**Measuring the GHG emissions associated with a product**

Decarbonisation is desirable but costly. It requires effective decisions by the players involved, each informed by its greenhouse gas emissions, alongside cost and income factors.

For purchases, this involves measuring the emissions associated with a product (alongside its price) in a comparable and verifiable way. The rules below incorporate the elements discussed to date, for a measure that we are calling Environmental Accounting Measure until an international name emerges. Entity' refers to any organisation that keeps accounts.

**Targeted qualities**

I- The accounting measure of GHG emissions associated with a product ('Product Emission') is based on science and refers, wherever possible, to the rules of entity emissions protocols (GHG Protocol, Bilan Carbone, etc.) and official emissions statistics.

II- Product emission complies with general accounting principles (all emissions are reflected once) and the entity's accounting rules to share a universal measure and control infrastructure to ensure verifiable and comparable measures.

III- Product emission is easy to implement for small entities, thanks to examples. It is sent to the customer free of charge under the same conditions as the price.

**Principles of measure**

1. An entity indicates on each sales invoice the Emission of the product obtained by adding the direct and indirect GHG emissions and captures to obtain the invoiced product.
2. Direct emissions and captures are measured using the GHG Protocol, Bilan Carbone or an equivalent protocol.

Direct combustion emissions can be measured by multiplying the volume of the purchase by the emission factor from an official statistic.

1. Indirect emissions are measured by adding together the product emissions of all the purchase invoices.
2. If a purchase invoice does not include the emission of the product, the entity multiplies the invoiced amount by the emission factor of the official national statistics, corrected by prudence coefficients that can be modified annually by the international accounting authorities.

A small entity can use an aggregated average from official statistics as a substitute for all its purchases that are not likely to create a bias in relation to the industry average. The following are likely to create a bias : energy purchases, depreciated purchases and purchases from branches. a) represent a significant proportion of purchases and b) whose unit Product Emission is significantly higher than the average for the entity's branch.

1. In the absence of these principles, the entity's accounting rules in monetary terms are transposed to the measure and allocation of direct and indirect emissions.

A small entity may only write off purchases representing more than 10% of total emissions from purchases for the financial year and account for the other emissions as a single item.

It can avoid having to check ex post the annual balance between incoming emissions and invoiced emissions if it bases the invoiced product Emissions on the unit product Emission for the last financial year closed.

1. The entity must be able to demonstrate to a trusted third party (up to the standard of reasonableness in the case of an auditor) that its Product Emissions comply with these principles over a period of one year or, failing that, over a reasonable period.

[To inform financial choices (alongside the profitability of financing), an accounting decarbonisation of financing without double counting, fed by the emission measures of the financed entity, remains to be defined].