Role of e-invoicing in meeting corporate sustainability targets 1/46/24

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As stakeholders increasingly expect organisations to demonstrate their commitment to sustainable and ethical operations, organisations are relying on innovative digital tools to make it easier for them to achieve their sustainability goals. Electronic invoicing (e-invoicing) is one of such tools. While e-invoicing may seem a merely technical function, it has a surprisingly important role to play in the sustainability space, helping organisations improve their sustainability and strengthen their governance.

E-invoicing and the environment: less paper, lower CO2 emissions and better energy efficiency

The transition to e-invoicing can significantly reduce your organisation's environmental impact in several ways. The process of printing, sending and storing traditional paper invoices consumes large amounts of paper, ink and power. By transitioning to e-invoicing, organisations eliminate the need for physical invoices, saving wood and indirectly reducing deforestation.

E-invoicing reduces not only paper consumption but also carbon emissions associated with transporting physical invoices. Postal delivery, courier services and manual processing are all energy-intensive operations that drive your organisation's indirect emissions.

E-invoicing systems use cloud computing and digital platforms that can optimise for energy efficiency. A streamlined digital infrastructure not only reduces power consumption but also supports broader sustainability goals forming the basis of ESG systems.

E-invoicing and governance

E-invoicing helps organisations meet local and international regulatory requirements. Many countries are putting mandatory e-invoicing systems in place to ensure organisations are complying with financial and tax rules. E-invoicing can also help organisations meet global standards for ethical business practices by securing compliance with international payment and tax rules. These rules often support broader social goals, such as fighting corruption and securing fair trading practices. Using e-invoicing platforms can help organisations strengthen their commitment to honour these ethical standards, which is a key aspect of the social component of ESG. The automatic registration of transactions in e-invoicing systems provides a clear audit trail, securing full compliance and minimising the risk of breaking the law.

E-invoicing reduces the risk of error, fraud and inefficiency that may stem from manual invoicing processes. Automated digital systems improve data security and accuracy, ensuring that financial records are free of error and less exposed to manipulation. By reducing financial and operational risks, e-invoicing helps organisations demonstrate a robust system of governance.

E-invoicing also offers a transparent process that improves responsibility in supplier relations. Digital

invoicing provides real-time updates and tracking, which reduces the risk of controversy, error and fraud.