



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): Trevor Stephenson & Xavier Riera-Palou**

**Organization: Shell Global Solutions (UK)**

Chapter/Section	Comments
The outline and overall structure of the document	•
<b>Part 1</b>	
1. Introduction	•
2. Accounting & Reporting Principles	•
3. Business Goals & Inventory Design	•
4. Mapping the Value Chain	•
5. Setting the Boundary	•



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5.1 Prioritizing Relevant Emissions	•
5.2 Prioritizing Relevant Emissions Based on Size	<ul style="list-style-type: none"> <li>• The requirement to report “the largest scope 3 sources that collectively account for at least 80% of total anticipated scope 3 emissions” is a worthy aim, but is rather ill-defined. In order to know that 80% is reported, it is necessary to know what 100% is, and if 100% is known (or estimated) then it should be reported (as an estimate if necessary). It is unclear that there is any obligation to report the other 20%, which means that the results could be manipulated. Scope 3 covers emissions from use of products. In the case of conventional petroleum fuels, Scope 3 (tank-to-wheel) emissions dwarf the Scope 1 and 2 emissions (well-to-tank), so this is not a trivial concern.</li> </ul>
5.3 Prioritizing Relevant Emissions Based on Other Criteria	•
6. Collecting Data	•
6.1. Prioritizing Activities	•
6.2. Assessing Data Sources	•
6.3. Collecting data	•
7. Allocating Emissions	<ul style="list-style-type: none"> <li>• The hierarchy of allocation methods differs from that set out in ISO 14044.</li> <li>• Allocation according to physical properties ought not to be restricted to cases where the production volume of the co-products can be varied independently. Allocation by energy is commonly used for petroleum and biofuels (and is mandated by the European Union’s Renewable Energy Directive) but the flow chart (Fig 8.4) would force allocation by value to be used because the relative quantities of coproducts cannot be varied independently. I suggest that the question in the third box of the flow chart is changed from “Can the quantity of product and co-product(s) be varied independently?” to “Is there an underlying physical relationship between the product, co-product(s), and their emissions contribution?”. If the answer is yes, then ask “Can the quantity of product and co-product(s) be varied independently?”. If yes, then allocate in proportion to the change in emissions resulting from a change in the amount of co-product. If no, then allocate in proportion to the absolute amounts of co-products as described by a physical property which describes their function.</li> <li>• Allowing substitution introduces a subjective element into the assessment, because there can be no direct evidence of emissions avoided. For this reason, most regulatory regimes prefer allocation to substitution because (a) it is not necessary to look outside the process to decide how to allocate emissions and (b) there is objective evidence of the actual inputs, outputs and emissions which can be verified by an auditor. The freedom given to choose the method of allocation should make it possible to describe systems without needing substitution.</li> </ul>
12. Assurance	•



13. Reporting and Communication	•
<b>Part 2</b>	
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	•

