness certificate is not a requirement, but a way to meet the MEAT Criterion.

WHY USE THE CO₂ PERFORMANCE LADDER FOR PROCUREMENT?

- 1 Power of procurement: the procurement tool is easy to use. Use your procurement power to ensure carbon reduction in your projects and to direct investments towards a low carbon economy
- 2 The effect of the Ladder has been scientifically proven: research conducted by Utrecht University shows that companies that are certified on the CO₂ Performance Ladder reduce CO₂ two times faster than the Dutch average. On average they achieve a reduction of 3.2% per year.
- 3 Ready for use: a procurement guide with accessible steps to start purchasing with the CO₂ Performance Ladder are freely accessible on the website www.co2performanceladder.com
- 4 The Ladder encourages cooperation and a structural dialogue between the public and private sector
- 5 The CO₂ Performance Ladder has been appointed by the Organisation for Economic Cooperation and Development (OECD) as an international Best Practice for sustainable procurement

GET STARTED!

www.skao.nl/sustainable-procurement

Earn an award advantage

COMPANY	ENTRY PRICE	LEVEL ON THE LADDER	FICTITIOUS DISCOUNT / AWARD ADVANTAGE	FICTITIOUS PRICE	AWARD THE CONTRACT
A	€ 9,7 million	None	0%	€ 9,7 million	No
B	€ 10 million	3	4%	€ 9,6 million	No
C	€ 10,3 million	4	7%	€ 9,58 million	Yes: € 10,3 million

2 THE CO₂ PERFORMANCE LADDER AS CO₂ MANAGEMENT SYSTEM



Each type of organisation can implement the CO₂ Performance Ladder as a carbon management system and is able to obtain a certificate for the CO₂ Performance Ladder if it complies with the requirements. With a certificate, an organisation shows that it has objective insight into its emissions, that it has set ambitious reduction goals, measures are taken to reduce these emissions and that the organisation continuously improves on their carbon management. Each certified organisation is audited annually by an independent and accredited certification institute and has to prove continuous improvement to maintain the certification.

The CO₂ Performance Ladder provides a certification scheme for organisations to acquire a level on the Ladder. The certification scheme consists of 5 levels. The higher the level an organisation acquires, the more it is doing to reduce its carbon emissions. An organisation that is certified on a certain level adheres to the requirements of the CO₂ Performance Ladder. These requirements are based on four angles, namely:

“The CO₂ Performance Ladder allows us to put sustainability on the map. Now it’s time to follow up with actions and turn sustainability into business as usual.”

— Niels van Geenhuizen,
Global Sustainable Solutions Leader
at Arcadis

A Insight

To determine different streams of energy consumption and the carbon footprint.

B Reduction

To develop ambitious goals for the reduction of CO₂ emissions.

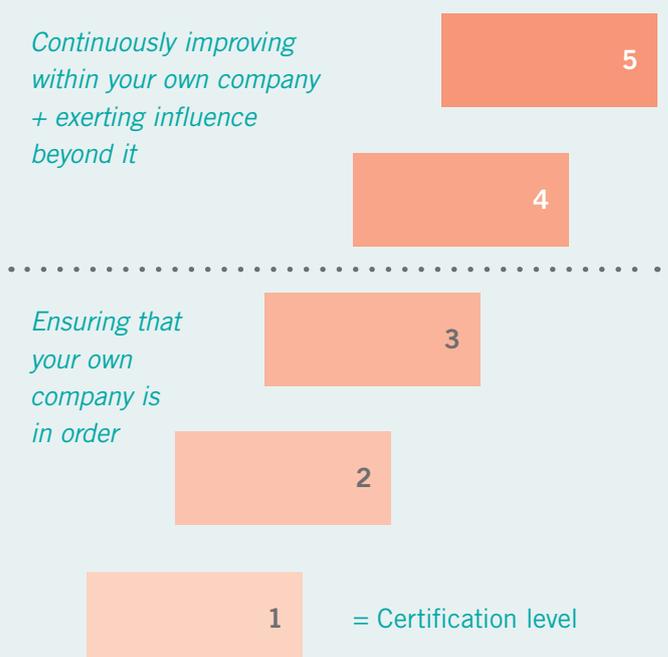
C Transparency

To structurally communicate about organisation policies of CO₂ reduction.

D Participate

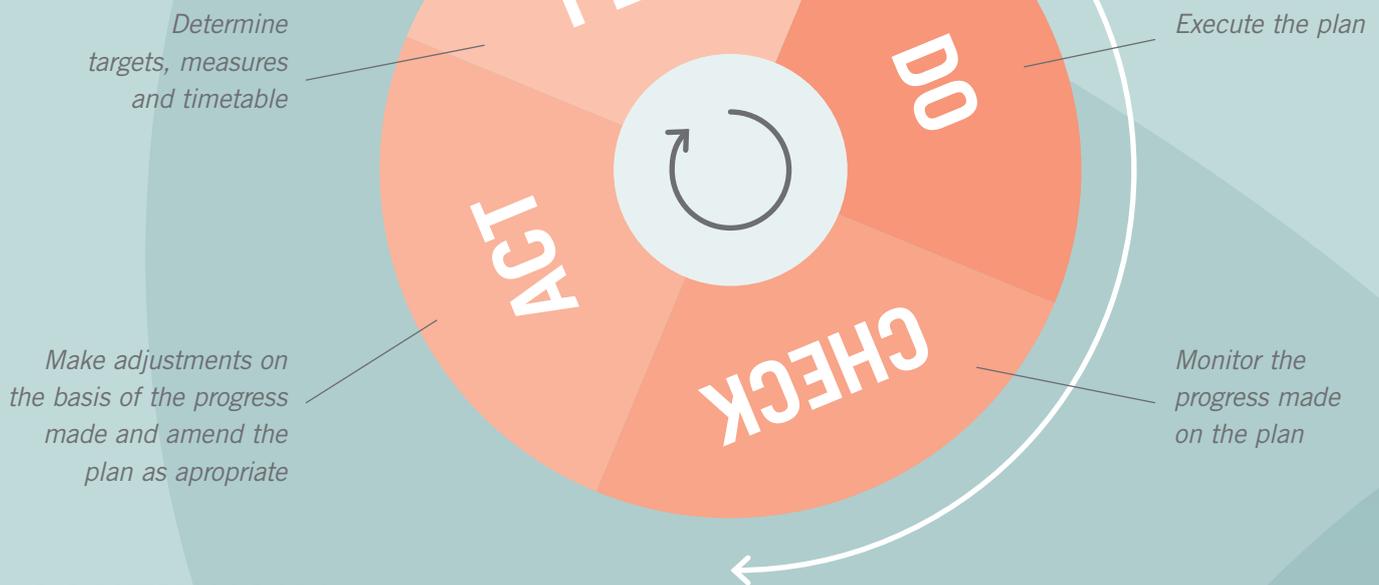
To take part of business sector initiatives with regards to the reduction of carbon emissions.

Up until level 3, an organisation that obtains a certificate on the Ladder reduces its own carbon emissions within the organisation and all its projects. On level 4 and 5, the organisation also aims to reduce CO₂ emissions resulting from the supply chain and business sector, as shown in the figure below.



Start of implementation:

- Baseline measurement
- Targets
- Procedures



CONTINUOUS IMPROVEMENT WITHIN THE COMPANY, PROJECTS AND SUPPLY CHAIN

Organisations that obtain a certificate on the Ladder will experience this as an investment that is rapidly returned in terms of low energy costs, material savings and innovations.

As a CO₂ management system, the Ladder works according to the Plan – Do – Check – Act cycle to ensure continuous improvement of CO₂ reduction within your company and projects. Once you have obtained the certificate, you use the steering cycle to monitor periodically whether the plans made (Plan) and the method of implementation (Do) are still in compliance (Check) and make adjustments or additions (Act) where necessary.

WHY CERTIFY ON THE CO₂ PERFORMANCE LADDER AS AN ORGANISATION?

- The CO₂ Performance Ladder focuses on materiality that results in:
 - Energy and fuel savings
 - Efficient use of materials (such as concrete, steel, asphalt and diesel)
 - Low carbon materials
 - Renewable energy
- It is a certification scheme that contains an audit checklist with requirements
- The Ladder encourages continuous improvement in CO₂ reduction through the Plan-Do-Check-Act (PDCA) cycle.
- The Ladder is an accredited CO₂ management system (under ISO 17021) for organisations. The system is aligned with international standards and methods, such as: ISO 14064, ISO 50001, Capability Maturity Model, GHG-Protocol.
- Organisations certified on the Ladder are audited annually by accredited Certifying parties on progress and continuous improvement in CO₂ reduction.
- The system accelerates the transition to low-carbon economy, requires collaboration with the supply chain of businesses and stimulates low carbon innovations.
- It stimulates companies to set the first steps towards circular projects and products.

3 MAKING YOUR (GOVERNMENT) ORGANISATION MORE SUSTAINABLE

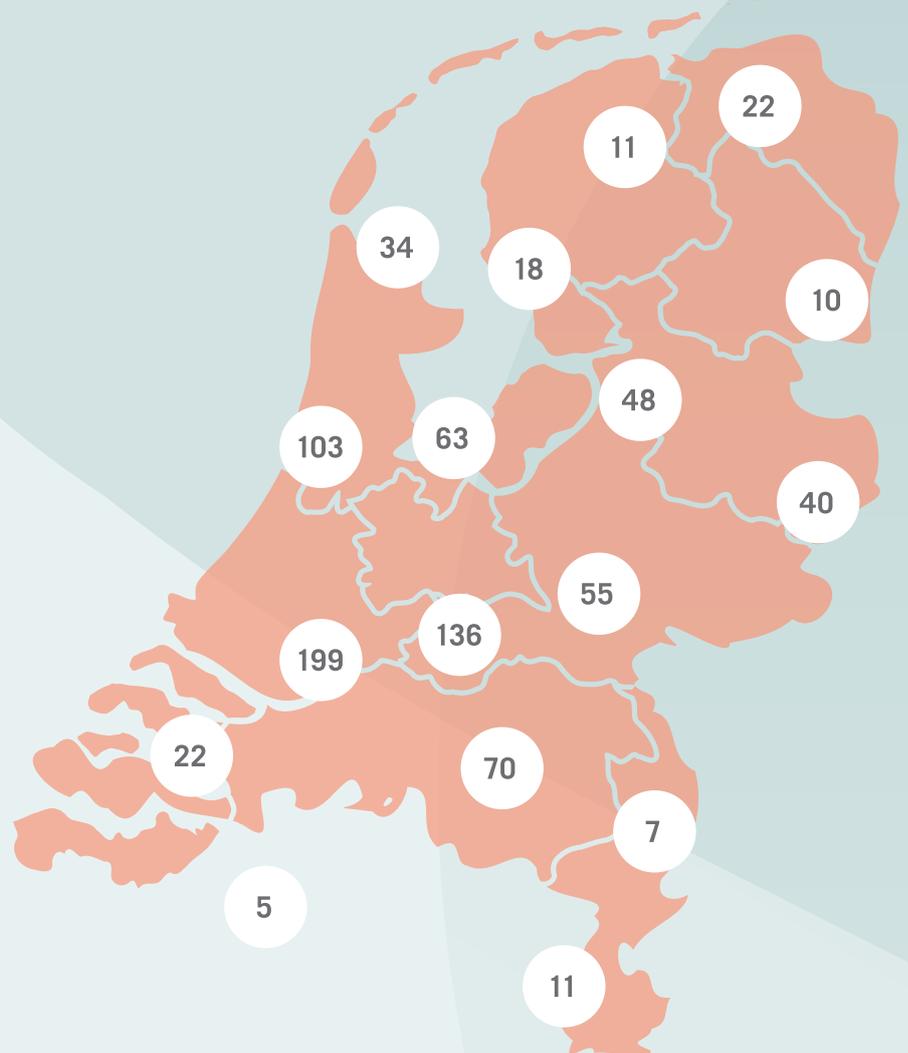


“The CO₂ Performance Ladder really works! At the Ministry of Infrastructure and Water Management, the CO₂ Performance Ladder ensures that there is a structural focus on CO₂ reduction. And we are setting a good example: an important signal to the market and other authorities.”

— Richard Hovinga, Project Leader CO₂ Performance Ladder, Ministry of Infrastructure and Water Management of the Netherlands

THE CERTIFIED GOVERNMENT

In the Netherlands there are more than 3000 companies certified for the CO₂ Performance Ladder. Some governments and semi public authorities are certified on the CO₂ Performance Ladder as well. Alliander (biggest electricity network company in The Netherlands), ProRail (Dutch government rail infrastructure management), municipalities and the Ministry of Infrastructure and Water Management are some examples and more local authorities will follow this year.



BENEFITS FOR CERTIFIED (LOCAL) GOVERNMENTS

1 Implementation of climate objectives

What sustainability goals does your organisation have? Is there a concrete and feasible plan for achieving these objectives? With help of the CO₂ Performance Ladder, there are no vague plans or intentions, but a concrete plan for gaining insight and steering for CO₂ reduction.

2 From insight to a convincing and effective CO₂ reduction strategy

An effective CO₂ reduction policy can only be set up and realised when people know what their emissions are. This insight is provided by the CO₂ Performance Ladder. The Ladder not only gives insight into your emissions, but also into your internal processes, policies and ambitions. The method does not prescribe targets or measures, but rather aims for ambition. This gives the Ladder focus and is direction to tackle at the largest emissions where your organisation can make the difference.

3 Provides support in politics and in the organisation

One of the biggest challenges in the realisation of sustainability plans is creating support within the organisation. Because the Ladder is a management system, ambitions, measures, policy and progress are discussed and determined annually at various levels in the organisation. This creates political and internal support for CO₂ reduction targets. Certification on the Ladder can therefore be a way to get things done.

4 Practice what you preach

Governments have an example function. Obtaining a certificate is an important signal to other authorities, to the market and to the citizens: you are serious about CO₂ reduction.

“Every municipality that is going to climb the Ladder is going to save money. CO₂ reduction is therefore not only important for green goals, but it also generates money. That convinces even the biggest pessimist.”

— Wendy Ruwhof,
alderman municipality Renkum

GET STARTED!

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