Supply chain GHG emissions
Example of crude oil upstream

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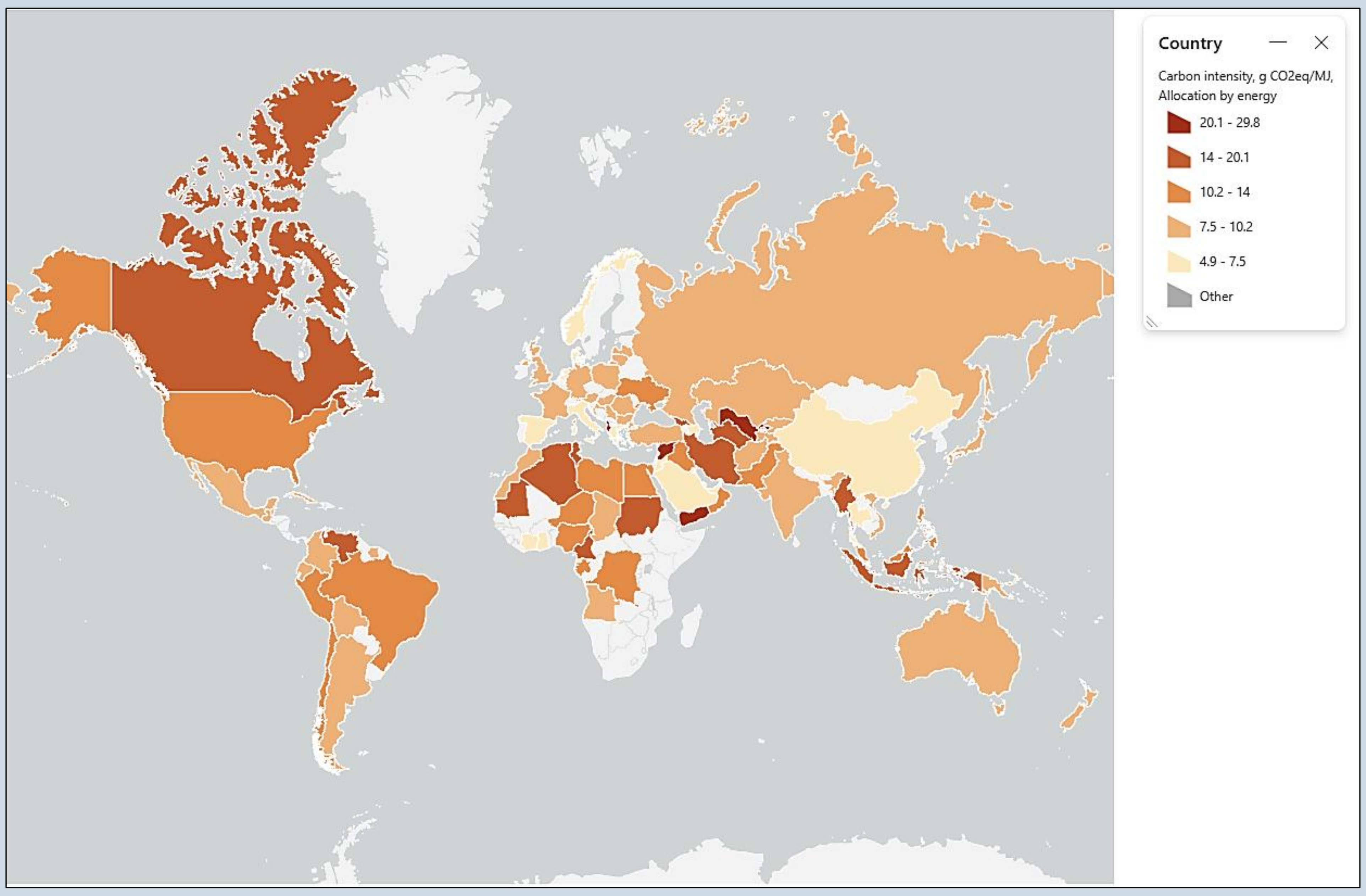
Do you know, what are you buying?

Each product has **embodied carbon** due to the way it was manufactured and transported.

Supply chain emissions, or **Scope 3**, are major challenge in the industry.

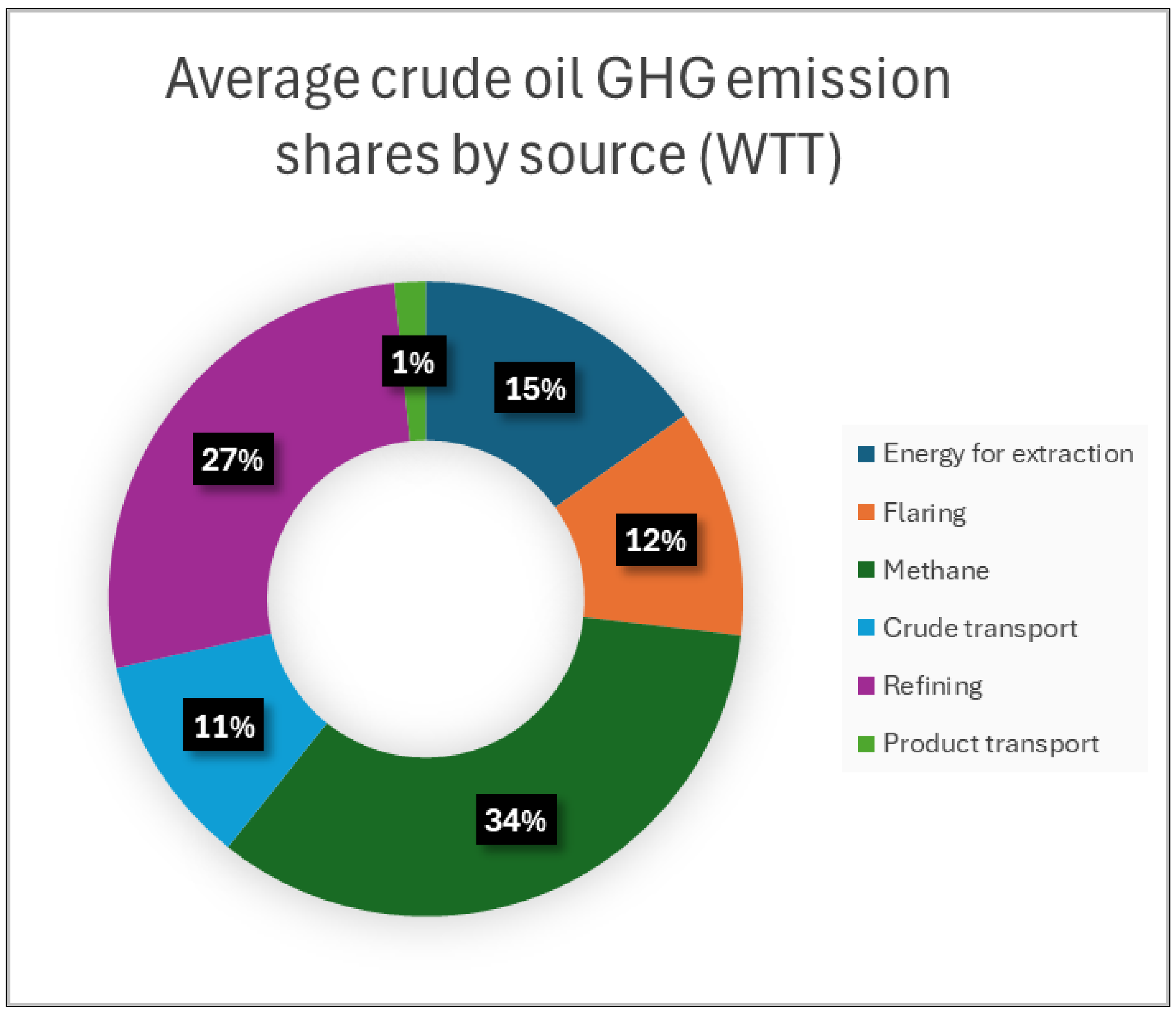
In **commodity trading**, the origin dramatically affect the reported GHG figures.

Crude oil is a great example.

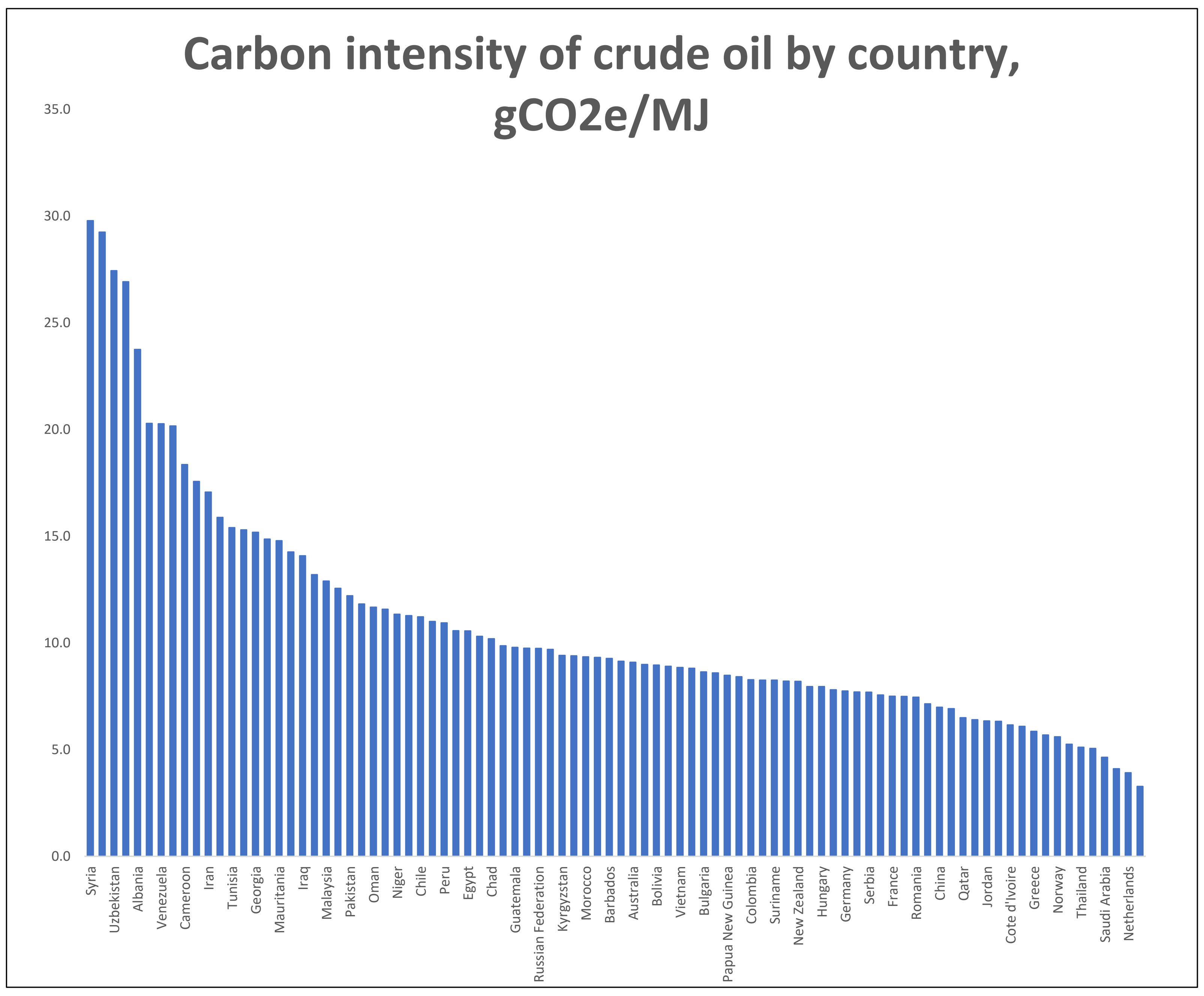


Summary

- CarbonChain is a climate tech start-up that conducts carbon footprint analysis of the commodity supply chains.
- Upstream emissions do account for 10–30% of crude oil's footprint.
- Commodity traders, trade financing banks, refinery operators and refined products buyers are affected.
- Not all crude oil are created equally, intensity varies a lot, affecting the product end carbon intensity.
- CCUS, electrification, renewables, energy efficiency, better flaring and methane management – the decarbonisation measures that can reduce carbon footprint.
- For commodity portfolio decarbonisation - purchasing decision matters.
- Carbon pricing mechanisms like the EU CBAM and UK CBAM are putting a carbon price on carbon-intensive commodities.
- Investor and lender scrutiny is increasing.
- Corporate climate targets demand accurate emissions data.
- Transparency on supply chain emissions is key as scrutiny of fossil fuel investments increases.



Source: IEA



Source: *Masnadi et al. (2018)*