World Business Council for
Sustainable Development

WORLD
RESOURCES
INSTITUTE

The Greenhouse Gas Protocol Initiative
The foundation for sound and sustainable climate strategies

Product Life Cycle Accounting & Reporting Standard

Summary of Road Testing Feedback

August 2010

1. Introduction

Between January and June 2010, 42 companies implemented the draft GHG Protocol Product Life Cycle Accounting and Reporting Standard to provide WRI and WBCSD with feedback on the practicality of the draft standard (see the Appendix for a list of road testing companies and product categories). The companies attended an in-person workshop in May 2010 in Washington DC (the summary of the workshop is available on the GHG Protocol website) and submitted their inventory reports and detailed written feedback in summer 2010. This document summarizes the detailed written feedback received by the road testing companies.

2. General Feedback

Most of the companies were able to complete their product inventories and found a majority of the standard requirements manageable during the 6 month road testing period. Most companies found the guidance given in the draft helpful and had little difficulty completing the requirements, except for allocation which many companies found challenging. Some companies requested more guidance on completing the inventory for a service. Some companies felt that the standard would benefit by becoming more streamlined and including more examples to help users that may not have life cycle assessment expertise.   Many companies see business value in product-level accounting and reporting, and some companies mentioned supply chain engagement, risk management, and product differentiation as key business goals.

3. Specific Feedback

Boundary Setting:

- Most companies did not have trouble identifying which processes were attributable to the product or developing the process map.
- Half of the companies used the terms "foreground" and "background" while defining the boundary. Some found these terms helpful, while others noted that the terms are typically used differently in other standards and guidance documents which adds confusion.
- Many companies questioned the value of quantifying emissions from capital goods for a product-level assessment. While most companies found capital goods to be insignificant, many did not feel enough guidance was given on determining the significance of capital goods.
- About half of the road-testing companies included background processes such as lighting and cooling either because they had easy access to primary data or because the data could not be separated from process operations.
- Most companies found the guidance on intermediate goods helpful, while several companies requested more guidance for situations where the studied product is both an intermediate product and a final product. Some requested more flexibility to allow the reporting company to conduct a cradle-to-gate analysis, even when the final fate is known, in cases where cradle-to-grave is not within the company's business goals.
- Most companies assumed a temporal boundary based on product use (e.g. number of uses) or product lifetime. Some companies assumed a 100-year lifetime because the product lifetime was unknown or the product is inert and does not decompose in a landfill.

Data Collection:

- Most companies thought the definitions and hierarchy of data types were helpful. A few companies requested further clarification of the data hierarchy, in particular in areas where there is overlap (e.g. activity data can be primary and secondary).
- A majority of companies performed a screening exercise to identify large emission sources.
- A majority of companies contacted suppliers for primary data. Suppliers were most commonly identified by contribution (mass, emissions) and relationship to reporting company. Response rate varied from 10-100% with the average of roughly 70%, with companies that followed up with suppliers through phone calls, site visits, and web services seeing a much higher response rate than companies that did not follow up.
- Most companies encountered challenges collecting secondary data when databases were not available for all materials and processes. When secondary data was not available in databases, companies used proxies or found useful literature study results.
- A few companies had difficulties extrapolating or finding proxy data when secondary data was not available, particularly for materials that were used in small quantities.

Data Quality:

- Most companies were able to meet the data quality assessment requirements in a reasonable amount of time by using either the qualitative approach or a combination of the qualitative and descriptive approaches.
- Some companies found the guidance on assessing data quality helpful and the distinction between assessment methods clear, while other companies requested more guidance on selecting between the two data quality assessment methods.
- Most companies found the data quality assessment helpful in identifying areas where improved data is needed.
- Of the companies who engaged suppliers, a majority were satisfied with the quality of the data collected from suppliers. The remainder found the data of lower quality than secondary data and opted to use secondary data instead.
- A few companies encountered challenges reporting on data quality and categorizing data by qualification method.

Allocation:

- Of the companies that performed allocation, most used the physical property allocation methods. A few companies used the substitution method, and even fewer used economic allocation. Companies often found it necessary to use a combination of allocation methods within one inventory.
- Many companies requested more guidance and examples of recycling allocation, more guidance on how to treat waste/by-products, and clarification in the case of economic allocation when the waste/input has zero economic value. Several companies have suggested the standard provide multiple examples spanning a variety of industries.
- Some companies did not see a clear distinction between substitution and system expansion.

Assurance:

- Of the companies that performed 3rd party assurance, almost all found the process valuable and educational because it improved the inventory quality, added credibility to the results, and provided external verification for customers.
- Of the companies that performed 3rd party assurance, most made small adjustments to the inventory and report, not as a result of the assurance result but rather as a result of the assurance process.
- Companies did not send data management plans but rather provided assurance providers with data, process flow maps, and reports.
- Self-assurance was deemed beneficial by the companies that performed it, although some companies had trouble identifying a self-assurance provider that was independent from the inventory development process. All of the self-assurance providers felt comfortable issuing an assurance opinion based on the guidance in the standard.

- Self-assurance took anywhere from an hour to a month. On average companies took roughly 1-2 weeks.
- Many companies felt an assurance checklist would be helpful for the self-assurance provider.

Reporting:

- Some companies felt the requirement to publicly disclose the detailed report should be removed, while others though some of the information from the detailed report such as data quality and allocation methods should be moved into the summary report template.
- Approximately half of the companies took less than one week to complete the report.
- Most companies encountered confidentiality issues with the detailed report, which could be overcome by allowing companies the flexibility to not report information deemed confidential.
- Several companies were concerned the reports would be misused for comparison.

4. Next Steps

The following table outlines WRI/WBCSD's next steps between August 2010 and final publication in spring 2011.

Date	Activity
August 2010	Edit the draft Product standard based on feedback received from the Stakeholder Advisory Group (November 2009), the Road Testing Companies (June 2010) and the Steering Committee (June 2010)
September 2010	Release a second draft of the standard for a 30-day public comment period
November 2010	Collect feedback and propose changes to the Steering Committee, Technical Working Groups and Road Testing Companies
December 2010	Finalize the GHG Protocol Product Standard
January 2011	Oversee professional editing, layout and printing
Spring 2011	Launch the final publication

Appendix: List of Product Standard Road Testing Companies[1]

3M Company	Italcementi Group
Acer Inc	JohnsonDiversey
AkzoNobel	Kun Shan Tai Ying Paint Co., Ltd.
Alcoa	Lenovo
Amcor	Levi Strauss & Co.
Ampacet	Mitsubishi Chemical Corporation
Anvil Knitwear, Inc.	New Belgium Brewing
Baoshan Iron & Steel Co. Ltd.	Otarian
BASF SE	PepsiCo, Inc.
Belron International	Procter & Gamble Eurocor
Bloomberg LP	Rogers Communications
BT plc	Shanghai Zidan Food Packaging and Printing Co., Ltd
Deutsche Post DHL	Shell International Petroleum Company Ltd.
Deutsche Telekom AG	Siemens AG
DuPont	Suzano Pulp and Paper
Ecolab	Swire Beverages
General Electric	TAL Apparel Limited
Gold'n Plump Poultry, LLC	Tech-Front (Shanghai) Computer Co., Ltd. / Quanta Shanghai Manufacturing City
Herman Miller, Inc.	Verso Paper Corp.
Intertek	WorldAutoSteel

Examples of Product Categories Inventoried during the Road Testing Process

Aluminum products	Insurance services
Auditing services	Intermediate materials
Beverages	Magazines
Building materials	Meat and dairy products
Chemicals	Network services
Clothes	Packaging materials
Detergents and cleaning services	Paints and coatings
Electronics	Transport services
Furniture	

---

[1] This is a list of companies that wish to be publicly acknowledged.