

CLIMATE NEUTRAL STANDARD

Climate Neutral Certification Program

(vs 1.0 - September 2020)

Climate **Neutral** Group ©
for better business

Climate Neutral Group (CNG) wants to accelerate the transition to a net-zero carbon economy. We help our clients to reduce their carbon emissions and their environmental impact, by offering 4 services: (1) we calculate your carbon footprint, (2) we advise you how to reduce your emissions, (3) we offer credible offsets for emissions that cannot be reduced (yet), and finally, (4) we offer a practical and impactful certification program that allows certified Clients to proudly use the Climate Neutral Trademark. For more information, see: <http://www.climateneutralgroup.com/en>.



This **Climate Neutral Standard**, together with the **Assurance Protocol** and **Trademark & Claims Policy**, have been developed for the revised Climate Neutral Certification Program, based on a series of stakeholder consultations following the **ISEAL Codes of Good Practice**. This document replaces the '*Klimaatneutraal Gegarandeerd Handboek, vs 2.0-1*' and becomes mandatory from the 1st of January 2021 onwards (unless a valid contract between CNG and its client states differently). This document is available in English, which should be considered as the official and binding version, and is publicly available for free from our website and printed in a limited edition. For more information related to the Climate Neutral Certification Program, please consult our website: www.climateneutralcertification.com or mail to: certification@climateneutralgroup.com.

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DOC ID:	CNG_STANDARD_VS1.0
DEVELOPED BY:	CNG - CERTIFICATION TEAM
APPROVED BY:	CNG - SALES & MARKETING DIRECTOR, ON BEHALF OF THE ADVISORY COMMITTEE
RELEASE DATE:	01 SEP 2020
IMPLEMENTATION DATE:	01 JAN 2021
EXPIRATION DATE:	TBC - CNG SHALL REVIEW THIS DOCUMENT AT LEAST ONCE EVERY FOUR YEARS, BUT RESERVES THE RIGHT TO AMEND THIS DOCUMENT EARLIER.

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A Introduction

Objective of the Standard

The goal for clients:

Climate Neutrality with a pathway of internal GHG emission reductions in line with the Paris Agreement.

This standard contains a set of criteria that will help companies (CNG certified clients, also referred to as 'CO's') to reduce their CO₂ and CO₂-equivalent emissions (together also referred to as the 'CO_{2eq} emissions' or 'GHG emissions'). The speed at which clients shall make these reductions is in line with the Paris Agreement, which describes the following target: **'a net zero global balance between GHG emissions and reductions by 2050'** (in order to keep temperature rise limited to an increase well below 2°C by 2050, and ideally below 1.5°C).

This global 'Paris Agreement Target' is converted into a so called **'Annual Reduction Target'** for our certified clients. That means that through our Climate Neutral Certification Program, clients are given the tools to bring their emissions down to zero between today and 2050, by reducing each year little by little. Clients who achieve their own Annual Reduction Targets, and offset their remaining emissions to net zero, can legitimately say they are **'climate neutral'** and 'on track with Paris', and may make claims and use the Climate Neutral Trademark.

This way, all certified clients contribute directly to achieving the Paris Agreement and help mitigating the impact of temperature rise. Achieving the Annual Reduction Target may be a challenge that requires, especially in the long run, **perception changes and system changes**. This is exactly what Climate Neutral Group deems necessary and envisions with the program: the Standard offers flexibility when needed, but at the same time butts the bar high enough so that real value is created and impact is made. For more information how this Standard aims to make global impact and to create change, see the **'Theory of Change'** (chapter D).

Types of certification (certification scopes)

Reductions can be made for emissions caused by the organisation, or reductions can be made for emissions that result from the delivery or provision of certain products or services. The Climate Neutral Certification Program therefore offers two types of certification (certification scopes): **'Certification of the Organisation'** and **'Certification of a Product or Service'**. For both certification types, different reduction targets apply, demonstrated in figure 1:

- For Cert. of the Organisation: **Target = 0 emissions by 2050**. NB: If prescribed nationally, an interim target may apply, such as in the Netherlands, i.e. 49% reduction by 2030);
- For Cert. of Product or Service: **Target = 25% reduction by 2030**.

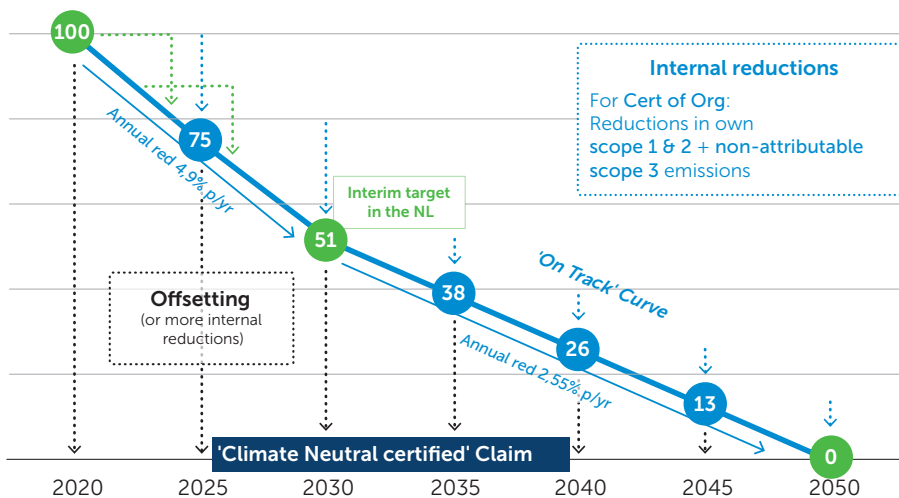
How does it work in a nutshell?

See figure 1: Clients shall...

- first make certain reductions themselves in line with the target objectives (visualised by the **blue dotted arrows**) so that they are 'on track with Paris', and next,
- shall offset (or further reduce) their remaining emissions to zero (visualised by the **black dotted arrows**), in order to become 'climate neutral' and to be entitled to claim 'Climate Neutrality' using our trademark.

The program in a nutshell: C-ORG

- Assumptions: baseline year is 2020 + national (interim) target of 49% reduction by 2030
- With **3 yr compliance flexibility**, see: (---)



The program in a nutshell: C-PROD/C-SERV

- Assumptions: baseline year is 2020 + no targets defined yet after 2030.
- Also with **3 yr compliance flexibility**

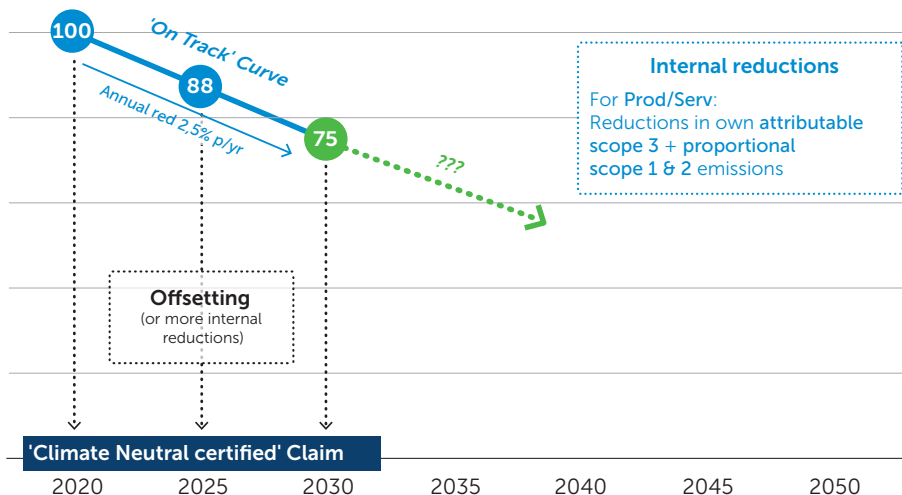


Figure 1: The program in a nutshell

How much to reduce?

Clients who wish to become certified, first develop (or have developed) a footprint listing all the CO_{2eq} emission sources for the certification scope(s) it has chosen. The Standard prescribes which emission sources shall be included for the footprint calculation, but in general this entails:

- For Cert. of the Organisation: all own **scope 1 & 2** CO_{2eq} emissions + **non-attributable*** **scope 3** CO_{2eq} emissions
- For Cert. of Product or Service: **all attributable**** **scope 3** CO_{2eq} emissions + **proportional***** **scope 1 & 2** CO_{2eq} emissions

Annex 1 lists in detail which emission sources this entails. Next, the ascertained GHG emissions sources are compared (and adjusted) to what is 'common' in the client's sector or industry trends, following the sector benchmark approach, explained in **Annex 2**.

* = can not be attributed to a certain product or service the company delivers, but can be perceived as general 'overhead'

** = can be directly attributed to the certified product(s) or service(s)

*** = for a fair share, in the right proportion for certified products/services compared to non-certified products/services

To prepare the footprint, the client (or a contracted 'footprint calculator') shall make use of eligible calculation methods and data sources (e.g. emission factors as well as primary and secondary data sources), see **Annex 3a** and **Annex 3b**. After review by the Certification Body, this first footprint is ascertained as the **baseline footprint**, which functions as a reference for the number of reductions the client shall make in following years.

The objective is then to bring all CO_{2eq} emissions (ascertained in the baseline footprint) down to zero by 2050 (for certification of an organisation) or to reduce with 25% by 2030 (for certification of a product or service), and thus to make small reductions year after year. If for example the organisation's baseline footprint is ascertained in 2021 at 1500 T CO_{2eq}, the client has till 2050 to bring its emissions down. In other words, the client has 29 years to go from 1500 to 0. The **Annual Reduction Target** for this client is thus: $1500 \text{ T CO}_{2eq} / 29 \text{ years} = 51,72 \text{ T}$, meaning the client shall reduce the total of its emissions each year with 51,72 T ($= 100/29 = 3,4\%$).

The reality however is often that clients make big reduction steps after a certain investment is made. Therefore, there is a '**3 year flexibility rule**' (visualised in figure 1 by the **green dotted arrows**), which means that the client's reductions are always evaluated over a period of 3-years time. This gives certified clients the possibility to under-perform in certain years and over-perform in other years, as long as within these 3 years the accumulated reduction targets are achieved, e.g.

$3 * 51,72 = 155,16 \text{ T CO}_{2eq}$ is reduced in total in a time-window of 3 years. In addition, Climate Neutral Group is aware of the complexity to achieve reductions in product's supply chains. As such, **Annex 4** and **Annex 5** entail a range of **flexibility options for certification of a product**.

The earlier the baseline is set, the lower the Annual Reduction Target (because there is more time to get to zero). Therefore, **earlier baselines** can be accepted, following certain requirements prescribed in the Standard, and after verification by the Certification Body. Also, the Standard prescribes criteria for **baseline adjustments** and/or **baseline corrections** should for instance the company grow substantially resulting in a relative increase of emissions.

Some countries prescribe **interim reduction targets**. For instance, in the Netherlands, the Dutch 'Klimaatakkoord' aims to achieve a 49% reduction by 2030 (compared to 1990 levels). Such intermediate national requirements shall always be applied, meaning two reduction targets are calculated, as illustrated in figure 1.

Useful tools

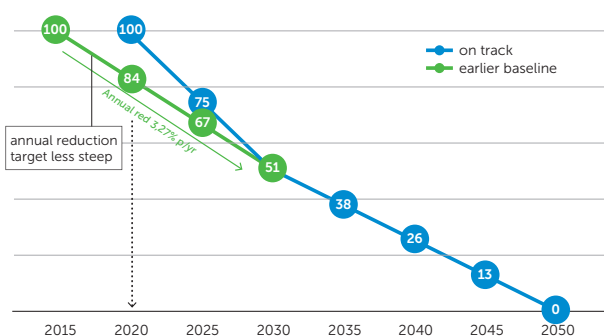
To support clients with the implementation of the Standard, two useful tools have been developed: **Annex 6a** and **Annex 6b** contain the **Reduction Calculation Tool** that allows clients to monitor their progress. **Annex 7** contains the **Self-Assessment Tool**, which clients can use to self-evaluate their 'audit readiness'.

Possible reduction scenario's

- **Scenario 2 - Earlier baseline:** The client can demonstrate evidence of an earlier baseline, and therefore the Annual Reduction Target curve becomes less steep, meaning the client may reduce at a slower pace.
- **Scenario 3 - More reductions:** The client has reduced more than required, and is considered to be a 'good performer'. Good performers may qualify for audit exemptions.
- **Scenario 4 - Insufficient reductions:** The client has consistently reduced insufficiently, and/or the planned and committed reductions (described in the client's Internal GHG Reduction Plan) are consistently insufficient. The client is considered to be a 'poor performer'. Certification may be withdrawn, if not corrected.
- **Scenario 5 - Justifiable delay:** Clients who are seriously taking action, but anticipate being unable to achieve the Annual Reduction Target in due time, can be certified in exceptional situations, provided they can A) build a justifiable case and B) inform the CB and CNG in advance. This can be in the case of a force majeure, or in the case the return on an investment takes more time, i.e. the client is making long-term investments, which only result in the required reductions from a later point onwards, and can provide evidence of this delayed return on investment. This may also be the case if the required technology is not available (yet). If a client wishes to make use of this scenario, please consult CB and CNG in advance at certification@climatenutralgroup.com.

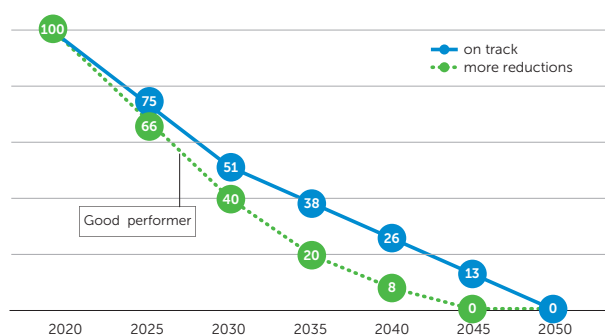
Scenario 2 - Earlier baseline

Annual reduction target less steep



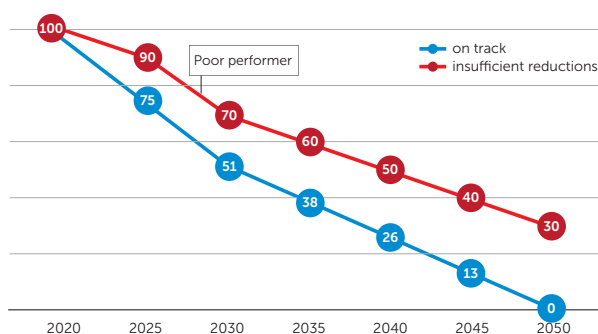
Scenario 3 - More reduction

'Good performer', qualifying for lower audit frequency



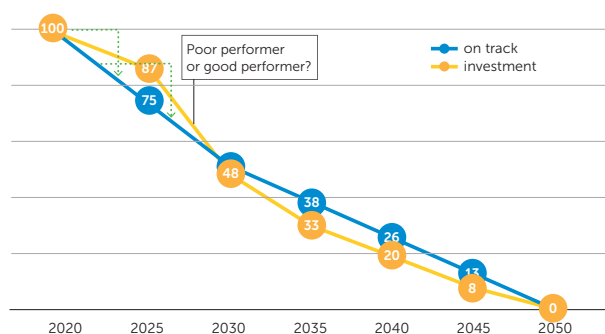
Scenario 4 - Insufficient reductions

'Poor performer', consider for non-certification



Scenario 5 - Justifiable delay

Still positive, if long-term justifiable investment



Development trajectory of this Standard

Throughout the development trajectory of the revised Climate Neutral Certification Program, CNG has strived to offer a program that has the right balance in terms of ambitiousness, scalability, credibility and cost-efficiency, in order to be able to make real impact:

- **Ambitiousness:** a program that is distinctive, puts the bar high (enough), to make an actual difference;

Versus

- **Scalability:** a program that is sufficiently attractive, practical and flexible for (potential) clients, allowing for rapid uptake;

Versus

- **Credibility:** a program with a certain degree of rigidity, strictness and consistency, to protect the integrity and trustworthiness of the program;

Versus

- **Cost-efficiency:** a program that gives 'value for money' for all actors involved, with reasonable verification and certification costs for clients, while allowing CBs and CNG to cover their own operating costs.

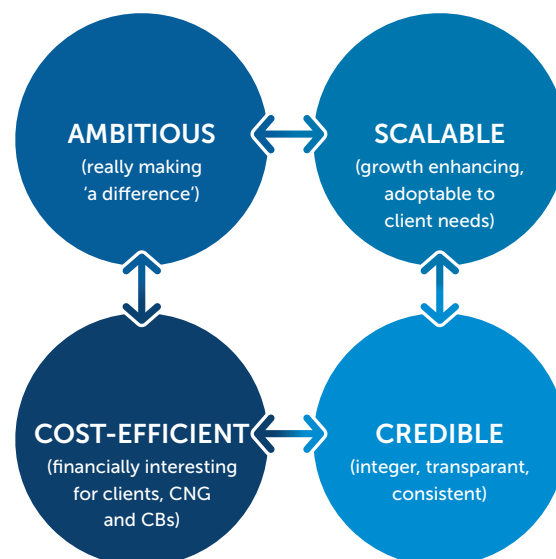


Figure 3: Program ambitiousness vs scalability vs credibility vs cost-efficiency

This means that this Assurance Protocol reflects a certain degree of ambition to put the 'bar high enough' so that the program makes real impact, while it also reflects sufficient stringency to protect the program's credibility, and at the same time offers enough flexibility and cost-efficiency to facilitate the growth of CNG's client portfolio.

The result: An ambitious, but do-able program

CNG realises that the Annual Reduction Target is ambitious. However, this new cornerstone of our revised certification program has been discussed extensively with stakeholders through different consultation rounds. It is commonly agreed that these reductions are really needed in order to combat the worst effects from climate change. Action is needed now, and that action requires fundamental and systematic changes - it is too late for 'quick-fix-solutions'. Relatively simple measures (such as led lightning) will not suffice - we really need to change the way we do business and the way we use our resources. **This involves rapid innovation, creative solutions, but most of all perception change, which CNG would like to trigger through the Climate Neutral Certification Program** (see also the **Theory of Change**, chapter D).

Clients seeking advice in how to make effective reductions, can consult the CNG '**On Track Consultancy Team**'. Also, this team can conduct a cost-benefit analysis, to demonstrate general cost-savings in your organisation as a result of the emission reductions and/or conduct a comparison study of offsetting versus internal reduction costs.

Go-live date

This Standard replaces the *Klimaatneutraal Gegarandeerd Handboek vs 2.0-1* and will be made **public in summer 2020**. This Standard will however only become mandatory from 2021 onwards. This means that in 2021 the baseline footprint and Annual Reduction Target will be ascertained and verified for all current and new clients, and **reductions shall be made from 2021 onwards**, for verification in 2022.

Disclaimer

CNG will review the criteria of this Standard after one year of implementation, i.e. to finetune criteria so that they are non-ambiguous, verifiable, self-explanatory and/or more detailed or prescriptive and lead to the desired intent, should the need arise. CNG reserves the right to amend the eligibility criteria for offsetting projects as well as the criteria related to inseting, depending on the of evolvments of the voluntary market, at any moment in time.

B) Abbreviations & Glossary

Objective of the Standard

CB	Certification Body
B2B	Business to business
B2C	Business to consumer
CNG	Climate Neutral Group
CO	Certificate Owner (or the 'client')
CO₂	Carbon dioxide
CO_{2eq}	CO ₂ equivalent
EPD	Environmental Product Declaration
FC	Footprint Calculator
GHG	Greenhouse Gas
GoO	Guarantee of Origin
GWP	Global Warming Potential
ICROA	International Carbon Reduction and Offset Alliance
LCA	Life Cycle Assessment
N/A	Not applicable
NC	Non-Conformity
PDCA	Plan-Do-Check-Act
PEFCRs	Product Environmental Footprint Category Rules

Absolute Target	The set target to reduce absolute emissions over time (Def. GHG Protocol)
Annual Reduction Target	The number of CO _{2eq} emission reductions the CO shall achieve on an annual basis
Attributable emission source	All significant emission sources that can be directly connected to a product or service, e.g. to the raw materials, packaging (for consumption), composition, manufacturing, processing, shipping, delivery, use or disposal of the product or service
Baseline footprint	The first verified footprint which functions as the reference year for future footprints and the emission reductions the CO shall achieve
Baseline year	The year that the baseline footprint was ascertained
Calculation method	The technical method - based on a certain methodology - applied by the CO (or the FC) to calculate the footprint, using its own produced calculation tool or tools developed by others such as the GHG spreadsheets or sector developed tools
Carbon footprint	The absolute sum of all emissions of greenhouse gasses, caused directly and/or indirectly by the certified subject (being the organisation, product or service) within one year time (also referred to as 'CO _{2eq} footprint' or 'footprint')
Carbon offset	A reduction in emissions of CO ₂ or other GHGs achieved by verified carbon projects, which are quantified in credits of metric tonnes or kilogrammes of CO _{2eq} reductions, in order to be available for the voluntary market to compensate for emissions caused elsewhere
Certificate Owner	The 'highest' legal entity that receives the certificate of compliance after a positive certification decision (also referred to as the 'organisation', the 'client', the 'Certified Entity')

Consecutive year of certification	From the 2 nd year of certification onwards
Core business activities	All activities related to the CO's principal 'raison d'être' (purpose), including 'overhead' activities (such as general management, marketing or finance)
Cradle-to-gate	"Life cycle stages of a product, from resource extraction (cradle) to the point the product leaves the CO's premises (gate)*. Cradle-to-gate includes the phases of acquisition of raw materials and manufacturing or processing of the product, and excludes the retailer phase, the use phase and disposal phase of the product. * CNG also includes outbound transport and storage."
Cradle-to-grave	Life cycle stages of a product, from resource extraction (cradle) to the point of product disposal e.g. recycling or waste disposal (grave). All phases are included.
Cradle-to-shelf	Life cycle stages of a product, from resource extraction (cradle) to the selling point to final buyer, e.g. 'retailer's shelf' (shelf). The use phase and disposal phase of the product are omitted in this case.
Direct emissions	GHG emissions from sources that are owned or controlled by the CO (Def. GHG Protocol)
Downstream emissions	Indirect (scope 3) GHG emissions from sold (or distributed) goods and services, occurring downstream in the value chain
Emission factor	A coefficient to indicate the amount of GHG emissions per unit of activity (e.g. kg CO _{2eq} in relation to a kWh of electricity purchased)
Emission factor source	The source (owner) of the emission factor data
Emission scopes	The grouping of GHG emissions into direct (scope 1) and indirect (scope 2 and 3) emissions according to the GHG Protocol
Emission source	See: GHG emission source
Environmental Footprint Declaration	A third-party verified document that is officially registered to show the environmental impact of a product or service. To construct the EPD, LCA is first used to generate the impact results which are included into the EPD according to specific standards (e.g. EN 15804).
Footprint calculator	The organisation or person calculating the CO's footprint, which may be the CO itself, a third party or Climate Neutral Group (see Assurance Protocol)
GHG emission source	The source (e.g. a process, activity or a physical unit) that releases greenhouse gases into the atmosphere
GHG Protocol	GHG Protocol Corporate Accounting and Reporting Standard
GHG Reduction Plan	See: Internal GHG Reduction Plan
Global Warming Potential	A measure of how much a greenhouse gas contributes to global warming, relative to the same amount of carbon dioxide
Greenhouse gas	The gases released into the atmosphere causing global warming and climate change, being: carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), hydrofluorocarbons (HFCs), perfluorocarbons (PCFs), sulphur hexafluoride (SF ₆) and nitrogen trifluoride (NF ₃)
Indirect emissions	GHG emissions that are a consequence of the operations of the CO, but occur at sources owned or controlled by another company
Intensity Target	The set target to reduce the ratio of emissions relative to a business metric over time (Def. GHG Protocol)
Internal GHG Reduction Plan	A living document that records the planned, committed and implemented emission reduction activities and measures of the CO so that the Annual Reduction Target is achieved

Land-use change impact	The change of carbon stocks of a land, due to human activity on that land
Life Cycle Assessment	A methodology for assessing environmental impacts (such as the calculation of CO _{2eq} emissions) associated with all the stages of the life-cycle of a product, process, or service
Non-attributable emission sources	Emission sources that cannot be directly connected to a product or service, but can be categorized as 'overhead' sources as they result from general activities of the organisation (e.g. to run an office)
Operational boundaries	Operational boundaries determine which (direct and indirect) emission sources to include in the footprint and how to categorize these emission sources (Def. GHG Protocol)
Organisational boundaries	Organisational boundaries determine which company operations to include when preparing the footprint (Def. GHG Protocol)
Primary Data	Data from primary sources, i.e. collected/measured directly by the CO itself (e.g. for emissions resulting from processes in own organisation, raw material use, energy use, wastes, inputs for a particular process or product, etc)
Process emissions	Emissions generated from manufacturing processes, such as the CO ₂ that arises from the breakdown of calcium carbonate during cement manufacture (Def. GHG Protocol)
Product Environmental Footprint Category Rules	Harmonised methodology for the calculation of the environmental footprint for certain products or product categories, initiated by the European Commission
Real usage data	Activity data or other data figures related to the actual use, e.g. electricity usage, material usage, waste usage
Reduction Plan	See: Internal GHG Reduction Plan
Scope 1 emissions	GHG emissions from operations that are owned or controlled by the CO
Scope 2 emissions	Indirect GHG emissions resulting from the generation of purchased or acquired electricity, steam, heating or cooling consumed by the CO
Scope 3 emissions	All indirect GHG emissions (not included in scope 2) that occur in the value chain of the CO, including both upstream and downstream emissions
Secondary Data	Data from secondary sources, e.g. through publications, open literature, databases, software, LCA libraries (e.g. for emissions resulting from inputs for production of raw materials, electricity production, inbound transport, etc)
Sector Benchmark Tool	Tool to record agreements specific for certain industries or sectors or to record boundaries and emission sources agreements made between CO and CNG
Upstream emissions	Indirect (scope 3) GHG emissions from purchased or acquired goods and services, occurring upstream in the value chain
Volume Indicator	A measurable unit to express the baseline footprint, i.e. the total CO _{2eq} of a footprint is representative for a certain volume, such as a number of FTE, a sales volume, a profit volume, square meters of office space, etc

C) Criteria of the Standard

General instructions:

1. The Standard is composed of 5 sections, each containing a set of criteria. The CO shall comply with all criteria, unless the criteria is 'optional'.
2. Some criteria are considered to form 'the heart' of the program and are therefore referred to as 'CORE criteria', see the 1st column from the left, indicated as "(CORE)". Failure to comply with these criteria may have impact on the certification status, see the Assurance Protocol.
3. If a criterion (or a part thereof) is only mandatory from a certain year onwards, this is indicated in green in the 2nd column from the left. If no year is indicated, the criterion is mandatory from year 1 onwards.
4. Where "IDEM" is mentioned, please refer to the row above.
5. Each criterion is concluded with the suggested method (or combination of methods) of verification of compliance (below the dotted line). This, to guide the auditor and to provide the client with insights as to what may be checked during the audit. See the Assurance Protocol for more explanation. If no 'checks' are listed, please refer to the checks listed under C-ORG of the same criterion.
6. Most criteria consist of several points. The CO shall comply with all points of each criterion, unless stated differently.

1 Development and implementation of a Management System		
1.1 Certificate Owner (CO) defined (also referred to as 'the client' or 'the organisation')	C-ORG	A) The CO is clearly defined, in accordance with the organisational boundaries (see 2.1), at the highest level possible. B) The (legal) names of the CO and all its sites, subsidiaries, sub-contractors and all other (legal) entities belonging to the CO are visualised in an organigram/organisational structure, which is communicated to the CB prior to the audit. ----- DOCS CHECK: check if organigram/organisational structure is received prior to audit.
	C-PROD	A) IDEM C-ORG. Where possible, the product's supply chain partners collectively decide which link in the chain acts as the certified entity, and charge costs resulting from the verification and certification process onwards or divide them amongst partners. Ideally, the certified entity is the last link in the chain that transforms the content, exterior or packaging of the certified product. Usually, that is the entity prior to the retailer or final selling point, e.g. the final manufacturer and/or re-packer. B) The (legal) name of the CO is communicated to the CB prior to the audit. ----- OBSERVATION: prior to the audit, check if the chosen certified entity is a logical choice considering the product's supply chain.
	C-SERV	A) IDEM C-PROD, but for services (if applicable) B) IDEM C-PROD (or IDEM C-ORG in case of complex organisational structure) ----- OBSERVATION: prior to the audit, check if the chosen certified entity is a logical choice considering the portfolio of services.
1.2 Responsible persons appointed + Resources allocated	C-ORG	A) On behalf of the CO, one (or more) dedicated responsible person(s) is (are) appointed to: 1. manage the development and implementation of the Climate Policy Document (see 1.4) and Internal GHG Reduction Plan (see 4.1 - 4.4); 2. review the organisational and operational boundaries using the List of Mandatory and Optional GHG Emission Sources (Annex 1) and the Sector Benchmark Tool (see Annex 2); 3. conduct the (optional) Self-Assessment (see Annex 7); 4. oversee adequate and timely implementation of the committed reduction measures (see 4.2); 5. act as the central contact person for CNG and CB in regard to the certification process and any changes that may impact the certification decision; 6. act as the central contact person for the CO, for all activities by all other staff resulting from the implementation of this standard. B) This person/these persons shall receive the necessary resources and management-support in order to execute above tasks properly (for at least a fixed number of hours per week/month). ----- INTERVIEW: interview responsible person(s) if above tasks are clearly assigned and sufficient capacity and/or resources are allocated.
	C-PROD	A) IDEM C-ORG B) IDEM C-ORG
	C-SERV	A) IDEM C-ORG B) IDEM C-ORG

1 Development and implementation of a Management System

1.3 Quality Management System developed and implemented - Point 1, 2 and 3: always optional - Point 4 and 5: mandatory from 2nd year of certification. - Point 6: mandatory from 3rd year of certification.	C-ORG	The CO has developed and implemented a Quality Management System (e.g. as per the ISO 9001 norm), which contains: - OPTIONAL: An analysis of client needs (Client Needs Assessment); - OPTIONAL: A Quality Policy Document endorsed by management; - OPTIONAL: A company-wide SWOT-Analysis; - YR 2: A Monitoring & Evaluation System, following the Plan-Do-Check-Act (PDCA principles, so that periodic review leads to effective corrections and corrective actions (and the CO becomes a 'learning organisation'); - YR 2: A Document Management System, with file and version control; - YR 3: Operational processes and/or business flows mapped or described in Standard Operating Procedures (or Work Instructions). <i>NOTE: Point 4, 5 and 6 do not need to encompass all activities of the CO, but may be limited to the scope of the Climate Neutral Certification Program (i.e. only implemented for activities related to the implementation of this Standard).</i> DOCS/TOOL CHECK: check existence of above documents and systems. INTERVIEW: check awareness of the content of these documents through interviews with employees. OBSERVATION: check real example of PDCA and how corrections and corrective actions were implemented, check existence of Document Management System, and check if employees follow Standard Operating Procedures/Work Instructions.
	C-PROD	IDEM C-ORG
	C-SERV	IDEM C-ORG
1.4 Climate Policy Document developed and implemented - Point A): Mandatory from 1st year of certification. - Point B): Mandatory from 2nd year of certification.	C-ORG	A) The CO has developed and implemented a Climate Policy Document, which includes at least: - The CO's sustainability policy and a description of the CO's reduction ambitions; - A summary of the Internal GHG Reduction Plan (see 4.1 - 4.4), with at least an overview of all planned and committed short-term (< 1 yr), medium-term (1 - 3 yr and long-term (>3 yr) emission reduction measures and activities, and a description how these activities and measures will suffice in order to achieve the Annual Reduction Target. B) The Climate Policy Document is: made public on the organisation's website and in the Annual Report (if applicable); - at least reviewed and updated once per year by the responsible person(s) (see 1.2), after which signed off by sr. management; - periodically (but, at least once per year) discussed in sr. management team meetings; - communicated to and known by all staff and actively applied in daily operational practices. DOCS/TOOL CHECK: check content of above document on company website + check minutes of sr. management team meetings. INTERVIEW: check awareness of content of Climate Policy Document amongst employees through interviews with employees.
	C-PROD	A) IDEM C-ORG B) IDEM C-ORG
	C-SERV	A) IDEM C-ORG B) IDEM C-ORG

1 Development and implementation of a Management System		
1.5 Sustainable sourcing incentivised - Point A): Mandatory for 1st year of certification. - Point B): Mandatory for 2nd year of certification. - Point C): Mandatory during 3rd & 4th year of certification. - Point D): Mandatory from 5th year of certification onwards	C-ORG	COs with an estimated >40% scope 3 emissions (resulting from attributable and non-attributable scope 3 GHG emission sources) must demonstrate they make noteworthy reduction efforts in their supply chains. In principle, this includes all COs of which the core activity is the production and/or selling of a certain product, service or a range of products or services, except for companies operating in the 'utilities sector*'. Other sectors may be exempt as well, therefore CNG and/or CB will prescribe if this criterion is applicable and/or feasible in case of doubt. * see: https://www.cdp.net/en/reports/downloads/626, page 34 For COs for which this criterion is applicable: A) YR1: The CO shall conduct a materiality analysis, using its book-keeping or internal administration to analyse its sourcing volumes and figures, and conducts a ranking exercise. The CO defines its 'top-3' of most procured raw materials/ingredients (=input products) or services (upstream or downstream) and informs its 'top-3' supply chain partners (i.e. the supplier of the input product or the provider of the service) for the below requirements for the following years. B) YR2: The CO actively explores opportunities to bring the emissions down of the 'top-3' input products or services, for which the CO can choose from any of the below options: a) The CO requests (and receives) the carbon footprint from each 'top-3' supply chain partner, following the operational boundaries defined in 2.2 (for certification of the organisation); OR, if the CO can demonstrate that a) is not possible, e.g. the request has been denied by the supply chain partner, b) The CO explores opportunities and/or develops an action plan to actively engage in platforms or initiatives that achieve/contribute to emission reductions in the sector, branch or industry of the CO or of its 'top-3' input products or services**. **Comparable to the requirements of <i>Handboek CO₂ Prestatieladder 3.0 - minimum level 3 ('Eis 3D')</i>. C) YR 3/4: Again, the CO can choose from any of the below options: a) The CO uses its buying power to negotiate/enforce emission reductions with the supply chain partner delivering the 'top-3' input products or services; OR, if the CO can demonstrate that a) is not possible, b) The CO requests from the supply chain partner to conduct a chain analysis for the delivered 'top-3' input products or services and a strategy and implementation plan as to how the supply chain partner envisions to actively reduce its own emissions; OR, if the CO can demonstrate that a) & b) are not possible, c) The CO actively engages in (or be a front-runner or initiator of) the platforms or initiatives defined under point B) above***. ***Comparable to the requirements of <i>Handboek CO₂ Prestatieladder 3.0 - minimum level 3 ('Eis 3D')</i>. D) YR 5: The CO shall expand its certification scope with product and/or service certification, and applies for certification of its core product(s) or service(s), see 2.1 C) under 'Certification of a Product' or 'Certification of a Service'. NOTE: CNG reserves the right to amend point D) for certain sectors, branches or industries. DOCS CHECK/TOOL CHECK/INTERVIEW: YR1: check CO's book-keeping + estimation of scope 3 + ranking exercise. YR2: check received footprints from supply chain partners OR check plan for engagement in sector initiatives or platforms (also possible through interviews with staff if no plan is available) . YR 3 & 4: check negotiation documentation, OR chain analysis and strategy and implementation plan, OR check evidence that demonstrates front-runner engagement in sector initiatives or platforms. YR 5 & onwards: check if CO has applied for certification of its core product(s) or service(s).
	C-PROD	N/A
	C-SERV	N/A
	C-ORG	OPTIONAL: Prior to arranging the audit, the CO conducts a Self-assessment (see Annex 7), to review its 'audit readiness'. ----- NO CHECK: not needed, as this is the CO's responsibility and in the CO's interest.
1.6 Self-assessment/ internal audit conducted Optional criterion	C-PROD	IDEM C-ORG
	C-SERV	IDEM C-ORG
	C-ORG	

2 Definition of organisational and operational boundaries

2.1 Ambitious organisational boundaries defined Def. GHG Protocol: Organisational boundaries determine which company operations to include.	C-ORG A) To define the organisational boundaries, the CO has clearly described in one overview its organisational and business structure, including: 1) its core business activities (i.e. all primary activities related to the CO's principal 'raison d'être' or purpose), as well as all secondary business activities resulting from these core business activities (e.g. 'overhead' activities such as marketing, administration, general management, finance, etc.), for which it may also use the organisational process map or overview of criterion 2.2; 2) all entities* (such as subsidiaries, sites, facilities, daughter companies, sub-contractors, leased assets, franchises, etc.), including the names of all entities and the relation of each entity with the CO**, for which it may also use the organigram of criterion 1.1. <i>* Entities making claims or making use of the trademark, or company operations that are sub-contracted to a 3rd party for core business activities that generate scope 1 or 2 emissions, fall under the responsibility of the CO and shall always be included in the organisational boundary (and their emissions included in the footprint).</i> <i>** In case of complex organisational structures, the CO applies a Consolidation Approach, either the Equity Share Approach or Financial/Operational Control Approach when defining the organisational boundary (see GHG Protocol).</i> B) The CO strives to define the largest possible organisational boundaries, in order to make most possible impact. That is, to include as many primary and secondary business activities, company operations and entities as possible. C) Each year, prior to the footprint data collection, the CO reviews the organisational boundary and implements changes where applicable. DOCS CHECK: check overview with all core business activities, company operations and entities that belong to the organisational boundary, and cross-check with annual report, website, etc. OBSERVATION: cross-check with work floor, production sites, warehouses, etc to understand business operations and work-flows. INTERVIEW: cross-check above observations with responsible person and/or sr. management if organisational boundaries are sufficiently ambitious.
	C-PROD A) To define the organisational boundaries, the CO has clearly listed in one overview all products that it wishes to get certified, including: 1) the unique product-name(s) and unique product SKU(s)* ; 2) the names of the CO's clients purchasing the product(s), and the volumes they purchased within the same time period that the footprint's emissions occurred. <i>* All individual products shall be listed, however similar products (i.e. products with similar characteristics) may be clustered under one product category for the sake of the footprint calculation. In that case, the product category name shall also be included in the overview. For example, if the same cheese is either packed in sliced or cubed units of production, these products can be considered one product category hence only one footprint is required, provided the production process and packaging has comparable emissions. If the CO adds milk to its portfolio of certified products, the product characteristics and the composition of its footprint are substantially different, and therefore the milk shall be considered a distinctive product (with its own product category) requiring its own footprint calculation.</i> B) The CO strives to increase the number of certified products (and/or the total sales volume of certified product, and/or the number of clients, buying the certified product) year after year, in order to make most possible impact, by proactively informing its customers of the 'climate neutral option'. C) If during the year a new product (i.e. a new product category) is added, a new footprint shall be made and audited before the trademark may be used and claims may be made, see Assurance Protocol, section 2.7, point 3 for all detailed rules. DOCS/TOOL CHECK: check product overview + check sales documentation if climate neutral option is offered. OBSERVATION: check work floor, production sites, warehouses, etc for products carrying the trademark vs not carrying the trademark, and if those with the trademark are included in the product overview.
	C-SERV A) To define the organisational boundaries, the CO has clearly listed in one overview all services that it wishes to get certified, including: 1) a unique specification or definition of the service(s); 2) the names of the clients making use of or purchasing the service(s) and the volumes they purchased within the same time period that the footprint's emissions occurred. <i>* IDEM C-PROD: Similar services (i.e. services with similar characteristics) shall be listed separately, but may be clustered under one service-category, for which then one 'category footprint' may suffice. For example, a cleaning service that is offered as a week-day package or a weekend-package with different cleaning rates, provided that the cleaning service per workday has comparable emissions.</i> B) IDEM C-PROD, but for services. C) IDEM C-PROD, bur for services. DOCS/TOOL CHECK: check service overview + check sales documentation if climate neutral option is offered. OBSERVATION: check work floor, production sites, locations where service is provided, etc to understand the service's work-flows and how the service differs from the non-certified version (if applicable).

2 Definition of organisational and operational boundaries

2.2 Ambitious operational boundaries defined

Def. GHG Protocol: Operational boundaries determine which (direct and indirect) emission sources to include and how to categorize these emission sources.
Def. ISO 14064-1:
- Direct: GHG emissions from GHG sources owned or controlled by the organisation
- Indirect: GHG emissions that are a consequence of the operations and activities of the organisation, but that arises from GHG sources that are not owned or controlled by the organisation.

C-ORG

- A) To define the operational boundaries, the CO has clearly listed all GHG emission sources (CO₂ and other relevant greenhouse gasses*) caused by the core business activities of the organisation, for which it takes the following steps into account in the below order:
* i.e. carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PCFs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃), see also 3.4.
- The CO shall develop an **organisational process map or overview**, to map or list all processes resulting from the CO's core business activities (as well as secondary business activities) occurring within the CO's organisational boundaries (see 2.1). All GHG emissions resulting from these activities shall be included in the CO's GHG Emission Sources Overview and shall be categorized as either **scope 1, scope 2 or scope 3 emission sources** (as defined in the 'GHG Protocol Corporate Accounting and Reporting Standard' and the 'GHG Corporate Value Chain (Scope 3) Accounting and Reporting Standard'). As a bare minimum, the following emissions shall be included:
 - all **significant** scope 1 and 2 GHG emission sources**;
 - all **non-attributable scope 3 GHG emission sources**, of which:
 - A) business travel and employee commuting must be included (mandatory);
 - B) all other scope 3 GHG emission sources, that are not directly attributable to a product or service may be included (optional).
 - The CO shall review **Annex 1 (List of Mandatory and Optional GHG Emission Sources)**. All mandatory GHG emissions sources (and if desirable, the optional GHG emissions sources) shall be added to the CO's GHG Emission Sources Overview.
 - For certain types of organisations, branches and/or sectors, additional **context-specific rules** may apply. CNG maintains the **Sector Benchmark Tool** (see **Annex 2**), which specifies which mandatory GHG emission sources shall be included for different types of organisations, branches and/or sectors. The CO shall consult this tool and add those mandatory GHG emission sources in the GHG Emission Sources Overview.
- B) The CO strives to define the largest possible operational boundaries, in order to make most possible impact and thus to include as many GHG emission sources as possible.
- C) Each year, prior to the footprint data collection, the CO reviews its operational boundaries, as well as **Annex 1** and **Annex 2**, and implements changes where applicable.

DOCS CHECK: check completeness of the CO's GHG Emission Sources Overview, and if all mandatory GHG emission sources are included and correctly categorized per scope 1, 2, 3 as defined in GHG Protocol.

OBSERVATION: check work floor, production sites, warehouses, etc to understand business operations and work-flows to check completeness of GHG Emission Sources Overview.

INTERVIEW: cross-check with responsible person and/or sr. management if operational boundaries are sufficiently ambitious and GHG Emission Sources Overview is complete.

C-PROD

- A) To define the operational boundaries, the CO has clearly listed for each product (or product category, see 2.1) all GHG emission sources (CO₂ and other relevant greenhouse gasses*) associated with the (full) life cycle of the product, for which it takes the following steps into account in the below order:
* i.e. carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PCFs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃), see also 3.4.
- The CO shall conduct an analysis of the product and its chain, to develop a **product supply chain map** that visualises or describes the composition of the product and its supply chain, from 'cradle-to-gate (including outbound logistics)', 'cradle-to-shelf' or 'cradle-to-grave**'. All significant*** emission sources resulting from raw materials or input materials, sourcing, manufacturing, processing, packaging****, transportation, storage, delivery (and optionally use and disposal of the product), as well as a proportional share of the CO's own emissions shall be included in the GHG Emission Sources Overview and shall be categorized as either **scope 1, scope 2 or scope 3 emission sources** (as defined in the 'GHG Protocol Corporate Accounting and Reporting Standard', the 'GHG Corporate Value Chain (Scope 3) Accounting and Reporting Standard' and the 'GHG Product Life Cycle Accounting Standard'). As a bare minimum, the following emissions shall be included:
 - the **proportional scope 1 and 2 GHG emission sources**, being the relative share of the total organisational emissions, proportionally allocated to the volume (mass) or sales (economic revenue) of the certified product(s), see also the allocation principles in the **ISO 14040** norm*****.
 - all **product-attributable scope 3 GHG emission sources**, which are those emissions that are directly attributable to the product (see **Glossary** for definition).
 - See Glossary for definitions. The option 'cradle-to-gate' may only be applied in the case the CO sells B2B, on the condition that outbound transport and storage to final selling or usage point are included. In the case of B2C, the CO may choose from the options 'cradle-to-shelf' or 'cradle-to-grave', and may e.g. decide for the 'cradle-to-grave' option if the CO sees opportunities for emission reductions in the use or disposal phase. If the CO however excludes the use and disposal phase, this shall be clearly indicated in the claim made on-pack, see Trademark & Claims Policy, **section 7**.
 - ***Excluded for the footprint calculation (and thus not considered to be significant) can be any GHG emissions sources that are estimated to be less than 1% of the total emissions. In this case, the CO shall clearly describe why these GHG emission sources were excluded and provide evidence and/or rationale for this conclusion.
 - ****At least packaging for consumption (for the use phase) shall be included. (Outer)packaging for transport or storage may be included (e.g. if the CO sees opportunities for emission reductions for its product's packaging material).
 - *****Example: Assuming the total footprint for the organisation is 1000t CO_{2eq}, and the organisation produces 10 products with total volume (mass) of 50,000kg. Only product X is certified, with a total volume of 8000 kg. The proportional emissions of scope 1 and 2 to be included is then: (8000/50,000) * 1000 = 160t CO_{2eq}.
2. IDEM C-ORG
3. IDEM C-ORG
- B) IDEM C-ORG
- C) IDEM C-ORG

DOCS CHECK: check completeness of the product's GHG Emission Sources Overview, and if all mandatory GHG emission sources are included and correctly categorized per scope 1, 2, 3.

OBSERVATION: check work floor, production sites, warehouses, etc to understand business operations and work-flows to check completeness of GHG Emission Sources Overview.

INTERVIEW: cross-check with responsible person and/or sr. management and/or other knowledgeable person (e.g. product manager), if operational boundaries are sufficiently ambitious and GHG Emission Sources Overview is complete + cross-check with suppliers and service providers.

2 Definition of organisational and operational boundaries

(2.2)	A) To define the operational boundaries, the CO has clearly listed for each service (or service category, see 2.1) all GHG emission sources (CO₂ and other relevant greenhouse gasses*) associated with the (full) life cycle of the service, for which it takes the following steps into account in the below order: * i.e. carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PCFs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃), see also 3.4. 1. The CO shall conduct an analysis of the service and its chain, to develop a 'road map of the service' or a 'process map of the service' that visualises or describes the service and how it is composed. All significant** emission sources resulting from the development, materials, delivery (and optionally use and disposal of the service***), as well as a proportional share of the CO's own emissions shall be included in the GHG Emission Sources Overview and shall be categorized as either scope 1, scope 2 or scope 3 emission sources (as defined in the 'GHG Protocol Corporate Accounting and Reporting Standard', the 'GHG Corporate Value Chain (Scope 3) Accounting and Reporting Standard' and the 'GHG Product Life Cycle Accounting Standard'). As a bare minimum, the following emissions shall be included: - the proportional scope 1 and 2 GHG emission sources, being the relative share of the total organisational emissions, proportionally allocated to the volume (mass) or sales (economic revenue) of the certified service(s), see also the allocation principles in the ISO 14040 norm****. - all service-attributable scope 3 GHG emission sources, which are those emissions that are directly attributable to the service (see Glossary for definition). **Excluded for the footprint calculation (and thus not considered to be significant) can be any GHG emissions sources that are estimated to be less than 1% of the total emissions. In this case, the CO shall clearly describe why these GHG emission sources were excluded and provide evidence and/or rationale for this conclusion. *** The CO may decide to choose to include the use and disposal phase, e.g. if the CO sees opportunities for emission reductions. If the CO excludes the use and disposal phase, this shall be clearly indicated in the claims made, see Trademark & Claims Policy, section 7. ****For an example, see C-PROD'. 2. IDEM C-ORG 3. IDEM C-ORG B) IDEM C-ORG C) IDEM C-ORG DOCS CHECK: check completeness of GHG Emission Sources Overview, and if all mandatory GHG emission sources are included and correctly categorized per scope 1, 2, 3. OBSERVATION: check work floor, production sites, warehouses, etc to understand business operations and work-flows to check completeness of GHG Emission Sources Overview. INTERVIEW: cross-check with responsible person and/or sr. management and/or other knowledgeable person (e.g. service owner), if operational boundaries are sufficiently ambitious and GHG Emission Sources Overview is complete + cross-check with suppliers and service providers.
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3 Calculation of GHG footprint & Ascertainment of baseline and Annual Reduction Target

3.1 All relevant GHG emission sources included + Flexibility and conditions applied	A) For the footprint calculation of the organisation, the CO includes all GHG emission sources as listed in the GHG Emission Sources Overview (see 2.2). CHECKS: see 2.2. A) For the footprint calculation of a product, the CO includes all GHG emission sources as listed in the GHG Emission Sources Overview (see 2.2). B) Given the fact that a product is often composed of many ingredients (of which the origin is not always traceable), and supply chains are often very complex and composed of many tiers, the client may choose one additional flexibility rule from the below options for the calculation of the footprint, further specified in Annex 4: • OPTION 1 - '80% Materiality Approach' • OPTION 2 - 'Gradual Improvement Approach' • OPTION 3 - 'Mass Balance Approach' CHECKS: see 2.2. A) For the footprint calculation of a service, the CO may follow the same approach as 'Certification of the Organisation', or 'Certification of a Product', see below 3 options: 1. Following the approach 'Certification of a Product': - Used if the CO offers a range of different services, but only a limited number of these services is being certified. - In that case, a separate footprint is prepared for each individual certified service (or service-category). - The proportional scope 1 and 2 and service-attributable scope 3 emission sources shall be included for each service's footprint calculation. Example: A consultancy & accounting firm, offering 3 services: a) on-line training, b) audits, c) customised consultancy. Only the online-training is 'climate neutral'. 2. Following the approach 'Certification of the Organisation': - Used if the CO's core business entails the delivery of one, general, certified service only. - In that case, all business activities and all emissions resulting thereof can be attributed to the certified service. - All scope 1, 2, and 3 emission sources shall be included. As a result, the CO is also automatically certified for its organisation. Example: A provider of storage space in the 'cloud'. This is the only service offered, and the service is always 'climate neutral'. 3. Following the approach 'Certification of the Organisation', but this one service is only sold to a limited number of clients: - Used if the CO's core business entails the delivery of one, general service only, which is only sold as a certified service to a limited number of clients (and thus also sold as a non-certified service). - In that case, the outcome of option 2 is adjusted proportionally to the sales volume (in mass or economic revenue) of the service when sold as the certified option. - All scope 1, 2, and 3 emission sources shall be included, but proportionally allocated to the sales volume. Example: A cleaning company, that offers the same cleaning service as 'conventional' and 'climate neutral certified'. Only some clients choose for the certified option, for which they are charged an additional on-top fee. CHECKS: see 2.2 + check if correct approach is chosen.
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3 Calculation of GHG footprint & Ascertainment of baseline and Annual Reduction Target

3.2 Appropriate calculation method used	A) The CO choses a footprint calculation method to calculate the carbon footprint, and can justify its choice. This may be a method based on a certain methodology and/or making use of a certain tool. It may be developed by the CO itself (e.g. in an Excel sheet), by CNG or by third parties, such as a contracted party (Footprint Calculator), or it may be a tool that is developed and commonly used in the CO's sector. B) All methods shall meet below quality requirements: 1. The method allows for inclusion of all mandatory (and optional) GHG emission sources (as stipulated in the GHG Emission Sources Overview, see 2.2), and the method allows for conversions of GHG emissions into their CO₂ equivalents; 2. The method allows for inclusion of real usage data, as well as the applicable primary and secondary data and the correct emission factors, see 3.3 and 3.4; 3. The method offers the possibility to include text in text fields, to a) make reference to the source of the emission factor or primary/secondary data set, and b) to make reference to any assumptions made, and c) to explain how a (sub-)calculation was made; 4. In case the method contains calculation formulas, these are accurate, transparent (retrievable) and logical, and lead to the expected output (which is the total number of CO_{2eq} emissions calculated over one year time); 5. The method shall be available and accessible for a minimum of 5 years, and the same method is consistently used year after year. The method shall minimize uncertainty, and yield accurate, consistent and reproducible results; C) At least every 3 years -or earlier in the case of changes-, the calculation method shall be reviewed and validated by an eligible CB: - In the case of a method purely developed for the CO's own use, the method is validated during the CO's regular audit. The CO is responsible for updates to the calculation method if new versions of the method become available, and to incorporate new emission factors, new primary/secondary data sets or other new insights once they become available. The CO shall communicate any changes that impact the method or the calculation results to the CB prior to the audit. Failure to report such changes, may lead to major NCs. All changes are recorded following the Document Management System, see 1.3. - In the case a method is commonly used by multiple COs or in the case of a sector-specific method (such as the 'Coffee Calculator'), and to prevent this same method is reviewed multiple times, one general validation (for all COs) suffices every 3 years. As such, CNG maintains a database of validated methods, see Annex 3b (Database with Permitted Footprint Calculation Methods). The owner or developer of the method is responsible for organising timely validation (before expiry of the previous validation) by one of the eligible CBs, and shall inform CNG about its outcome, so that CNG can update Annex 3b. The CO is however responsible for only using methods that are listed in Annex 3b. TOOL CHECK (only once per 3 years): check if the method meets above quality requirements + method is properly validated and/or available in Annex 3b + if all changes are timely incorporated in a new version of the method (and properly documented).
	A) IDEM C-ORG B) IDEM C-ORG, but meets the following additional quality requirement in order to become eligible: 5. The method allows for proper allocation of emissions in the case the certified product results in co-products (see 3.4). 6. The method allows for an inventory analyses, i.e. to model/collect data for the inputs and outputs of all process stages within the product's life cycle C) IDEM C-ORG
	A) IDEM C-ORG B) IDEM C-ORG OR C-PROD: following 'Certification of the Organisation' or 'Certification of a Product', depending on the option chosen to calculate the footprint of a service (see 3.1 under 'Certification of a Service') C) IDEM C-ORG
3.3 Reliable emission factor sources and secondary data sources used	A) The CO shall only use emission factors and secondary data sets from reliable sources, such as sources maintained by national governments, research institutes or universities. If these are not available, international or industry guidelines may suffice. CNG maintains a database of these reliable sources, see Annex 3a (Database with Permitted Emission Factor Sources & Secondary Data Sources). Sources not listed therein shall first be reviewed and consented by CNG and CB, and thereafter be included by CNG in the database. B) For each emission, the source of the emission factor or secondary data set shall be identified and indicated in the calculation method. C) The CO uses emission factors or secondary data sets, which are relevant for the year of calculation (e.g. if the 2018 footprint is made based on real usage data of 2018, then also the emission factor determined by the source for the year 2018 shall be used). DOCS CHECK: check if the emission factor or secondary data source is included in Annex 3a (Database with Permitted Emission Factor Sources & Secondary Data Sources).
	A) IDEM C-ORG B) IDEM C-ORG C) IDEM C-ORG
	A) IDEM C-ORG B) IDEM C-ORG C) IDEM C-ORG

3 Calculation of GHG footprint & Ascertainment of baseline and Annual Reduction Target

3.4 Actual emissions for all GHG emission sources quantified + Footprint Report developed

(CORE)

- A) The footprint of the organisation is calculated by the CO as follows:
The actual **emissions are quantified** for all mandatory (and optional) GHG emission sources (as defined under 3.1), using the calculation method (see 3.2) and reliable data sources (see 3.3). Where quantification is based on calculations, the emissions shall be calculated by multiplying real usage data with the corresponding GHG emission factor or other relevant data sources:
- For direct emissions caused by the CO itself, **real usage data** and **primary data** (see [Glossary](#)) shall be used to calculate the emissions*;
 - For indirect emissions caused by others, primary data or **secondary data** (see [Glossary](#)) may be used to calculate the emissions (see 3.3 for conditions).
- * Unless the CO can demonstrate (and provide evidence) that it is not practicable or feasible to do so.
- B) The emissions are included for the **full, previous calendar year****.
** Example: When the footprint is prepared at the beginning of 2021, the real usage data of 2020 as well as the emission factor data and secondary data applicable for 2020 shall be used.
- C) Emissions are expressed in an absolute amount of **tonne or kg CO₂ equivalents** ('T CO_{2eq}' or 'kg CO_{2eq}'). For this, all GHGs - i.e. carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃) - shall be converted to CO₂ equivalents, using the Global Warming Potential (GWP) values defined by [IPPC's Fifth Assessment Report - 2014 \(AR5\)](#) or following [ReCiPe 2016***](#).
***Conversions applied: Methane biogenic: 34, Methane fossil: 36, Dinitrous oxide: 298
- D) Where **assumptions** or complex (non-retrievable) **sub-calculations** are made, or in the case of uncertainties or externalities, these shall be clearly indicated or explained in the method's text field (see 3.2).
- E) If for a certain GHG emission source the emissions are reduced to zero by another party (e.g. by a service provider or a supply chain partner), the CO shall still list this GHG emission source in the GHG Emission Sources Overview, but may **apply an emission factor of 0 (zero)**, so that the total result for that GHG emission source is also 0 (zero). A justification or explanation shall be made in the method's text field (see 3.2):
- This applies e.g. to green electricity, provided that a valid certificate (including European Guarantees of Origin) can be provided and real reductions are achieved. Energy from hydro projects in Iceland or Scandinavia is excluded, see: https://www.climateutralgroup.com/wp-content/uploads/2019/04/20190218-CNG-Review_emissiefactoren_2018_2019_toelichting_DEF.pdf.
 - However, if the other party has offset its emissions (thus not reduced, but compensated these emissions), resulting in a net zero reduction, an emission factor of 0 may apply for the purpose of calculating the remaining offsets to be made (see 4.5), but this compensation cannot count towards the Annual Reduction Target as this does not represent an internal reduction (see 4.1). For instance, in the case of **'green gas'**, or, if the CO contracts a logistics provider for its **'green logistics service'**, but the emissions caused by this service are compensated by the logistics provider through offsets.
- F) The actual footprint calculation and its outcome (and any special considerations, explanations and assumptions made regarding the operational and organisational boundaries, the calculation method, emission factors and primary and secondary data sources) are documented in a **'Footprint Report'**, or any other readable format for the CB and shared with the CB prior to the audit.
- G) The final total result of the footprint calculation shall be entered each year after the audit by the CO in the **Reduction Calculation Tool (Annex 6)**. In those instances that the emissions are considered 'green', achieved through offsetting (see 3.4, point E), corrections shall be made in the Footprint Calculation Tool.

C-ORG

TOOL CHECK: check for each GHG emission source if real usage data are correctly inputted and quantified in the calculation method and if the correct emission factor value and primary or secondary data are applied.
DOCS CHECK: check completeness and accuracy of Footprint Report + check if Reduction Calculation Tool is updated (after the audit).

C-PROD

- A) The footprint of the product is calculated by the CO as follows:
The actual **emissions are quantified** for all mandatory (and optional) GHG emission sources (as defined under 3.1), using the calculation method (see 3.2) and reliable data sources (see 3.3). Where quantification is based on calculations, the emissions shall be calculated by multiplying real usage data with the corresponding GHG emission factor or other relevant data sources*:
- For direct emissions resulting from the CO's own business activities related to the product, **real usage data** and **primary data** (see [Glossary](#)) shall be used to calculate the emissions**;
 - For indirect emissions resulting from activities of previous or forthcoming supply chain links related to the product***, primary data or **secondary data** from general databases, literature or Environmental Product Declarations (see [Glossary](#)) may be used to calculate the emissions (see 3.3 for conditions).
- * If sector agreements are made, or PEFCRs (see [Glossary](#)) are available, these shall be at least reviewed and considered. When not adhered to, a justification shall be given.
** Unless the CO makes use of flexibility rule: OPTION 2 - 'Gradual Improvement Approach' (see [Annex 4](#)).
*** Related to ingredients, raw materials, other inputs or resources needed to manufacture, deliver, consume or dispose the certified product.
- In addition:
- A footprint is made for each individual product (or a range of similar products, i.e. one product category) see 2.1;
 - The footprint is always expressed per unit product, e.g. per kg product, per piece, etc. To calculate then the total emissions for a certified product per year (e.g. for the sake of offsetting see 4.5), the footprint outcome per unit product is multiplied with the total number of sold or delivered units of the product (e.g. pieces, kgs, litres) in the same year as the emissions occurred. The Annual Reduction Target however applies to the footprint per unit product, see 3.7.

3 Calculation of GHG footprint & Ascertainment of baseline and Annual Reduction Target

(3.4)	C-PROD	In addition: - In case the process to produce or deliver the certified product results in co-products, proper allocation of emissions is mandatory. That is: 1. If a PEFCR is available for the product's sector, the CO shall consider its allocation rules, see: https://ec.europa.eu/environment/eussd/smgp/PEFCR_OEFSR_en.htm#final. 2. If not, the CO shall follow the allocation rules as defined in the ISO 14040 series, for allocation based on mass or economic revenue. B) IDEM C-ORG C) IDEM C-ORG D) IDEM C-ORG E) IDEM C-ORG F) IDEM C-ORG G) IDEM C-ORG TOOL CHECK: check for each GHG emission source if real usage data are correctly inputted and quantified in the calculation method and if the correct emission factor value and primary or secondary data are applied + check if footprint is calculated per unit product and total emissions for all sold units is calculated. DOCS CHECK: check completeness and accuracy of Footprint Report + check if Reduction Calculation Tool is updated (after the audit).
		A) IDEM C-ORG OR C-PROD: but following 'Certification of the Organisation' or 'Certification of a Product', depending on the option chosen to calculate the footprint of a service (see 3.1 under 'Certification of a Service') B) IDEM C-ORG C) IDEM C-ORG D) IDEM C-ORG E) IDEM C-ORG F) IDEM C-ORG G) IDEM C-ORG
3.5 Data and evidence collected and stored	C-ORG	A) The CO collects and stores in file the evidence that proves the actual usage or activity data, and all primary and secondary data, that have been inputted in the calculation method. All evidence can be shared with the CB during the audit. B) (Digital) records of evidence are kept for a minimum of 5 years (based on the Document Management System, see 1.3) DOCS/TOOL CHECK: check if for all GHG emission sources, the evidence is complete, correct and true, and matches with the data figures used in the method.
		A) IDEM C-ORG B) IDEM C-ORG
		A) IDEM C-ORG B) IDEM C-ORG
3.6 Baseline year defined + Baseline footprint defined For 1 st year of certification only.	C-ORG	A) The baseline year is defined, which is the calendar year prior to the first year that a positive certification decision was issued. <i>NOTE: Due to COVID-19, 2020 may not be a representative baseline year, as this year is likely to result in a lower footprint compared to other years. CNG therefore maintains the following policy:</i> 1. If 2020 is representative, use 2020. 2. If 2020 is not representative: - Option 1: 2019 footprint is used as baseline. - For already certified COs -> 2019 footprint has been validated against the previous CNG Standard (KNG Handboek, vs 2.0-1), however the 2020 footprint shall still be audited for minor manual adjustments. - For new CO's -> CB will only audit 2019 data against new CNG Standard, 2020 footprint is therefore skipped. - Option 2: 2021 footprint is used as baseline. - For already certified and new COs -> 2020 footprint will be audited 'as normal', however in the future, the baseline can be adjusted retro-actively e.g. in 2021, 2022, etc (whenever representative). B) The footprint of that year is ascertained as the baseline footprint*. The baseline footprint is always expressed as a ratio of a measurable volume indicator e.g. FTE, production volume, sales volume, profit, revenue, office space, etc, so that an intensity target (see GHG Protocol) can be calculated**. <i>*Example: An audit takes place in May 2021, over the emissions data of 2020. The baseline year then becomes 2020 and the footprint of 2020 becomes the baseline footprint, which is used to calculate the Annual Reduction Target.</i> <i>**The baseline footprint is ascertained for a certain volume, number of employees, etc. If this number increases, the baseline footprint may be adjusted accordingly, see 3.8.</i> 'Earlier baseline rule': - If the footprint was ascertained and verified by CNG in previous years (and meets the requirements of the operational and organisational boundaries, see 2.1 and 2.2), this earlier year may function as the 'baseline year', so that any reduction achievements realised since then can count towards the Annual Reduction Target. - If a verified footprint is not available, in exceptional situations and only on request by CO and after validation by CNG and CB, an earlier baseline can be determined, on the condition that verifiable evidence of emissions data of that year can be provided. TOOL CHECK: check Reduction Calculation Tool if baseline footprint and baseline year are defined correctly DOCS CHECK: check evidence if earlier baseline rule is applied.

3 Calculation of GHG footprint & Ascertainment of baseline and Annual Reduction Target

(3.6)	C-PROD A) IDEM C-ORG B) IDEM C-ORG
	C-SERV A) IDEM C-ORG B) IDEM C-ORG
3.7 Annual Reduction Target defined For 1st year of certification only.	C-ORG The reduction requirement (end target) for certification of an organisation is: By 2050, all emissions shall be reduced internally with 100% (to an absolute zero), compared to the original baseline footprint (or adjusted/corrected baseline, if applicable). A) To meet the above requirements, an 'Annual Reduction Target' is calculated using the Reduction Calculation Tool (Annex 6a), as follows: For the period between the ascertained baseline year and 2050: - Annual Reduction Percentage = $(100\%)/(2050\text{-baseline year}) = (100\%)/(X \text{ years}) = X \%$. - Annual Reduction Target (actual CO_{2eq} reductions to be made annually) = $X\% \times \text{number of total GHG emissions defined in baseline footprint}$. Example: If the annual reduction percentage is ascertained at 3,5% annually, and the baseline footprint is 100T CO_{2eq}, then total emissions should be reduced by $3,5\% \times 100T = 3,5T$ CO_{2eq} annually. That means that the footprint should not exceed 96,5 T CO_{2eq} in the 2nd year and 93T CO_{2eq} in the 3rd year (not taking into account the 3-year flexibility rule). B) If the CO's national government prescribes an interim reduction target, such interim targets shall also be adhered to. Example: in the Netherlands (in the Dutch 'Klimaatakkoord') an interim reduction of 49% shall be achieved by 2030 (compared to 1990 levels, but since this data is not available CNG uses the baseline year). The reduction requirements are then: a. For the period between the ascertained baseline year and 2030: - By 2030, 49% internal reduction shall be achieved, compared to the original baseline (or adjusted/corrected baseline if applicable). - Annual reduction percentage = $(49\%)/(2030\text{-baseline year}) = (49\%)/(X \text{ years}) = X \%$. - Annual Reduction Target (actual CO₂ reduction to be made annually) = $X\% \times \text{number of CO}_{2eq} \text{ emissions defined in baseline footprint}$. b. For the period between 2030 – 2050: - By 2050, the remaining 51% (thus totalling to 100%) shall be achieved, compared to the original baseline (or adjusted/corrected baseline if applicable) - Annual reduction percentage = $(51\%)/(2050-2030) = (51\%)/(20 \text{ years}) = Y \%$ - Annual Reduction Target (actual CO₂ reduction to be made annually) = $Y\% \times \text{number of CO}_{2eq} \text{ emissions defined in baseline footprint}$ TOOL CHECK: check Reduction Calculation Tool if Annual Reduction Target is defined and applied correctly. C-PROD The reduction requirement (end target) for certification of a product is: By 2030, 25%* internal reduction shall be achieved, compared to the original baseline footprint (or adjusted/corrected baseline if applicable), which is expressed per unit product. * This percentage is indicative. Based on a proper justification, and only in agreement with CB and CNG, this percentage may be set lower. If another percentage is applied already for similar products, the same shall be applied (see Annex 2: Sector Benchmark Tool). A) To meet the above requirements, an 'Annual Reduction Target' is calculated using the Reduction Calculation Tool (Annex 6b): For the period between the ascertained baseline year and 2030: - Annual Reduction Percentage = $(25\%)/(2030\text{-baseline year}) = (25\%)/(X \text{ years}) = X \%$ - Annual Reduction Target (actual CO_{2eq} reduction to be made annually) = $X\% \times \text{number of GHG emissions defined in baseline footprint}$ Example: If the annual reduction percentage is ascertained at 3,5% annually, and the baseline footprint of the certified product is 1T CO_{2eq} per kg product, then total emissions per kg product should be reduced by $3,5\% \times 1T = 0,035T$ CO_{2eq} annually. That means that the emissions per kg product may not exceed 0,965T CO_{2eq} in the 2nd year and 0,93T CO₂ in the 3rd year. B) IDEM C-ORG TOOL CHECK: check Reduction Calculation Tool if Annual Reduction Target is defined and used correctly. C-SERV The reduction requirement (end target) for certification of a service is: By 2030, 25%* internal reduction shall be achieved, compared to the original baseline footprint (or adjusted/corrected baseline if applicable), either based on the footprint following 'Certification of the Organisation' or 'Certification of a product', depending on the option chosen (see 3.1 under 'Certification of a Service'). * This percentage is indicative. Based on a proper justification, and only in agreement with CB and CNG, this percentage may be set lower. If another percentage is applied already for similar services, the same shall be applied (see Annex 2: Sector Benchmark Tool). A) To meet the above requirements, an 'Annual Reduction Target' is calculated using the Reduction Calculation Tool (Annex 6b): For the period between the ascertained baseline year and 2030: - Annual Reduction Percentage = $(25\%)/(2030\text{-baseline year}) = (25\%)/(X \text{ years}) = X \%$ - Annual Reduction Target (actual CO_{2eq} reduction to be made annually) = $X\% \times \text{number of GHG emissions defined in baseline footprint}$ Example: If the annual reduction percentage is ascertained at 3,5% annually, and the baseline footprint is 100T CO₂ per service delivered, then total emissions should be reduced by $3,5\% \times 100T = 3,5T$ CO₂ annually. That means that the footprint per service delivered in consecutive years should not exceed 96,5 T CO₂ (2nd year) and 93T CO₂ (3rd year). B) IDEM C-ORG TOOL CHECK: check Reduction Calculation Tool if Annual Reduction Target is defined and used correctly.

3 Calculation of GHG footprint & Ascertainment of baseline and Annual Reduction Target

3.8 Baseline footprint adjusted + Annual Reduction Target adjusted For consecutive years of certification only.	C-ORG	'Baseline adjustment rule': If the organisation grows with >10% compared to the previous year (e.g. in FTE, volume, office space, revenue, etc), resulting in a corresponding emission growth, the baseline footprint may be re-calculated and adjusted proportionally. This can be caused by organic growth (e.g. increased sales output) or by organisational growth (e.g. a merger). The adjustment shall result in a new baseline footprint (to be inputted the Reduction Calculation Tool in Annex 6) and a new Annual Reduction Target, which will then apply from that new year onwards**. This adjustment may only be done after the CB has verified all evidence demonstrating this growth. Likewise, the same adjustment rule may be applied in case the organisational shrinks with >10%. <i>*This means that the new baseline footprint will be higher, and thus also the Annual Reduction Target that needs to be achieved year after year will be higher, as the absolute target of zero emissions by 2050 shall still be achieved. NOTE: The GHG Protocol (page 76) compares the option of setting an 'absolute target' versus an 'intensity target', and provides an overview of advantages and disadvantages of both options.</i> TOOL CHECK: check Reduction Calculation Tool if Baseline footprint + Annual Reduction Target are adjusted correctly.
	C-PROD	IDEM C-ORG, but adjustment may only be done if the footprint per unit product increases or decreases with >10%. However, if the product composition or the product's supply chain changes, resulting in higher emissions per unit product, then adjustments may only be made if the changes result from external measures, over which the CO has no control , such as e.g. mandatory regulatory changes. If the CO decides to source different ingredients or decides to work with different supply chain actors for cost reasons (resulting in an increase of emissions per unit product), then adjustments are not permitted.
	C-SERV	IDEM C-ORG OR C-PROD, but following 'Certification of the Organisation' or 'Certification of a Product', depending on the option chosen to calculate the footprint of a service (see 3.1 under 'Certification of a Service').
3.9 Baseline footprint corrected + Annual Reduction Target corrected For consecutive years of certification only.	C-ORG	'Baseline correction rule': If in subsequent years significant errors (accounting to >10% over- or under-estimation of the baseline footprint) are detected in the baseline footprint calculation, the baseline footprint as well as the Annual Reduction Target shall be re-calculated. This can be due to an error in the footprint calculation method, or when e.g. new primary or secondary data, new knowledge or new resources become available. The correction shall result in a new baseline footprint (to be inputted the Reduction Calculation Tool in Annex 6) and a new Annual Reduction Target, which will then apply from that new year onwards*. <i>*Thus not retro-actively applied for previous years.</i> TOOL CHECK: check Reduction Calculation Tool if Baseline footprint + Annual Reduction Target are corrected correctly.
	C-PROD	IDEM C-ORG
	C-SERV	IDEM C-ORG

4 Development and implementation of Internal GHG Reduction Plan

4.1 Internal GHG Reduction Plan developed and maintained -PLAN-	C-ORG	A) The CO shall develop a quantified Internal GHG Reduction Plan, that is sufficiently ambitious to achieve the Annual Reduction Target in the short, medium and long run. It is recommended to over-estimate, to be resilient towards unforeseen circumstances. This Reduction Plan shall at least contain: - an overview of all short-term (< 1 yr), medium-term (1 - 3 yr) and long-term (4 - 10 yr) GHG reduction measures and activities, whereby for each activity/measure the following is specified - whether it is planned or committed; - the required resources and budget; - action owner/responsible entities or persons of the CO; - the amount of reductions (in CO_{2eq}) expected. <i>NOTE: if the baseline year is set in the past (see 3.6), also those measures and activities already achieved or implemented shall be included.</i> - a calculation that demonstrates that the Annual Reduction Target will be achieved if this Reduction Plan is implemented, with an additional safety margin for unforeseen circumstances; - a signature for approval from sr. management. B) This Reduction Plan is a living document and can be reviewed and updated periodically either in the Plan itself or in an annexed Log Book. All versions are properly recorded and stored for at least 5 years as per the Document Management System (see 1.3). DOCS CHECK: check Internal GHG Reduction Plan on above points. INTERVIEW: check if action owners/responsible entities are aware of their reduction obligations.
	C-PROD	A) IDEM, but given the fact that reducing a product's footprint is challenging due to the complexity of its supply chain with many actors involved, the client may choose one additional flexibility rule from the below options when planning its reduction activities to become compliant with the Annual Reduction Target, further specified in Annex 4: - OPTION 4 - 'Tier Approach' - OPTION 5 - 'Insetting Approach' B) IDEM C-ORG
	C-SERV	A) IDEM C-ORG OR C-PROD, but following 'Certification of the Organisation' or 'Certification of a Product', depending on the option chosen to calculate the footprint of a service (see 3.1 - Certification of a Service) B) IDEM C-ORG

4 Development and implementation of Internal GHG Reduction Plan			
4.2 Internal GHG Reduction Plan implemented (CORE) -DO- For consecutive years of certification only.	C-ORG		The CO achieves annual emission reductions in accordance with the Annual Reduction Target, by implementing the measures and activities as defined in the Internal GHG Reduction Plan. Three-year compliance flexibility rule: Organisations are requested to reduce annually as per the Annual Reduction Target, but a grace period of 3 years allows for flexibility in the implementation of reduction measures and activities. That is, organisations may reduce at a slower pace within those 3 years, but shall be 'on track' at the end of the 3-year period (for the accumulated targets for those 3 years). During the audit, CO's are graded with score green (on track or over-performing), orange (under-performing, but within three year compliance flexibility rule) or red (not meeting the Annual Reduction Target after 3 years, and thus considered for decertification). INTERVIEW: cross-check Internal GHG Reduction Plan with action owners/responsible entities to check if the measures and activities were implemented and led to those reductions as said in the Internal GHG Reduction Plan. OBSERVATION: for each achieved reduction, check facilities, office space, etc to witness the presence and effectiveness of the implemented reduction measures and activities, i.e. check new fleet, led lightning, solar panels, new machinery, process changes, etc.
		C-PROD	IDEM C-ORG
		C-SERV	IDEM C-ORG
4.3 Internal GHG Reduction Plan monitored, reviewed, updated -CHECK- For consecutive years of certification only.	C-ORG		A) The responsible person(s) (see 1.2) periodically* monitor(s) if the organisation is still 'on track', and if the planned and committed actions and measures still suffice to meet the Annual Reduction Target. The responsible person(s) document(s) the progress in (an updated version of) the Internal GHG Reduction Plan (or in the Log Book), following the CO's own monitoring and evaluation system (see 1.3). <i>* The review frequency is defined by the CO itself, depending on their own calculated risk that the Reduction Plan is not achieved.</i> B) In the case of delays or cancellations of planned measures or deviations from the Internal GHG Reduction Plan arise, or if the actions defined lead to insufficient reductions, an explanation or justification is documented in the Reduction Plan/Log Book. C) The Internal GHG Reduction Plan (and the progress of the reduction measures and activities) is at least communicated to and reviewed by sr. management twice per year. DOCS CHECK: check if periodic progress reviews are done and updates (with justifications in case of delays) are recorded in the Reduction Plan/Log Book. INTERVIEW: check if sr. management has understood progress and/or delays of reduction measures and activities (and potential consequences thereof).
		C-PROD	A) IDEM B) IDEM C) IDEM
		C-SERV	A) IDEM B) IDEM C) IDEM
4.4 Corrections/ corrective actions implemented -ACT- For consecutive years of certification only.	C-ORG		A) If delays or deviations from the Internal GHG Reduction Plan arise, or if the actions defined in the Reduction Plan lead to insufficient reductions, then: 1. (a) proper correction(s) and/or corrective action(s) must be implemented, also documented in the Reduction Plan/Log Book; 2. a recalculation (see 4.1) is made demonstrating that with these corrections/corrective actions, the CO will get 'on track' again; 3. sr. management, being responsible for timely re-calculations and timely corrections and corrective actions, shall sign off on the corrections and/or corrective actions for timely implementation. B) OPTIONAL: To explore new opportunities for further reduction or for corrections and/or corrective actions, the below methodology (derived from SWOT analysis) may be applied: 1. What does the organisation do well already? (Strengths) 2. Where can the organisation still improve? (Weaknesses) 3. What other possibilities are out there? (Opportunities) 4. What obstacles do you face or prevent you from implementing these opportunities? (Threats) 5. What creative solutions are there to combat these obstacles The answers to above questions may be added to the Reduction Plan/Log Book. DOCS CHECK: check if corrections and corrective actions are documented in the Reduction Plan/Log Book and signed off by sr. management. INTERVIEW: check if action owners/responsible entities are implementing corrections and corrective actions + cross-check updated Reduction Plan/Log Book with action owners/responsible entities to check if the measures and activities actually led to those reductions as said in the Reduction Plan. OBSERVATION: for each achieved reduction resulting from corrections or corrective actions, check facilities, office space, etc to witness the presence and effectiveness of the implemented reduction measures and activities, i.e. check the new fleet, led lightning, solar panels, new machinery, process changes, etc.
		C-PROD	A) IDEM C-ORG B) IDEM C-ORG
		C-SERV	A) IDEM C-ORG B) IDEM C-ORG

4 Development and implementation of Internal GHG Reduction Plan			
(CORE) 4.5 Offsetting to net-zero	C-ORG	A) Each year, the CO compensates its remaining emissions to net zero by purchasing and retiring eligible carbon offsets, equivalent to the non-reduced emissions, either via Climate Neutral Group or other offset-brokers. Compensation shall be done for the period that the CO has made use of the Trademark and/or has made claims. Eligible offsets are generated through: 1. Offsetting projects which are compliant with standards that are endorsed by the International Carbon Reduction and Offset Alliance (ICROA), see: https://www.icroa.org/The-ICROA-Code-of-Best-Practice, including a.o.: • <i>Verified Carbon Units (VCUs)</i> issued under the <i>VCS Program</i> managed by Verra; • <i>Gold Standard credits</i> issued under the former <i>Gold Standard (GS VERs or GS CERs)</i> or under the new <i>Gold Standard</i> for the Global Goals (<i>GS4GG</i>) program; • <i>Certified Emission Reduction (CERs)</i> issued by the Clean Development Mechanism; OR 2. Domestic offset projects (e.g. 'Nationale Koolstofmarkt certificaten'), for which a registry shall be kept and only after formal endorsement by ICROA. AND 3. Meet CNG's additional quality criteria for offsetting projects, see: https://www.climateutralgroup.com/wp-content/uploads/2017/12/20171212-CNG-Strict-quality-criteria-UK-Addv2.pdf. Large-scale renewables, as large scale wind-, hydro-, solar- and biomass-projects are no longer permitted. <i>NOTE: CNG reserves the right to amend the eligibility criteria for carbon offsetting projects, depending on the of evolvments of the voluntary market.</i> DOCS CHECK: check formal certificate of purchased and retired offsets for the quantity of the remaining emissions for the audited footprint (retrospectively) + check evidence (e.g. signed contract with offset broker) demonstrating the commitment to purchase and retire eligible offset credits for the coming footprint (prospectively)*. <i>* During the audit, the CB completes a prospective check and a retrospective check:</i> A) <i>retrospective: if the CO has compensated the emissions of the audited footprint. In case the CO has compensated based on the draft footprint calculated by the FC (which was not audited yet), and footprint corrections resulted from the audit, the CB shall raise a minor NC so that compensation shall be adjusted accordingly (not applicable for CO's first year of certification);</i> B) <i>prospective: if the CO has a commitment (e.g. through a signed contract with an offset broker) to purchase (and retire) eligible offsets OR has (pre-)financed offsets for which corrections will be settled once the footprint will be audited.</i>	
		C-PROD	A) IDEM C-ORG, but to calculate the number of emissions which need to be offset, the CO multiplies the product's footprint with the actual number of sales or deliveries made in the same year.
		C-SERV	A) IDEM C-ORG OR C-PROD, but following 'Certification of the Organisation' or 'Certification of a Product', depending on the option chosen to calculate the footprint of a service (see 3.1 - Certification of a Service).
5 Public reporting and claims-making			
5.1 Reporting obligations	C-ORG	A) The CO shall publicly report at least the following information on the CO's website and in its annual report (if applicable): 1. The legal name(s) of the CO (see 1.1, B); 2. The certification scope (see Assurance Protocol, section 2.1); 3. The certification status, being either: 'certified' or 'non-certified/suspended'; 4. If 'certified', the expiry date of the certificate (or extension). OPTIONAL: It would be considered 'good practice' to share more information, such as e.g.: 5. The footprint's organisational and operational boundaries; 6. A shortlist or summary of all (resolved) non-conformities; 7. The CO's Climate Policy Document; 8. The baseline footprint and/or most recent footprint; 9. The Annual Reduction Target (in %), and the CO's 'on track' status (red, green or orange); 10.A shortlist or summary of the reduction measures and activities implemented or achieved in the past year; 11.A shortlist or summary of the planned as well as the committed reduction measures and activities for the coming year. B) The company's website is updated with the most recent information on point 1 to 4, within one month after the certification decision is issued by the CB. <i>NOTE: CNG reserves the right to check if the most recent information related to the CO's certification status is made available, after the certification cycle is completed and shall communicate any inconsistencies to the CB.</i> DOCS CHECK: check if above information is reported publicly for the previous certification cycle.	
		C-PROD	A) IDEM C-ORG B) IDEM C-ORG
		C-SERV	A) IDEM C-ORG B) IDEM C-ORG

5 Public reporting and claims-making

5.2 Claims-making and trademark use

C-ORG	A) Claims-making and trademark use (or any other communication about CNG and/or the Climate Neutral Certification Program) shall be done in accordance with the rules set out in the Trademark & Claims Policy This includes at least: 1. Claims may not be ambiguous, misleading or misused. Claims can be clearly associated with the certification scope, as well as with the organisational and operational boundaries and the GHG emission sources included in the footprint (thus not over-claiming). If the claim gives room for multiple interpretations (e.g. suggests that the scope or boundaries are wider than they actually are), it shall always be reformulated. 2. Claims and/or trademarks shall only be used off-pack and shall not be printed on products or its packaging nor associated with a certain service delivered by the CO. B) Claims-making and/or trademark use is only permitted after: • a positive certification decision is issued, for the first year as well as for consecutive years, AND; • approval by CNG is granted, in the form of a formal written confirmation. For details, see the Trademark & Claims Policy, section 8. DOCS CHECK: check approvals from CNG received for claims made/trademarks used. OBSERVATION: review domains e.g. websites, annual report, company brochures, company cars, etc. where certification status of the organisation is promoted and/or claims are made and/or trademark is used.
C-PROD	A) IDEM C-ORG, but in addition: 2. Claims and/or trademarks may be used off-pack or on-pack (for the certified product only), see the Trademark & Claims Policy, section 4 and 5. B) IDEM C-ORG DOCS CHECK: check approvals from CNG received for claims made/trademarks used. OBSERVATION: review certified product and its packaging physically.
C-SERV	A) IDEM C-ORG, but in addition: 2. Claims and/or trademarks may be used off-pack ("on service"), provided clear reference is made to the certified service. If the CO requires tools or equipment in order to provide or execute the service, such as transport vehicles or machinery, trademarks and claims may be printed thereon, making the same reference to the certified service, see the Trademark & Claims Policy, section 4 and 6. B) IDEM C-ORG DOCS CHECK: check approvals from CNG received for claims made/trademarks used. OBSERVATION: review domains e.g. websites, annual report, company brochures, etc. where service is used or promoted and/or claims are made and/or trademark is used.

D) Theory of Change

IMPACT:

No/limited temperature rise, so that climate change is mitigated and the planet remains a safe and protected place for people and nature.

PRINCIPAL OUTCOME:

Certified clients undergo a 'System' & 'Perception' change, so that they are capable and willing to reduce their GHG emissions in line with the Paris Agreement, and offset their remaining emissions and are thus 'climate neutral'.

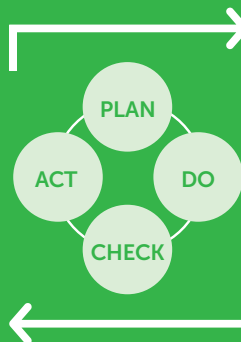
CO-OUTCOMES:

1. Through **offsetting** achieving one or more SDGs.
2. Through **insetting** creating collaboration and interdependence between supply chain partners.
3. Through **reduction** achieve the following benefits:
 - Spur ambition for company innovation;
 - Increase business efficiency/profitability by organising operations differently (e.g. lower energy costs, material savings, etc);
 - Access to subsidies or finance;
 - Get prepared for or staying ahead of regulatory changes.

OUTPUTS:

Activities:

- **Plan:** Calculate reductions needed to achieve A) the Annual Reduction Target and B) offsetting requirements. Allocate budget and resources and make commitments.
- **Do:** Execute measures and activities to achieve the planned/committed reductions.
- **Check:** Monitor effectiveness of measures and activities and review 'on track' progress.
- **Act:** Implement corrections and corrective actions where needed, to be back 'on track'.



Core deliverables:

- GHG Internal Reduction Plan
- Reduction Calculation Tool (M&E Tool)

Supporting deliverables:

- Quality Management System
- Climate Policy Document

Assumption:

With or without support from CNG or other consultants, the certified client is aware of the appropriate (technical) solutions or innovations that lead to reduction of GHG emissions

Pre-condition:

- For certification of a product/service: the certified client has some degree of negotiation power in its supply chain;
- Reduction technologies are available

INPUTS FROM CNG:

- (Customised) advice how to reduce
- Access to knowledge experts
- Access to subsidies or other finance
- Support with footprint calculation
- Support with offsetting

INPUTS FROM CLIENT:

- Responsible staff appointed
- Management buy-in & commitment
- Budget to invest in reduction measures and activities
- Budget to invest in offsets

Annex 1: List of Mandatory and Optional GHG Emission Sources

GHG Emission Source <i>More information and source: https://ghgprotocol.org/corporate-standard</i>		ORG - Mandatory*	ORG - Optional	PROD - Mandatory*	PROD - Optional	SERV - Mandatory*	SERV - Optional
Scope 1 Direct: emissions from sources owned or controlled by the certified client*	Gas use in company facilities <i>Combustion of fuels in stationary sources (e.g. boilers, furnaces, turbines) to generate electricity, heat or steam</i>	x		proportional		proportional	
	Gas use for company vehicles for transport of employees/business travel with company car (gasoline, diesel) <i>Combustion of fuels for transport of employees in company owned/controlled cars, e.g. company cars</i>	x					
	Gas use for company vehicles for transport of products (gasoline, diesel) <i>Combustion of fuels for transport of materials, products, or waste in company owned/controlled vehicles e.g. trucks</i>	x					
	Process emissions, e.g. physical of chemical processing	x					
	Fugitive emissions, e.g. (un) intentional release of emissions through leaks	x					
Scope 2 Indirect: emissions from the generation of purchased electricity consumed by the certified client	Purchased electricity for own use (grey or green)	x					
	Purchased steam for own use	x					
	Purchased heating for own use	x					
	Purchased cooling for own use	x					

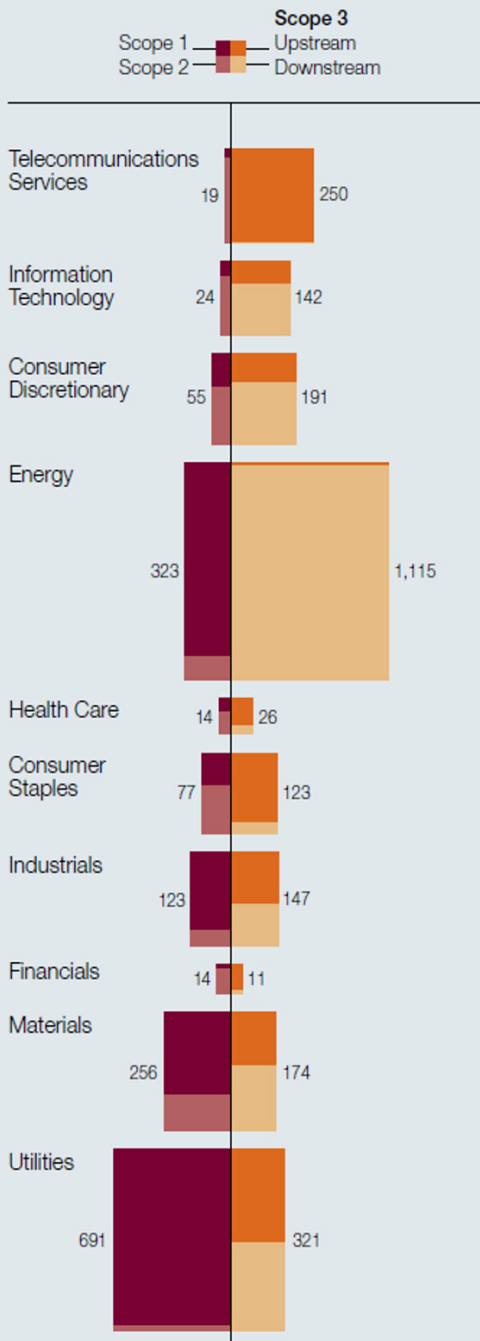
GHG Emission Source <i>More information and source: https://ghgprotocol.org/standards/scope-3-standard</i>		ORG - Mandatory*	ORG - Optional	PROD - Mandatory*	PROD - Optional	SERV - Mandatory*	SERV - Optional
Scope 3 UPSTREAM	1 Purchased goods & services						
	Input products (e.g. raw materials, components, parts, semi-finished goods, packaging material) and other goods or services that are further used or processed by the certified client		x	x		x	
	A) Product-attributable						
	Extraction of input products (e.g. raw materials)			x		x	
	Cultivation of input products (agricultural activities)			x		x	
	Manufacturing, production or processing of input products			x		x	
	Transport between suppliers (e.g. between 1 st and 2 nd tiers)			x		x	
	Waste/disposal resulting from input products			x		x	
	Land use and land-use change impact			x		x	
	Packaging			x		x	
	B) Non-product-attributable						
	Drinking water		x				
	Printing paper		x				
	Catering		x				
	Office supplies		x				
	2 Capital goods						
	Fixed assets purchased or acquired, to manufacture the product/deliver the service		x		x		x
	A) Product-attributable						
	Owned machinery				x		x
	Owned equipment				x		x

GHG Emission Source More information and source: https://ghgprotocol.org/standards/scope-3-standard		ORG - Mandatory*	ORG - Optional	PROD - Mandatory*	PROD - Optional	SERV - Mandatory*	SERV - Optional
Scope 3 UPSTREAM	B) Non-product-attributable						
	Owned buildings		X				
	Owned company vehicles		X				
	Office equipment, e.g. computers, phones		X				
	Office furniture		X				
	3 Fuel & energy related activities (not included in scope 1 and 2)						
	Applicable to companies with core activity: production of fuels or electricity. <i>The investment done by the certified client (the investor) generates emissions for the investee, which should be allocated to the investor.</i>		X				
	Purchased fuels		X				
	Purchased electricity		X				
	Transmission & distribution losses		X				
	Generation of purchased electricity that is sold to end users		X				
	4 Upstream transportation and distribution						
	Transport between direct (1st tier) supplier and certified client by 3 rd parties			X		X	
	Air transport			X		X	
	Rail transport			X		X	
	Road transport			X		X	
	Marine transport			X		X	
	Storage of purchased products in warehouses, DCs and retail facilities			X		X	
	5 Waste from operations						
	Waste treatment (of solids and waste water) done by 3 rd parties <i>NB: Waste treatment by the certified client itself pertains to scope 1 or 2</i>		X		X		X
	Waste disposal in a landfill		X		X		X
	Recycling of waste		X		X		X
	Incineration of waste		X		X		X
	Composting of waste		X		X		X
	6 Business travel						
	Business travel facilitated by 3 rd parties	X					
	Air travel	X					
	Rail travel	X					
	Bus travel	X					
	Business travel in rental cars	X					
	Staying in hotels						
	7 Employee commuting						
	Transportation of employees between their homes and work-site	X					
	Automobile travel (car owned by employee)	X					
	Rail travel	X					
	Bus travel	X					
	Air travel	X					
	8 Upstream leased assets						
	Assets leased from 3 rd parties <i>Depending on the type of leasing arrangement</i>		X				
	Leased buildings		X				
	Leased company vehicles	X					
	Leased equipment		X				

GHG Emission Source <i>More information and source: https://ghgprotocol.org/standards/scope-3-standard</i>		ORG - Mandatory*	ORG - Optional	PROD - Mandatory*	PROD - Optional	SERV - Mandatory*	SERV - Optional
Scope 3 DOWNSTREAM	9 Downstream transportation and distribution Transport of final or intermediate sold products, from certified client to business partners or to end-consumer <i>Note that outbound transportation and distribution services that are purchased by the certified client are excluded from category 9 and included in category 4 (upstream transportation and distribution) because the certified client purchases the service.</i>			X		X	
	Air transport			X		X	
	Rail transport			X		X	
	Road transport			X		X	
	Marine transport			X		X	
	Storage of purchased products in warehouses, DCs and retail facilities			X		X	
	10 Processing of sold products Processing or manufacturing of final or intermediate sold products			X		X	
	Processing or manufacturing of final or intermediate product sold, incl packaging			X		X	
	11 Use of sold products Use or consumption of final or intermediate sold products				X		X
	Direct use e.g. energy is needed for use or GHG emissions are released during use				X		X
	Indirect use, e.g. energy is indirectly needed				X		X
	Maintenance of sold product during use				X		X
	12 End of life treatment of sold products (burning or recycling) Waste disposal and treatment of final or intermediate sold products, at the end of their life				X		X
	Reuse of sold product				X		X
	Disposal of sold product in a landfill				X		X
	Recycling of sold product				X		X
	Incineration of sold product				X		X
	Composting of sold product				X		X
	13 Downstream leased assets Assets leased from 3 rd parties <i>Depending on the type of leasing arrangement</i>		X				
	Leased buildings		X				
	Leased company vehicles	X					
	Leased equipment		X				
	14 Franchises Operations of franchisees not included in scope 1 and 2 (due to the choice of the consolidation approach)	X					
	Operations of franchisees not included in scope 1 and 2	X					
	15 Investments* * Applicable only to companies with core activity: financial services (e.g. investors, banks, etc) <i>The investment done by the certified client (the investor) generates emissions for the investee, which should be allocated to the investor.</i>						X
	Equity investments						X
	Debt investments						X
	Project finance						X
	Managed investments and client services						X

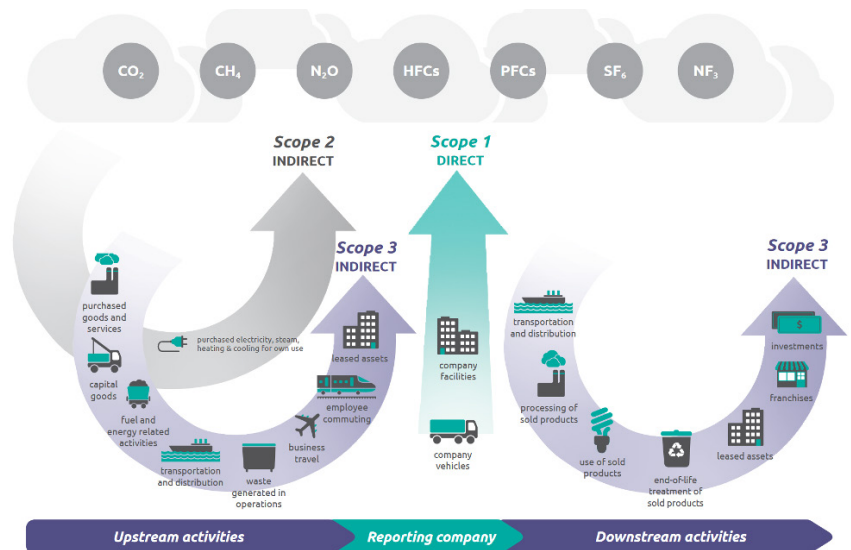
Useful reference material

Figure 10. Reported value chain emissions relative to direct and indirect emissions, in Mt CO₂e



Note: Area of the box is representative of the size of emissions and provides perspective on disclosed Scope 3 emissions as an order of magnitude compared to Scopes 1 and 2. The above rendering is only illustrative; emission profiles differ per company even for those within the same sector or industry.

Source: <https://www.cdp.net/en/reports/downloads/626>



Source: <https://ghgprotocol.org/standards/scope-3-standard>

Table [5.7] Accounting for emissions from transportation and distribution activities in the value chain

Transportation and distribution activity in the value chain	Scope and scope 3 category
Transportation and distribution in vehicles and facilities owned or controlled by the reporting company	Scope 1 (for fuel use) or scope 2 (for electricity use)
Transportation and distribution in vehicles and facilities leased by and operated by the reporting company (and not already included in scope 1 or scope 2)	Scope 3, category 8 (Upstream leased assets)
Transportation and distribution of purchased products, upstream of the reporting company's tier 1 suppliers (e.g., transportation between a company's tier 2 and tier 1 suppliers)	Scope 3, category 1 (Purchased goods and services), since emissions from transportation are already included in the cradle-to-gate emissions of purchased products. These emissions are not required to be reported separately from category 1.
Production of vehicles (e.g., ships, trucks, planes) purchased or acquired by the reporting company	Account for the upstream (i.e., cradle-to-gate) emissions associated with manufacturing vehicles in Scope 3, category 2 (Capital goods)
Transportation of fuels and energy consumed by the reporting company	Scope 3, category 3 (Fuel- and energy-related emissions not included in scope 1 or scope 2)
Transportation and distribution of products purchased by the reporting company, between a company's tier 1 suppliers and its own operations (in vehicles and facilities not owned or controlled by the reporting company)	Scope 3, category 4 (Upstream transportation and distribution)
Transportation and distribution services purchased by the reporting company in the reporting year (either directly or through an intermediary), including inbound logistics, outbound logistics (e.g., of sold products), and transportation and distribution between a company's own facilities (in vehicles and facilities not owned or controlled by the reporting company)	
Transportation and distribution of products sold by the reporting company between the reporting company's operations and the end consumer (if not paid for by the reporting company), including retail and storage (in vehicles and facilities not owned or controlled by the reporting company)	Scope 3, category 9 (Downstream transportation and distribution)

Source: <https://ghgprotocol.org/standards/scope-3-standard>

Annex 2: Sector Benchmark Tool

Purpose:

The Sector Benchmark Tool is used to assure that COs are equally ambitious regarding their organisational and operational boundaries. In other words, that comparable clients include the same GHG emission sources in their footprint calculation, so that both their claims represent the same or a similar level of effort.

Likewise, if it is confirmed that reductions cannot be achieved in a certain sector or industry (e.g. because there is no 'green' technology available yet), or if certain sector agreements have already been made, this is recorded as well. This tool is thus a compilation of client profiles that function as the 'norm'.

The picture below is just an illustration. CNG periodically reviews and updates this tool. Therefore, the latest version of the actual tool is publicly available and can be downloaded from the CNG website. Please note that this document does not refer to Client names.

Process:

- 1 Upon registration of new clients (not yet certified), CNG staff (Carbon Advisor or Consultant) checks this tool for comparable client profiles or sector information, to compare what boundaries are 'agreed' with similar clients, or to compare with 'the norm' for a certain sector or industry. If no similar client is entered yet in database, a new client profile shall be created. The Carbon Advisor or Consultant communicates a request to CNG's 'Review Committee', who meets periodically, and who registers new client profiles in this tool.
- 2 When the footprint is made, the CO (or the contracted FC), reviews this tool and prepares the footprint in accordance with the client profile.
- 3 During the audit, the CB consults the same tool to review if the footprint was prepared based on the correct client profile.
- 4 Each year, CNG conducts a full review of all client profiles, and updates this tool in case of inconsistencies or new sector information. If clients are impacted by changes, CNG informs clients and together recalculate the (baseline) footprint, if applicable.
- 5 Clients already certified shall also review this tool annually, prior to submitting their footprint data sets.

NOTE: Below is a simplified extract of the Sector Benchmark Tool. The tool itself is available from the CNG website once the Certification Program goes live, and will be periodically reviewed and updated.

Certification of an organisation

Sector Industry	Type	Clients	Rules for scope 1	Rules for scope 2	Rules for scope 3

Certification of a product or service

Sector Industry	Type	Clients	Rules for scope 1	Rules for scope 2	Rules for scope 3

Annex 3a: Database with Permitted Emission Factor Sources & Secondary Data Source

Purpose:

This database is used to assure that only reliable sources for Emission Factors or Secondary Data Sets are being used. The picture below is just an illustration. CNG periodically reviews and updates this database. Therefore, the latest version of the actual database is publicly available and can be downloaded from the CNG website.

NOTE: Clients shall use emission factor sources that are relevant for the country where the client is based. CNG annually reviews the emission factors it uses for footprint calculations for its clients based in the Netherlands, see: https://www.climateneutralgroup.com/wp-content/uploads/2019/04/20190218-CNG-Review_emissiefactoren_2018_2019_toelichting_DEF.pdf

CNG is currently also developing a list for electricity use for all EU countries.

Process:

- 1 During preparation of the footprint, the client or FC consults this database.
 - If the emission factor source or secondary data source is listed in the database, client/FC may assume the source is credible and can be used for the footprint calculation.
 - If the source is not listed, the client/FC needs to A) use another source OR B) request approval from CNG, by sending an email to: certification@climatenegroup.com.
- 2 CNG (possibly in alignment with CB) decide together if the requested source is credible, and if so, CNG adds this source to the database, after which the client/FC may also use this newly approved source.
- 3 If during the audit the CB detects that a source is used which has not been listed in the database, a NC shall be issued, which can result in recalculation of the footprint and/or certification delays.
- 4 CNG regularly re-publishes updates of this database publicly on the CNG website.

NOTE: Below is a simplified extract of the Database of Permitted Data Sources. The Database itself is available from the CNG website once the Certification Program goes live, and will be periodically reviewed and updated.

Permitted Emission Factor Sources

Country	Source	Clarification/Comments
Netherlands	http://www.co2emissiefactoren.nl/lijsst-emissiefactoren/	
United Kingdom	https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting	
New Zealand	https://www.mfe.govt.nz/publications/climate-change/measuring-emissions-guide-organisations-2019-detailed-guide	
Australia	https://www.environment.gov.au/system/files/resources/cf13acc9-c660-445e-bd82-3490d74e9d09/files/national-greenhouse-accounts-factors-august-2019.pdf	
Germany	BMU (Federal Ministry for the Environment)	
Global - IPCC	https://www.ipcc-nggip.iges.or.jp/EFDB/main.php	

Permitted Secondary Data Sources

Country	Source	Clarification/Comments
Global	https://www.ecoinvent.org/	
Global	https://www.agri-footprint.com/	
Global	https://www.thinkstep.com/	
Global	https://eplca.jrc.ec.europa.eu/ilcdHandbook.html	

Annex 3b: Database with Permitted Footprint Calculation Methods

Purpose:

This database is used to assure that only reliable footprint calculation methods (or tools) are being used, whether for certification of an organisation, product or service. In addition, it will also benefit certified clients as this database will A) refer clients to useful material for their own use, and B) prevent duplication of validation of the same method. The picture below is just an illustration. CNG periodically reviews and updates this database. Therefore, the latest version of the actual database is publicly available and can be downloaded from the CNG website. Methods developed by certified clients themselves for their own use will not be listed in the database, but as per the Standard, the CB will validate these methods every 3 years as part of the regular audit.

Process:

- During preparation of the footprint, the client or FC consults this database.
 - If the emission factor source or secondary data source is listed in the database, client/FC may assume the source is credible and can be used for the footprint calculation.
 - If the method is not listed, the client/FC may choose to A) use another method OR B) request an approval procedure from CNG, by sending an email to: certification@climateneutralgroup.com OR C) use the method, and await the audit for validation and (possible) corrections.
- CNG, in alignment with CB, decide together if the requested method is credible, and if so, CNG adds this method to the database, after which the client/FC may also use this newly approved method.
- If during the audit the CB detects that a method is used which has not been listed in the database, or which was not formally validated (nor part of the audit plan), a NC may be issued, which can result in a recalculation of the footprint and/or certification delays.

Alternatively, the validation of the method can also be part of the audit if agreed prior to the audit between client and CB.

- CNG regularly re-publishes updates of this database publicly on the CNG website.

NOTE: Below is a simplified extract of the Database of Permitted Calculation Methods. The Database itself is available from the CNG website once the Certification Program goes live, and will be periodically reviewed and updated.

Certification of the organisation

Owner	Description	Expiration date	Method/Tool/Methodology
Climate Neutral Group	CO ₂ Management		CO ₂ Management
Facilitated by European Commission	Organisation Environmental Footprint Sector Rules (OEFSRs) for: Copper production, Retail		https://ec.europa.eu/environment/eussd/smgp/PEFCR_OEFSR_en.htm#final

Certification of a product

Owner	Description	Expiration date	Method/Tool/Methodology
Facilitated by European Commission	Product Environmental Footprint Category Rules (PEFCRs) for: Beer, Dairy, Decorative paints, Household liquid laundry detergents, Hot and cold water supply pipe systems, Intermediate paper product, Feed for food producing animals, IT equipment, Leather, Metal sheets, Packed water, Pasta, Pet Food, Photovoltaic electricity production, Rechargeable batteries, T-shirt, Thermal insulation, Uninterrupted Power Supply, Wine		https://ec.europa.eu/environment/eussd/smgp/PEFCR_OEFSR_en.htm#final
PRé Sustainability	SimaPro		https://simapro.com/
Dutch National Institute for Public Health and the Environment (RIVM), and others	ReCiPe - 2016		https://www.rivm.nl/en/life-cycle-assessment-lca/recipe
Climate Neutral Group	Coffee Calculator		

Annex 4: Flexibility rules for Product Certification

Flexibility options for calculating the product's footprint

OPTION 1	'80% Materiality Approach'	When? In the case of complex supply chains, e.g. if the certified product is composed of many ingredients or raw materials (meaning many suppliers), or if the product's supply chain is composed of many links or tiers. How? The CO creates a 'product supply chain map', and conducts a 'contribution analysis' to estimate all major (and minor) ingredients and/or major (and minor) GHG emission sources in the chain adding to the total emissions of the certified product. Emissions caused by minor ingredients and/or minor GHG emission sources may be listed as 'other' in the GHG Emission Sources Overview and may be excluded from the footprint calculation, for a total estimated maximum of 20% of its content (or volume or weight). The product's footprint then only includes appr 80% (or more) of the total estimated emissions, hence extrapolation is needed: the emissions caused by the major ingredients are multiplied with a factor of 1,25 (or proportionally adjusted to real figures). Example: A CO wishes to get its 'birdseed blend' certified. This product is composed of 60 different ingredients, of which the 7 major ingredients combined represent 83% of the content of the product. The emissions resulting from these 7 ingredients is 1 T CO₂ per kg product. However, the emissions from the other 53 ingredients are left out, hence extrapolation is needed. The total emissions of the footprint is thus: $100/83 * 1 \text{ T CO}_2 = 1,2 \text{ T CO}_2$ per kg birdseed.
OPTION 2	'Gradual Improvement Approach'	When? In the case the CO wishes to also use secondary data (instead of primary data) to calculate the emissions resulting from its own operations or activities (see criterion 3.4). How? If no real or actual usage data is available for the emissions caused by the CO itself, the product's footprint is calculated using industry data (defined in external literature and/or databases), which do not necessarily represent reality. Industry data are however often higher than real, actual data to provide for a safety margin. To mitigate however the incentive to misuse this 'flexibility option', COs are requested to improve their calculations year after year, and shall therefore each year improve the calculation for at least one additional GHG emission source. Example: A CO manufactures plastic bags and wishes to get these certified, but has no information on actual emissions. It uses industry data from the tool Simapro to calculate the emissions resulting from the manufacturing of the bags. In consecutive years, the CO shall gradually improve the calculation method and shall make efforts to get real data integrated in its calculation.
OPTION 3	'Mass Balance Approach'	When? In the case of unknown supply chain links, e.g. if the origin of the certified product's ingredients is (partially) unknown, or if (semi-)finished materials are mixed during later stages in the supply chain, meaning the CO cannot (completely) map its supply chain, nor trace to origin. How? The Mass Balance Approach is a traceability and claims concept commonly used by certification schemes, which often requires that the raw materials produced or cultivated at the start of the supply chain meet certain requirements or conditions, which then can be allocated proportionally to finished products at the end of the chain, to make certain claims. As the supply chain of the certified product is unknown, the product's footprint calculation is based on industry averages or data. Example: The CO sources its coffee beans from unknown sources in Vietnam (20%), Indonesia (30%) and Ethiopia (50%), and mixes the coffee from the different countries during the manufacturing process resulting in a random coffee melange as end product (without knowing the exact content). The total volume of product sold is known, which is 5000 T blended coffee. Using data-base information and external literature on coffee production in above countries, the total footprint can be calculated, counting for 20% of the footprint calculation with emission figures representative for production in Vietnam, 30% for Indonesia, and 50% for Ethiopia.

Flexibility options for achieving the Annual Reduction Target

OPTION 4	'Tier Approach'	When? In cases where the CO has strong powers of negotiation or influence over any of its preceding links or tiers in the product's supply/value chain, and these links have similar power over their preceding links. How? The CO creates a 'product supply chain map', and estimates which links can be 'influenced' (usually direct suppliers or providers) and how much each can realistically reduce. The CO shall include in its contracts with these links the requirement that they reduce their scope 1 and 2 (and non-attributable scope 3) emissions, so that all together a total emission reduction is achieved that intends to equal the Annual Reduction Target of the certified product. In consecutive years, these links may require the same from their preceding links, so that over time reductions are gradually achieved in the entire supply chain. If the intended reduction is less than the Annual Reduction Target, a lower target may be considered (see criterion 3.7), provided a justification is given and the CO can demonstrate the efforts made. Example: A CO wishes to get its 'Gouda cheese' certified. The total footprint is 1,5 T CO₂ eq per kg product. The main ingredient is milk, which is supplied by 7 milk-producing farms. The cheese manufacturer has a strong market position and relationship with these suppliers and together they decide the farms to unite in a cooperative, to collectively explore and implement reduction measures. In three years time (see '3-years flexibility rule'), through several innovations, these 7 milk producers manage to reduce their emissions so that the footprint of the Gouda Cheese has gone down to 1,35 T CO₂ eq per kg product in 3 years time. This is more than was needed, which was $25\%/10 \text{ years} \times 3 \text{ years} \times 1,5 \text{ T CO}_{2\text{eq}} = 2,5\% \times 3 \times 1,5 = 0,11 \text{ T CO}_{2\text{eq}}$ reduction in 3 years.
OPTION 4	'Insetting Approach'	When? In the case the CO has limited negotiation power, but is willing to make investments that facilitate reductions in the product's supply chain. How? The CO makes an investment (e.g. at the level of cultivation, production, manufacturing, export, import, (re-)packaging, transport retail and/or disposal), either in the form of a lump sum or purchase of credits, whereby it can be proven that this investment resulted in concrete, additional and quantifiable emission reductions which are kept in a registry and hence not double-counted. In turn, the CO may count this achieved reduction towards the Annual Reduction Target of its certified product, corresponding with the amount invested and actual emission reduction achieved. See Annex 5 for more details and possible scenarios. <i>NOTE: At the moment of development of this Standard, the rules around Insetting are still in development. Therefore, all COs wishing to make use of this option, shall first seek approval from CNG and CB.</i> <i>For the time being:</i> • It is deemed invalid if an investment is made in the product's sphere of influence such as a farmer community, i.e. the investment should be made directly in the supply chain of the certified product. • It is deemed invalid if achieved reductions are used to compensate for a CO's (non-product-attributable) scope 1 and 2 emissions, i.e. in the case of certification of the organisation. Example: A CO wishes to get its chocolate bars certified. They source from several cooperatives in Cote d'Ivoire and invests in a centrally coordinated cocoa beans-roasting project that aims to re-use waste water resulting from the roasting activities for the heating of community housing. Through this project, a total of 1,000 T CO₂ reduction is quantified per year. The CO may subtract this 1,000 T CO₂ from the product's footprint.

Annex 5: Insetting Approach

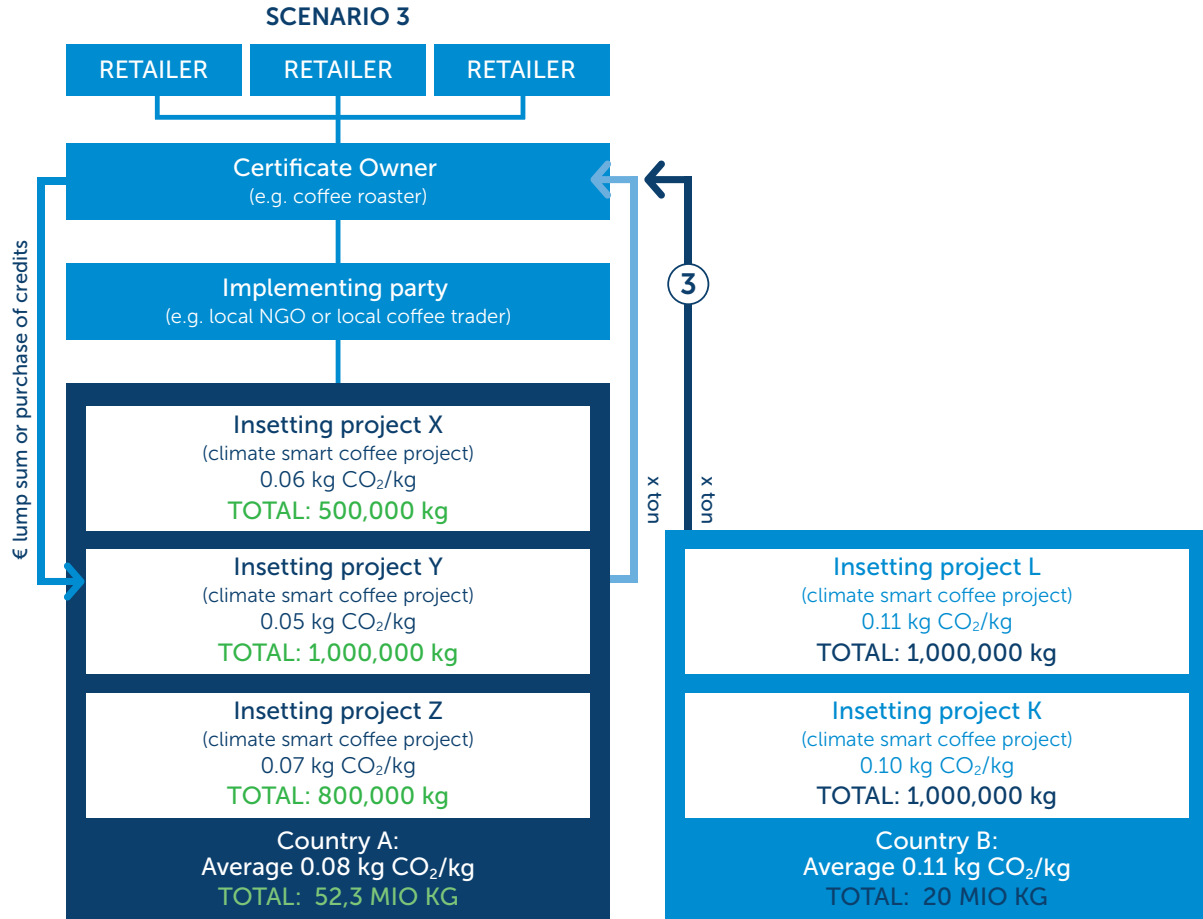
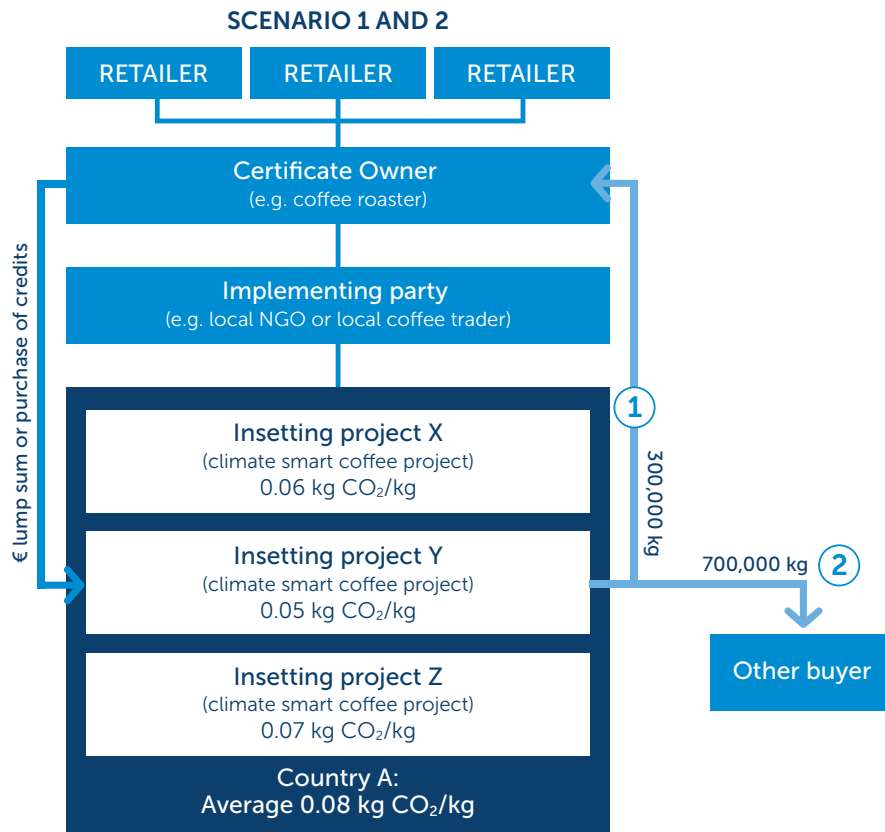
NOTE: This annex is a proposal, which is subject to approval by ICROA and shall be piloted prior to finalization.

Climate Neutral Group is a member of the International Carbon Reduction & Offsetting Alliance (ICROA). Offsetting standards are monitored by ICROA, and the implementation is audited by ICROA. ICROA, together with its members, is currently developing a position on the concept of insetting. If below proposal on CNG's Insetting Approach requires approval by ICROA, Climate Neutral Group will seek that, hence reserves the right to adjust or withdraw this proposal, according to the ICROA standards.

Requirements	Explanation
1 Type of investment	The CO invests in an emission reduction project (or initiative) within the perimeter of the supply chain of the certified product (i.e. the product for which the CO wishes to receive 'product certification'). <i>Thus not: within the supply chain of another (non-certified) product of the CO's portfolio. However, if the supply chain is unknown, scenario 2 or 3 may apply (see below).</i>
2 Location of the investment	At any location where a supply chain activity (of the certified product) takes place, e.g. raw material production, product transformation or transportation. <i>Thus not: an activity that takes place within the supply chain's sphere of influence and/or within communities of the supply chain.</i>
3 Timing of the investment	Two possibilities: 1. Ex ante investment approach – the investment is made before the actual reduction is achieved e.g. if external finance is needed in order to start a project: The CO transfers a lump sum to the project owner initiator, so that the project can be developed or initiated. Once the project results in emission reductions, these reductions: A) become directly visible in a consecutive footprint of the certified product (relevant in the case the footprint is based on actual or real life data sets) OR B) are converted to 'reduction units' which are then transferred to the CO for the corresponding amount of the lump sum, so that the CO can claim these reduction units and deduct them from the footprint of the certified product. 2. Ex post credit approach – the investment is made after the actual reduction is achieved: The CO or another party has invested/initiated the project, which has resulted in additional emission reductions. Likewise, these additional reductions are quantified, converted to 'reduction units' ('credits') and registered. Depending on the CO's needs to reduce, the CO purchases these credits, and by doing so, facilitates the continuation of the project -> similar to offsetting, but with the additional benefit that the CO invests directly in its own supply chain. The sales price of these credits shall be established based on demand and supply.
4 (Co)-benefits of the investment	The benefits of the investment shall be defined, agreed, and documented, for and amongst all actors (beneficiaries) involved, e.g. the CO, the project initiator and/or implementing partner, local beneficiaries (e.g. farmers) and other beneficiaries, if applicable. This entails at least the benefits 'on the ground', i.e. the financial benefits as well as the 'Sustainable Development Goals' co-benefits for local beneficiaries.
5 Project initiation	Projects are developed/initiated by a project initiator/owner, which can be the Certificate Owner itself, suppliers or partners of the product's supply chain, external third party organisations (e.g. NGOs), or CNG. This can be for any project, provided that: a) the GHG emission reductions are generated at the location of investment, and; b) the project owner can provide evidence of adhere to the following principles: 1. Additionality : the reductions would not have been achieved if the investment had not been made (evidence needs to be provided); 2. Uniqueness : the reductions are only counted and claimed once (Thus: if the reductions need to be added to nations NDCs, then they cannot also be claimed by the CO) (evidence needs to be provided); 3. Measurability : the reductions can be measured and can be made quantifiable in 'reduction units' e.g. X tonne CO ₂ -eq (Thus not: converted into owner-transferable credits); 4. Verifiability : the method and calculation used for the conversion of reductions (achieved at the investment location) into 'reduction units' can be verified and evidence can be shown by the project owner.
6 Project design and implementation	Like regular offsetting projects, eligible insetting projects shall be based on the GHG Project Protocol and ISO 14064-2:2019, which requires that: 1. first a project plan with estimated emission reductions shall be developed and validated by an eligible Certification Body (CB) for correctness, and; 2. once implemented, the actual reductions are made quantifiable, booked in a registry (managed by the project owner or CNG) to prevent double claiming, and verified by the same CB.
7 Project management	To assure that local beneficiaries really benefit (see requirement 4), and as part of the design of the project, an internal management system needs to be established including at least an agreed process (amongst involved actors, and documented in a formal procedure) as to how the investment flow is distributed amongst actors involved. The aim is that the project becomes self-supporting, so that eventually project implementers and or the CO can pull out and initiate insetting projects elsewhere.
8 Project validation and verification	The investment location (e.g. the production or manufacturing site) can be part of the scope of the CO's audit and thus be audited physically. Rules are outlined in the Assurance Protocol and scenario's below. CBs shall comply with additional eligibility criteria and have experience with verification of offsetting and/or insetting projects.

Examples:

Scenario 1: Internal Emission Reduction	ASSUMPTIONS: • Insetting project Y in country A is a climate smart coffee project that produces a total yield of 1 mio kg green coffee. • The certificate owner (CO), a coffee roaster, sources via a coffee trader (who is also the project owner) 300,000 kg green coffee from this insetting project. The other 700,000 kg is sold to other buyers. • There are 2 options for the certificate owner to invest in the project: - Ex ante: Invests a lump sum, e.g. 100,000 EUR in this insetting project Y, OR - Ex post: Purchases credits, e.g. 10 eur/ton CO₂ reduction achieved. • Country A average emissions footprint = 0,08 kg CO₂/kg green coffee (ascertained at national level, using source: Ecoinvent). • The project implements a range of emission reduction measures, and the new footprint of the insetting project is ascertained at 0,05 kg CO₂/kg green coffee. Thus, the project may claim a reduction of 0,08 – 0,05 = 0,03 kg CO₂/kg green coffee is achieved. • These CO₂ reductions are quantified, converted into credits, and kept in a registry. • The roaster produces roasted coffee in bags of 1 kg which is the certified 'end product'. CONCLUSIONS: • Ex ante: The CO has made a direct investment in its own supply chain -> for 300,000 kg green coffee a direct reduction of 0,03 kg CO₂/kg is achieved. The new footprint of the CO's finished coffee product (end product) will thus also be lower (reduced accordingly). • Ex post: The CO has made a direct investment in its own supply chain -> for 300,000 kg green coffee the CO has purchased credits. These may count towards the CO's Annual Reduction Target, for scope 3 emissions (and proportional scope 1 + 2 emissions), hence may be directly subtracted from the footprint of the end product. • Also it can be considered to add all reductions to the sourced 300.000 kg green coffee, if not claimed by other buyers. HOW VERIFIED? • After implementation of reduction measures, the footprint kg green coffee produced through of the insetting project shall be validated physically, at the project's location. • In addition, the source of the country average footprint per kg green coffee is checked. • Next, the method to quantify or convert the 'investment amount' or 'price paid for credits' into 'tonnes CO₂ reduction' shall be validated. NB: Externalities are not taken into account. • Last, the registry is verified, to prevent double-claiming.
Scenario 2: External emission reduction	ASSUMPTIONS: • The CO's investment also resulted in the same emission reduction (0,03 kg CO₂/kg green coffee) for the remaining yield of 700.000 kg that is sold to other buyers. CONCLUSIONS: • The CO has made a direct investment, but has not used the 700.000 kg in its own supply chain. • The achieved reduction of 700.000 kg * 0,03 kg CO₂ reduction = 21.000 kg CO₂ is converted into 21 T CO₂ credits, which the CO may be used as an alternative for offsetting (provided this is done transparently and there is no double-counting or double-claiming). • Through the investment, an external reduction is achieved worth 21 T CO₂, which may count towards the CO's offsetting obligation for 'climate neutrality' (hence may be used to compensate the footprint of the certified product). HOW VERIFIED? • Idem as scenario 1. Again, a registry needs to be kept, so that the external reduction is not claimed twice, e.g. by the 'other buyer'.
Scenario 3: Country Sectoral Insetting	ASSUMPTIONS: • The CO sources x ton coffee from Country A and y ton coffee from Country B. • The CO has invested 100.000 EUR in project Y in Country A. • Country A produces a total of 2,3 mio kg green coffee through the climate smart coffee projects and another 50 mio kg conventional. • Country B produces 2 mio kg and 18 mio kg respectively, totalling 20 mio kg. CONCLUSIONS: • The carbon footprint of the x ton coffee from Country A gets the average carbon footprint minus the reductions achieved through the 100.000 EUR in project Y in that same Country A. • The carbon footprint for the y ton coffee sourced from Country B gets the average carbon footprint for country B. HOW VERIFIED? • Idem as scenario 2: a registry needs to be kept, so that the external reduction is not claimed twice. • All footprints of all insetting projects taken into the calculation shall be verified and the sources of the country averages shall be validated.
Final Note 1	Certificate Owners that are certified for the organisation only (and thus only scope 1, 2 and non-product attributable scope 3 GHG emission sources are included in the footprint calculation) may also invest in their product's or service's supply chains, but it is still to be agreed if they may then subtract these reductions achieved through these supply chain initiatives from their footprint.w



Annex 6a: Reduction Calculation Tool - for Certification of the Organisation

NOTE: The picture below is just an illustration. Please use the excel version of this Reduction Calculation Tool, which can be downloaded from the CNG website.

INSTRUCTIONS:
Select either option 1 (without interim target) or option 2 (with interim target). In case of option 2, and if interim deadline year is NOT 2030, table D needs to be adjusted manually.
Only input (overwritten) data in cells with green-coloured text. Examples are already filled in and are purely indicative.

A BASELINE

Always fill in latest version of the (adjusted/ corrected) baseline (in TCO₂-eq):

Baseline (T CO ₂ eq)	10.31
Baseline year	2020
Volume indicator	120 FTE

B ADJUSTED/ CORRECTED BASELINES

For record-keeping purposes only. Please only fill in, if baseline data (section A) is adjusted/ corrected.
Latest version of baseline always entered under section A.

Original baseline		Adjusted baseline vs 3	
Adjustment year		Adjustment year	
Adjusted baseline vs 1		Adjusted baseline vs 4	
Adjustment year		Adjustment year	
Adjusted baseline vs 2		Adjusted baseline vs 5	
Adjustment year		Adjustment year	

C REDUCTION TARGETS

OPTION 1: without interim target

Deadline (yr)	2030
Total reduction by deadline (in %)	100%
Annual reduction percentage (in %)	3.3%
Annual reduction target (in T CO ₂ eq)	0.34

OPTION 2: with interim target

Part 1: Interim deadline (yr)

2030

Total reduction by interim deadline (in %)

48%

Annual reduction percentage (in %)

4.8%

Annual reduction target (in T CO₂eq)

0.51

Part 2: End deadline (yr)

2050

Total reduction by end deadline (in %)

51%

Annual reduction percentage (in %)

2.6%

Annual reduction target (in T CO₂eq)

0.26

D REDUCTION PERFORMANCE

OPTION 1: without interim target

* Please enter footprint correction, if supplier has used offsets, see criterion 3.4.1)

year	target footprint (in TCO ₂ eq)	actual footprint (for offsetting) (in TCO ₂ eq)	footprint correction (if applicable) (in TCO ₂ eq)	footprint (for reduction target) (in TCO ₂ eq)	reduced vs target (in TCO ₂ eq)	accum. 3 yr flexibility (in TCO ₂ eq)
baseline year 2020	10.31	10.31	0.00	10.31	0.000	
year 1 2021	9.87	11.00	0.00	11.00	-1.131	
year 2 2022	9.62	8.00	0.00	8.00	0.823	
year 3 2023	9.28	11.00	0.00	11.00	-1.721	-1.952
year 4 2024	8.94	10.00	0.00	10.00	-1.065	-3.017
year 5 2025	8.59	10.00	0.00	10.00	-1.409	-4.426
year 6 2026	8.25	10.00	0.00	10.00	-1.751	-6.177
year 7 2027	7.90	9.00	0.00	9.00	-1.096	-7.273
year 8 2028	7.56	9.00	0.00	9.00	-1.439	-8.712
year 9 2029	7.22	9.50	0.00	9.50	-2.283	-10.995
year 10 2030	6.87	6.50	0.00	6.50	0.373	-10.622
year 11 2031	6.53	5.00	0.00	5.00	1.530	-9.092
year 12 2032	6.19	8.00	0.00	8.00	-1.814	-10.906
year 13 2033	5.84	7.00	0.00	7.00	-1.158	-12.064
year 14 2034	5.50	7.00	0.00	7.00	-1.501	-13.565
year 15 2035	5.16	7.00	0.00	7.00	-1.843	-15.408
year 16 2036	4.81	6.00	0.00	6.00	-1.189	-16.597
year 17 2037	4.47	6.00	0.00	6.00	-1.532	-18.129
year 18 2038	4.12	5.50	0.00	5.50	-1.376	-19.505
year 19 2039	3.78	5.00	0.00	5.00	-1.220	-20.725
year 20 2040	3.44	5.00	0.00	5.00	-1.563	-22.288
year 21 2041	3.09	5.00	0.00	5.00	-1.907	-24.195
year 22 2042	2.75	4.00	0.00	4.00	-1.251	-25.446
year 23 2043	2.41	4.00	0.00	4.00	-1.594	-27.040
year 24 2044	2.06	3.00	0.00	3.00	-0.938	-27.978
year 25 2045	1.72	4.00	0.00	4.00	-2.282	-30.260
year 26 2046	1.37	3.00	0.00	3.00	-1.625	-31.885
year 27 2047	1.03	2.00	0.00	2.00	-0.969	-32.854
year 28 2048	0.69	1.00	0.00	1.00	-0.313	-33.167
year 29 2049	0.34	0.00	0.00	0.00	0.344	-32.823
year 30 2050	0.00	0.00	0.00	0.00	0.000	-32.823

Actual vs Reduced vs Target Footprint (in T CO₂ eq)

OPTION 2: with interim target

* Please enter footprint correction, if supplier has used offsets, see criterion 3.4.1)

year	target footprint (in TCO ₂ eq)	actual footprint (for offsetting) (in TCO ₂ eq)	footprint correction (if applicable) (in TCO ₂ eq)	footprint (for reduction target) (in TCO ₂ eq)	reduced vs target (in TCO ₂ eq)	accum. 3 yr flexibility (in TCO ₂ eq)
baseline year 2020	10.31	10.31	0.00	10.31	0.000	
year 1 2021	9.80	11.00	0.00	11.00	-1.215	
year 2 2022	9.30	8.00	0.00	8.00	0.500	
year 3 2023	8.79	11.00	0.00	11.00	-2.206	-2.921
year 4 2024	8.29	6.00	0.00	6.00	1.589	-1.332
year 5 2025	7.78	6.00	0.00	6.00	1.784	0.452
year 6 2026	7.28	6.00	0.00	6.00	1.219	1.671
year 7 2027	6.77	9.00	0.00	9.00	-2.226	-0.545
year 8 2028	6.27	9.00	0.00	9.00	-2.732	-3.277
year 9 2029	5.76	9.00	0.00	9.00	-3.237	-6.514
year 10 2030	5.26	8.00	0.00	8.00	-2.742	-9.256
year 11 2031	5.00	5.00	0.00	5.00	-0.005	-9.261
year 12 2032	4.73	8.00	0.00	8.00	-3.268	-12.529
year 13 2033	4.47	7.00	0.00	7.00	-2.531	-15.060
year 14 2034	4.21	7.00	0.00	7.00	-2.794	-17.854
year 15 2035	3.94	7.00	0.00	7.00	-3.056	-20.910
year 16 2036	3.68	3.00	0.00	3.00	0.681	-20.229
year 17 2037	3.42	3.00	0.00	3.00	0.418	-19.811
year 18 2038	3.15	3.00	0.00	3.00	0.155	-19.656
year 19 2039	2.89	5.00	0.00	5.00	-2.108	-21.764
year 20 2040	2.63	5.00	0.00	5.00	-2.371	-24.135
year 21 2041	2.37	5.00	0.00	5.00	-2.634	-26.769
year 22 2042	2.10	4.00	0.00	4.00	-1.897	-28.666
year 23 2043	1.84	4.00	0.00	4.00	-2.160	-30.826
year 24 2044	1.58	3.00	0.00	3.00	-1.423	-32.249
year 25 2045	1.31	4.00	0.00	4.00	-2.685	-34.934
year 26 2046	1.05	3.00	0.00	3.00	-1.948	-36.882
year 27 2047	0.79	2.00	0.00	2.00	-1.211	-38.093
year 28 2048	0.53	1.00	0.00	1.00	-0.474	-38.567
year 29 2049	0.26	0.00	0.00	0.00	0.263	-38.304
year 30 2050	0.00	0.00	0.00	0.00	0.000	-38.304

Actual vs Reduced vs Target Footprint (in T CO₂ eq)

Annex 6b: Reduction Calculation Tool - for Certification of a Product/Service

NOTE: The picture below is just an illustration. Please use the excel version of this Reduction Calculation Tool, which can be downloaded from the CNG website.

INSTRUCTIONS:
Only input (overwrite) data in cells with green-coloured text. Examples are already filled in and are purely indicative.

A BASELINE

Always fill in latest version of the (adjusted/ corrected) baseline (in TCO₂-eq):

Baseline (T CO₂eq/ unit product)

Baseline year

Volume indicator

B ADJUSTED/ CORRECTED BASELINES

For record-keeping purpose only. Please only fill in, if baseline data (section A) is adjusted/ corrected.
Latest version of baseline always entered under section A.

Original baseline Adjusted baseline vs 3

Adjustment year Adjustment year

Adjusted baseline vs 1 Adjusted baseline vs 4

Adjustment year Adjustment year

Adjusted baseline vs 2 Adjusted baseline vs 5

Adjustment year Adjustment year

C REDUCTION TARGETS

Deadline (yr)

Total reduction by deadline (in %)

Annual reduction percentage (in %)

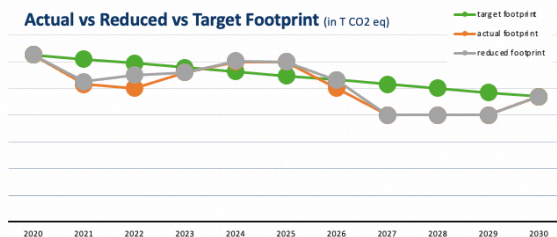
Annual reduction target (in T CO₂eq)

D REDUCTION PERFORMANCE

* Please enter footprint correction, if supplier has used offsets, see criterion 3.4 (i)

year	target footprint (in TCO ₂ -eq)	actual footprint (for offsetting) (in TCO ₂ -eq)	footprint correction (if applicable) (in TCO ₂ -eq)	reduced footprint (for reduction target) (in TCO ₂ -eq)	reduced vs target (in TCO ₂ -eq)	accum. 3 yr flexibility (in TCO ₂ -eq)
baseline year	2020	1.25	0.00	1.25	0.000	
year 1	2021	1.22	0.03	1.05	0.169	
year 2	2022	1.19	0.00	1.10	0.087	
year 3	2023	1.16	0.00	1.12	0.036	0.293
year 4	2024	1.13	0.00	1.21	-0.080	
year 5	2025	1.09	0.00	1.20	-0.106	-0.184
year 6	2026	1.06	0.00	1.06	0.002	
year 7	2027	1.03	0.00	0.80	0.231	
year 8	2028	1.00	0.00	0.80	0.200	
year 9	2029	0.97	0.00	0.80	0.169	0.600
year 10	2030	0.94	0.00	0.94	-0.002	

Actual vs Reduced vs Target Footprint (in T CO₂ eq)



Annex 7: Self-Assessment Tool

Note: This self-assessment form does not substitute the criteria of the Standard, but should merely be used as a checklist for internal use to check progress of compliance. This tool can be used to check audit-readiness.

The picture below is just an illustration. Please use the Excel version of this Self-Assessment Tool, which can be downloaded from the CNG website.

1. Development and implementation of a Management System					
OBJECTIVES: 1. Is the CO certified for the correct certification scope and is the right certified entity chosen? 2. Is the CO's Management System robust enough to support the implementation of the criteria in chapter 2, 3, 4 and 5? 3. Is sr. management committed and are sufficient resources and time allocated for reduction activities?	1 Certificate Owner (CO) defined (also referred to as 'the client' or 'the organisation')	C-ORG	☐ Organigram/organisational structure shared with CB prior to the audit?		
		C-PROD	☐ Correct tier of the product's supply chain is certified?		
		C-SERV	☐ IDEM C-ORG and/or C-PROD		
	1.2 Responsible persons appointed + Resources allocated	C-ORG	☐ Responsible person appointed by management? ☐ Sufficient time and resources allocated for this person?		
		C-PROD	☐ IDEM C-ORG ☐ IDEM C-ORG		
		C-SERV	☐ IDEM C-ORG ☐ IDEM C-ORG		
	1.3 Quality Management System developed and implemented	C-ORG	☐ OPTIONAL: QMS developed containing Clients Needs Assessment, Quality Policy and SWOT-Analysis? ☐ YR 2: M&E System developed and implemented? ☐ YR 2: Document Management System developed and implemented? ☐ YR 3: Operational processes and/or business flows mapped and described in SOPs and/or WIs?		
		C-PROD	☐ IDEM C-ORG ☐ IDEM C-ORG ☐ IDEM C-ORG ☐ IDEM C-ORG		
			C-SERV	☐ IDEM C-ORG ☐ IDEM C-ORG ☐ IDEM C-ORG ☐ IDEM C-ORG	
				1.4 Climate Policy Document developed and implemented	C-ORG
		C-PROD			☐ IDEM C-ORG ☐ IDEM C-ORG
		C-SERV	☐ IDEM C-ORG ☐ IDEM C-ORG		
	1.5 Sustainable sourcing incentivised	C-ORG	Only applicable to COs with an estimated >40% scope 3 emissions: ☐ YR 1: Materiality analysis conducted to define top-3 input products and suppliers? ☐ YR 2: Footprint from top-3 suppliers requested OR explored opportunities for sector initiatives? ☐ YR 3/4: Reductions obliged for top-3 suppliers, OR reduction strategy and implementation plan requested from top-3 suppliers, OR started participation in sector initiatives? ☐ YR 5: Certification scope expanded with product/service certification?		
		C-PROD	N/A		
		C-SERV	N/A		
1.6 Self-assessment/ internal audit conducted	C-ORG	☐ OPTIONAL: Self-assessment completed and shared with CB prior to the audit?			
	C-PROD	☐ IDEM C-ORG			
	C-SERV	☐ IDEM C-ORG			

2. Definition of organisational and operational boundaries

OBJECTIVES: 4. Has the CO made a serious attempt to set the operational and organisational boundaries sufficiently ambitious and extensive? 5. Does the GHG Emission Sources Overview list all mandatory (and optional) GHG emission sources, and complies with the rules in Annex 1 (List of Mandatory and Optional GHG Emission Sources) and Annex 2 (Sector Benchmark Tool)?	2.1 Ambitious organisational boundaries defined	C-ORG	☐ Organisational boundary clearly described and documented, as ambitious (as ""wide"") as possible and including all entities?
		C-PROD	☐ Overview available that lists all certified products (including their unique identifiers, product categories, its buyers and sales volumes), and is this list as extensive as possible? ☐ Serious attempt made to increase the number of sales of certified products?
		C-SERV	☐ IDEM C-PROD, but for services ☐ IDEM C-PROD, but for service
	2.2 Ambitious operational boundaries defined	C-ORG	☐ GHG Emission Sources Overview available that lists all mandatory (and optional) GHG emission sources* (see annex 1 and 2) that belong to the organisation's footprint, which is as ambitious and extensive as possible and is derived from the organisational process map? * - all significant scope 1 and 2 GHG emission sources + - all non-attributable scope 3 GHG emission sources ("overhead emissions", incl. business travel and employee commuting).
		C-PROD	☐ GHG Emission Sources Overview available that lists all mandatory (and optional) GHG emission sources* (see annex 1 and 2) that belong to the product's footprint, which is as ambitious and extensive as possible and is derived from the product's supply chain map? * - the proportional scope 1 and 2 GHG emission sources + - all product-attributable scope 3 GHG emission sources
		C-SERV	☐ IDEM, but for services

3. Calculation of GHG footprint & Ascertainment of baseline and Annual Reduction Target

OBJECTIVES: 6. Has the CO made a serious attempt to use primary data (based on real usage) where possible, but at least for all direct emissions resulting from its own operations? 7. Have the emissions -for each GHG emissions source- been calculated adequately, using an eligible method, correct usage data and eligible emission factors and secondary data sources?	3.1 All relevant GHG emission sources included + Flexibility and conditions applied	C-ORG	N/A
		C-PROD	☐ Flexibility rule applied (if needed)?
		C-SERV	☐ Determined if the footprint calculation of the service(s) follows the same approach as the footprint calculation of an organisation ('Cert of Org') or of a product ('Cert of Prod')?
	3.2 Appropriate calculation method used	C-ORG	☐ Footprint calculation method meets all quality requirements? ☐ Method is validated at least once every 3 years, or updated earlier when changes to the method occur?
		C-PROD	☐ IDEM C-ORG ☐ IDEM C-ORG
		C-SERV	☐ IDEM C-ORG ☐ IDEM C-ORG
	3.3 Reliable emission factor sources and secondary data sources used	C-ORG	☐ Data sources providing the emission factors or secondary data are listed in Annex 3a and are thus accurate and credible? ☐ For each GHG emission source, are the data sources mentioned in the method and was the correct year chosen?
		C-PROD	☐ IDEM C-ORG ☐ IDEM C-ORG
		C-SERV	☐ IDEM C-ORG ☐ IDEM C-ORG

3. Calculation of GHG footprint & Ascertainment of baseline and Annual Reduction Target

8. Is the final outcome of the footprint calculation documented in a report, shared with the auditor prior to the audit and updated in the Reduction Calculation Tool? 9. Is evidence available that substantiates all (primary or secondary) data input in the method, and is this easily accessible for the auditor? If assumptions, complex (non-retrievable) sub-calculations, uncertainties or externalities are applicable, are these clarified for the auditor?	3.4 Actual emissions for all GHG emission sources quantified + Footprint Report developed	C-ORG	☐ For each GHG emission source, have the actual emissions been quantified for a full calendar year, and converted into CO ₂ equivalents, using primary data where possible (but at least for all direct emissions caused by the CO itself*)? ☐ Have all assumptions, complex (non-retrievable) sub-calculations, uncertainties or externalities been noted (in the method)? ☐ For GHG emissions sources, for which the emissions were reduced or compensated by others, has the emission factor correctly been recorded and were correct calculations of reductions done? ☐ Footprint Report available and shared with auditor prior to audit? ☐ Reduction Calculation Tool updated with verified footprint outcome (after the audit)? <i>* - For direct emissions, real usage data and primary data shall be used</i> <i>- For indirect emissions caused, primary data or secondary data may be used</i>
		C-PROD	☐ IDEM C-ORG, but done per product, and expressed per unit product, and following sector (allocation) guidelines, if applicable ☐ IDEM C-ORG ☐ IDEM C-ORG ☐ IDEM C-ORG ☐ IDEM C-ORG
		C-SERV	☐ IDEM C-ORG OR C-PROD, either following 'Cert of Org' or 'Cert of Prod' ☐ IDEM C-ORG ☐ IDEM C-ORG ☐ IDEM C-ORG ☐ IDEM C-ORG
	3.5 Data and evidence collected and stored	C-ORG	☐ All (primary and secondary) data used to calculate the actual emissions calculated for each GHG emission source can be substantiated with credible and accurate evidence? ☐ Is this evidence easily available/accessible during the audit?
		C-PROD	☐ IDEM C-ORG ☐ IDEM C-ORG
		C-SERV	☐ IDEM C-ORG ☐ IDEM C-ORG
	3.6 Baseline year defined + Baseline footprint defined	C-ORG	☐ YR 1: Representative baseline footprint and baseline year ascertained (whereby baseline is footprint is expressed as a ratio of a measurable volume indicator)? ☐ YR 1: Reduction Calculation Tool updated?
		C-PROD	☐ IDEM C-ORG ☐ IDEM C-ORG
		C-SERV	☐ IDEM C-ORG ☐ IDEM C-ORG
	3.7 Annual Reduction Target defined	C-ORG	☐ YR 1: Number of annual emission reductions to be achieved are ascertained, based on the final end target of 0 emissions by 2050 (and based on interim targets if prescribed by national guidelines)? ☐ YR 1: Reduction Calculation Tool updated?
		C-PROD	☐ YR 1: Number of annual emission reductions (per unit product) to be achieved are ascertained, based on the target of 25% emission reductions by 2030? ☐ IDEM C-ORG
		C-SERV	☐ YR 1: Number of annual emission reductions to be achieved are ascertained, based on the target of 25% emission reductions by 2030, either following 'Cert of Org' or 'Cert of Prod' ☐ IDEM C-ORG
	3.8 Baseline footprint adjusted + Annual Reduction Target adjusted	C-ORG	☐ YR 2, 3, 4, etc: Adjustment of baseline footprint needed, e.g. in case of organic growth or organisational changes? ☐ YR 2, 3, 4, etc: Reduction Calculation Tool updated (if applicable)?
		C-PROD	☐ YR 2, 3, 4, etc: Adjustment of baseline footprint needed, e.g. in case of imposed changes in product composition? ☐ IDEM C-ORG
		C-SERV	☐ IDEM C-ORG OR C-PROD, either following 'Cert of Org' or 'Cert of Prod' ☐ IDEM C-ORG
	3.9 Baseline footprint corrected + Annual Reduction Target corrected	C-ORG	☐ YR 2, 3, 4, etc: Corrections in baseline footprint needed, e.g. in case errors were detected or new knowledge or information is available? ☐ YR 2, 3, 4, etc: Reduction Calculation Tool updated (if applicable)?
		C-PROD	☐ IDEM C-ORG ☐ IDEM C-ORG
		C-SERV	☐ IDEM C-ORG ☐ IDEM C-ORG

4. Development and implementation of Internal GHG Reduction Plan

OBJECTIVES: 13. Is there a realistic GHG Emission Reduction Plan with concrete and committed reduction measures that are endorsed by sr. management, and which suffice to achieve the Annual Reduction Target? 14. Have the implemented emission reduction measures and activities been effective so that the Annual Reduction Target has been achieved, and if not, if appropriate corrections and corrective actions have been implemented, so that the CO is 'back on track' and has become a 'learning organisation'. 15. Are the baseline footprint and baseline year as well as the Annual Reduction Target correctly reflected in the Reduction Calculation Tool year-after-year, and is this tool periodically reviewed and updated with adjustments or corrections in the baseline or changes in the Annual Reduction Target? 16. Did the CO do sufficient offsetting based on the footprint of the previous calendar year, and has the CO a commitment to offset for the coming year?	4.1 Internal GHG Reduction Plan developed and maintained -PLAN-	C-ORG	☐ Internal GHG Reduction Plan developed and signed off by sr. management, including a calculation how the committed reduction measures will achieve the Annual Reduction Target in the short, medium and long run?
		C-PROD	☐ IDEM C-ORG ☐ Flexibility rule applied (if needed)?
		C-SERV	☐ IDEM C-ORG OR C-PROD, either following 'Cert of Org' or 'Cert of Prod'
	4.2 Internal GHG Reduction Plan implemented -DO-	C-ORG	☐ Actual emission reduction achieved, by implementing the reduction measures and activities as per the Internal GHG Reduction Plan?
		C-PROD	☐ IDEM C-ORG
		C-SERV	☐ IDEM C-ORG
	4.3 Internal GHG Reduction Plan monitored, reviewed, updated -CHECK-	C-ORG	☐ Progress of implementation of the reduction measures periodically reviewed? Still 'on track' with the Internal GHG Reduction Plan? ☐ Delays, cancellations or deviations from Internal GHG Reduction Plan recorded and communicated to sr. management?
		C-PROD	☐ IDEM C-ORG ☐ IDEM C-ORG
		C-SERV	☐ IDEM C-ORG ☐ IDEM C-ORG
	4.4 Corrections/ corrective actions implemented -ACT-	C-ORG	☐ In case of delays, cancellations or deviations, have corrections + corrective actions been defined and implemented adequately, so that the CO is back 'on track' again? ☐ Internal GHG Reduction Plan and its calculation reviewed and updated with new committed reduction measures, and signed off by sr. management?
		C-PROD	☐ IDEM C-ORG ☐ IDEM C-ORG
		C-SERV	☐ IDEM C-ORG ☐ IDEM C-ORG
	4.5 Offsetting to net-zero	C-ORG	☐ Eligible offset credits purchased for the audited footprint (or corrections settled after the audit)? ☐ A commitment made to purchase offset credits for the future (when claims are being made)?
		C-PROD	☐ IDEM C-ORG ☐ IDEM C-ORG
		C-SERV	☐ IDEM C-ORG ☐ IDEM C-ORG

5. Public reporting and claims-making

OBJECTIVES: 17. Is the CO's website (and annual report and other media) updated with the most recent information regarding the CO's certification status? 18. Has the CO made claims that are clear, transparent and non-ambiguous? Have the trademarks been placed accurately? 19. Has approval been granted by CNG for trademark and claims use, as stipulated in the Trademark & Claims Policy?	5.1 Reporting obligations	C-ORG	☐ Audit results including certification status updated on the website, in annual reports and other media (if applicable)?
		C-PROD	☐ IDEM C-ORG
		C-SERV	☐ IDEM C-ORG
	5.2 Claims-making and trademark use	C-ORG	☐ Claims and trademarks used as stipulated in the Trademark & Claims Policy? ☐ Received approval from CNG for trademark and claims use?
		C-PROD	☐ IDEM C-ORG ☐ IDEM C-ORG
		C-SERV	☐ IDEM C-ORG ☐ IDEM C-ORG

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