



UK CBAM Regulations: Implications for the Food & Drink Sector

Food & Drink Federation

Introducing Valpak:

Leading environmental compliance and sustainability solutions



Who *we* are



Part of Reconomy, a global leader in circular economy solutions



The UK's largest compliance scheme for packaging, WEEE, and batteries



Over 25 years of expertise in reporting and navigating complex legislation like EPR (Extended Producer Responsibility)



Sustainability consultancy specialists, supporting businesses' environmental objectives

Our *impact*



60+ million SKUs

Home to the industry-leading packaging and product database

Supporting brands, industry, and government with accurate data and analysis for big change

A *sustainable* business



Awarded Platinum sustainability rating by EcoVadis, placing Valpak in the top 1% of 130,000 companies worldwide

Meet the Team



Michael Trotter Comas

CBAM Service Lead

Michael supports businesses in navigating evolving EU and UK CBAM requirements, helping them manage regulatory obligations, and assess their financial exposure.



Harry Penney

Carbon Solutions Service Lead

Harry leads the development of Valpak's Carbon Solutions services, covering Life Cycle Assessments, carbon footprints, and ESG. Harry previously led the CBAM service.

UK CBAM Regulations

Implications for the F&D Sector

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Scope

Understanding what's in scope of the UK CBAM.

2

Timeline

Visualising implementation milestones.

3

Calculations and Missing Elements

Detailing the components of a UK CBAM liability.

4

Other Implications

Understanding other impacts beyond direct obligation.

Scope

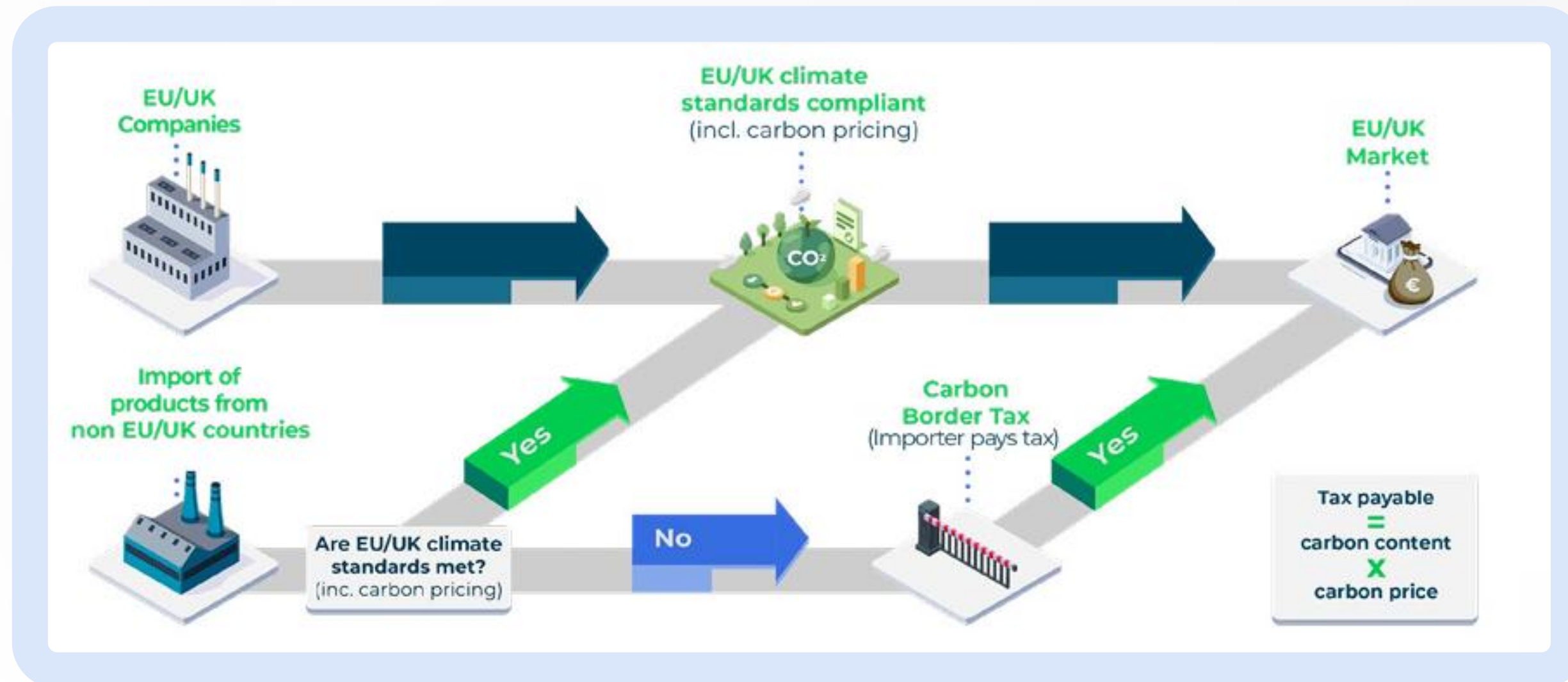
Understanding what's in scope of
the UK CBAM

UK CBAM Overview



The UK Carbon Border Adjustment Mechanism (CBAM) places a carbon tax on carbon-intensive imports.

- Aluminium
- Cement
- Fertilisers
- Iron and Steel
- Hydrogen



Likely obligation for FDF members:

- Aluminium packaging: drink cans, foil, and containers.
- Iron/Steel packaging: food tins, drums, and containers.

UK CBAM Threshold:

In-Scope CN Code

Annual Import Value Exceeding £50,000

UK CBAM Actors



UK Importers

Comply with UK CBAM Obligation.

Steps to prepare:

- Identify obligated goods,
- Initiate supplier conversations, and
- Forecast potential obligations.

Overseas Manufacturers

Responsibility to provide emissions data.

Steps to prepare:

- Implement monitoring systems,
- Undergo verification, and
- Share emissions data.

Intermediaries

Communicate relevant data.

Steps to prepare:

- Maintain detailed records, and
- Initiate supplier conversations.

CBAM frameworks affect entire supply chains, from manufacturers to end-users..



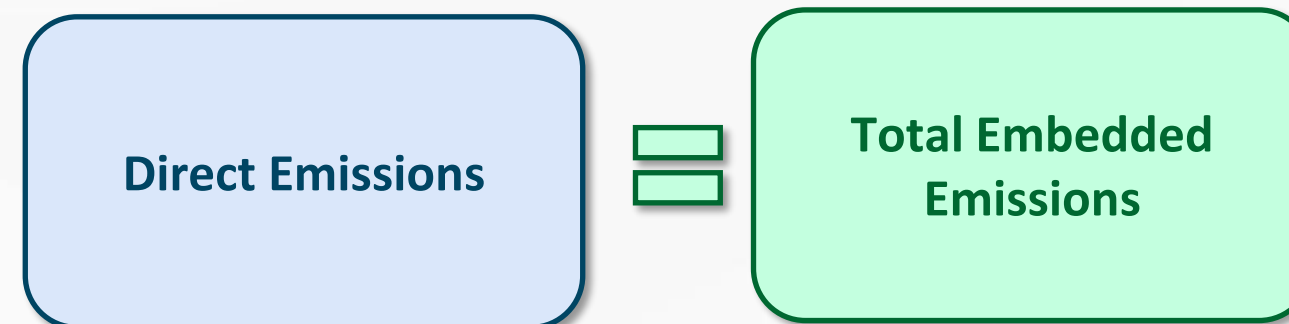
Direct Emissions

- Emissions directly tied to the manufacturing process
- Essentially Scope 1 emissions
- Applies from 1 Jan 2027

Indirect Emissions (from 2028)

- Emissions tied to the generation of energy used in manufacturing
- Essentially Scope 2 emissions
- Only applies from 1 Jan 2028

1 Jan 2027:



1 Jan 2028:



UK CBAM Supplier Data Types



Default Data

- Provided by the UK Government (TBC)
- Default emission factors per CN Code
- Readily available
 - UK CBAM website (Q4 2026)
- Comprehensive (more expensive long-term)

Actual Data

- Provided by manufacturers/suppliers
- Monitored at the source using specialized equipment
- Product specific (typically cheaper than defaults)
- Requires verification by a GACI-accredited third-party



To be used as a last resort – especially once Actual Data becomes more common.



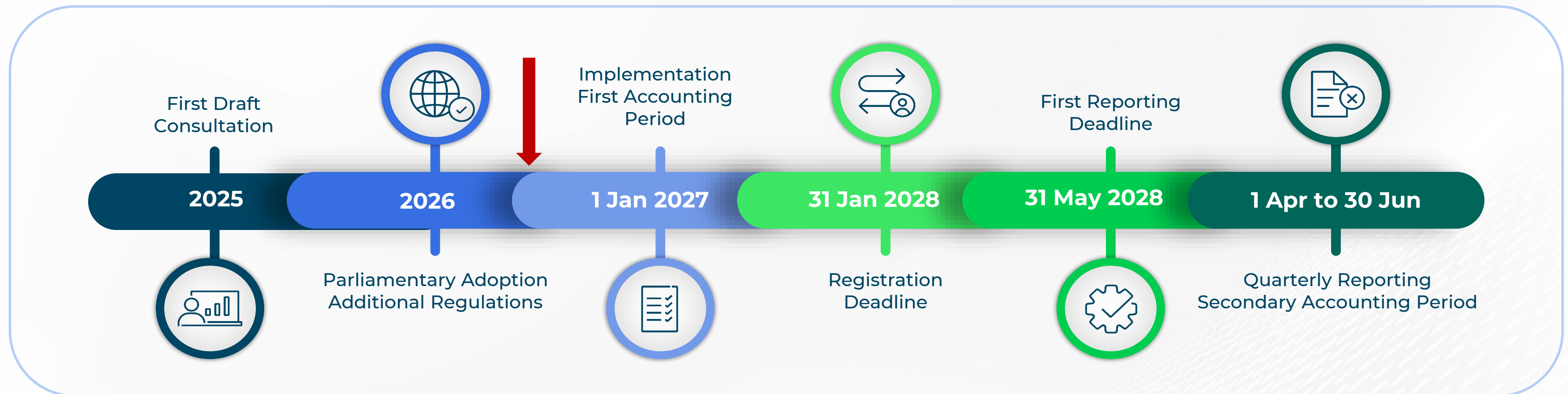
Preferred but hard to get in the first few years of CBAM.



Timeline

Visualising implementation milestones.

UK CBAM Timeline



Incoming Implementation

- Identify obligated imports
- Engage suppliers
- Forecast costs

EU CBAM Similarities/Differences

- Similar Framework
- Scope differences
- Price differences

Supplier Communication

- Check understanding
- Data eligibility

Poll

Have you identified any in-scope products?



Calculations and Missing Elements

Detailing the components of a UK
CBAM liability.



UK CBAM Calculation



$$\text{UK CBAM Liability} = \text{Embedded Emissions} \times \text{CBAM Rate} - \text{Carbon Price Relief (CPR)}$$

Embedded Emissions

Total direct (and indirect) emissions produced by the manufacturing process.

CBAM Rate

Refers to the price paid per tonne of CO₂ emissions. This is published by the Government and obtained from the UK ETS allowance prices and free allocations.

Carbon Price Relief (CPR)

This is the deductible amount of carbon tax paid overseas from your total CBAM liability.

UK CBAM Calculation



The following points are important to keep in mind

- There will be a single CBAM rate per sector (TBC).
- CBAM rates will be adjusted annually using a ‘reduction factor’ (TBC).
- CBAM rates will be published on a quarterly basis.
- Trial rate to be published in Q4 2026.

UK/EU CBAM Equivalences

EU CBAM	UK CBAM
EU CBAM Obligation	UK CBAM Liability
Certificate Price	CBAM Rate
Carbon Price Paid Abroad	Carbon Price Relief (CPR)

UK CBAM What's Missing



Submission Pathways

What we know:

- Submit using Government Gateway account.

What we don't know:

- What the portal will look like.
- API and template usability.
- Confirmed access requirements.

UK CBAM Defaults

Without confirmed default values, obligated businesses are unable to:

- Accurately forecast liabilities.
- Communicate the importance of actual data to suppliers.
- Understand the true impact of CBAM on their business.

UK CBAM Rates

Without confirmed CBAM rates, obligated businesses are unable to:

- Accurately forecast liabilities.
- Strategise procurement accordingly.
- Prepare ahead of implementation.

We recommend using EU figures to budget for a worst-case scenario until UK figures are confirmed..

Poll

Are your suppliers aware of CBAM?

Other Implications

Understanding other impacts beyond
direct obligation.

UK CBAM Other Implications



Direct Obligation

Likely will apply to:

- Aluminium packaging: drink cans, foil, and containers.
- Iron/Steel packaging: food tins, drums, and containers.

Indirect Implications

A large portion of FDF members won't have a direct obligation, but may be impacted indirectly:

- Price increases where packaging suppliers are obligated (import and manufacturing).
- Packaging supply chain and country of origin changes.

Next Steps

Recommended next steps are:

- Check your import commodity codes against the Step-by-Step Guide provided in the post-webinar mailer.
- Contact any in-scope packaging suppliers.

Valpak can help – Our end-to-end solution

Our services



Expert guidance: Step-by-step support through CBAM registration and reporting



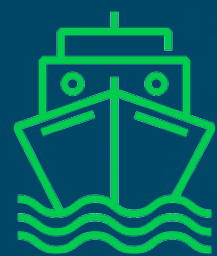
Cost forecasting: Accurate cost forecasting using your data to understand the financial impacts of CBAM



Data management and pre-verification: Accurate data calculations and verification audit preparation



Supplier engagement: Direct support in contacting and exchanging with suppliers to retrieve quality data



Procurement solutions: Finding CBAM-ready suppliers for your goods.



Evaluating the carbon impact of your products



Why assess your carbon footprint?

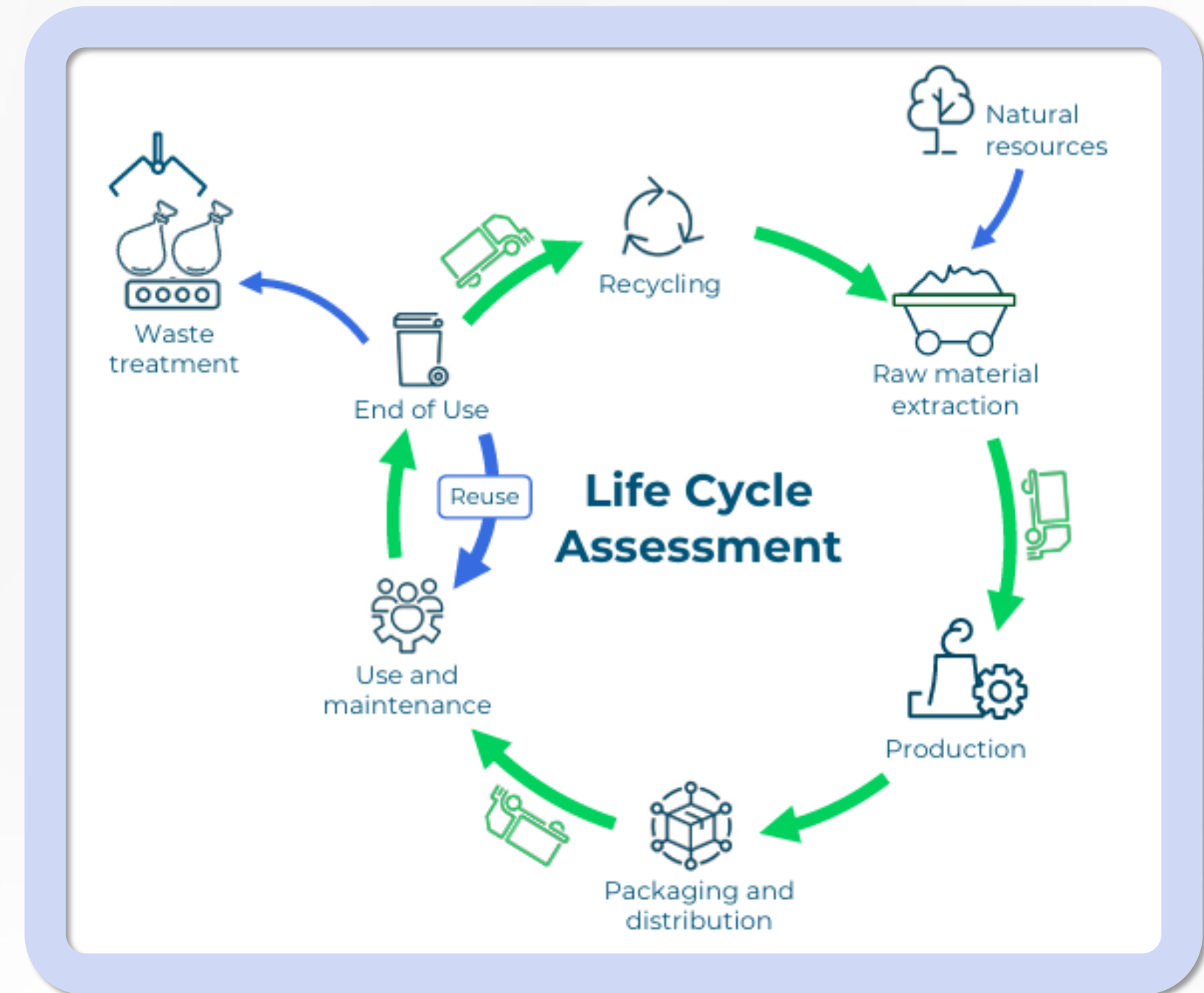
Even if your business isn't directly affected by the CBAM, understanding your carbon impact is key for sustainability, compliance, and staying competitive.

Key benefits:

- **Regulatory readiness** – Stay ahead of evolving carbon reporting legislation.
- **Meet supply chain demands** – Customers expect emissions data
- **Drive Sustainability & Savings** – Cut carbon and reduce costs.

How Valpak can help:

- **Life Cycle Assessments (LCAs)** – Measure environmental impacts from raw materials to end-of-life (including EPDs).
- **Environmental Social Governance (ESG)** – Determine new and improve existing environmental and social corporate targets.
- **Carbon and Packaging Management Services** – Identify reduction strategies and future-proof your business.



Take the next step

Evaluate your carbon impact today with our expert support.
Contact us to discuss your sustainability strategy.



Questions