



World Business Council for Sustainable Development



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The Greenhouse Gas Protocol

Product Life Cycle Accounting and Reporting Standard

Comment Template

We are providing this template to streamline public comment submissions. To use this template, please follow the instructions below:

Feedback from (name): _____ **Gregory LeMay, on behalf of** _____

Organization: _____ **Beverage Industry Environmental Roundtable** _____

The Beverage Industry Environmental Roundtable (BIER) is a group of 17 global beverage companies working together to advance the standing of the beverage industry in the realm of environmental stewardship. BIER was convened in 2006, and our membership includes global manufacturers of beverage alcohol and non-alcoholic beverages.

BIER commends the work that the WRI, WBCSD, and their working groups have put into the draft guidance document. As you may know, BIER has recently completed greenhouse gas Sector Guidance for the beverage industry covering both enterprise inventory and product based approaches. The first public version of our Sector Guidance document is expected to be available in early January 2010. In drafting this document, we used globally accepted frameworks as the foundation of our methodology – at that time, The GHG Protocol and PAS2050. Because of our desire to ensure we are closely aligned with the major Enterprise and Product level GHG guidance documents, we intend to continue to track both the Product and Scope 3 protocols to ensure that our Sector Guidance compliments these new work products.

BIER is aware that the draft Scope 3 Life Cycle Accounting and Reporting Standard is designed to apply to all industries and the comments below are presented from the perspective of the beverage industry. We recognize that certain topics require sector specific guidance or product category rules, and hope that our Sector Guidance can provide that guidance. In fact, BIER would like to offer to both the WRI and the WBCSD to be a pilot guidance document that can serve as an amendment to the new protocols showing how sector guidance can enhance the new standards.

The comments below were collected from BIER members and represent the initial feedback from the group. Several members of BIER, including New Belgium Brewing and PepsiCo (and possibly others), have volunteered to participate in the pilot-testing of the WRI/WBCSD Product and Scope 3 Protocols. It is our hope that at least one of these beverage companies be selected



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to participate in the pilot test process, such that they can simultaneously review alignment between BIER's Sector Guidance and help further align the global and Sector specific approaches. If we can clarify any of our comments or positions outlined below, please do not hesitate to contact us through Robert ter Kuile (robert.terkuile@pepsi.com) who is part of your Methodology Technical working group or Greg LeMay (glemay@deltaenv.com) of Global Corporate Consultancy.

Chapter/Section	Comments
The outline and overall structure of the document	<ul style="list-style-type: none"> •
1. Introduction	<ul style="list-style-type: none"> • Page 7, Line 5: Our membership commends WRI for encouraging companies to state that the product carbon footprint is not meant to be a platform for comparison.
2. Principles of Product GHG Accounting	<ul style="list-style-type: none"> •
3. Overview of Product GHG Accounting	<ul style="list-style-type: none"> • Figure 3-2 may be too simplified. Consider expansion to mention extraction of fossil fuels. • Page 17, lines 21-23: Our membership agrees that this language unfairly targets certain industries for resource consumption. Recommend changing sentence to “Examples of potentially significant non-GHG impacts for some products include: clearing forests for palm oil production causing environmental degradation, excessive use of scarce resources such as freshwater in production of beverages, and health impacts from using lead-based paints.”
4. Establishing the Methodology	<ul style="list-style-type: none"> • Page 20: Our membership commends WRI for recognizing the role that sector guidance plays in product-based emissions reporting, and that sector guidance may require a deviation from the approach prescribed in the Product Life Cycle Standard (i.e. use of consequential approach). • Page 21: Figure 4.2 is difficult to understand without a narrative description of the illustration.
5. Defining the Functional Unit	<ul style="list-style-type: none"> • Our membership agrees that defining a functional unit is highly sector specific. Our membership will work to define appropriate functional units for the beverage industry, and hope to maintain open communication with WRI during this process. • Page 31: Each stage of Figure 6-3, 6-4, and 6-5 should have an associated waste stream.
6. Boundary Setting	<ul style="list-style-type: none"> • Page 24: Our membership agrees that boundary setting is highly sector specific, and can play a role in determining what may or may not be excluded in the product footprint. We believe this guidance would be enhanced by sector-specific examples of life cycle areas which were determined to be insignificant. • A portion of our membership believes that allocation of all supply chain elements is not feasible and places a high burden on the reporting company to meet all footprint requirements. Similar to the Scope 3 standard, a cut-off of 98% or 99% may reduce the burden of the reporting company. • A portion of our membership disagrees with the assessment that “corporate overhead” should be allocated at the product level. At a minimum, the significance of this impact should be able to be determined at a sector-specific level, as is the case for capital equipment.



	<ul style="list-style-type: none"> • Page 33, Line 32: Our membership agrees with WRI's assessment that Sector Guidance may be useful in determining capital goods to be insignificant. Some of our members have undergone calculations which indicate that for a beverage product life cycle, capital goods are an insignificant source of GHG emissions. • Page 33, Line 39: Our membership looks forward to working with WRI to understand the process for having our sector guidance approved for use as a supplement to the Product Life Cycle Standard. • Page 34: It would be helpful if Table 6.1 provided further description to make it clear how this can be used as a screening mechanism.
7. Collecting Data	<ul style="list-style-type: none"> • The portion of our membership with products which have a life cycle of multiple years (i.e. wine, scotch whisky, or other aged spirits) have considered the issue of which emissions factors to use for these products over its lifetime. Our sector guidance states that data from the current (reporting) year should be used in all phases of the life cycle, such that the resulting product carbon footprint reflects the current operating condition of the reporting company, and can be acted upon. We request that this be considered and either placed in the protocol as an example or the protocol modified to allow for this methodology • Page 44, Line 36: For matured products, this calculation also requires that the reporting company consider product loss (through evaporation) during the maturation process. We encourage WRI to refer to sector guidance to address these product-specific issues.
8. Allocation	<ul style="list-style-type: none"> • Our membership has been in contact with WRI (Laura Draucker and Taylor Wilkinson) regarding a recycling methodology that has been put forth in our Sector Guidance document. The initial feedback received was that the BIER recycling guidance appeared to be consistent with the proposed WRI allocation chapter. Our membership is interested in continuing to work with WRI to ensure that this approach is recognized as appropriate for the beverage sector.
9. Assessing Data Quality and Uncertainty	<ul style="list-style-type: none"> • Our membership agrees that the process of reviewing data quality in a very systematic manner (i.e. assigning grades to technology, time, geography, completeness) has value only for internal purposes (that is, understanding weaknesses in data quality). Such a formal assessment should be optional for a reporting company, and should not be part of any public reports. • A portion of our membership also agrees that sector guidance may be useful in reducing the burden of reporting companies to evaluate data quality, especially when the same secondary data sources are used by most companies in the sector. • Page 66, Line 41: Rather than targeting government agencies, consider stating generally that the user should confirm the time period data come from, rather than the time they are published.
10. Calculating GHG Emissions	<ul style="list-style-type: none"> • Page 69, Line 5: Further detail should be added to describe how to properly report CO2 from biogenic sources other than combustion, such as co-generation or fermentation.
11. Assurance	<ul style="list-style-type: none"> •
12. Reporting	<ul style="list-style-type: none"> • Page 82, Box 12-1: Our membership commends WRI for encouraging companies to state that the product carbon footprint is not meant to be a platform for comparison.



	<ul style="list-style-type: none"> • A portion of our membership believes that the reporting requirements of the protocol are too stringent, and may discourage some companies from publicly reporting product level information. One example is the language that companies shall establish GHG emissions reduction targets and publish them in a product level report. WRI should consider presenting some of these requirements as guidance, rather than requirements, to encourage more companies to publicly report emissions.
Appendix A: Data Management Plan	<ul style="list-style-type: none"> • A portion of our membership asks whether this data management plan has been evaluated for consistency with existing requirements from other entities, such as The Climate Registry or USEPA Climate Leaders. The WRI guidance would be most quickly adapted by ensuring alignment with existing data management requirements.
Appendix B: Additional Guidance on Collecting and Calculating Data	<ul style="list-style-type: none"> • Page 99, Lines 24-32: Our membership agrees that the guidance on land use change is challenging to understand. One item which causes some confusion is whether the land use change represented a true change from natural habitat to cultivated land, and whether it is only this change which must be considered during the 20 year amortization period. We recommend drawing a distinction between “land use change” and “land use management”, meaning a change in the type of activity (in this case crops) grown on a plot of land. • Our membership agrees that this guidance would be enhanced by some case examples of how companies should appropriately calculate and allocate land use change emissions.
Appendix E: Glossary	<ul style="list-style-type: none"> •
Any other general comments or feedback	<ul style="list-style-type: none"> • As a general comment, the word “data” is plural and as such should be followed by “are” and “were,” not “is” or “was”.

