World Business Council for Sustainable Development

WORLD RESOURCES INSTITUTE

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:

- The Product draft is open for stakeholder comment from November 11, 2009 through December 21, 2009.
- To provide written comments, please use the comment template provided, instead of sending comments in a separate file or e-mail, in order to streamline the comment process.
- When using the comment template, please organize comments by chapter/section and reference page numbers and line numbers.
- If you have questions during the public comment process, please email Holly Lahd at hlahd@wri.org.
- Submit comments as an attached MS Word file by email to Holly Lahd at hlahd@wri.org no later than **Monday, December 21st, 2009**. We appreciate any effort to submit written comments before the deadline.

Feedback from (name): **Corinne Reich-Weiser_(corinne@climateearth.com)**

Organization: **Climate Earth**

4. Establishing the Methodology

Page 19, Lines 5-7, Lines 19-27

"This standard is based on a process life cycle approach to product GHG accounting. Under the process life cycle accounting approach, companies shall quantify and aggregate the emissions from each specific process within the established boundary of the product system."

The language in this section around process LCA should be removed to ensure consistency throughout the document and avoid confusion. This section describes the product protocol as adhering to a process life cycle approach, and the description given for a process LCA is inconsistent with the methodology described throughout the remainder of the

document. The methodology that is outlined throughout the remainder of the standard requires a balanced and smart use of multiple data sources. Simply removing the term “process” would eliminate any confusion from users of the standard.

Page 20, Box 4.1

[Not reproduced here]

This statement regarding PCR’s is exactly right. Guidance from WRI on process for developing PCR’s and role of WRI is needed urgently. We believe these should be developed by industry and screened by WRI for consistency with the overall standard.

6. Boundary Setting

Page 24, Lines 18-19; Page 30, Lines 6-11

“A company shall map the life cycle of the product from raw material acquisition through to end-of-life and disposal.”
“However, as specifics about the processes and inputs of a product may be considered confidential, a company may report a generic version of the process map. At a minimum, the reported process map should make clear:
- The flow of a product (and its components) through its life cycle
- The life cycle stages considered in the study
- The general processing steps of a product “

This section is vague in regards to the requirement that a company map the life cycle of the product from raw material acquisition through to end-of-life and disposal. A product life-cycle is infinite with hundreds to thousands of inputs at each stage of the life-cycle. What level of detail is required here? Can a screening approach be used to first determine what inputs and life-cycle stages to be included in the product map? Can a box saying “other” be used to represent the last 20% of predicted emissions sources?

Page 24 , lines 31-33

“Capital goods shall be included in the product system if deemed significant for the studied product or product sector”

We feel a screening step should be included in this document as it is for the Scope 3 standard. This ensures there is no ambiguity or accidentally missed opportunities for reductions. Absolutely all foreground and background processes should be included in the initial screening. Corporate activities such as R&D, marketing and G&A should not be allocated to product unless shown to be relevant. And while these functions are generally a nominal impact, 100% inclusion simplifies reconciliation and reporting becomes consistent with the supply chain standard (if made to be 100%). Broadly speaking we believe a company is the sum of its products and a complete product accounting should reconcile with the Corporate accounting.

Page 28 line 22:

"Due to the uncertainty of the use phase of a product, carbon storage should not be included as…"

We feel "should not" should be changed to "shall not".

Page 33, Lines 21-23, Line 32

"Facility operations and corporate activities should be included in the product system boundary, where relevant. Companies that do have corporate inventories are encouraged to account for the portion of the corporate inventory allocated to their product, even if this accounting is done internally and not publicly reported."

"Capital goods are included in the product system boundary if deemed significant to the product."

Here it is suggested that corporate inventories be added to the product inventory where possible. The only reason this section requires uncertain wording is because the standard recommends that practitioners start from the product level and work their way to the corporate level. If, instead, the standard encouraged that a corporate footprint should inform the product footprint, then not only would it make choosing the appropriate product to do detailed analysis more efficient it would also enable appropriate allocation of overhead to each product, and insure that all emissions are at least being estimated and included.

Page 34, Lines 9-14

"If the type or quantity of goods is such that it has a negligible GHG impact on the inventory results, then capital goods may be excluded. Negligible is defined here as less than 1% of the total process or life cycle stage. Therefore, one would need to provide evidence of the following:

-The material input for capital goods has no known GHG hot-spots along its life cycle (i.e. the material

- GHG profile is similar to other typical capital goods inputs such as concrete and cold rolled steel).

- The material input is negligible when compared to other inputs within a process or stage"

To determine that a capital good or source of overhead emissions is negligible requires quantifying that it is less than 1% of the product GHG inventory. Once it has been quantified, why not report that quantification? This would avoid the problem of many small emissions sources adding up to something significant.

7. Collecting Data

Page 36, Lines 45-47

"The data collection process is an iterative process where additional data is constantly being sought and improved until the data is of desired quality, no further improvements are possible, or until financial or other resource constraints are reached."

We agree with this statement. The process of iterative refinement as necessary for the goals of the assessment is the only way to handle complicated Scope 3 assessments. This approach best satisfies the

stated goal of: “The data collection process is an iterative process where additional data is constantly being sought and improved until the data is of desired quality, no further improvements are possible, or until financial or other resource constraints are reached.“

Page 36 Steps 2-6

[Not reproduced here.]

This guidance process is illogical (p.36). It should state: screen all data sources quantitatively, identify large emissions sources, focus data collection on large areas and retain screening estimates for data gaps. It currently says: Identify all relevant sources, screen those sources, identify large emissions sources, focus data collection, fill remaining data gaps.

Page 37, Line 28

“***Input-Output data:*** are non-process secondary data derived from environmentally extended input-output analysis (IOA)…”

We are concerned that the distinction of input-output data as non-process secondary data implies it is not as valid as process-LCA data. In this standard, “process” data is described as “averages of site-specific process data collected from organizations or associations which run the same type of processes”. This is exactly what input-output data provides. In some cases input-output data is better than an alternative database and in some cases it isn’t. And, to avoid confusion or misinterpretation, we feel a statement is needed clarifying that in some cases process-databases or input-output databases can be better than the other, but there is no universal truth to which is preferred.

Page 38, Lines 46-52

“When collecting primary data there is a preference for the way the data is collected and used to calculate GHG emissions:
1. Measured data, e.g., direct GHG emissions measurements for the process at the production site.
2. Calculated data, e.g., where activity data are collected at the production site and emissions factors are used to determine the GHG emissions.
3. Estimated data, e.g., where GHG emissions are available, but cover the whole production site and need to be disaggregated to a specific process/product”

We assert that the order of data collection should instead start with estimates (screening), followed by iterative refinement to improve the results based on what is found to be material in the initial estimate. Therefore, the preferred order should be starting with estimated data to quickly include all emissions sources and then iterate to measured data where necessary.

Page 39, Lines 28-29

“It is good practice to document the system boundary of any emissions factors used.”

Documentation of the system boundary of any emissions factors used is a great idea and should be more greatly highlighted in this section as an important step in choosing a data source.

Page 40, Lines 9-11

"Most IO data are in monetary units that likely need to be converted to physical units using price information before being used in product inventories. Some IO tables are being developed that do contain physical information and/or GHG information."

Use of IO data without conversion to physical factors is the most efficient way to do screening using financial data. People should not feel they have to convert to physical factors to use the IO data. But, they should understand that use of appropriate price conversion factors is important for appropriate use of the databases – this is not mentioned anywhere currently.

Page 45, lines 33-35

The role of WRI and the Standards in establishing sector specific guidance should be clarified and guidance given by WRI.

General Comments and Feedback

We believe that the current draft of the Product Standard is an important first step; however we don't feel it is yet as cohesive and in-line with business needs as the Scope 3 standard. There is some important work that could be done to align the two particularly around the idea of screening assessments and incorporation of 100% emissions estimates.

Advocating the smart use of primary, secondary and other data makes the standard particularly important. However, language around using only primary data or focusing solely on primary data collection will make this standard prohibitive to corporations. It would be much more powerful to encourage the approach of the Scope 3 standard for screening followed by collection of primary, modeled, extrapolated, or other more appropriate data to refine the results.

Furthermore, language in the standard is currently inconsistent. Use of language around process LCA is unnecessary and inconsistent with later statements on the use of secondary data to fill data gaps and the desirability of uncertain data over no data.

To ensure comprehension, we feel the corporate level inventory should inform the product level LCA – not the other way around. The problem here is that adding together every product LCA for a company you will not achieve a complete corporate inventory – the only way to ensure completeness is to work from the corporate level down.

In-line with the approach of screening followed by primary data collection, we are concerned that the standard seems to assume you get a better result if you pick an arbitrary boundary and collect primary data within that boundary than if you use aggregate values as a starting point to estimate everything. There is sufficient literature out there to indicate that a comprehensive and approximate approach is the correct way to start any analysis.

Finally, we have additional minor comments and points of clarification:

(1) “Background processes” should be estimated using secondary data and included. If they reach a threshold of importance to the footprint, additional analysis can be done.
(2) Decisions of relevance should be documented in the final report and quantitative estimates included to demonstrate the decision.
(3) All background processes should be subject to significance test – qualitative and quantitative using standard datasets
(4) Screening approach is needed as is seen in the scope 3 corporate standard
(5) Generally, much more harmonization between the scope 3 and product documents is needed. Particularly around the general methodology (i.e. include 100% screening in both) and data quality.
(6) The assumption that primary data is better than secondary data may not always be useful. Scope 3 data is always changing – you change suppliers, suppliers change suppliers, etc.

In general we are concerned about language and approach championed by this standard and feel the scope 3 standard is more business appropriate and some of its guidelines should be incorporate here. Primary data within a boundary is not better than secondary data capturing the whole lifecycle. We feel a top-down approach from the corporate to product level is important. Therefore, all screening and data quality assumptions (and secondary data boundaries) should be reported. This change to the standard would instantly make it simpler and allow for more consistent reporting.

Thank you for considering our response and for all the hard work that has already gone into developing these standards!