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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.
- 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):__Kathrin Winkler, Brenna Zimmer_____

Organization: ___EMC_____

Chapter/Section	Comments
General Comments	We greatly appreciate the opportunity to offer comments on this document and would like to applaud the WRI and the WBCSD for the significant amount work accomplished to date on this protocol. EMC fully supports the initiative to create a methodology for Scope 3 GHG emissions accounting and recognizes that a significant portion of its corporate footprint is embedded in its value chain. As a leading global technology company, EMC recognizes that customers are striving to reduce their greenhouse gas emissions and improve energy efficiency in the data center and throughout their business. We look forward to our continuous participation in helping to develop a practical and actionable GHG Protocol standard that can drive emissions reductions for our industry and our customers. The primary purpose of this protocol is to provide a vehicle for enabling business to reach their primary goal of reducing GHG emissions. With this in mind, the current

	draft document reflects an approach to accounting for these emissions that would be prohibitively challenging to an organization with the breadth and depth of suppliers and products such as EMC and its peers in the electronics industry. We favor an approach that is less cumbersome from a data gathering perspective and better enables us to first acquire the appropriate information to drive reductions and make improvements to our supply chain value chain or product. Below, we offer some additional comments on the protocol. • There is concern that the complexity and cost to effectively implement the protocol will divert our efforts and that of our industry from funding programs and initiatives that have a greater impact on the climate change problem. • It seems evident that the current structure of both standards promotes several cases of double-counting GHG emissions. In most cases, it will be far more than 2 companies (the scope 1&2 reporter, and a single scope 3 reporter), but in fact will have many scope 3 reporters, each with a slightly different cut of the data. For the purposes of reducing emissions this may not seem bad, but it implies that there are many people, hours, and dollars that are going into counting and reporting on the same emissions many different ways. This equates to lost time and lost money that could be spent in reducing emissions. We support a strategy to make sure that the resulting process keeps the end goal of emissions reductions as the primary objective, and that we not get lost in the process itself. Recommendations: • We support the tiered approach as recommended by the EICC in its general feedback document. This approach places the focus on supply chain and will be of better service to companies that are willing to make investments in scope 3 emissions quantification and that want to be able to make an assertion about following a repeatable, verifiable and transparent process such as demonstrated by the Corporate Standard. • Eliminate use phase, or make optional. • Exclude manufacture of capital equipment
Part 1	
1. Introduction	•
2. Accounting & Reporting Principles	•
3. Business Goals & Inventory Design	• The "goals" section is clear, concise and inclusive.
4. Mapping the Value Chain	• The requirement to map the Value Chain from "All suppliers and customers" will be potentially impossible for companies and products that are highly complex and comprised of thousands of component parts. We recommend that for products or industries with highly complex supply chains that only the first and second tier suppliers be included in scope. • The requirement to calculate emissions from capital equipment manufacturing seems to be an excessive level of complexity that should not be included in the general boundaries. We recommend that the incorporation of capital equipment be a sectoral decision from an authoritative source to ensure that there is a consistent strategy for decision making.
5. Setting the Boundary	• Determining an <u>accurate</u> value for the product emissions in the "use" phase will be impossible for our products due to the variability in data center design. Depending on design decisions, there could be a significant order of magnitude differences in the power usage ratio and thus the energy consumed by the products. Averaging, while feasible, obscures rather than exposes the

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		"hot spots" in the product use phase and can potentially hamper our ability to encourage and enable performance measurements for best practices for product use. •
	5.1 Prioritizing Relevant Emissions	•
	5.2 Prioritizing Relevant Emissions Based on Size	•
	5.3 Prioritizing Relevant Emissions Based on Other Criteria	• On outsourcing (5.3.4) and baselines, it would seem that we'd be better served to determine relevant scope 3 emissions by industry rather than by an individual company's history. That's much more meaningful to the user. While performance requires trend analysis – and will show up in the company shift of scope 1&2 to scope 3 (or vice versa), the choice of "relevance" should be stateless and independent of past.
6. Collecting Data		•
	6.1. Prioritizing Activities	•
	6.2. Assessing Data Sources	•
	6.3. Collecting data	•
7. Allocating Emissions		• Section 7.2 – says that companies should avoid allocation by obtaining product-level data. For many industries with complex supply chains, that will not avoid the allocation problem but in fact exacerbate it and, to some extent, obscure it in more detailed calculations.
12. Assurance		• Both documents are very heavy on the assurance and the financial as well as time and resource cost of the proposed strategy seems to outweigh the benefits for the consumer/customer.
13. Reporting and Communication		•
Part 2		
1. Purchased Goods and Services- Direct (Tier 1) Supplier Emissions		• Part 2, section 2.2.1 on emissions-based screening assessment refers to an industry check-list. Are there examples or recommendations for such? It also says "by material type" which may intractable in a highly complex business. • Section 1.3 (which is after 2.2.1) on Calculating Emissions – "Companies should obtain product-level emissions data from its suppliers following the GHG Protocol *Product Life Cycle Standard* where possible. " it is not likely that many suppliers would share the information necessary to do this. • P52 – recalculating baseline emissions on "transfer of ownership or control of emissions-generating activities or operations from one company to another" only applies if one of the companies in question is the reporting company, correct? Otherwise, we'd be doing this constantly! • P 53 – the issue of complexity of accounting for shared IT facilities is discussed; what is the recommendation?
2. Purchased Goods and Services – Cradle-to-Gate Emissions		• P 54 – "Use screening methods to individually estimate the emissions from all categories of purchased goods and services" – even this is a very large task. We would like to understand what is going to be measured and reported in the road test, and hope it will be time and effort spent in each phase, including the

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	screening phase.
3. Energy-Related Activities Not Included in scope 2	•
4. Capital Equipment	•
5. Transportation & Distribution (upstream/inbound)	•
6. Business Travel	•
7. Waste Generated in Operations	•
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	•
Any other general comments or feedback	•

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