

The last thing carbon needs is creative accounting

Published: January 14, 2026, 12:56 am

The [FT reports this morning](#) that:

A major stumble by UN climate adviser Mark Carney over the carbon accounting methods used by Brookfield Asset Management, where he is vice chair, has thrown the spotlight on controversial climate claims and the contested definition of “net zero”.

To summarise the story, Brookfield claimed to be net zero because of its carbon offsetting and because of what are called its avoided emissions in its renewables business.

Avoided emissions are, of course, good things. They are what are being sought. The difficulty is that you cannot both count them once on the basis of the fact that they did not happen and then count them again as emissions avoided and so offset them against the emissions that you do make, which would seem to be what Brookfield was doing. They can only count once.

The issue is big. Carbon accounting has to be sure what net zero carbon means. What is too apparent is that right now it can mean all things because there aren't adequate standards in place.

I have, of course, offered my own version of this in sustainable cost accounting. The suggestion I make is that no offset be allowed unless it can be absolutely certainly demonstrated to have happened, to have been under the company's own control and that it is certain that it would not have happened but for that action. It's a tight demand. But it avoids this problem.

We cannot become net zero carbon by juggling the carbon offset books. We can only do so by eliminating carbon, which is what sustainable cost accounting demands.