**Tutorial**

This tutorial is part of a set of tools for measuring a company’s environmental accounting performance. [The general presentation of the method](https://carbones-factures.org/presentation-de-la-concurrence-carbone/) (environmental accounting measure) and [the calculator](https://carbones-factures.org/en/download-the-project-c-i-instructions/) associated with the tutorial are the other two tools. The tutorial text is shown below the download button.

Group exchanges are planned (registration required), and [customized volunteer support](https://carbones-factures.org/en/les-enseignants/) is available for integration into existing training courses.

This tutorial describes how a company’s accountant obtains his company’s environmental performance. It is complemented by [a calculator](https://carbones-factures.org/en/download-the-project-c-i-instructions/) that automatically performs the indicated calculations, and by [a general presentation](https://carbones-factures.org/presentation-de-la-concurrence-carbone/).

**Tracking environmental performance**

Environmental performance is tracked in terms of the carbon weight of products sold and the company’s contribution to decarbonisation, as well as its carbon footprint.

The carbon weight of a product (or waste recovery service) adds up the greenhouse gases emitted throughout the production chain, right up to the moment the product is received by the customer. The unit of measurement is the weight defined by the IPCC for greenhouse gases, in kilos of CO2 equivalent.

The company’s Contribution to decarbonisation indicates the contribution of its production from one year to the next to national decarbonisation (which measures how much the total flow of carbon into the atmosphere has been reduced over the period). The unit is the same (GHG weight). As this is an evolution, it is recommended to make the calculation for 2021 and 2022 in order to have the 2022 Decarbonation contribution. (By convention, a positive contribution is good for the environment).

At each closing, the accountant follows the procedure below for each activity. If it has no cost accounting, it has only one activity. Otherwise, it has activity by type of product monitored by cost accounting.

For any or all of his activities, he checks the “non-energy” coefficients for his activity on the calculator, then fills it in, in three steps.

**The first step is to add up the carbons of purchase invoices, by type.**

If the company has cost accounting, this step is carried out for each activity monitored.

(In the case of commercial activity, purchase invoices for what is sold are counted separately).

For most companies, this stage boils down to adding up the carbons of purchase invoices, by type of purchase :

– Electricity, with a distinction made between peak and off-peak hours,

– Each fuel category (petrol, gas…)

– Other purchases.

For each type of purchase, the accountant separates invoices with carbon information from other invoices.

– For invoices that have been filled in, it adds up the carbon weights on the one hand, and the quantities in the counting unit on the other: physical unit for energy (kWh, liters, m3…); monetary unit for other purchases.

– For invoices with no information, only the quantities are added, and the calculator transforms the sum into carbons by multiplying it by the emission factor of a public source for this type of purchase. It is in the accountant’s interest to ask suppliers who do not yet provide carbon data to do so in future. View [a Suggested Message.](https://carbones-factures.org/en/suggestion-de-lettre-a-un-fournisseur-pour-obtenir-le-poids-unitaire-de-ses-produits/)

*(For information, the emission factor of a product is the quantity of carbon emitted, including upstream, to produce one unit of the product.*

*– A physical emission factor gives a weight of carbons per physical unit. For example, X kilos of carbon per kWh of electricity*

*– A monetary emission factor gives the weight per monetary unit. For example, Y kilos of carbon for one euro of non-energy purchases.*

For the majority of companies, step 1 ends there, and the total carbon footprint of purchasing corresponds to the entire annual carbon footprint of the company, or of that company’s activity.

For a minority of companies, those whose activity captures or emits carbons beyond the combustion of purchased fuels, the accountant relies on an environmental consultant to measure these carbons, which he will enter and which the calculator will subtract or add from the carbons of purchases.

**The 2nd step is to measure the emission factor(s) of the products.**

The 2nd step for the accountant is to obtain the monetary emission factor associated with sales, for the whole company or for this activity.

To do this, we divide the annual production footprint by the sales excluding VAT for the same period.

**The third step is to pass on the carbon weights to customers.**

The factor(s) used in step 2 enable the company to pass on the carbons corresponding to this invoice to each customer, by multiplying the monetary emission factor for production by the amount of the invoice before tax.

The merchant adds the weight of the product sold.

To limit significant fluctuations in the weight passed on to customers, the company can ask its accountant to smooth them out.

– For one-off surges, it can use an emission factor different from the one obtained in step 2, and track the carbon differences not passed on or passed on in excess, to ensure the neutrality of the mechanism over time.

– In the event of structural upheavals, it can keep as simplified commitment carbon accounts as it wishes, without ever exceeding the rules followed in monetary accounting, so as not to delay the downstream repercussion of carbons already emitted.

– For leased property and associated major works, it is recommended that these be passed on to tenants over 20 years, with a mutualisation of vacancy rates at industry level.

the company’s contribution to decarbonisation compared with the previous year is automatically calculated by [the calculator.](https://carbones-factures.org/en/download-the-project-c-i-instructions/) The calculation is explained here ([Calculations of the contribution to decarbonisation](https://carbones-factures.org/mesure-de-la-decarbonation/)).

**Performance certification by a trusted third party, such as a chartered accountant or statutory auditor**

This is made much easier by compliance with accounting principles and the use of the calculator : some of the information needed by the trusted third party is provided by the summary that the accountant can have sent to him at the end of the entries on the calculator.

The verification points are as follows (to be applied to each activity if the company has cost accounting).

– Run the calculator again for the same year with the same data.

– If there is a carbon-based cost accounting system: check that its keys are the same as those for monetary accounting.

– If you use carbon-based commitment accounting, check that the rules are the same as or faster than those for cash.

– The audit of the completeness of invoice recording and reconciliation is carried out in the same way as for the monetary audit.

**Special cases of decarbonisation measure**

**– Consideration of avoided carbons (or “scope 4”)**

The supplier of a carbon-saving good or service to its customer (e.g. an environmental consultancy) can sign a commercial agreement with the customer to share its contribution to decarbonisation. If and when the decarbonisation gain occurs, the agreed weight is transferred from the customer’s annual decarbonisation contribution to that of the supplier, and recorded by both accountants.

**– Consolidated environmental performance**

If the company publishes consolidated accounts, it can track its consolidated financial contribution to decarbonisation, by adding to the decarbonisation of its corporate accounts the decarbonisation of consolidated companies, pro rata to ownership.

**– Environmental performance of a financial portfolio**

A company’s contribution to decarbonisation is its financial contribution to the decarbonisation of its financing. A bank thus measures the financial contribution of its equity portfolios (as above) and also of its loan portfolios: the cumulative decarbonisation of the companies financed in proportion to the loans in their respective financing.

A financial contribution cannot be added to a company contribution, as this would introduce double counting. For the same reasons, contributions to equity investments and loans should be strictly separated.

**Steering the company’s budget and carbon trajectory**

The tutorial and calculator can be used to project carbon measures : from the company’s budget (to establish its carbon budget); or from its business plan (to establish its carbon trajectory).