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Scope 3 isn't a reporting problem. It's a capital-allocation problem.

– The Insetting Paradox • Carbon3, 2026

Why supply-chain decarbonisation stays unfunded

70–90% of most companies' footprint is Scope 3 — emissions they are accountable for under SBTi, CSRD and IFRS S2, but do not control. Funding supplier abatement books as pure expense; the supplier who abates earns nothing for it. So capital flows the wrong way, or not at all. The fix is not more disclosure — it is *market structure*: making a verified reduced tonne a priced, allocable, tradable asset inside the value chain.

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- 01 Responsibility without control defines Scope 3 — targets bind the buyer, levers sit with suppliers.
 - 02 Today's accounting treats abatement finance as sunk cost on both sides of the transaction.
 - 03 Inset credits — verified in-chain reductions, 1 credit = 1 tCO₂e — turn that cost into a recoverable investment.
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THE BRIEF

THE PROBLEM

Corporate net-zero targets increasingly cover Scope 3, yet the buyer who co-funds a supplier's abatement project has no instrument to recover, allocate or trade the value of the reduction. Offsets don't solve this: they fund projects outside the value chain, and standards bodies (SBTi, VCMi, CSRD) are steadily restricting their use against Scope 3 claims.

THE MECHANISM

Insetting directs capital to reductions inside the buyer's own value chain. Carbon3 provides the market infrastructure: verified projects are listed; inset credits are issued proportional to measured tCO₂e reductions; credits are allocated and traded across the chain; then retired as Scope 3 claims or monetised.

The tonne reduced is the tonne the buyer is accountable for — attribution is specific to supplier, transaction and baseline.

WHY IT MATTERS NOW

CSRD-grade traceability, ISO 14064 verification and allocation-aware accounting make in-chain reductions auditable at transaction level. Once priced, the green premium stops being a sunk cost and starts being an asset both sides can bank.

Carbon3

Market infrastructure for carbon insetting.

carbon3.net

Issuance · allocation · trading · retirement of verified Scope 3 inset
credits. Platform demo at demo.carbon3.net.