carbonfit

KNOW YOUR SUPPLIERS

WHY THE SUPPLY CHAIN IS NOW WHERE COST, RISK AND GROWTH ARE DECIDED

Manufacturing NI webinar · Tuesday 24 November 2026, 12:00

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TODAY

What we will cover today

01

The changing picture

What supply chain intelligence is – and where to look

02

What is at stake

Six risks of standing still, and what the research says about the prize

03

What good looks like

Mapping, the insight it produces, and a case in point

04

CBAM: a test case

Estimate your own exposure, five questions for your board, then Q&A

WHO WE ARE

About Carbonfit

Chartered energy engineers and financial analysts with over 25 years in carbon and energy.
We work alongside finance, purchasing and ESG teams to find savings faster and set budgets with confidence by providing supply chain intelligence and engagement services.

100+
organisations supported

20,000
suppliers under management

£28.4m
cost savings identified in the last 12 months

£400m
tenders supported in the last 12 months

TRUSTED BY

camlin · Danske Bank · CDE · RANDOX HEALTH · KINGS BRIDGE HEALTHCARE GROUP
McCloskey INTERNATIONAL · Phoenix Energy · MAC ZERO · STOTHERS BUILDING ENGINEERING SERVICES · SDC TRAILERS

PART 01

The changing picture

Why the supply chain is where cost, risk and growth are now decided

A DEFINITION

What is supply chain intelligence?

Knowing more about what each supplier relationship means for your costs, your risks and your sustainability
So you can set budgets with confidence and act on the opportunities to reduce risk and improve performance.

1 SEE

Map every supplier and what you spend with them

One clear picture

2 UNDERSTAND

Assess the cost, risk, compliance and sustainability in each relationship

Insight your teams can use

3 ACT

Rank the opportunities by value and payback, and track them

Your Strategic Impact Plan

WHAT IT DELIVERS

Cost savings · Compliance · Sustainability · More sales

WHO USES IT

MDs · CFOs · Supply chain managers · ESG managers

WHERE TO LOOK

Ten places cost, risk and carbon hide

Scope	Area	What it covers	What benefits of supply chain intelligence are
Scope 1	**Fossil fuels**	Gas, oil and diesel in your sites and vehicles	Pinpoints fuel waste, reduction or transformation opportunities across sites and fleet, cutting fuel costs
Scope 2	**Electricity**	The electricity you buy	Shows when and where you use power, to time contracts and cut waste
3.1	**Purchased goods and services**	Everything you buy to make and sell	Reveals supplier overlap and hidden CBAM and EPR costs, strengthening negotiations
3.2	**Capital goods**	Plant, equipment, vehicles and buildings	Compares equipment on whole-life cost and carbon before you buy
3.3	**Fuel and energy related**	Upstream and grid losses of your energy	Shows the true cost of your energy, beyond the bill
3.4	**Upstream transportation**	Freight and logistics into your sites	Finds empty miles and consolidation savings in freight
3.5	**Waste**	Waste from your operations	Turns waste into savings, or a by-product you can sell
3.6	**Business travel**	Flights, hotels and mileage	Sets travel budgets on evidence and cuts avoidable trips
3.7	**Employee commuting**	How your people get to work	Highlights travel issues that affect staff retention
3.8	**Upstream leased assets**	Buildings and vehicles you lease	Exposes energy you pay for but do not control, before lease renewals

PART 02

What is at stake

Six risks of standing still – and the prize for getting it right

WHAT IS AT STAKE

Six risks of standing still

Margins eroded

Energy, material and new regulatory costs pass down the chain and land on your margin.

Regulation in the price

CBAM from January, packaging EPR and Plastic Packaging Tax arrive in suppliers' prices.

Customers and tenders lost

Buyers and public contracts expect supplier carbon data. No data, no bid.

Supplier failure

Single-source and fragile suppliers can stop production without warning.

Penalties and reputation

Getting compliance or green claims wrong costs money and trust.

Competitors moving first

The suppliers buyers choose next year are the ones with data today.

The common thread You cannot manage what you cannot see – and your supply chain is where most of it sits.

The biggest blind spot: your suppliers

01
Sustainability

Supply chain emissions average 26 times a company's own (CDP, 2024).

Can you answer every buyer who asks?

02
Compliance

New rules like CBAM, EPR and buyer data requests arrive through your suppliers.

Can you show you comply – with the evidence to back it?

03
Mapping

Most businesses can see their direct suppliers. Few can see who those suppliers depend on.

Do you know which suppliers you cannot do without?

04
Expenditure

Bought-in goods and services are usually a manufacturer's largest cost line.

Do you know where the biggest savings sit?

Four blind spots, four answers that will improve your strategic decision making to build a more resilient business

WHAT THE RESEARCH SHOWS

The prize for getting it right

COST SAVINGS

7–10%

typically delivered by full supply chain engagement

MORE SALES

26%

associated with getting sustainability right

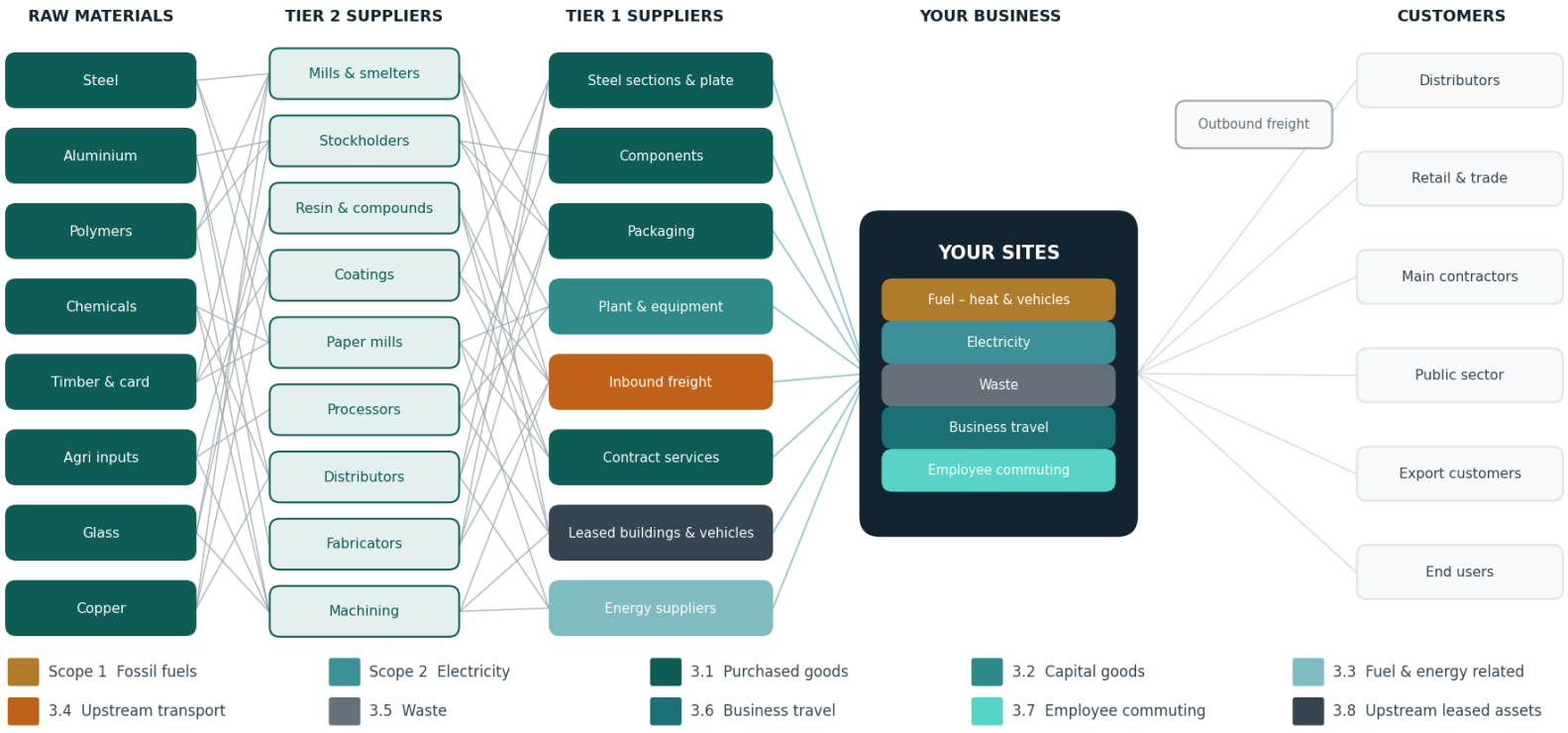
Intelligence data supports compliance – CBAM, buyer data requests and reporting requirement questions are answered along the way with an audit trail to back it up.

PART 03

What good looks like

Mapping, the insight it produces, and a case in point

Your supply chain is more complex than it looks



The four key areas

SUSTAINABILITY

15% – 30%

of spend carrying 60–80% of emissions

RISK MITIGATION

Buyers and tenders you cannot answer without measured emissions

PERFORMANCE IMPROVEMENT

Carbon hotspots cut and a footprint that falls year on year

COMPLIANCE

Reporting

Regulatory & Buyer requirements

RISK MITIGATION

CBAM, EPR, Plastic Packaging Tax and reporting costs caught before they land

PERFORMANCE IMPROVEMENT

Requirements met first time, with an audit trail behind every figure

MAPPING

5 – 25

critical suppliers with no backup

RISK MITIGATION

Critical, single-source and financially fragile suppliers

PERFORMANCE IMPROVEMENT

Key suppliers engaged for better data and better terms

EXPENDITURE

£50k – £850k

a year in savings identified

RISK MITIGATION

Cost exposure and pass-through gaps in contracts

PERFORMANCE IMPROVEMENT

Savings ranked by value and payback, and tracked

In every area we assess two things: risk mitigation and performance improvement. Ranges are illustrative, from typical manufacturer supplier lists.

CASE STUDY

A case in point

International technology manufacturer · £86m turnover · 750 employees · 215 suppliers · diagnosis in 14 days

SUSTAINABILITY

72% Scope 3 cut, plus 63% on Scope 1 & 2

RISK MITIGATION
Buyer and investor questions answered

PERFORMANCE IMPROVEMENT
Scope 3 down 72% through suppliers

COMPLIANCE

CBAM liability assessed

RISK MITIGATION
CBAM cost assessed before it landed

PERFORMANCE IMPROVEMENT
Verified emissions programme under way

MAPPING

215 suppliers mapped

RISK MITIGATION
Critical and single-source suppliers identified

PERFORMANCE IMPROVEMENT
Key suppliers engaged for actual data

EXPENDITURE

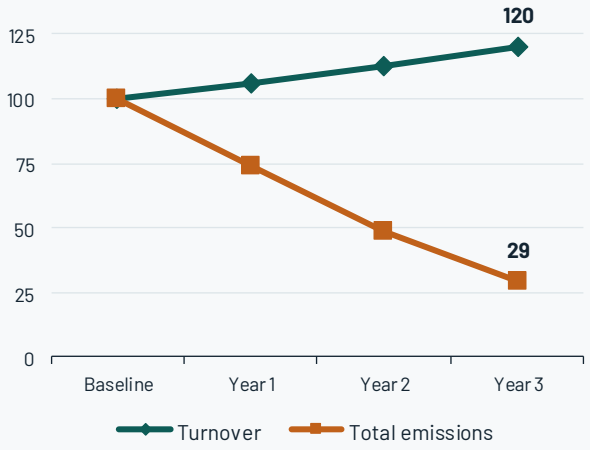
£823k savings identified

RISK MITIGATION
Supply chain cost exposure quantified

PERFORMANCE IMPROVEMENT
Savings ranked and tracked quarterly

CARBON DOWN, TURNOVER UP

Index, baseline year = 100



What we did Built the footprint, mapped supplier spend and emissions, engaged key suppliers for actual data, assessed CBAM risk and ranked every saving – tracked quarterly.

PART 04

CBAM: a test case

The new cost arriving on 1 January – and what the UK-EU Summit 2026 changed

CBAM AT A GLANCE

A carbon charge at the border

From 1 January 2027 the UK Carbon Border Adjustment Mechanism puts a charge on the carbon embedded in certain imported goods – across the whole UK, including Northern Ireland.

1 Jan 2027
UK CBAM starts

£50,000
annual import threshold for CBAM goods

570
product codes with published default values

Quarterly
sector rates set by HMRC, first binding rates due before the end of 2026

GOODS IN SCOPE

- **Iron and steel**
- **Aluminium**
- **Cement**
- **Fertilisers**
- **Hydrogen**

HMRC published illustrative rates on 16 October 2026 (for example £9.69 per tCO_2e for iron and steel). Binding rates for January–March 2027 are due before the end of 2026, then set each quarter.

What the summit agreed

Agreed on 20 November: UK and EU carbon markets to link from 2028 – and the UK intends to exempt EU goods from UK CBAM from day one.

ETS linkage

Two separate systems, linked. Allowances usable in either from 1 January 2028 – an ambitious date.

CBAM between the UK and EU

EU, EEA and Swiss-origin goods to be exempt from UK CBAM from 1 January 2027. UK goods exempt from EU CBAM from 2028.

2027: an asymmetric year

GB-origin goods stay inside EU CBAM in 2027, with the UK carbon price deductible. EU customers will want the evidence.

What it means for NI

EU CBAM does not apply in NI. Your UK CBAM exposure is goods originating outside the UK, EU, EEA and Switzerland.

ESTIMATE YOUR LIABILITY

Estimate your CBAM exposure

THE RULE OF THUMB

Tonnes of non-European CBAM imports
× default emissions per tonne
× the CBAM rate
= your annual charge

Imported steel at HMRC default values works out at roughly £25 a tonne in 2027 – and the rate rises every year.

Imported steel a year	2027 charge (default values)
500 tonnes	c. £12,700
1,000 tonnes	c. £25,400
2,500 tonnes	c. £63,500
5,000 tonnes	c. £127,000

Free Liability Estimate
We will carry out a high level calculation to gauge your CBAM liability following this webinar

Illustrative: 2.622 tCO_2e/t default value × £9.69/tCO_2e (HMRC illustrative rate, 16 October 2026). Applies to goods originating outside the UK, EU, EEA and Switzerland; verified supplier data can lower it.

WHAT IT COULD COST

A worked example

2,500 tonnes a year of an imported CBAM product with a default value of 2.622 tCO_2e per tonne

	Default value	Verified data
Emissions per tonne	**2.622 t**	**1.8 t**
Embedded emissions	**6,555 tCO_2e**	**4,500 tCO_2e**
Annual charge at £9.69	**£63,500**	**£43,600**

£19,900

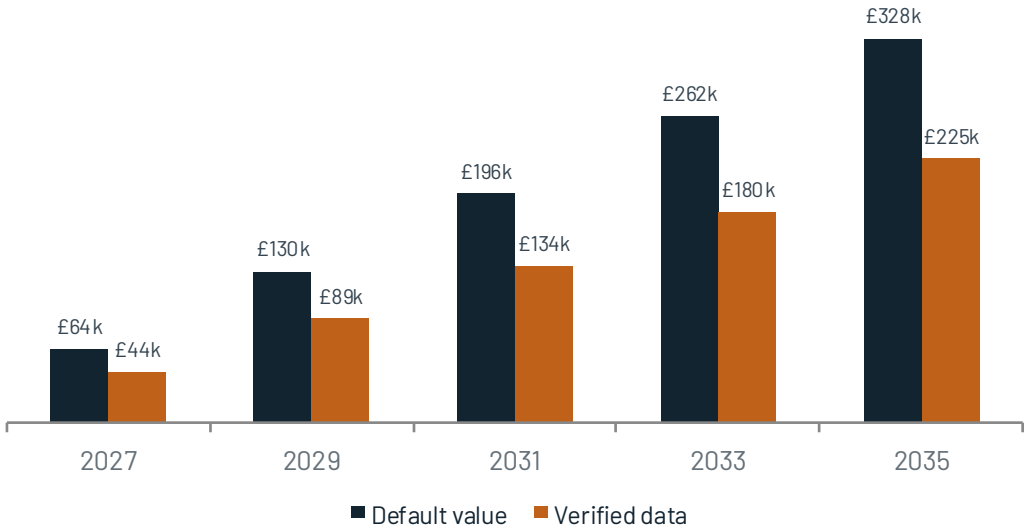
a year saved by replacing the default value with verified supplier data – about 30% lower, in this example

Verified means verified properly. Actual emissions must be checked by an independent verifier accredited to HMRC's UK CBAM standards. This is separate from EU CBAM verification, and an Environmental Product Declaration (EPD) is not a substitute.

THE YEARS AHEAD

Why the charge rises every year

Free allowances in the UK carbon market are phased out for CBAM sectors from 2027, so the CBAM rate moves towards the full UK carbon price.



~5x

the 2027 charge by the mid-2030s in this scenario

£103,000

a year saved by verified data by 2035, same example

Indicative Carbonfit scenario for the 2,500-tonne example, sourced from outside the EU – not an HMRC forecast. Assumes a UK carbon price of £50/tCO_2e and free allocation phasing out evenly to 2035. The UK–EU carbon market link agreed on 20 November could move UK prices towards EU levels.

WHO IT REACHES

Three ways CBAM lands on a manufacturer

01

Direct importers

You import over £50,000 a year of CBAM goods made outside the UK, EU, EEA and Switzerland.

Register, report embedded emissions and pay the charge.

02

Buyers through UK suppliers

Your merchant or supplier imports the CBAM goods you buy.

Expect the charge to be passed on in price – and ask how it is calculated.

03

Exporters to the EU

You sell CBAM goods into the EU from Northern Ireland or GB.

NI goods: EU CBAM does not apply. GB goods: in scope until 2028. Either way, EU customers will ask for evidence.

PLANNING YOUR STRATEGY

How to minimise the cost and gain advantage

1 Know your codes

Map every purchase to its CN code and see which are in scope.

2 Check the threshold

Total your annual imports of CBAM goods against £50,000.

3 Ask for actual data

Verified supplier emissions, checked by an accredited verifier, can replace higher defaults.

4 Compare suppliers

Lower-carbon suppliers carry a lower charge. Build it into sourcing.

5 Fix it in contracts

Agree now who pays, and how pass-through is calculated.

6 Turn it to advantage

Credible data wins tenders and keeps EU customers close.

FOR YOUR BOARD

Five questions for your 2027 budget

1. Do you have one clear picture of who your suppliers are and where the risks and opportunities are?
2. Do you know which savings are worth most, and which come quickest?
3. Is your energy buying strategy set before prices move again?
4. Have you priced CBAM, EPR and other regulation into your budget and can you reduce the liability?
5. How will you show your board, customers and lenders the results from your investments?

THE PROGRAMME

A year of supply chain intelligence

LOOKING BACK · YOUR BASELINE

LOOKING FORWARD · YOUR STRATEGY

01
Diagnostic

A diagnostic across all ten areas, and a spend-based assessment of the eight operational categories

YOU RECEIVE

Sustainability Report – meets SECR and PPN 06/21

02
Mapping

Purchased goods and capital goods added, and your supply chain mapped

YOU RECEIVE

Supply Chain Mapping Report

03
Risk

A risk analysis across all ten areas

YOU RECEIVE

Risk Analysis Report

04
Expenditure

Every area of spend reviewed for efficiency, then an annual review across all reports

YOU RECEIVE

Strategic Impact Plan

Your Strategic Impact Plan: a supply chain intelligence action plan to cut cost, manage risk and build resilience for the year ahead.

HOW WE HELP

How we help you get there

We give your teams the intelligence to take cost out, set budgets with certainty and show the results – from data you already have.

- Q1 – a diagnostic across all ten areas and a Sustainability Report that meets SECR and PPN 06/21
- Q2 – your supply chain mapped, including purchased goods and capital goods
- Q3 – a risk analysis across your supply chain
- Q4 – an expenditure review and your Strategic Impact Plan

MANUFACTURING NI MEMBERS

20% off

on the Supply Chain Impact programme

Start with a free discovery call – no obligation.

Book a free discovery call

Coming in January: energy in 2027

01

Timing

Wholesale prices have swung sharply in recent weeks. When you fix matters as much as the rate.

Know your contract end dates and buy to a plan, not a deadline.

02

Consumption

Out-of-hours use, compressed air, heat and steam hide quick wins.

Rank the fixes by saving and payback before you set the budget.

03

Support on the way

DfE is developing an NI scheme to help manufacturers with electricity costs.

Get site-level electricity records ready now, as Manufacturing NI advises.

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Your questions

Less stress, more certainty, and results you can show.
Thank you for joining us.

Scan to email Ben

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