



World Business Council for Sustainable Development



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The Greenhouse Gas Protocol

Scope 3 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BIER commends the work that the WRI, WBCSD, and their working groups have put into the draft guidance document.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 to participate in the pilot test process, such that they can simultaneously review alignment



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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 | • |
| Part 1 | |
| 1. Introduction | • |
| 2. Accounting & Reporting Principles | • |
| 3. Business Goals & Inventory Design | • |
| 4. Mapping the Value Chain | • |
| 5. Setting the Boundary | • |
| 5.1 Prioritizing Relevant Emissions | • |
| 5.2 Prioritizing Relevant Emissions Based on Size | • |
| 5.3 Prioritizing Relevant Emissions Based on Other Criteria | • |
| 6. Collecting Data | • |
| 6.1. Prioritizing Activities | • |
| 6.2. Assessing Data Sources | <ul style="list-style-type: none"> • A portion of our membership believes that the data quality assessment requirements are too extensive, a place a high burden on the reporting company. Furthermore, the requirement (Page 47, line 13) to provide a description of the screening mechanisms and their associated uncertainties when reporting emissions data is too cumbersome. The guidance would be enhanced by some evaluation alternatives/default mechanisms of the uncertainty associated with certain data. This resource might also be provided in Sector specific guidance. • A portion of our membership believes that it is a contradiction that reporting companies need to report only 80% of Scope 3 GHG emissions, while at the same time performing a very extensive assessment of data quality. |
| 6.3. Collecting data | • |
| 7. Allocating Emissions | • |
| 12. Assurance | • |



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| 13. Reporting and Communication | <ul style="list-style-type: none"> • Our membership agrees that the reporting requirements are too academic and not practical for a large enterprise to manage. Tracking the four “dimensions” of emissions [1) six gases individually; 2) primary vs. secondary data sources; 3) biogenic sources separated; and 4) uncertainty] results in a complex and expensive exercise for a reporting company. <ul style="list-style-type: none"> ○ Additionally, reporting emissions of six GHG gases separately does not deliver value commensurate with the effort of tracking these individually. Using CO2-equivalent will still demonstrate the areas of the supply chain with the greatest GHG emissions. BIER recommends that this requirement be presented as guidance. ○ Finally, publicly reporting uncertainty leaves the reporting company open to criticism from stakeholders, even if the best available data was used to complete the inventory. BIER agrees that an uncertainty assessment is valuable to determine where the accuracy of the inventory can be improved; but does not see the value in reporting this information publicly. |
| Part 2 | |
| 1. Purchased Goods and Services- Direct (Tier 1) Supplier Emissions | • |
| 2. Purchased Goods and Services – Cradle-to-Gate Emissions | • |
| 3. Energy-Related Activities Not Included in scope 2 | • |
| 4. Capital Equipment | <ul style="list-style-type: none"> • Our membership agrees that for beverage companies, the capital equipment screening mechanism is a complex and time consuming activity, which ultimately will not bring value to the Scope 3 report. Sector Guidance may be useful in demonstrating why capital equipment does not have a significant influence on beverage industry GHG emissions inventories (per the criteria on Page 64, Line 6; and screening assessment on Page 61, Line 15) <ul style="list-style-type: none"> ○ A portion of our membership also has questions about how emissions associated with capital equipment would be allocated for the Scope 3 inventory – would the reporting company estimate the expected operating lifetime of the equipment? Would the reduction in efficiency over time of most equipment be taken into account? • Our membership agrees that the financial screening mechanism proposed to evaluate relevant emissions associated with capital equipment is inconsistent with other sections and should be reconsidered. • The language in the Product Standard on Page 24, Line 34, may be of use in explaining the method for screening capital goods. |
| 5. Transportation & Distribution (upstream/inbound) | • |
| 6. Business Travel | • |
| 7. Waste Generated in Operations | <ul style="list-style-type: none"> • (Page 71, Line 13) Our membership agrees that an alternative screening mechanism for wastewater treatment should be suggested as not all locations discharging wastewater track COD. Additionally, the screening formula proposed does not apply in all cases, such as when methane is captured and destroyed. Further detail about the applicability of this screening equation should be provided. |



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| 8. Franchises Not Included in Scope 1 and 2 (Upstream) | • |
| 9. Leased Assets Not Included in Scope 1 and 2 (Upstream) | • |
| 10. Investments Not Included in Scope 1 and 2 | • |
| 11. Franchises (Downstream) | • |
| 12. Leased Assets (Downstream) | • |
| 13. Transportation & Distribution (Downstream/ Outbound) | • |
| 14. Use of Sold Products | • |
| 15. Disposal of Sold Products at the End of Life | • |
| 16. Employee Commuting | • |
| Glossary | • Recommend adding definitions to create distinction between Customer (i.e. next entity in the supply chain) and Consumer (i.e. final user of product). |
| Any other general comments or feedback | • As a general comment, the word “data” is plural and as such should be followed by “are” and “were,” not “is” or “was”. |

