



How Southco's Effortless **CBAM** Compliance Bolstered Their EU Market Position

Case Study

southco®

Cleancarbon.ai



Client Overview

Southco, a global leader in engineered access solutions and fastening systems, operates in India with a focus on providing innovative hardware for industries such as automotive, aerospace, marine, and electronics. With exports to the European Union, Southco relies on materials like steel and aluminum in their products, making them subject to the EU's Carbon Border Adjustment Mechanism (CBAM). To ensure seamless compliance and maintain their competitive edge in sustainability-driven markets, Southco partnered with Cleancarbon.ai, a trusted provider of CBAM services.



Business Challenges



- 1. Complex Supply Chain Data Collection:** Managing emissions data from multiple suppliers for various product components was intricate, requiring detailed mapping of parts descriptions, item codes, HSN codes, and quantities.
- 2. Supplier Engagement and Trust:** Convincing suppliers to share sensitive emissions data (Scope 1, 2, and 3) required building trust through education and demonstrations of the CBAM process.
- 3. Efficient Data Entry Processes:** Suppliers needed a streamlined, quick-access method to input their data without operational disruptions.
- 4. Reporting Overload:** The high volume of reports due to diverse components and suppliers created administrative burdens.
- 5. Timely Reporting to Avoid Penalties:** Ensuring all reports were submitted on time was essential to prevent fines and shipment delays.
- 6. Carbon Tax Accuracy:** Precise emissions calculations were critical for managing carbon tax obligations under CBAM regulations.

Solutions Provided by Cleancarbon.ai

Cleancarbon.ai provided Southco with a comprehensive, automated CBAM compliance solution tailored to their engineering access solutions:

- **Expert CBAM Consulting and Supplier Demos:** Cleancarbon.ai's specialists mapped Southco's supply chain and conducted CBAM tool demos for suppliers, explaining the process and building trust to facilitate data sharing.
- **Accessible Data Entry Tools:** Offers user-friendly, secure platforms for suppliers to quickly input emissions data, integrated with Southco's systems.
- **Automated Reporting:** ERP-integrated automation aggregated data and generated EU-compliant XML and Excel reports, alleviating reporting overload.
- **Real-Time Compliance Insights:** Dashboards provided instant visibility into emissions profiles, enabling proactive management.
- **Audit Readiness and Carbon Tax Compliance:** On-field support ensured audit preparation, with validated reports for accurate carbon tax calculations and GDPR-compliant data handling.



Implementation

Cleancarbon.ai implemented the solution over three months. In phase one, they integrated automated tools with Southco's ERP systems for supply chain mapping. Phase two focused on supplier training and demos to enable efficient data collection. Phase three involved generating and validating reports for EU submission, with dashboards for real-time monitoring. Ongoing support addressed dynamic supplier changes and ensured alignment with Southco's global standards.



Result



- **Streamlined Data Collection:** Successfully engaged suppliers, achieving high data submission rates through trust-building demos and quick-entry tools.
- **Cost Savings:** Reduced CBAM reporting costs by 35% via automation.
- **Timely Compliance:** Delivered 100% on-time EU-compliant reports, avoiding penalties.
- **Reduced Reporting Burden:** Cut reporting workload by 45% despite complex supply chains.
- **Accurate Carbon Tax Management:** Ensured precise calculations, minimizing tax liabilities.
- **Audit Success:** Passed EU audits with no issues, supported by validated and GDPR-compliant reports.

Conclusion

With Cleancarbon.ai's support, Southco achieved effortless CBAM compliance, enhancing their position in the EU market. Cleancarbon.ai's automated, expert solutions delivered cost savings, timely reporting, and regulatory adherence. For exporters facing CBAM, Cleancarbon.ai provides a reliable path to success. Visit [Cleancarbon.ai](https://cleancarbon.ai) to book a consultation and simplify your CBAM journey.



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