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): Jeff Stein, CEO

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Chapter/Section	Comments
1. Introduction	•
2. Principles of Product GHG Accounting	•
3. Performing a Product GHG Inventory	•
4. Establishing the Methodology	•
5. Defining the Functional Unit	•

6. Boundary Setting	•
7. Collecting Data	**RE: Section 8.2.5 "Complex and Complicated Products" (pg. 44 - 46)** "In the case of a complicated and/or complex product where there is *no* appropriate approved *sector specific guidance* and where it may not be possible to meet all the requirements of this standard, simplifying assumptions, decisions and approaches may be taken." (pg. 45, line 39) **<u>Concerns</u>** This whole section, and particularly the above sentence, potentially creates a major loophole that risks abuse by companies too easily giving up on conducting a GHG inventory that is in accordance with this Standard. Even though the following sentence states: "However, it ***should*** be clearly stated that the standard requirements have not been met and therefore the reporting GHG inventory is not in compliance with the GHG Protocol Product Standard." (*emphasis added*) – (pg. 45, line 41) The risk is that companies will publicly promote their commitment to account for GHG inventories of their products in accordance with this Standard but then use section 8.2.5 as an excuse for failing to follow-through on such a commitment. The inclusion of Section 8.2.5 in the Standard implies a certain forgiveness for companies who try to conform but cannot do so because of inherent conditions perceived to be beyond their control. The principles, requirements and guidance provided throughout the rest of the Standard are every bit as applicable to complex products as those that are less so. The only difference is that complexity may increase the labor required to manually create a GHG inventory for a product. However, the process to create a GHG inventory for a complex product can be partially or mostly automated with the help of many tools and best practices – including company procurement standards, terms of engagement for suppliers, standardized data collection and handling processes, data reporting templates, business rules, algorithms and software – that are available and commonly used today by companies for other purposes. Given that the reporting of GHG inventories for complex products is mostly likely to be the concern of large companies with much experience managing and accounting for complexity in their operations for other business purposes, it is unnecessary to carve out a special exception for complex products in this Standard.

	It is also counterproductive, as Section 8.2.5 undercuts one of the main objectives of this Standard: "Product inventories should support engagement with suppliers to reduce product life cycle GHG emissions." (pg. 10, line 14) In fact, complex products and their supply chains are the use case where this Standard has the opportunity to make the biggest real-world impact in influencing globally significant quantities of GHG emission reductions – which is the fundamental purpose of this Standard. In general, this Standard does a good job in specifying ***WHAT*** data companies should collect and report for GHG product inventories. However, there is a need for more specific guidance, best practices, examples and case studies on ***HOW*** companies should go about engaging other members of a complex supply chain to collect and report such data. This Standard's Chapter 7 on "Data Collection" gives clear guidance for using secondary data sources when primary data is unavailable from suppliers. Thus, even for complex products, with common LCA software tools it should not be significantly more burdensome to calculate a GHG emissions inventory than for simpler products. Given the option to use economic input-output data as a valid source, the data quality bar is set low enough for conformance to this Standard that there is little need for the Standard to go out of its way in Section 8.2.5 to create exceptions for a vaguely defined special class of products. **<u>Recommendations</u>** 1) WRI/WBCSD should make a substantial effort to evaluate the degree to which they expect product categories to fall into their definition of "complex products", asking questions such as: • How many and which product categories could fall under this classification? • What % of economic activity (e.g. GDP) do these categories represent? • What % of global emissions from manufacturing, transportation, and overall human activities do these categories represent? • How do ISO, PAS and other standards deal with "complex products"? In order to evaluate the relative importance and urgency of addressing "complex products" within this Standard, WRI/WBCSD should use one or two of the 15 "Roadtest" pilot implementations they are planning for 2010 to test application of the Standard to a "complex or complicated product".

	2) As an alternative to Section 8.2.5, either as an appendix or in a separate docunt to be published in the future, WRI/WBCSD should provide more detailed guidance on ***HOW*** to engage suppliers to improve the availability and quality of upstream and downstream GHG emissions data. Open Data Registry would be happy to assist WRI/WBCSD in development of any such appendix or future document. 3) Such an appendix or future document should also better define and discuss the relationship between this Standard and the "Sector Specific Guidance" (Product Category Rules) cited in Section 8.2.5. While Box 4-1 (pg. 20, line 12) provides a general definition of SSG / PCR, Section 8.2.5 states: "If ***relevant and approved*** sector specific guidance exists for a particular product then that guidance should be followed." *(emphasis added)* – Box 7-3 (pg. 45, line 30) The Standard gives no discussion of what constitutes relevancy, approval or by whom it should be approved in order to be a valid basis for claiming conformance with this Standard.
8. Allocation	•
9. Assessing Data Quality & Uncertainty Analysis	•
10. Calculating GHG Emissions	•
11. Assurance	•
12. Reporting	•
Appendix A: Data Management Plan	•
Appendix B: Additional Guidance on Collecting and Calculating Data	•
Appendix E: Glossary	•
Any other general comments or feedback	• Beyond the above comments, Open Data Registry also endorses the comments provided by the UNEP/SETAC Life Cycle Initiative, to which we also contributed input.