

**SUPPLY CHAIN/  
DISTRIBUTION-INTENSIVE COMPANIES**

# Decarbonization and Fuel *Challenges*

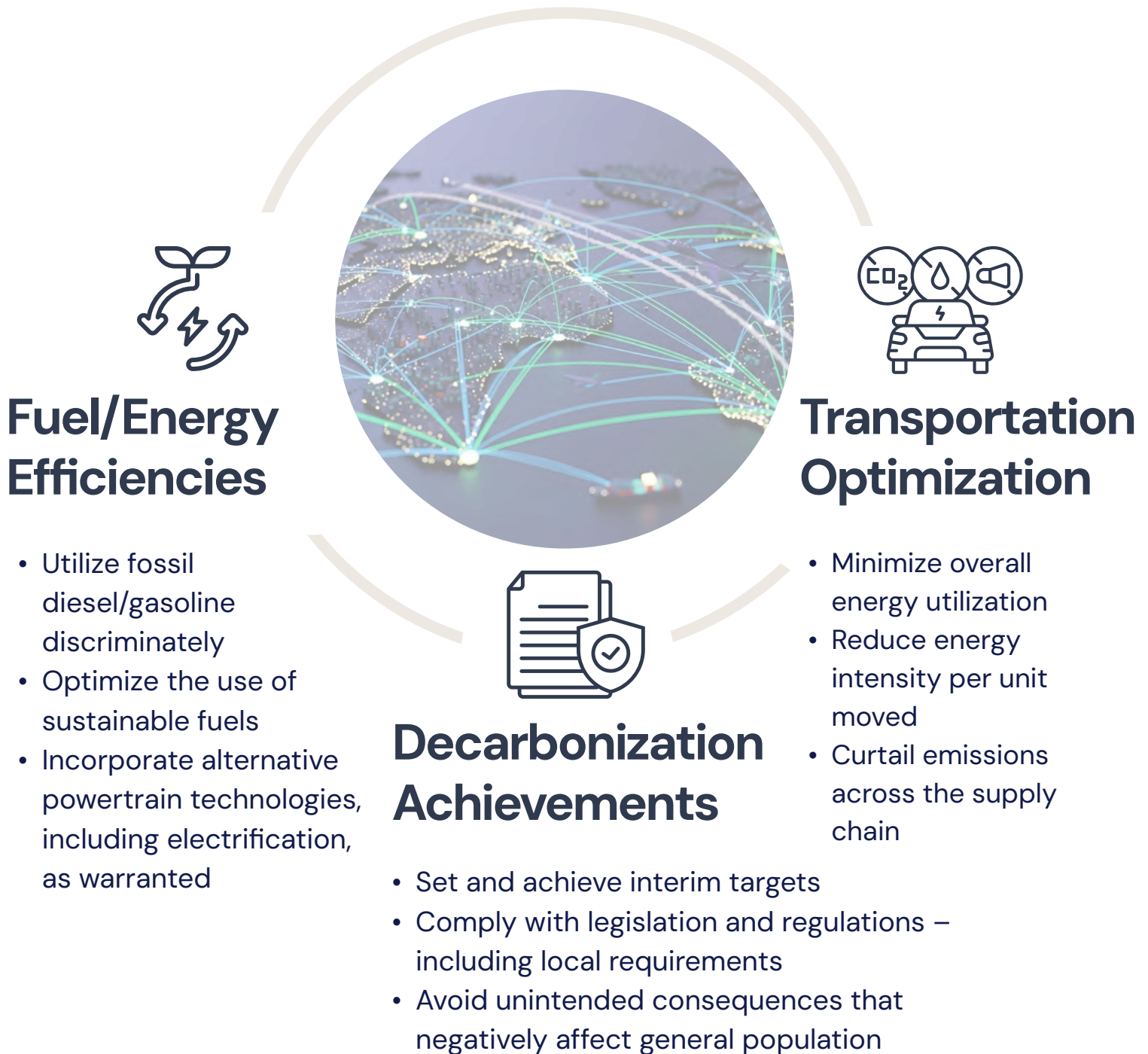


Companies with **intensive supply chain and distribution** attributes – including those involved in the consumer packaged goods, retailing, and manufacturing industries – face unique challenges in addressing transportation and fuel requirements and decarbonization objectives within the context of a range of uncertainties – markets, regulations, and technology.



Companies with intensive supply chain and distribution attributes *share a common set of*

# OBJECTIVES



Companies with intensive supply chain and distribution attributes *face unique*

# CHALLENGES

- Rising fuel and transportation expenses due to volatile energy markets
- Significant emissions stem from supply chains, including upstream sourcing and downstream distribution
- Accurate data collection from suppliers remains a hurdle, with shifting baselines complicating reporting
- Evolving technologies and risk of effective obsolescence and misalignment
- Differing current and future regulations between regions and countries
- In emerging economies, infrastructure limitations amplify these issues
- Volatility from climate events and geopolitical tensions disrupts fuel supply and distribution, necessitating adaptive strategies

## Market-Related

Rising prices and Costs

Volatility

Differing regulations

Infrastructure limitations

Evolving technologies

## Business Attributes

Emissions across supply chain

Lack of access to data



Efficiency and decarbonization efforts are based on realistic assessment of technology, regulations and degree of uncertainty.

# LEADING PRACTICES

- Forward-looking view across time horizons – short, mid and long
- Knowledge of the constraints associated with each fuel and powertrain option
- Focus on balancing of speed, cost, and sustainability
- Emissions-reduction actions driven by energy optimization
- Alternative powertrains being utilized only when warranted by market attributes
- Supplier engagement to encourage the setting of fuel efficiency and GHG targets
- Traceability for sustainable sourcing, aiding Scope 3 reductions being addressed
- Sustainability being implemented including logistics decarbonization

## Analytical and Knowledge-based

Constraints acknowledged and addressed

Balance between speed of progress and cost

Supplier engagement traceability

Alternative utilization  
Emissions reduction

Forward-looking

Strategic and sustainable

Value-creating

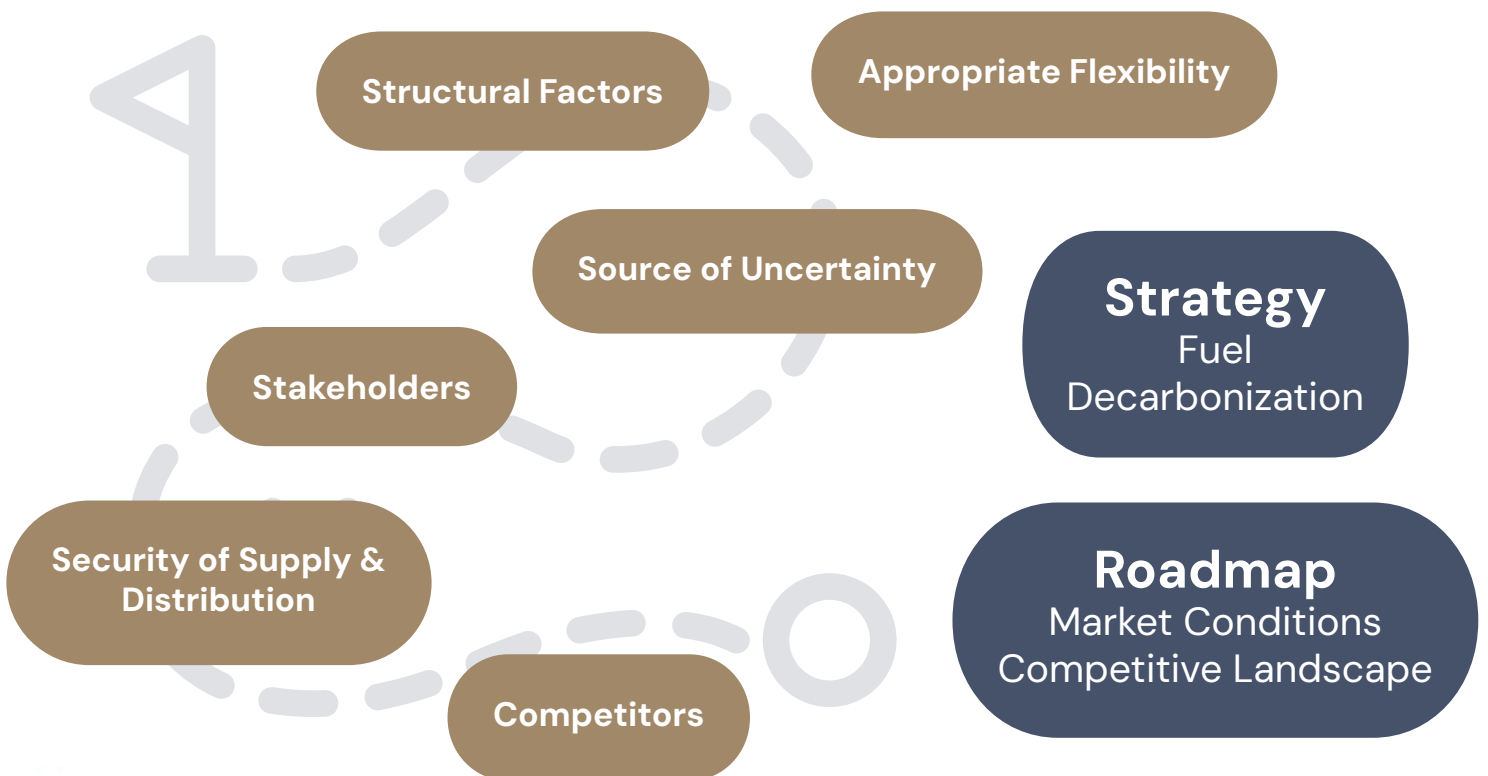
## Sustainability and Security Across the Supply Chain



Sustainable and value-creating progress requires a strategic and forward-looking perspective.


# STRATEGIC CONSIDERATION

- Understand the structural factors shaping the current and future market conditions
- Know the stakeholders and relative influence over future policies and regulations
- Conceptualize the likely roadmap and potential inflection points
- Maintain the appropriate level of flexibility – overall and with respect to specific markets
- Ensure the security of energy supply and reliable inbound and outbound logistics in normal times and when equilibrium is disrupted
- Identify the sources of uncertainty and the impact on the future



Stratas Advisors helps clients achieve tangible and sustainable results.

# SCOPE OF SUPPORT

- 
- Unravel the complexity of changing regulations
  - Provide analytical rigor supported by robust data and quantitative methods
  - Determine current and future availability of fuels and powertrain technologies
  - Identify the gaps in key inputs, including feedstocks and enabling infrastructure
  - Stress test current approach and initiatives
  - Weigh the costs versus the benefits from a wholistic approach
  - Define the appropriate degree of flexibility and pace of change
  - Describe the key metrics and data for focusing efforts and driving results

## SERVICES

An innovative online portal of data, information and insights across the energy sector and related industries, including transportation.

## CONSULTING

A full range of support providing an external perspective, empowering you to develop and implement the strategies and initiatives that best support your future success.

## ADVISORY RETAINERS

Custom arrangements provide access to senior advisors, whose work spans four key dimensions:

- Macro-level developments
- Energy markets
- Industry analysis
- Investment risks and opportunities



**Stratas Advisors** is a global consulting and advisory firm that covers the full spectrum of the energy sector and closely linked industries, including transportation and petrochemicals.

- The **world's leading businesses, governments and institutions** turn to us for data, analysis and insight
- We help our clients achieve **tangible results** through informed strategic decision-making and rigorous, implementation planning
- **Integrated analysis** across the entire energy and related value chains, including macro-level analysis (geopolitics, macro-economics, policies and regulations)
- **Comprehensive assessment** of the energy and fuels sector including hydrocarbons and alternatives
- **Sophisticated analysis** of the interconnections between energy transition and the evolution of demand sectors

## KEY DIFFERENTIATORS

Global Coverage

Deep Local Knowledge

Combined, our team brings over **500 YEARS OF ENERGY INDUSTRY EXPERTISE**, including Technical, Economists, Political Scientists, and Financial Analysts

