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.
- 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):___Diederik Schowanek_____

Organization: ___Procter& Gamble_____

Chapter/Section	**Comments**
The outline and overall structure of the document	• Overall good. We support the use of schemes and examples if it helps to better convey a (complex) message. However, guidance text should be separated from examples via a clear document layout. Some examples could go to an Annex, particularly if there is more than one provided.
Part 1	
1. Introduction	• No comments.
2. Accounting & Reporting Principles	• It should be mentioned upfront in the scope 3 guidance that due to the scope 1 to 3 concept it is NOT recommend to add scope 3 emission from different sources to estimate a total GHG emission balance. This is because overlap and double counting in complex economic and supply chains is unavoidable in practice. • In fact, in hindsight, there is a major imbalance in the complexities and amount of work form scope 1 and 2 versus 3, where 3 can be multiple times (several orders of magnitude!) more complex. An open discussion should be held within

	WRI/WBCSD if –longer term– here is no need to rethink the whole framework. • In P&G we have done some pilot tests on (local subsets) of scope 3, which turned out to be a daunting task. It is not likely that a company the size of P&G will ever be able to do a decent scope 3 with the current tools provided (see also below).
3. Business Goals & Inventory Design	• It should be recommended against that companies start comparing their greenhouse gas efficiency based on the GHG protocol (e.g. GHG emission/total sales or amount of product) versus other parties. There is probably too much uncertainty in scope 3 estimates and overlap to do this in a reliable way (unless the company is very small and has only one or a few products).
4. Mapping the Value Chain	• For large companies, the value chains are extremely complex and variable. This makes scope 3 very difficult.
5. Setting the Boundary	• More thought should go into the issue of outsourcing in the balance.
5.1 Prioritizing Relevant Emissions	• For large companies with multiple sites/operations/products, it is simply impossible to get an accurate estimation of what constitutes 80 % of (relevant) emissions, and to rapidly identify the major sources. **A 'bottom-up' approach (adding up many small items) is bound to fail. Instead the guidance should identify and propose the use of 'top-down' tools that can estimate the 80% based e.g. on macroeconomic and statistical data (e.g. hybrid LCA, input output analysis, or other tools).** When I made this comment at the London workshop, there was a lot of recognition and positive comments for this point. We strongly recommend WRI starts to tackle this issue.. • If 80 % is estimated, also 100% can be estimated through extrapolation? The 80% criterion needs to be analyzed in more detail – what does it really mean?
5.2 Prioritizing Relevant Emissions Based on Size	• We would insist that the use- and end of life phases are included as much as possible. In general, products can be divided in 2 subcategories: those without GHG in the use phase, and those with. For the latter, our experience tells us that use phase very often dominates the carbon footprint (e.g. car, washing machine, detergent, etc.) and cannot be neglected. • Related to the use phase, it is important to include the life span for durable goods. A product that lasts longer will normally have a lower GHG intensity. •
5.3 Prioritizing Relevant Emissions Based on Other Criteria	•
6. Collecting Data	• There should be no hard requirements for minimum amounts of primary data. The objective is to maximize the accuracy of the input data (i.e. use the 'best data') in view of the specific scope, and the specific product and company. Obviously, the data should be checked for relevance and reliability. • While most suppliers are not against providing data, to improve the return rate of data questionnaires/inventories , there is a need for coordination and standardisation of data requests, as well as legal guidance on the use of the data. This can best be coordinated at industry sector level. Some practical guidance of do's and don'ts would help.
6.1. Prioritizing Activities	•
6.2. Assessing Data Sources	•

6.3. Collecting data	•
7. Allocating Emissions	•
12. Assurance	•
13. Reporting and Communication	• The first and foremost requirement for communication should be transparency: what is included, and how were the data obtained. • The guidance should provide guidance in the correct use of 'carbon neutrality/zero carbon' claims. We see this is often misused due to lack of technical understanding of what needs to be accounted for, or companies taking 'shortcuts'.
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	•
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	•