



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:

- This Scope 3 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](mailto:hlahd@wri.org).
- Submit comments as an attached MS Word file by email to Holly Lahd at [hlahd@wri.org](mailto:hlahd@wri.org) no later than **Monday, December 21st, 2009**. We appreciate any effort to submit written comments before the deadline.

**Feedback from (name):** \_\_\_Jen McGraw, Climate Change Program Manager\_\_\_

**Organization:** Center for Neighborhood Technology\_\_\_\_\_

Chapter/Section	Comments
The outline and overall structure of the document	<ul style="list-style-type: none"> <li>• The document has a good structure that allows the reader to get an overview and then dive into the details. The organization would be improved by naming and numbering the emissions categories once and then using that naming and numbering system strictly throughout. Right now an item like “Franchises (Downstream)” is numbered as Section 8 in the table of contents, unnumbered and called “Franchises (reported by franchisor)” in figure 4.1, and numbered as #11 in table 4.1. These small differences add unnecessary complexity to an already complex document, especially when the categories have similar names. It would be easier for the user to be able to always think of that category of emissions as category 11, or whatever is appropriate.</li> <li>• In addition, the document would be easier to navigate if all of the sections were uniquely numbered, rather than starting the section number over in Part 2.</li> </ul>
<b>Part 1</b>	
1. Introduction	<ul style="list-style-type: none"> <li>• The introduction is clear and gives the reader the information they need to</li> </ul>



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	<p>understand how this standard relates to the others.</p> <ul style="list-style-type: none"> <li>• The FAQ, once completed based on questions received during the testing period, will be a particularly useful resource.</li> <li>• It would be useful to acknowledge in the introduction that although the Protocol is designed for companies, other organizations (like NGOs or local governments) will likely use the methods provided as this is the first document of this kind, but that these other entities should proceed with caution as issues like boundaries and allocation may differ in these other sectors.</li> </ul>
2. Accounting & Reporting Principles	<ul style="list-style-type: none"> <li>• No comments.</li> </ul>
3. Business Goals & Inventory Design	<ul style="list-style-type: none"> <li>• No comments.</li> </ul>
4. Mapping the Value Chain	<ul style="list-style-type: none"> <li>• The value chain described here includes mention of services, but footnote 4 defines those as waste disposal and transportation. This seems to exclude a whole host of purchased services and support activities that are part of the process of doing business—including R&amp;D, design, training, management, customer support, marketing and PR. Accounting for these upstream purchased services should be fleshed out in this section.</li> </ul>
5. Setting the Boundary	<ul style="list-style-type: none"> <li>• The value chain section touches on the issue of Tier 1, 2, 3, 4, etc. suppliers, but this is not further addressed in this section. It would be useful to expand the discussion of this issue and define expectations (i.e. that reporters will cover Tier N emissions to the extent relevant) in this section while the reader is thinking about boundaries.</li> </ul>
5.1 Prioritizing Relevant Emissions	<ul style="list-style-type: none"> <li>• No comments.</li> </ul>
5.2 Prioritizing Relevant Emissions Based on Size	<ul style="list-style-type: none"> <li>• The Center for Neighborhood Technology supports the most complete documentation and reporting of emissions possible. We encourage the protocol developers to investigate during the road testing period whether it is feasible for companies to report all of their estimated emissions for small sources since they are estimating them anyway to determine the 80% threshold.</li> </ul>
5.3 Prioritizing Relevant Emissions Based on Other Criteria	<ul style="list-style-type: none"> <li>• Same comment as above.</li> </ul>
5.4 Summary of Scope 3 Boundary Requirements	<ul style="list-style-type: none"> <li>• Not included in review draft.</li> </ul>
6. Collecting Data	<ul style="list-style-type: none"> <li>• See comments below.</li> </ul>
6.1. Assessing data quality	<ul style="list-style-type: none"> <li>• The data quality criteria presented here seem quite adequate. However, it is unclear how these criteria are meant to translate into one or more indicators of quality.</li> </ul>
6.2. Selecting data sources	<ul style="list-style-type: none"> <li>• The definitions of secondary data vs. extrapolated data are unclear. For example, in this section extrapolated data is listed under “estimation methods”, but in Table 6.3 several examples of secondary data include estimated data. It is not clear why an estimated travel distance is a secondary data point and not an extrapolation. The use of estimated data is unavoidable at this point in the development of the GHG accounting field, and certainly preferable to excluding major emissions sources, but this hierarchy of secondary vs. extrapolated data may not be the best way to classify such estimations. Moreover, the distinction is further muddled in the reporting section, where the reporting template lumps secondary, extrapolated, and proxy data together under the heading “secondary.” Perhaps these categories should be combined throughout, or all primary and other data should be reported together with the uncertainty rating</li> </ul>



	<p>serving the purpose of identifying the data quality.</p>
6.3. Collecting primary data	<ul style="list-style-type: none"> <li>This list of data collection items should include activity data, units and GWPs. Also, expanding this list into a sample data collection form would be very useful for readers.</li> </ul>
7. Allocating Emissions	<ul style="list-style-type: none"> <li>The allocation methods seem sound. Tightening up Table 7.3 by using separate columns and removing all of the “allocate based on” or “avoid allocation” repetitive language would make it much more readable. This could even be turned into a set of check boxes.</li> </ul>
8. Assurance	<ul style="list-style-type: none"> <li>The change in language from verification to assurance is significant and could use more explanation as to what the difference is meant to be. Additionally, it would be useful to acknowledge the different purposes of voluntary vs. mandatory assurance/verification and the perhaps different expectations of assurance associated with Scope 3 data vs. Scope 1 and 2.</li> </ul>
13. Reporting and Communication	<ul style="list-style-type: none"> <li>In general, it would be useful to provide a format that would allow reporters to link appropriate Scope 3 emissions to activities that create Scope 1 or 2 emissions. For example, the upstream emissions associated with gasoline refining are directly related to the gasoline use in company vehicles. Similarly, T&amp;D losses are directly connected to electricity purchases. In these cases, since it is one activity by the reporting entity resulting in these two categories of emissions, linking in reporting will more completely demonstrate the value of improving efficiency. It will also help demystify some of the analysis of these upstream or downstream emissions for companies that are already familiar with preparing their scope 1 and 2 inventories and have the relevant activity data at hand.</li> <li>Section 13.2 mentions optional reporting of “Information on purchases of GHG reduction instruments, such as emissions allowances, offsets, etc.” Any sales of such instruments should be included here as well, or in the required reporting in Section 13.1. The Corporate Accounting Standard addresses this issue already, but if offset purchases are mentioned here sales should be touched on as well.</li> </ul>
13.5 Reporting Form	<ul style="list-style-type: none"> <li>The inclusion of a reporting form template is a useful step toward supporting consistency among reporters. However, it is a bit confusing that the reporting form does not include space for all of the reporting items outlined in 13.1 and 13.2. Adding a second page to the reporting template with those items would make the reporting form more complete and increase the likelihood of full reporting.</li> <li>It is unclear in this reporting template whether a user would put total emissions by scope in the rows with blue highlighting. If that is the case, it should be made explicit. If that is not what is intended a space for totals by scope should be made available.</li> <li>The reporting form states that uncertainty should be described in qualitative or quantitative terms. This leaves a lot of room for inconsistency among users of the Protocol. Either a standard system for reporting uncertainty should be defined or some examples of uncertainty descriptions should be provided.</li> </ul>
<b>Part 2</b>	
1. Purchased Goods and Services- Direct Supplier Emissions	<ul style="list-style-type: none"> <li>In general, Part 2 provides a good starting point for category-specific guidance. The more specific this half of the protocol can get the more useful it will be for companies. For example, there is a lot of reference to using LCA and I/O models for screening major emissions sources, so some recommendations for where users can get free, low-cost or highly recommended LCA or I/O data would help users avoid having to do that research on their own. Also, templates that they can give to suppliers, franchisees, and others they need data from would go a long way to improving reporting. This comment applies to</li> </ul>



	<p>all of the category-specific guidance below.</p> <ul style="list-style-type: none"> <li>• Also, this section seems to have a lot of duplication, such as the sections that start “Scope 3 activities should be considered relevant if they meet any of the following criteria.” Consolidating those and reorganizing this section would improve its usability.</li> </ul>
2. Purchased Goods and Services- Cradle-to-Gate Emissions	<ul style="list-style-type: none"> <li>• No comments other than those in Section 1.</li> </ul>
3. Energy-Related Activities not included in scope 2	<ul style="list-style-type: none"> <li>• No comments other than those in Section 1.</li> </ul>
4. Capital Equipment	<ul style="list-style-type: none"> <li>• No comments other than those in Section 1.</li> </ul>
5. Transportation & Distribution (upstream/inbound)	<ul style="list-style-type: none"> <li>• The sample calculations here should include calculations for CH<sub>4</sub> and N<sub>2</sub>O emissions from transport as well as CO<sub>2</sub>, as this protocol is requiring reporting of those gases. Additionally, table 5.1 should show the emissions factors as CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O / t*km not as CO<sub>2</sub>e. A CO<sub>2</sub>e value with unknown GWPs built into it is not the ideal. Finally, this section should address how to handle refrigerants and any other fugitive emissions related to transport.</li> </ul>
6. Business Travel	<ul style="list-style-type: none"> <li>• Similar to above, this example should include more than just CO<sub>2</sub>.</li> </ul>
7. Waste Generated in Operations	<ul style="list-style-type: none"> <li>• No comments other than those in Section 1.</li> </ul>
8. Franchises Not Included in Scope 1 and 2 (Upstream)	<ul style="list-style-type: none"> <li>• No comments other than those in Section 1.</li> </ul>
9. Leased Assets Not Included in Scope 1 and 2 (Upstream)	<ul style="list-style-type: none"> <li>• This section on leased assets does not explicitly address the transport emissions associated with employees and customers at leased facilities. The transportation emissions associated with building users can vary greatly depending on the location of the building. Transit-oriented facilities can have much lower emissions profiles, and that should be reflected in the emissions inventory of the leased assets.</li> </ul>
10. Investments Not Included in Scope 1 and 2	<ul style="list-style-type: none"> <li>• No comments other than those in Section 1.</li> </ul>
11. Franchises (Downstream)	<ul style="list-style-type: none"> <li>• The document should explain the importance of getting data from franchisors, by gas rather than as CO<sub>2</sub>e. Otherwise reporters may be in the position of having some data with SAR GWPs applied to it and others with 4AR GWPs. This is a point that could be applied to all data sources generally in this document.</li> </ul>
12. Leased Assets (Downstream)	<ul style="list-style-type: none"> <li>• No comments other than those in Section 1.</li> </ul>
13. Transportation & Distribution (Downstream/ Outbound)	<ul style="list-style-type: none"> <li>• This section does not address the transport of customers to retail locations as part of the transportation and distribution system. This should be included. Retailers and service providers that choose location efficient facilities can greatly reduce their customers’ transportation emissions by supporting the use of transit, walking and biking. The Center for Neighborhood Technology is working with the US Green Building Council on a method to document the transportation intensity of buildings, looking at both employee and customer transportation energy use.</li> </ul>
14. Use of Sold Products	<ul style="list-style-type: none"> <li>• Shouldn’t the vehicle example include a factor for fugitive emissions from vehicle air conditioners? Also, the example may want to mention that the automobile producer could go the extra step of estimating the indirect GHG emissions associated with gasoline use.</li> </ul>



15. Disposal of Sold Products at End of Life	<ul style="list-style-type: none"> <li>No comments other than those in Section 1.</li> </ul>
16. Employee Commuting	<ul style="list-style-type: none"> <li>The Center for Neighborhood Technology includes a commute mode in our automated timesheet. Employees can set a default mode, such as bicycle, and then change the mode if they drove to work one day. This daily collection of data can augment a survey by letting employees record their commute information when it happens rather than trying to estimate the average number of times they biked in a year.</li> <li>Similar to the comment on employee travel above, this example should show CO2e emissions rather than just CO2 if the protocol is trying to encourage reporting of all six Kyoto gases.</li> </ul>
Glossary	<ul style="list-style-type: none"> <li>No comments.</li> </ul>
Any other general comments or feedback	<ul style="list-style-type: none"> <li>This protocol document represents a tremendous amount of effort and the Center for Neighborhood Technology is very pleased that WRI and WBCSD have undertaken this process. A standard for Scope 3 emissions will be a great help in our work to provide information and tools for decision makers.</li> <li>This protocol is quite complex and the amount of data and analysis required to meet it may make it more aspirational than operational for many companies today, but we appreciate its goal of completely documenting the emissions associated with a company and encourage the authors to preserve this high standard when incorporating the input of stakeholders.</li> <li>Thank you for all of the hard work and we look forward to seeing the future drafts and learning about the results of the testing process.</li> </ul>

