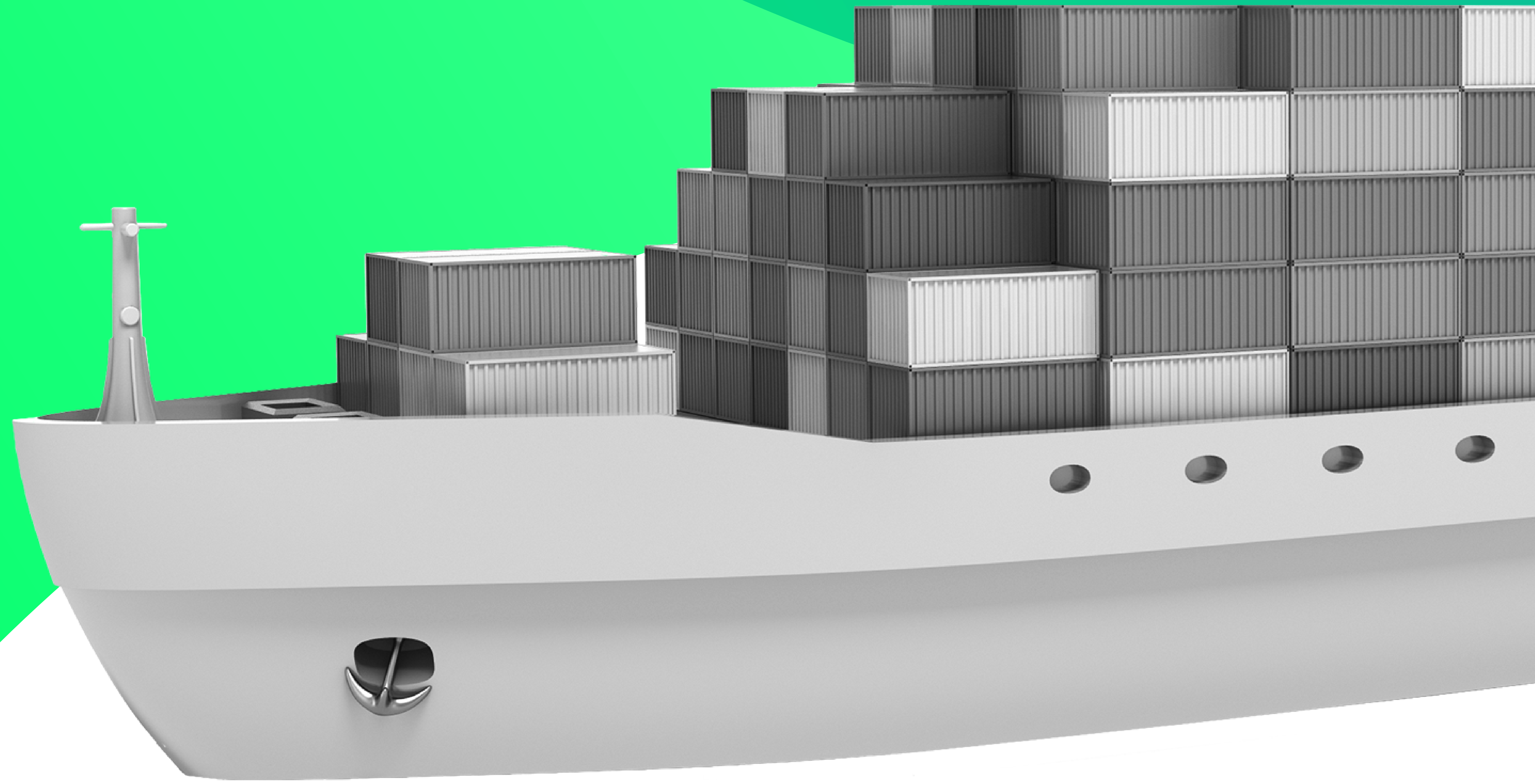
GUIDE AND CHECKLIST

CBAM for exporters to the EU

Everything you need to know to remain competitive into the EU market



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What is CBAM?

The **Carbon Border Adjustment Mechanism** (CBAM) is effectively the EU's carbon tax on carbon-intensive imports.

As part of the EU's target to cut its emissions by 55% by 2030, CBAM requires businesses within the EU to report the carbon impact of certain commodities they import into the EU and pay a levy for their 'embedded' emissions, meaning all emissions released during the production of these goods.

This creates a financial incentive for businesses to decarbonise their supply chain and switch to lower carbon products.

CBAM is mandatory for all EU businesses.
It requires them to:

- Declare the goods or materials that are imported under CBAM's scope.
- Declare emissions embedded in imports expressed in CO_2e.
- Report if goods are already carbon priced in the country of production or purchase. This will be deducted from the amount of CBAM certificates required.
- Pay a carbon levy on the carbon content of their imports through the purchase of 'CBAM certificates'.[1]

[1] The price of these certificates will be linked to the carbon price under the EU's Emissions Trading System (ETS).

Will it impact me?

Directly? No. The responsibility for reporting emissions associated with imports, alongside the purchase of certificates, lies with the EU-based importer.

Indirectly? Yes. CBAM pushes EU businesses to target their supply chain, in particular their procurement. Many businesses will find that a large portion of their emissions derives from the goods they purchase. So, if you export CBAM-specific products to customers in EU member states, be prepared to face new expectations. Customers will want to know the carbon content within your products and what you are doing to reduce it.

CBAM's scope currently covers six commodities, but more may follow from 2030 onwards.

- Aluminium
- Iron and steel
- Cement
- Electricity
- Fertiliser
- Hydrogen

2026

EU businesses will start paying carbon levies on the goods they import.

50 tonnes

That's the maximum amount of CBAM-covered goods an EU-based business can import over a 12-month period, before carbon levies are to be paid.

99%

The amount of emissions from imported steel, iron, aluminium, cement and fertilisers that will be addressed through CBAM.[2]

[2] European Parliament, 'CBAM: Parliament adopts simplifications to the EU carbon leakage instrument', European Parliament News, 5 September 2025.

Why take initiative with CBAM?

Given the financial costs, businesses will carefully consider the advantages and disadvantages of choosing suppliers outside of the EU based on their emissions intensity.

Remaining passive, choosing to wait on customer requests, or even ignore CBAM will pose a business risk. Those that take initiative, however, can turn CBAM into an opportunity for growth and sustainable economic development.

CBAM is effectively creating the first global marketplace for low carbon products, giving exporters a chance to differentiate themselves and secure their competitiveness in the market."

Reinhardt Arp
Manager, the Carbon Trust, South Africa

Why take initiative with CBAM?

Customer expectations are evolving

EU-based customers will request carbon data of the products they import to support their CBAM declarations. They want clear, comparable data that has been verified by an independent party.

If a business struggles to obtain this data, it may opt for a supplier that can. Having this data readily available, on the other hand, provides a stress-free experience and supports customer loyalty.

Price competitiveness is at risk

Businesses will consider CBAM certificate costs when reviewing suppliers. In the case of inaction, you may find your products end up costing more than your competitors'.

Investing in low carbon production, in turn, limits this risk while targets signal that decarbonisation is on your radar.

Resilient business models are needed

More sustainable production methods will build resilience long term, especially as climate-related risks pose a financial risk.

Investments to make production lines more energy-efficient or recycle materials within production will also save costs long-term, offering a return on investment.

Sustainability is a procurement priority

Low carbon products are turning from a nice-to-have into an essential. Procurement teams are increasingly enquiring about the sustainability credentials of their supply chain.

Those who invest in on-site renewable energy generation, lower carbon materials or new processes can appeal to new customers and cement their position in one of the largest single-market economies.

Carbon taxes are going global

CBAM is having a ripple effect. Countries like the UK, Canada and Australia are exploring similar mechanisms, while South Korea and Japan are adopting their own domestic carbon pricing in response.

Identifying, then reducing, the carbon-intensive areas across production ensures preparedness for entering and staying ahead in these markets.

A checklist to get started

Although there is no reporting burden on you as an exporter, this checklist is here to guide you in maintaining strong relationships with the EU market and your downstream supply chain. Having data on the emissions associated with your product available provides your customers with the necessary information about your product. But it also serves you. It provides insight into where the majority of emissions lie within your product, enabling you to identify areas for emission reduction, including manufacturing processes and energy use.

> **For exporters to the EU, the key to preparing for CBAM is ensuring that you have high-quality data from a globally reputable organisation, like the Carbon Trust, backing up the carbon footprint of your products.”**

Pawel Kisielewski
CEO and Co-Founder, CCm Technologies

1. Preparation ✔

Applicability

- [ ] Check which of your products fall under CBAM's scope through Combined Nomenclature (CN) codes. [Annex 1]
- [ ] Identify if any of your products under CBAM's scope are exported into the EU - either directly or by companies downstream in your supply chain
- [ ] Make a list of the in-scope products manufactured or sold to EU-based customers.
- [ ] Review any products sold to traders who sell them on to the EU.
- [ ] Understand the data requirements under CBAM. [Learn more]

Data readinesss

- [ ] Determine which products should be prioritised according to their demand in the EU.
- [ ] Map production processes and emission sources.
- [ ] Gather consumption data on processes relevant to the production of these goods, such as electricity usage, fuel consumption in stationary combustion and input materials.
- [ ] Calculate the carbon footprints of these products. Acceptable approaches include direct monitoring, calculations using activity data and mass balance allocation.

2. Customer support

Verification and documentation

- [ ] Seek assurance from an independent party when actual emissions data is used.
- [ ] Maintain records for each product or stock keeping unit (SKU) that has been verified.

Disclosure

- [ ] Sign up to O3CI – the CBAM Registry's dedicated portal for non-EU companies. [How to register]
- [ ] Upload company information and emissions data onto O3CI. Customers can access the information via your unique Economic Operators Registration and Identification (EORI) number. This ensures you only need to share data once.
- [ ] Proactively inform EU customers that emissions data is available on the portal.
- [ ] Respond to any further data queries.
- [ ] Optional: Inform customers whether a carbon tax or levy has been paid in the country of origin, so this can be declared.

3. Decarbonisation

Planning

- [ ] Know the areas associated with emission hotspots, in particular the ones across operations over which there is more control. This will direct reduction efforts and highlight opportunities to improve processes.
- [ ] Set reduction targets to demonstrate climate ambition to key customers, i.e., near-term targets or long-term Net Zero targets.
- [ ] Create a detailed plan to reduce emissions and have milestones in place. This will show customers you care and can help you access financial support to implement any low carbon interventions.
- [ ] Identify reduction methods that will lower CBAM costs downstream and support business resilience.

Implementation

- [ ] Optimise processes to reduce emissions. Methods can include:
  - Upgrades to energy-efficient equipment;
  - Real-time emissions monitoring to track reductions;
  - Waste reduction and material efficiency schemes to reduce the emissions intensity per tonne of product;
  - Move to greener fuels and electrification;
  - Integration of on-site renewable energy if possible; and
  - Switch to clean energy sources, such as renewable, to power production lines, in part, or fully.
- [ ] Plan the deployment of these projects, starting with quick wins (renewable energy certificates etc.), while planning to phase in more costly upgrades.

We can help

The Carbon Trust has been at the forefront of carbon reductions for nearly 25 years. We understand that exporters may feel overwhelmed by the steps they need to take to report – and reduce – their emissions. We provide the support and tools you need to remain resilient in this landscape.

Our product carbon footprinting services cover the requirements of CBAM. They also give you further insight into the emissions of the products you export, their emission hotspots and reduction opportunities.

We can help

Analysis

- Calculate the carbon footprint of a product.
- Uncover emission hotspots across the product life cycle.
- Build a calculation model to update future carbon footprint calculations.

Strategy

- Define emissions reduction targets.
- Support target submission to the Science Based Targets initiative.
- Develop a plan to meet targets, featuring key actions and milestones.

Assurance

- Ensure product carbon footprints meet international standards like the Greenhouse Gas Protocol and ISO 14067.
- Give carbon insights into the product.
- Verify any carbon reduction claims.

Engagement

- Upskill internal staff on data management and decarbonisation.
- Provide internal training on CBAM, its data requirements and timelines through workshops.
- Hold workshops with suppliers and senior stakeholders on the magnitude of CBAM and the risk of inaction.

Speak to an industry expert

25
years

350+
experts

3000+
organisations supported

Book a free consultation

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Appendix: What are the data requirements?

Providing clear data around your products starts by understanding the information your EU customers will be after.

Defined by the European Commission, importers will need to declare the embedded emissions of their imports. What counts as 'embedded', however, varies across goods. Embedded emissions refer to the greenhouse gases emitted during the production of goods, including:

- **Direct emissions** from manufacturing and waste. Required for all CBAM-covered goods.
- **Indirect emissions** from energy use during production.

Emissions coverage from 2026:

Goods	Coverage
Cement	Direct and indirect
Fertiliser	Direct and indirect
Iron and steel	Only direct, subject to review
Aluminium	Only direct, subject to review
Hydrogen	Only direct, subject to review
Electricity	Only direct

Direct emissions

These are the emissions every supplier outside of the EU will be asked for, including the emissions associated with production and waste.

Add

- Directly attributable **emissions from the production process.**
- Measurable **heat imported** to the system.
- Attributed **direct emissions of a production process consuming waste gases** imported from other production processes.

System boundary

Subtract

- Emissions equivalent to the quantity of **electricity produced within the boundaries** of the production process.
- Measurable **heat exported** from the production process.
- Attributed **direct emissions of a production process exporting waste gases.**

Indirect emissions

Companies that export fertiliser or cement will also be asked about the indirect emissions associated with their products, for example, the emissions caused by energy use during production.

Add

Electricity consumed expressed in MWh or TJ.

System boundary

Note: Electricity is excluded for metals.

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