

ESCORTS KUBOTA: TIMELY **CBAM** COMPLIANCE DESPITE HUNDREDS OF SUPPLIERS & DATA POINTS





Client Overview

Escorts Kubota Limited (EKL), a leading engineering firm in India, specializes in manufacturing tractors and construction equipment, supplying to domestic and EU markets. With a commitment to ESG (Environmental, Social, Governance) principles, EKL manages a complex supply chain involving 140 parts (data sources), 35 suppliers, and items like tractor parts, nuts, bolts, and screws, many made of CBAM-regulated steel. The EU's Carbon Border Adjustment Mechanism (CBAM) required detailed emissions reporting, posing significant challenges due to EKL's dynamic supplier base. CleanCarbon.ai partnered with EKL to streamline CBAM compliance, ensuring regulatory adherence and sustainability alignment.



Business Challenges

1. **Data Collection from Suppliers:** With 35 suppliers, frequently changing, collecting emissions data for 140 parts was complex. EKL provided parts descriptions, item codes, HSN codes, and quantities, along with supplier mappings, but convincing suppliers to share data was difficult due to trust and process unfamiliarity.
2. **Complex Data Entry:** Suppliers needed a quick, accessible way to input emissions data without disrupting their operations.
3. **Reporting Overload:** The volume of reports, driven by 140 parts and multiple suppliers, created a significant administrative burden.
4. **Timely Reporting:** Ensuring on-time submission of EU-compliant reports was critical to avoid penalties and shipment delays.
5. **Carbon Tax Compliance:** Accurate emissions reporting was essential to calculate and manage carbon tax obligations under CBAM.



Solutions Provided by Cleancarbon.ai

CleanCarbon.ai delivered a comprehensive CBAM compliance solution tailored to EKL's tractor manufacturing supply chain:

- **Supplier Engagement and CBAM Tool Demo:** CleanCarbon.ai conducted demos to educate EKL's 35 suppliers about the CBAM process, building trust and facilitating data sharing for Scope 1, 2, and 3 emissions.
- **Accessible Data Entry:** Provided suppliers with user-friendly tools integrated into EKL's systems, enabling quick and secure data input for parts like nuts, bolts, and screws.
- **Automated Reporting:** ERP-integrated tools automated data aggregation and report generation, producing EU-compliant XML and Excel reports for 140 parts, reducing reporting overload.
- **Real-Time Compliance Insights:** Offered dashboards for instant visibility into emissions profiles across suppliers, ensuring timely and accurate submissions.
- **Audit Readiness and Carbon Tax Compliance:** Provided on-field support for EU audits and validated reports to ensure accurate carbon tax calculations, with GDPR-compliant data handling.

Implementation



CleanCarbon.ai implemented the solution over four months. Phase one integrated automated emissions tracking tools with EKL's ERP systems, mapping 140 parts and 35 suppliers. Phase two involved supplier training, including CBAM tool demos, to streamline data collection. Phase three produced validated XML and Excel reports for EU submission, with dashboards providing real-time insights. Ongoing consultations and field support ensured audit readiness and alignment with EKL's ESG goals, despite changing suppliers.

Result



- **Efficient Data Collection:** Engaged 35 suppliers successfully, with 100% data submission enabled by user-friendly tools and trust-building demos.
- **Cost Savings:** Reduced reporting costs by 40% through automation, handling 140 parts efficiently at the same time.
- **Timely Compliance:** Achieved 100% on-time submission of EU-compliant reports, avoiding penalties and delays managing all suppliers.
- **Reporting Streamlined:** Cut reporting workload by 50% with automated aggregation, despite multiple suppliers and their challenges.
- **Carbon Tax Accuracy:** Ensured precise carbon tax calculations, aligning with CBAM requirements and EKL's sustainability commitments.
- **Audit Success:** Is ready for any future EU-accredited CBAM auditing for data verification.

Client Testimonial

“Our major concern was data collection from over 100 suppliers spread across different regions with different challenges. Many had no familiarity with CBAM at all, they also lacked data collection systems and a few had fragmented data points. However, cleancarbon.ai streamlined data collection, educated our stakeholders and automated reporting for timely and precise emissions report submission. Their support has given us regulatory confidence, operational efficiency, and helped reinforce our commitment to serving OEMs globally.”



Mohit Kumar

Lead, product compliance and quality assurance
EKL

Conclusion

With CleanCarbon.ai's support, Escorts Kubota Limited turned CBAM compliance into a competitive advantage, maintaining their leadership in the EU market. CleanCarbon.ai's automated, supplier-focused solutions delivered cost savings, timely reporting, and accurate carbon tax compliance. For exporters navigating CBAM, CleanCarbon.ai offers a proven path to success. Visit cleancarbon.ai to book a consultation and simplify your CBAM journey.



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