

A carbon invoice, independent of any tax

The Carbon on Invoices collective is proposing a method of accounting for greenhouse gas emissions at the level of each company.

Every product we consume or manufacture should have, alongside its price, the weight in greenhouse gases (or "carbon") that its production and consumption has emitted or is emitting; every company, every investment, should be able to indicate in this way, alongside its financial performance, its contribution to decarbonisation. The collective, which recently launched a " Call for Environmental Competition ", is using a revolutionary method to help accountants measure changes in companies' carbon emissions: Environmental Accounting Measure (EAM).

EAM was invented simultaneously by several university teams in several countries (it is called E-Liability in the English-speaking world). The idea is simple. If each company can read the carbon emissions of its suppliers on its purchase invoices, add the carbons of its own production and pass these carbons on to its customers we have the carbon weight of all our products throughout the production chain, through a very simple calculation for each accountant. The calculations are reliable, because they take advantage of all the rules applied for accounting and invoicing.

The potential of EAM is immense: it enables competition by carbon weight, which pushes carbon weights down, just as competition by price pushes prices down. Decarbonisation becomes an ongoing process, with everyone taking responsibility for changing their production, consumption and savings habits in line with their values.

Today, very small businesses and SMEs do not have a tool for measuring their basic environmental performance, due to the lack of a solution suited to their limited resources in terms of money and expertise. But they all have an accountant who keeps their accounts: from now on, he or she can apply the EAM, thanks to a free, open-use tool built by the Carbon on Invoices collective.

A tutorial enables accountants to familiarise themselves with the EAM in less than an hour. Once a year, a calculator enables them to produce the company's basic environmental performance, based on some data available to any company that closes its accounts: its turnover, and additions of its purchase invoices, distinguishing between energy and the rest.

An annual environmental audit is only necessary if the company captures or emits carbon in addition to the fuel it burns, i.e. if it is involved in specific activities such as livestock farming or cement production.

Environmental competitiveness

But how do you deal with non-energy invoices with no carbon information provided by the supplier? The calculator solves the problem by applying to these invoices public data that had not previously been used for this purpose: national carbon emissions by activity and by country produced by national accountants. These are the data coordinated by the IPCC to determine "national decarbonisation trajectories". This homogeneous source reassures the company - these estimated parameters are the same for its competitors - and reassures the community - all the carbons are passed on.

The (limited) extra time spent by its accountant is profitable for the SME in three ways. On the sales side, the carbon weight of its products enhances the value of its offering to customers who are increasingly sensitive to environmental quality. On the financing side, its footprint and its contribution to national decarbonisation speak to financiers who are increasingly demanding decarbonisation trajectories. And, above all, it is equipping itself with a tool for continuously improving its environmental competitiveness, alongside its price competitiveness.

The EAM already enables companies and investors to track their contribution to decarbonisation. Public environmental accounting will make it possible to track the contributions of public services. And national accounts extended to carbon will include them all. It will also welcome a new stakeholder, non-commercial living organisms (plants, earthworms, plankton, etc.), whose contribution to

decarbonisation is vital. If the contribution of living organisms to decarbonisation collapses, all our efforts will be in vain.

The EAM enables every company, every consumer and every investor to measure and display side by side the monetary and environmental performance of each of their decisions. If we succeed, we will be leaving our children a different economy, one that balances money and the environment in a fair and sustainable way.

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They are all members of Carbon on Invoices