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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):** Matthias Finkbeiner **on behalf of**

**Organization:** UNEP SETAC Life Cycle Initiative

There are a number of technical comments for improvement below. Most relevant topics are:

- Consistency between Critical Review according to ISO 14044 and Assurance.
- Transparency and clarity about the limits of PCF in the sense of not being appropriate for comparative assertions and overall claims of environmental performance.
- Reference to existing standards instead of inventing new terms for established procedures.
- The data quality part can be simplified.
- The consequential approach has no practical relevance yet and the academic discussions on it are partly wrong and not appropriate for a guide to be used outside the academic world.



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- The positioning of IO-data above the level of proxy data to fill data gaps is not appropriate and does not reflect state-of-the-art practice.

Chapter/Section	Comments
The outline and overall structure of the document	<ul style="list-style-type: none"> <li>• In several places in the document new terms for well established topics are introduced. Boundary setting is a synonym of “definition of the system boundary” as used in ISO. If you think, a new term is needed, it should be at least clarified that it is a synonym to the ISO term or the difference should be clearly described.</li> <li>• A paragraph stating that GHG accounting is one of several impact indicators should appear.</li> </ul>
<b>Executive Summary</b>	<p>PLEASE NOTE THAT THE COMMENTS ON THE SUMMARY ARE NOT COMPREHENSIVE. ANY CHANGES MADE TO THE MAIN DOCUMENT ACCORDING TO THE COMMENTS ON THE LONG VERSION BELOW NEED TO BE TRANSFERRED TO THE SUMMARY AS WELL.</p> <ul style="list-style-type: none"> <li>• <b>P. 18</b> Replace “actual time” with “reporting time”</li> <li>• <b>P. 24</b> A reflection on the end of life of the products is missing. This should be included in the “use of products” section or a separate section. On the one side one should account for emissions during final treatment (e.g. incineration, depositing) and it should include the definition of the end of life for recycled products (e.g. life cycle ends with the handing over of the product to a recycler).</li> </ul>
<b>Part 1</b>	
1. Introduction	<ul style="list-style-type: none"> <li>• 1.11: the 80% threshold is arbitrary and will limit advancement beyond 80%. <ul style="list-style-type: none"> <li>○ Either use a fixed percentage well above 80%, e.g. 95% otherwise no reductions less than 20% can be reported.</li> <li>○ Or – maybe less controversial - delete the 80% and use instead “a significant share of...” and require the company to document and report exclusions.</li> <li>○ the 80% are pseudo-academic, because you can not determine X% if you do not know what 100% is and if you know that, you can report it.</li> </ul> </li> <li>• Section 1.9 (terminology shall, should, may) should be place before any use of these words (especially before Figure 1.2)</li> </ul>
2. Accounting & Reporting Principles	<ul style="list-style-type: none"> <li>•</li> </ul>
3. Business Goals & Inventory Design	<ul style="list-style-type: none"> <li>•</li> </ul>
4. Mapping the Value Chain	<ul style="list-style-type: none"> <li>•</li> </ul>
5. Setting the Boundary	<ul style="list-style-type: none"> <li>• the 80% threshold is arbitrary and will limit advancement beyond 80%. <ul style="list-style-type: none"> <li>○ Either use a fixed percentage well above 80%, e.g. 95% otherwise no reductions less than 20% can be reported.</li> <li>○ Or – maybe less controversial - delete the 80% and use instead “a</li> </ul> </li> </ul>



	<p>significant share of...” and require the company to document and report exclusions.</p> <ul style="list-style-type: none"> <li>the 80% are pseudo-academic, because you can not determine X% if you do not know what 100% is and if you know that, you can report it. There should be Without such a requirement it will be impossible to see what the actual impact of a business is, and it will frustrate those businesses willing to undertake a proper and comprehensive assessment. It is better to use estimates trying to provide a complete picture than to show a stringent calculation and reporting of an unknown proportion.</li> </ul>
5.1 Prioritizing Relevant Emissions	<ul style="list-style-type: none"> <li>Prioritization of emissions on any criterion is good as long as the company documents and justifies why a certain criterion has been chosen to determine relevance.</li> <li>L.17 p.19: Why “Companies SHOULD disclose the percentage of total anticipated Scope 3 emissions”. We recommend SHALL.</li> </ul>
5.2 Prioritizing Relevant Emissions Based on Size	<ul style="list-style-type: none"> <li>the 80% threshold is arbitrary and will limit advancement beyond 80%. <ul style="list-style-type: none"> <li>Either use a fixed percentage well above 80%, e.g. 95% otherwise no reductions less than 20% can be reported.</li> <li>Or – maybe less controversial - delete the 80% and use instead “a significant share of...” and require the company to document and report exclusions.</li> </ul> </li> <li>the 80% are pseudo-academic, because you can not determine X% if you do not know what 100% is and if you know that, you can report it.</li> </ul>
5.3 Prioritizing Relevant Emissions Based on Other Criteria	<ul style="list-style-type: none"> <li>Prioritization of emissions on any criterion is good as long as the company documents and justifies why a certain criterion has been chosen to determine relevance.</li> </ul>
5.4 Summary of Scope 3 Boundary Requirements	<ul style="list-style-type: none"> <li></li> </ul>
6. Collecting Data	<ul style="list-style-type: none"> <li></li> </ul>
6.1. Assessing data quality	<ul style="list-style-type: none"> <li></li> </ul>
6.2. Selecting data sources	<ul style="list-style-type: none"> <li>There is no basis for Extrapolated Data being on a lower level of preference than Secondary Data. For instance, if a company uses Secondary Data and customizes it to better reflect the actual situation (in the Draft given as an example for ‘extrapolated data’) then the data is improved i.e., will actually be better than Secondary Data. So why should it be ranked lower then?</li> <li>The definition for Secondary Data lumps together a number of different data types. This suggests that there is no distinction between data derived from physical relationships and others derived from economic relationships although this always includes at least one additional level of uncertainty, and much less granularity. It is therefore recommended to put environmentally extended input output data into the category of Proxy Data i.e. for the purpose of bridging data gaps.</li> </ul>
6.3. Collecting primary data	<ul style="list-style-type: none"> <li>6.3.3 IOA-data are not different from extrapolated and proxy data. To put IOA under secondary data and not under 6.3.3 addressing data gaps makes no sense. If you allow IOA as secondary data, there will be no data gaps, because with IOA you can address anything. If you put it therefore under secondary sources, you can delete 6.3.3. In practice, IOA is used for addressing data gaps and therefore should be placed under 6.6.3. – In addition, the use of IOA-data is often on the quality level of proxy data only.</li> <li>6.3.3 Filling data gaps, p 29 l. 29: IOA should be added to this bullet list.</li> </ul>



7. Allocating Emissions	<ul style="list-style-type: none"> <li>7.1 Multi-Input-Example The example is not understandable and in my perception wrong. This is a multi-output case with different components as outputs. Typical examples of multi-input processes are disposal or recycling processes. E.g a waste incineration plant (or waste water treatment plant) were emissions have to be allocated to several types of waste inputs or a recycling plant for electronic goods were emissions have to be allocated to different types of such goods. Please revise the example.</li> </ul>
8. Assurance	<ul style="list-style-type: none"> <li>In this section, the established practice which is accepted by all stakeholders of the Critical Review according to ISO 14040/44 is not reflected. Key differences are: <ul style="list-style-type: none"> <li>It is done by persons, not organizations (more responsibility and credibility)</li> <li>It is not accredited or formalized (quality comes with the pressure on the organization to select credible reviewers.)</li> <li>It focuses on conclusions, not every number and is therefore more cost-efficient.</li> </ul> </li> <li>An organization that already did a Critical Review according to ISO 14040 for a full LCA and just wants to report one result, GHG, based on GHG Protocol, too – does not want to pay for another assurance.</li> <li>Add: If a CR according to ISO 14040 has been done, it fulfills the requirements of the GHG Standard.</li> <li>Add 14040 to the list of standards given on p. 36, l. 30.</li> <li>Add “experts” to certification or assurance body making clear that qualified individuals can provide assurance as well.</li> <li>P. 74, 46: add ISO 14040/44, ISO 14025.</li> <li>12.7: here again a new term “materiality threshold” is introduced for something that is well known as “cut-off-criteria”. Either change the name or at least explain that it is the same thing.</li> </ul>
9. Reporting and Communication	<ul style="list-style-type: none"> <li></li> </ul>
13.5 Reporting Form	<ul style="list-style-type: none"> <li></li> </ul>
<b>Part 2</b>	
1. Purchased Goods and Services- Direct Supplier Emissions	<ul style="list-style-type: none"> <li>The distinction between “Direct Supplier Emissions” and “Cradle-to-Gate Emissions” is not clear.</li> </ul>
2. Purchased Goods and Services- Cradle-to-Gate Emissions	<ul style="list-style-type: none"> <li>Section 2.3, p 56: Life cycle data bases and environmental information derived from economic input output data is suggested for use on an equal level. This suggests that the information is of comparable quality. This is wrong, and therefore a distinction should be made between these two sources of information: Life cycle data (based on physical relationships) is generally of a higher quality and more granular than input output estimates.</li> </ul>
3. Energy-Related Activities not included in scope 2	<ul style="list-style-type: none"> <li></li> </ul>
4. Capital Equipment	<ul style="list-style-type: none"> <li>The issue of capital goods is rather complicated, because the definition of it is not straightforward.</li> <li></li> </ul>
5. Transportation & Distribution (upstream/inbound)	<ul style="list-style-type: none"> <li></li> </ul>



6. Business Travel	•
7. Waste Generated in Operations	<ul style="list-style-type: none"> <li>• A precise description of what “wastes” are should be disclosed: Is it only waste &amp; wastewater?</li> <li>• Concerning the average carbon content: What does it represent? Total carbon, fossil part only? It has to be more precise</li> <li>• Is landfilling the default way of treating waste? Is there any chance to adapt the screening assessment towards other solutions, or does the standards obliges the user to comply with these assumptions?</li> <li>• → Ccl : Paragraph introducing landfilling (such as 7.2.1) should include either a sentence such as “the user may use...” or if the user shall use, a more detailed description of the calculations.</li> </ul>
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	<ul style="list-style-type: none"> <li>• It is not clear whether if “positive” emissions (i.e. avoidance) can also be considered when the product is sold. I guess that it should be reported separately, but the standards lack of precision of that.</li> </ul>
15. Disposal of Sold Products at End of Life	•
16. Employee Commuting	•
Glossary	•
Any other general comments or feedback	•

