



World Business Council for Sustainable Development



WORLD RESOURCES INSTITUTE

## 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: Jonathan Sykes**  
**Organization: Parsons Brinckerhoff Ltd**

PB welcomes the opportunity to provide comments on the emerging draft Scope 3 Accounting and Reporting Standard. We have taken the opportunity to review the received draft based on our experience in this field, and we hope that our comments and observations are of value to the development team.

Chapter/Section	Comments
The outline and overall structure of the document	<p><u>Part 2:</u></p> <p>As a minor comment, there is some repetition in text across all sections (notably subsection entitled 'Determining Relevant Emissions') which could be consolidated.</p>
<b>Part 1</b>	
1. Introduction	<p><u>Page 7, Lines 1-15:</u></p> <p>We believe that this section should establish the need for organizations to 'take responsibility' for their Scope 3 emissions. Although reporting organizations will not have direct control, since supply chain emissions ultimately occur in response to their demands (i.e. for product manufacture or fuel supply), some degree of responsibility exists. The wording at present indicates that the guidance has been produced due to <i>growing interest</i>,</p>



	<p>but we suggest that it is also required due to the <i>growing recognition of responsibility</i> for activities within supply chains and beyond.</p> <p><u>Page 8, Lines 8-10:</u></p> <p>The goal of the standard is clear from the current wording, in that it provides the basis for reporting methodologies. However, given the range of organizations and sectors interested in this field, it is considered likely that additional sector-specific guidance will be required. Is this the intention of the GHG Protocol? If so, we would suggest that this intention is clarified – in order to state what the Standard is, and also what it is not (i.e. it is not the definitive methodology for all sectors, but provides the common basis for all sectors).</p>
2. Accounting & Reporting Principles	No comments.
3. Business Goals & Inventory Design	We agree with the four business goals stated within this section, and have not identified any further goals for inclusion.
4. Mapping the Value Chain	<p><u>Page 14, Lines 3-7:</u></p> <p>This process outline is considered to be useful, logical and achievable. However, for large organizations with complex supply chains it is recognized that this process will prove challenging.</p> <p><u>Page 14, Lines 23-37:</u></p> <p>The concept of downstream emissions works for organizations providing a particular product or service. However, certain organizations will have no control over their products. For example, organizations that are contracted to complete maintenance operations on sections of highways or rail infrastructure have no tangible downstream product / output in this sense. Downstream emissions will ultimately be attributed to road or rail users – for which the maintenance organizations have no responsibility. As such, the nature of sold goods and services is not always obvious, and greater clarification is considered necessary – particularly for public sector organizations or those who contract out significant volumes to work to be undertaken on their behalf.</p> <p><u>Table 4.1:</u></p> <p>Following the comment above, Category 14 (Use of Sold Products) requires expansion to include services. Greater definition is required for organizations that do not have any obvious consumers (e.g. who are the consumers for a highways maintenance organization?)</p>
Setting the Boundary	
5.1 Prioritizing Relevant Emissions	No comments.
5.2 Prioritizing Relevant Emissions Based on Size	Organizations may not be fully aware of the proportion of emissions (by financial spend) attributable to particular sources within the supply chain. Obtaining this data would be fully reliance upon obtaining from within the supply chain – although achievable, in our experience certain suppliers may be unwilling to provide information that may given an (underlying) indication of expenditure and profitability.
5.3 Prioritizing Relevant Emissions Based on	<p><u>Page 19, Lines 22-36:</u></p> <p>We recognize the need to trial the 80% threshold and that this may need to vary across sectors. We believe that the criteria outlined within criteria 1-5 should be strengthened to ensure that the emphasis is firmly upon including emissions. This could be introduced as</p>



Other Criteria	part of a phased process – that initially an 80% threshold is acceptable, but after year 2 or year 3, this should rise to 90% etc.
5. Collecting Data	
6.1. Prioritizing Activities	No comments.
6.2. Assessing Data Sources	<u>Table 6.4:</u> We recognize that the criteria serve as a guide, however we believe that this requires greater guidance for implementation. How does an organization rate technological representativeness, and how will it do with in its suppliers? Furthermore, how do you weigh technological representativeness against temporal representativeness?
6.3. Collecting data	<u>Section 6.3.3:</u> Much of the success of the Standard relies upon achieving consistency in approach. Once this is achieved, its success will depend upon data quality and the nature of emission factors. If emission factors are not available or of poor quality, then the output will be undermined. We believe that far greater guidance is required on emission factors to ensure standardization. At present, organizations without knowledge in the field may struggle to convert certain activity data into emissions, particularly for material consumption etc.  We believe that the GHG Protocol could either: (i) Indicate data sources considered to be of a sufficient standard for specific industries and covering key emission source; or (ii) develop and maintenance a database of emission factors on a country / industry basis.
6. Allocating Emissions	No comments.
12. Assurance	No comments.
13. Reporting and Communication	<u>Page 47, Line 40:</u> We believe that to drive improvements in performance, it would be valued to <u>require</u> a percentage of Scope 3 emissions believed to be covered within any emissions report (as opposed to having this as an optional).
<b>Part 2</b>	
1. Purchased Goods and Services-Direct (Tier 1) Supplier Emissions	<u>Page 51, Lines 23-34:</u> An industry checklist of high-emitting materials would be of real value. We presume this would be incorporated within the Standard?
2. Purchased Goods and Services – Cradle-to-Gate Emissions	No comments.
3. Energy-Related Activities Not Included in scope 2	No comments.
4. Capital Equipment	No comments.



5. Transportation & Distribution	No comments.
6. Business Travel	No comments.
7. Waste Generated in Operations	No comments.
8. Franchises Not Included in Scope 1 and 2 (Upstream)	No comments.
9. Leased Assets Not Included in Scope 1 and 2 (Upstream)	No comments.
10. Investments Not Included in Scope 1 and 2	No comments.
11. Franchises (Downstream)	No comments.
12. Leased Assets (Downstream)	No comments.
13. Transportation & Distribution (Downstream/ Outbound)	No comments.
14. Use of Sold Products	No comments.
15. Disposal of Sold Products at the End of Life	No comments.
16. Employee Commuting	No comments.
Glossary	No comments.
Any other general comments or feedback	<p><u>Organizational Focus</u></p> <p>We acknowledge that the Product Life Cycle Accounting and Reporting Standard is currently being developed as a separate document. However, we consider that the Corporate Scope 3 document is presented with too much emphasis upon organizations with strong 'product' focus. It would be useful to greater reflect the provisions for service-based industries. Although we recognize that this is covered within the Standard, it is perhaps not always as straightforward or easy to translate, when compared with a product example.</p> <p><u>Phased Approach to Implementation</u></p> <p>We believe that it would be of value to outline a phased approach for implementation outlined within the document. Conformance with the Standard will, for some organizations, be a significant undertaking. As such, organizations may wish to know where best to start and where to focus, and to implement the requirements as part of a phased process – rather than attempted tackle the whole, at considerable cost.</p>

