



ΣΕΒ / ΣΥΝΔΕΣΜΟΣ ΕΛΛΗΝ. ΧΗΜΙΚΩΝ ΒΙΟΜΗΧΑΝΙΩΝ  
HELLENIC ASSOC. OF CHEMICAL INDUSTRIES / HACI

***The Sustainable Webinar Series***

*EU Carbon Border Adjustment Mechanism (CBAM)*

**Το webinar ξεκινά στις 14:00**



The webinar is being recorded

Use Zoom QnA to ask questions

Questions will be answers at the end of the webinar

The Presentations will be sent later to all participants

# SustChem S.A.

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Flexible Solutions for your Needs





# INTEGRATED AND HOLISTIC APPROACH ON SUSTAINABILITY STRATEGY

Your challenges may be complicated, but your solutions don't have to be. At **SustChem**, we will help your business to its sustainability transition by providing you custom solutions to meet your targets and aspirations, address the growing regulatory requirements and consumer pressure.

## ECO BY DESIGN:

- ENVIRONMENTAL PRODUCT DECLARATION
- PRODUCT CARBON FOOTPRINT
- LIFE CYCLE ASSESSMENT (LCA)
- EU ECOLABEL & NORDIC SWAN
- RESPONSIBLE SOURCING OF RAW MATERIALS (RSRM)
- HEALTH PRODUCT DECLARATION (HPD)
- CRADLE-TO-CRADLE (C2C)
- ISCC PLUS
- GRS

## CORPORATE GOVERNANCE:

- SUSTAINABILITY REPORT
- CARBON BORDER ADJUSTMENT MECHANISM (CBAM)
- ESG STRATEGY ADVISORY
- ESG SCHEMES (SBTi, ECOVADIS, CDP)
- UN GLOBAL COMPACT COMMUNICATION On PERFORMANCE (CoP)
- ΕΘΝΙΚΟΣ ΚΛΙΜΑΤΙΚΟΣ ΝΟΜΟΣ
- GHG INVENTORY

## ENVIRONMENT & FACILITIES:

- ENERGY EFFICIENCY
- WASTE MANAGEMENT OPTIMIZATION
- ZERO WASTE
- ENVIRONMENTAL FIELD MEASUREMENTS

## ORGANISATIONAL CERTIFICATIONS:

- ISO 14001 – ENVIRONMENT
- ISO 50001 – ENERGY
- ISO 45001 – H&S
- ISO 22301 – BUSINESS CONTINUITY
- OPERATION CLEAN SWEEP (OCS)
- SMETA





# CBAM CARBON BORDER ADJUSTMENT MECHANISM

INSIDE THE NEWLY APPLIED REGULATION AND ITS  
IMPLICATIONS FOR IMPORTERS

## Speakers:

- Αριάννα Σδράκα, Sustainability & ESG Specialist
- Μαριαλένα Σπαθάρη, Sustainability & ESG Specialist





# 10 most severe risks in global scale

**World Economic Forum 2023**  
*Top risks over a 10-year period*

1. Climate change mitigation failure

2. Climate change adaptation failure

3. Natural disasters and extreme weather events

4. Biodiversity loss and ecosystem collapse

5. Large-scale involuntary migration

6. Natural resources crises

7. Erosion of social cohesion

8. Widespread cybercrime and cyber insecurity

9. Geoeconomic confrontation

10. Large-scale environmental damage incidents

Environmental

Societal

Technological

Geopolitical



# Frameworks & Agreements to tackle Climate Change



Paris Agreement

Limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels

EU Green Deal

Striving to be the first climate-neutral continent. Transform the EU into a modern, resource-efficient and competitive economy, ensuring: Net zero GHG emissions by 2050, economic growth decoupled from resource use, and a fair transition

Fit for 55

Interconnected set of proposals - Reduce net GHG emissions by at least 55% (compared to 1990) by 2030

EU ETS

The EU ETS is a **cornerstone of the EU's policy to combat climate change** and its key tool for reducing greenhouse gas emissions cost-effectively. It is the world's first major carbon market and still remains the biggest one.

CBAM

Landmark tool to put a **fair price on the carbon emitted** during the production of carbon intensive goods that are entering the EU, and to encourage cleaner industrial production in non-EU countries.

**WHAT DRIVES THE NECESSITY FOR CBAM?**

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# WHAT DRIVES THE NECESSITY FOR CBAM?

## Looming Risk of Carbon Leakage

**Carbon leakage** refers to the situation that may occur if, for reasons of costs related to climate policies, businesses were to transfer production to other countries with laxer emission constraints. This could lead to an increase in their total emissions.



- ❑ Disparities in climate commitment among the European Union's trading partners
- ❑ Incentivize and Encourage
  - Manufacturers and producers from third countries to actively engage in emission reduction practices within their operations.
  - Third-party nations to embrace and integrate comprehensive green policy frameworks, fostering sustainable practices and environmental responsibility on a broader scale, aiming to cultivate a global commitment to environmental stewardship, whilst driving positive change across industries and nations.



# CBAM...Explained

CBAM...Explained





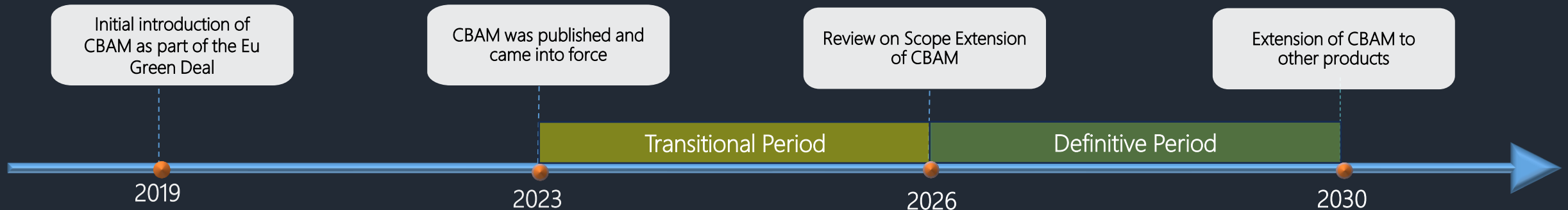
# CBAM...Explained

- Regulation (EU) 2023/956 and Implementing Regulation (EU) 2023/1773
- 5 sectoral webinars, 4 Guidance Documents and 1 QnA document

**Importers are required to pay a carbon tax for specific imported goods based on the amount of carbon emissions**

- Mirrors the carbon pricing of the EU ETS
- Designed to comply with WTO & EU's international commitments and obligations

The Regulation defines two periods: The **Transition Period** and the **Definitive Period**

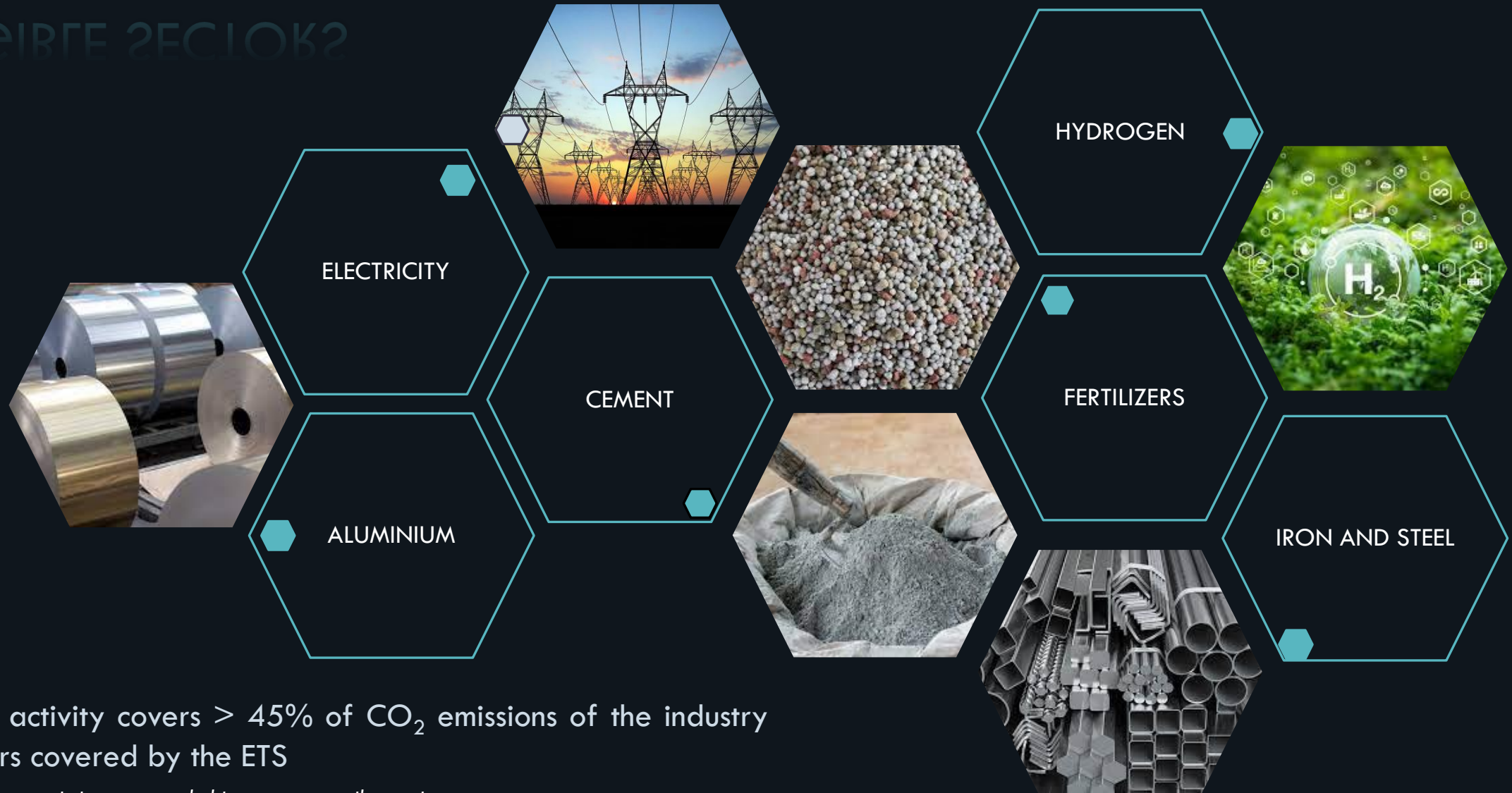






# ELIGIBLE SECTORS

ELIGIBLE SECTORS



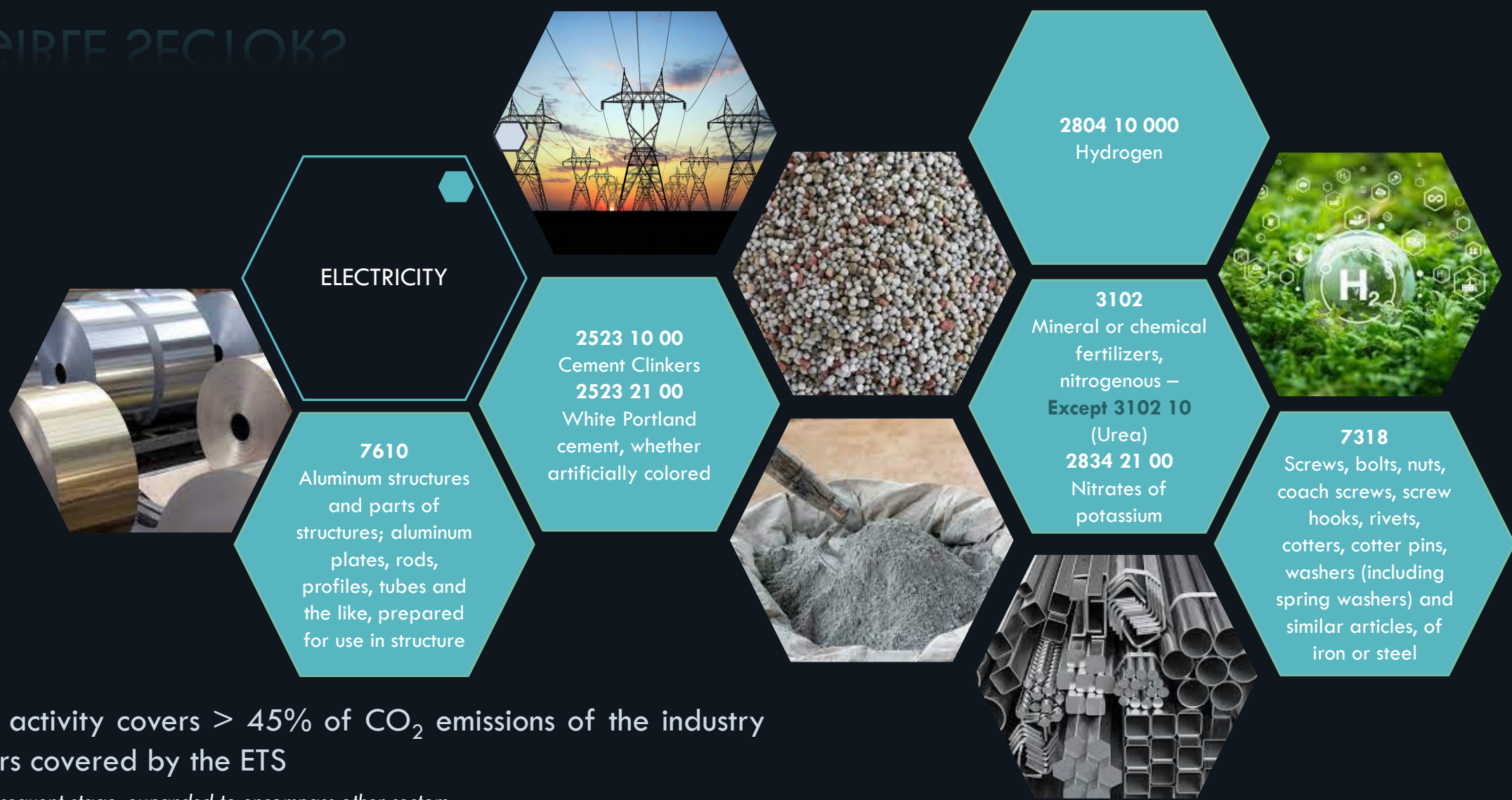
Their activity covers  $> 45\%$  of  $CO_2$  emissions of the industry sectors covered by the ETS

*In a subsequent stage, expanded to encompass other sectors*



# ELIGIBLE SECTORS

ELIGIBLE SECTORS



Their activity covers > 45% of CO<sub>2</sub> emissions of the industry sectors covered by the ETS

*In a subsequent stage, expanded to encompass other sectors*



# CBAM GOODS IDENTIFICATION

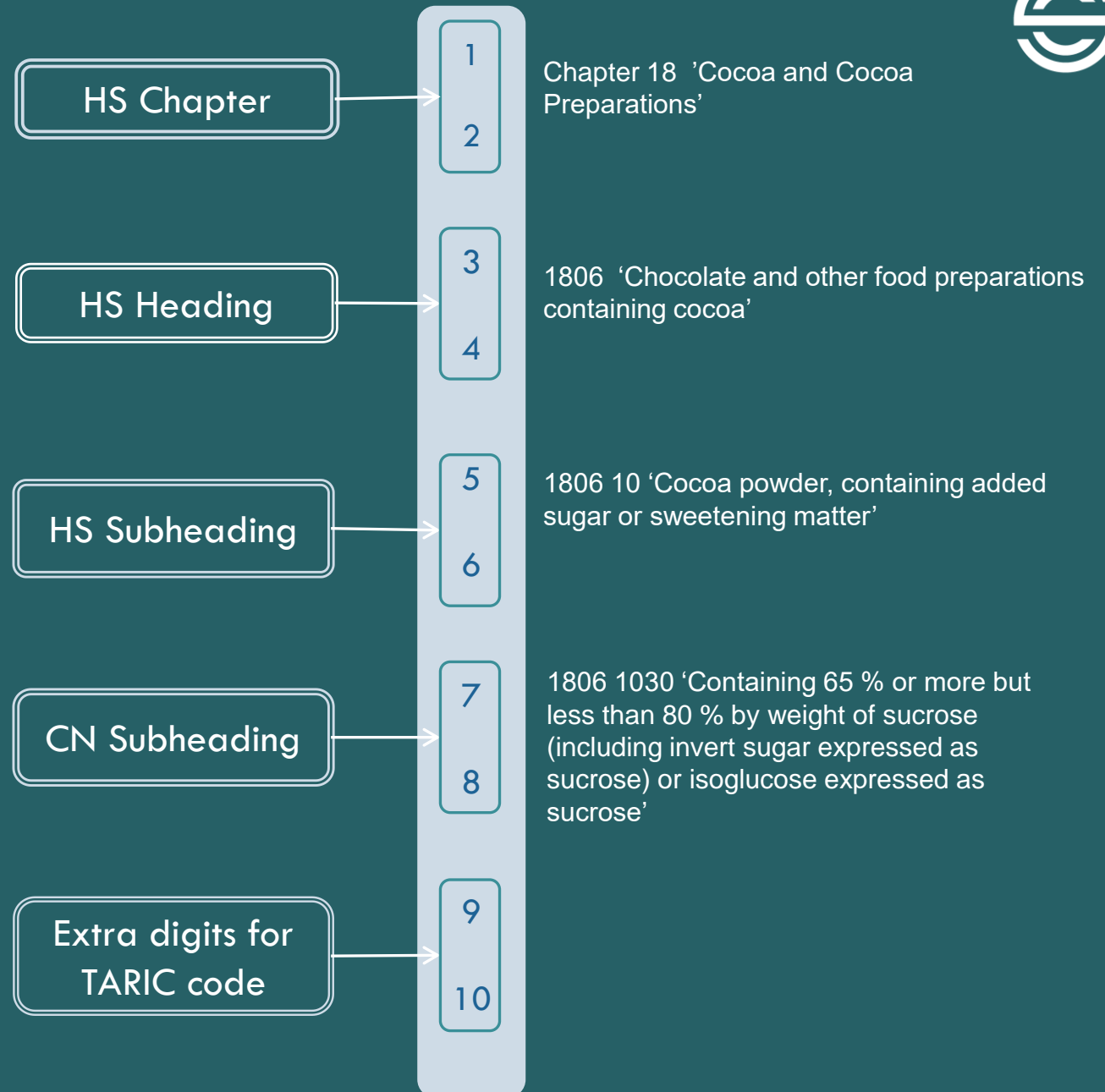
EU CBAM goods are identified by their CN code

## Don't get confused with other codes:

- Harmonised System (HS) headings are 4 digits long
- Harmonised System (HS) codes are 6 digits long
- Combined Nomenclature (CN) codes are 8 digits long
- TARif Intégré Communautaire (TARIC) codes are 10 digits long

### Quick Tip

If your product's full CN code is not listed but the HS heading is (e.g. your product's code is 7601 00, but only 7601 is listed), then your product is covered by the CBAM.







# IMPORTING GOODS

- ☐ Third Countries Imports
- ☐ The importer shall pay a carbon tax for the specific goods
- ☐ Goods for *Inward processing*

## Simple Goods:

The emissions based on only in the production process

## Complex Goods:

The used of the relevant precursors during the production process

Production Process	Simple Goods	Complex Goods
Iron and Steel		x
Aluminium		x
Hydrogen	x	
Electricity	x	
Fertilizers		x
Cement	x	x

## Not in scope

- ☐ Goods that originate from Iceland, Lichtenstein, Norway, Switzerland
- ☐ Goods that intended for military activities
- ☐ Goods for personal use (travelling goods)

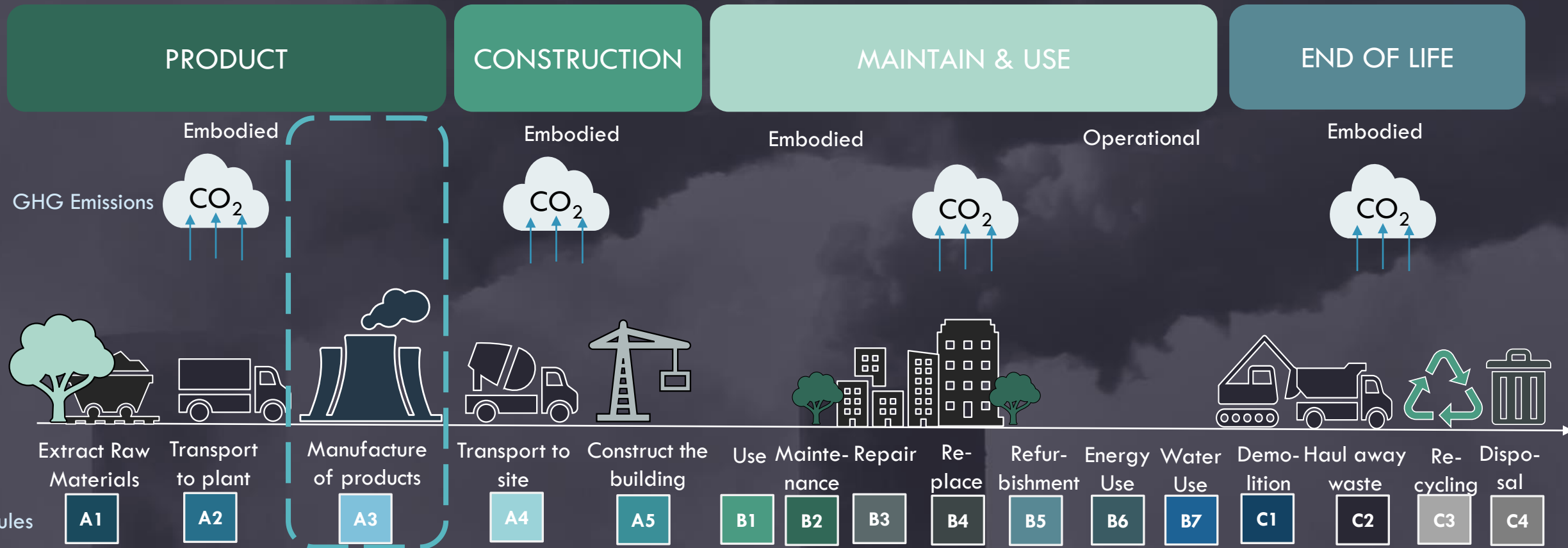


# EMBEDDED EMISSIONS

Embedded emissions means direct emissions released during the production of goods and indirect emissions from the production of electricity that is consumed during the production processes. The emissions associated with CBAM are linked to embodied and not operational carbon.

*Obtained from BS EN 15978:2011*

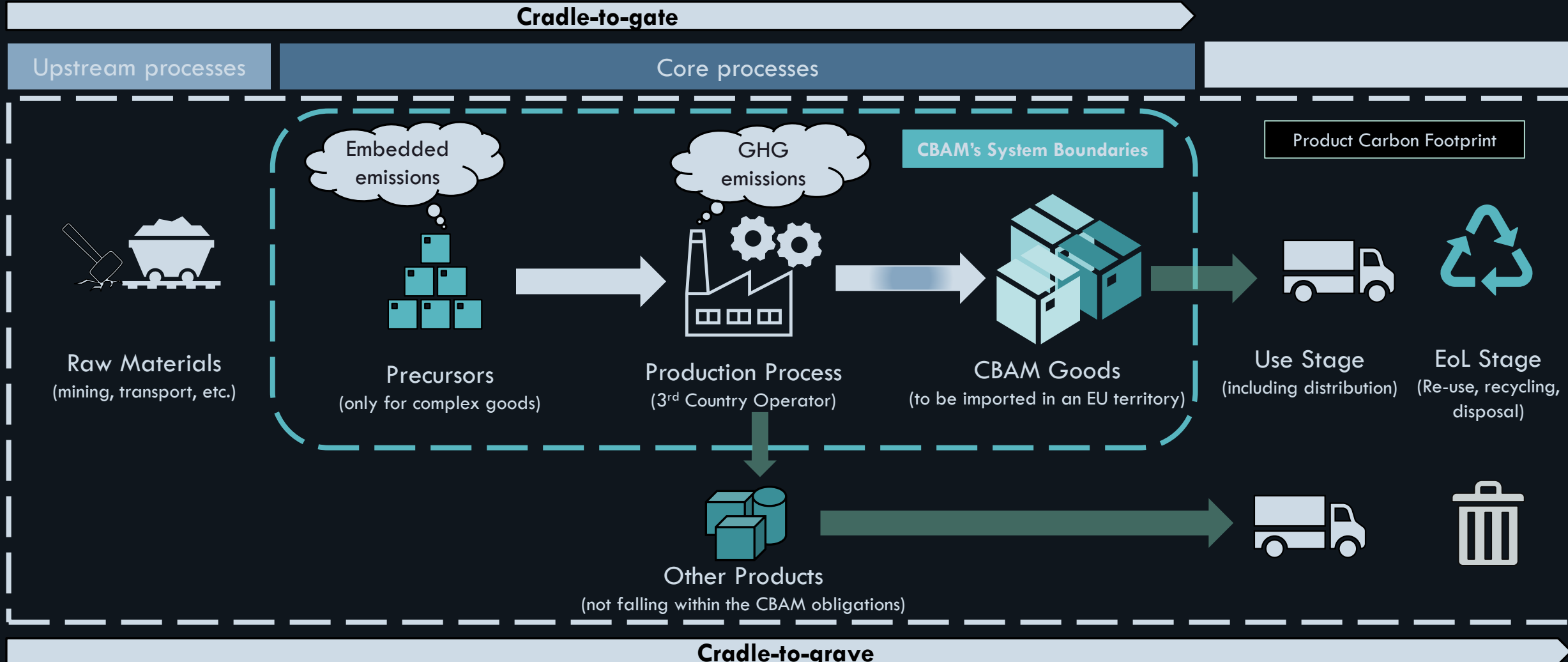
Understanding Carbon



# EMBEDDED EMISSIONS SCOPE



The notion of embedded emissions is rooted in, though not entirely in sync with, the principles and criteria of a Carbon Footprint of Products (CFP). The emissions' system boundaries addressed by the CBAM are narrower compared to those encompassed by a CFP.





# EMBEDDED EMISSIONS CALCULATION METHOD

## Direct Emissions

- Heat flows (fossil-fuel combustion) and Material flows (process emissions)
- Direct embedded emissions in relevant precursors

## Indirect Emissions

- Electricity used for manufacturing
- Indirect embedded emissions in relevant precursors



## Methodology process in ANNEX IV of the Regulation

- **Calculation-based approach**, which uses the quantities of all fuels and relevant materials consumed, and corresponding “calculation factors” (in particular the so-called Emission Factors (EF) based on the carbon content of the fuel or material)
- **Measurement-based approach**, which involves measuring the concentration of the greenhouse gases as well as the flow of the flue gas for each “emission source”
- Use of **Default values** published by the Commission is allowed

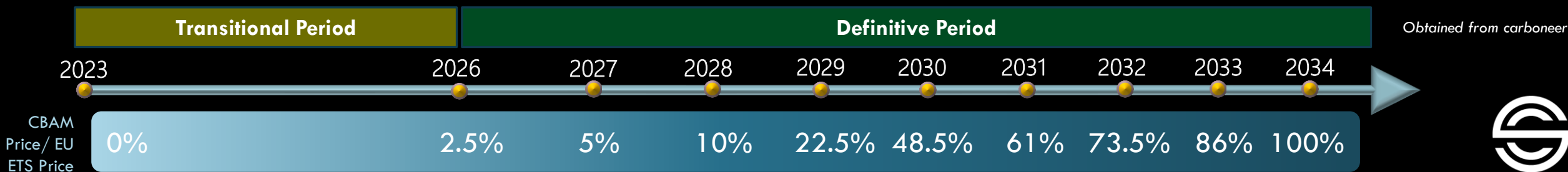
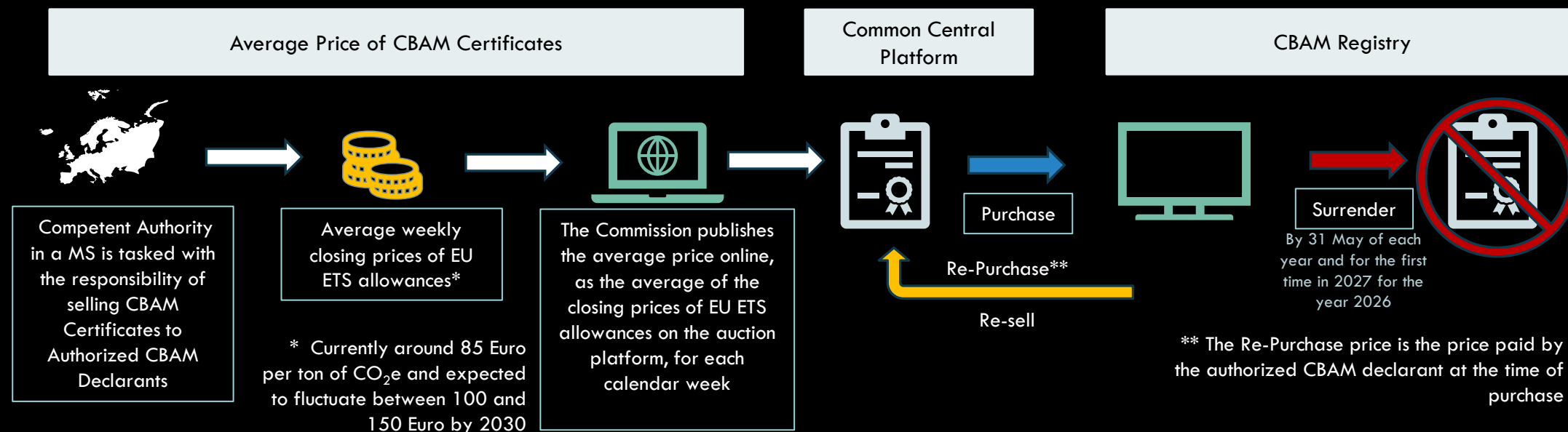
Production Process	Direct Emissions	Indirect Emissions	CO <sub>2</sub>	PFC	N <sub>2</sub> O
Iron and Steel	x	x	x		
Aluminium	x	x	x	x	
Hydrogen	x	x	x		
Electricity	x		x		
Fertilizers	x	x	x		x
Cement	x	x	x		



*Embedded emissions shall be provided by the manufacturing installation (your supplier)*

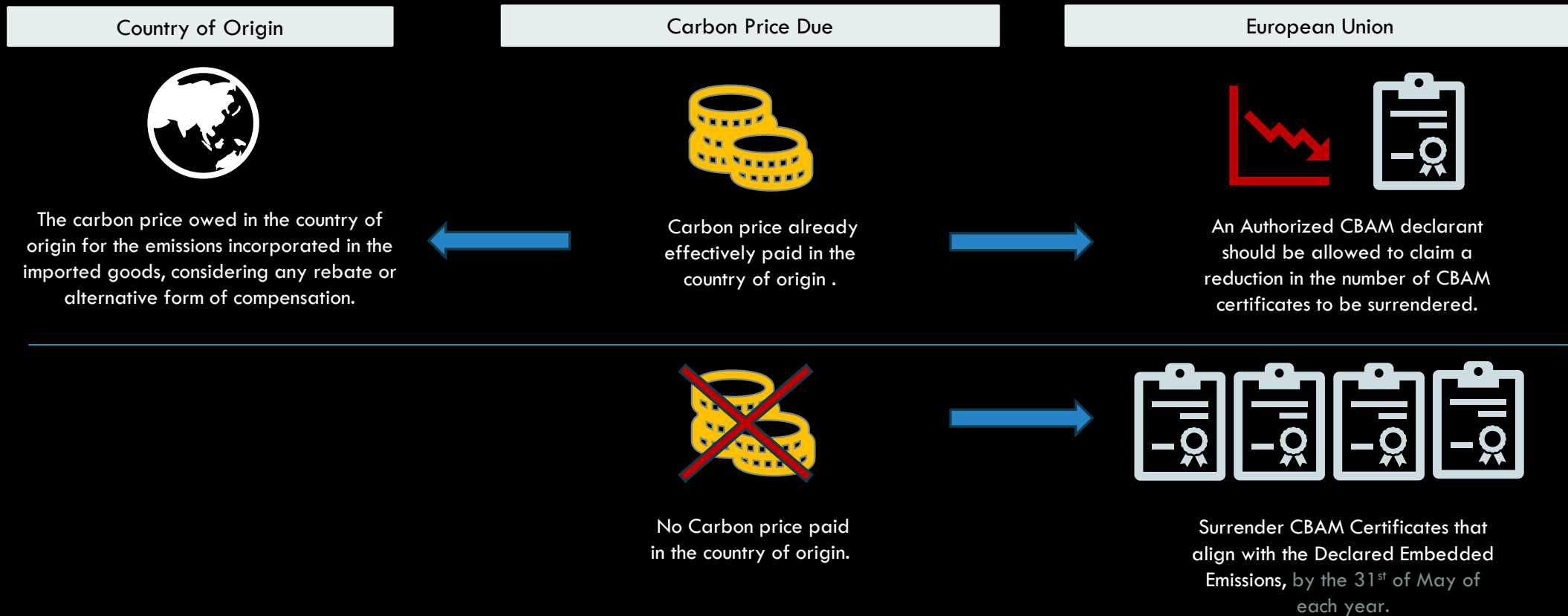
# CARBON TAX & CBAM CERTIFICATES

- ❑ An Authorized CBAM Declarant initiates a repurchase request with the MS, and subsequently, the MS repurchases the CBAM certificates.
- ❑ Certificates obtained prior to the previous calendar year will be cancelled.



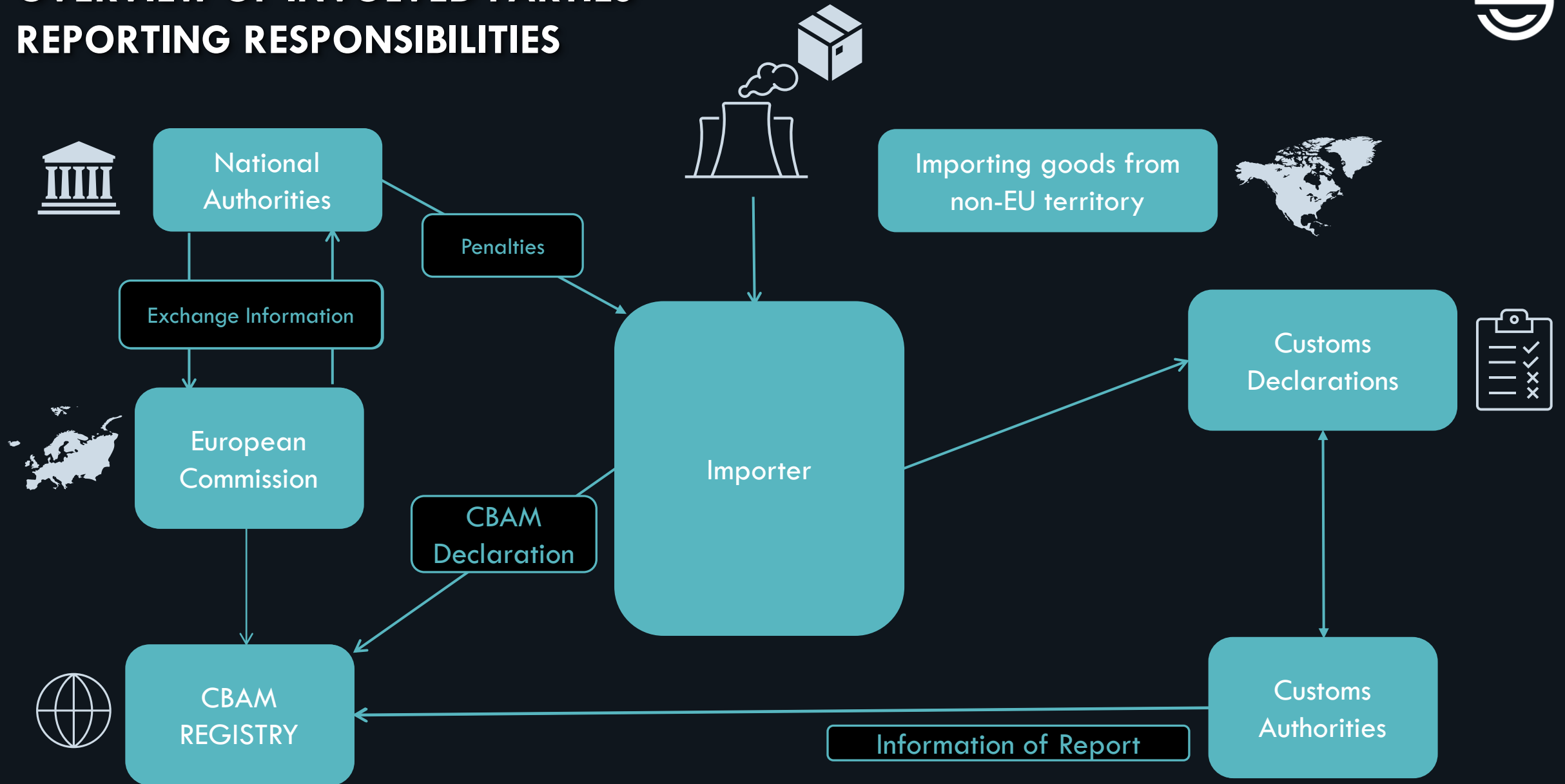
# CARBON PRICE

Should an Authorized CBAM Declarant have previously paid a carbon price, they are eligible to request a reduction in the number of CBAM Certificates to be surrendered





# OVERVIEW OF INVOLVED PARTIES REPORTING RESPONSIBILITIES



# TRANSITIONAL PERIOD



# TRANSITIONAL PERIOD

- ❑ Regulation (EU) 2023/956 Art: 32-33-34-35

- ❑ 1/10/2023 – 31/12/2025

- ❑ Gathering data for the appropriate application of the Regulation in 2026

- ✓ Quarterly reports with final submission no more than (1) month of the deadline following the quarter's conclusion.

- ✓ The data must be identical with the data of the customs authorities

- x No verification process

- x No authorization of CBAM Declarants

# CBAM REPORT

- ❑ Total quantity of goods

- ❑ Total direct embedded emissions

- ❑ Total indirect embedded emissions

- ❑ The carbon price due in a country of origin



***Reviewed by the European Commission and the National Competent Authorities***

# Reporting Timelines in the Transitional Period

Reporting Period		Submission due by
2023	October - December	31.01.2024
2024	January - March	30.04.2024
2024	April - June	31.07.2024
2024	July - September	31.10.2024
2024	October - December	31.01.2025
2025	January - March	30.04.2025
2025	April - June	31.07.2025
2025	July - September	31.10.2025
2025	October-December	31.01.2026





# DEFINITIVE PERIOD

# Definitive Period

From 2026



- ☐ **Application of authorization in the UMM@DS System**
- ☐ Account Verification in the C-BAM Registry from the component authority
- ☐ Upload the CBAM Declaration in the CBAM Registry
- ☐ Verification Process of the all documents
- ☐ Overview from the National Authorities and EU Commission
- ☐ CBAM Certificates based on the verified data
- ☐ Possibility to sell the CBAM Certificates on a common central platform

# Differences between Definitive - Transitional Period

## - Definitive Period

- One (1) CBAM Declaration per year
- It covers also the products from inward processing
- The produced products from Annex I from an outward processing
- Returned Goods
- Verification Process is mandatory
- No use of Default values for the embedded carbon emissions calculation
- CBAM Certificates: sell – repurchase - surrender common Central Platform

## - Transitional Period

- Quarterly CBAM reports
- Not included the returned goods
- Not included the products resulting from the outward processing
- No verification process
- No CBAM certificates

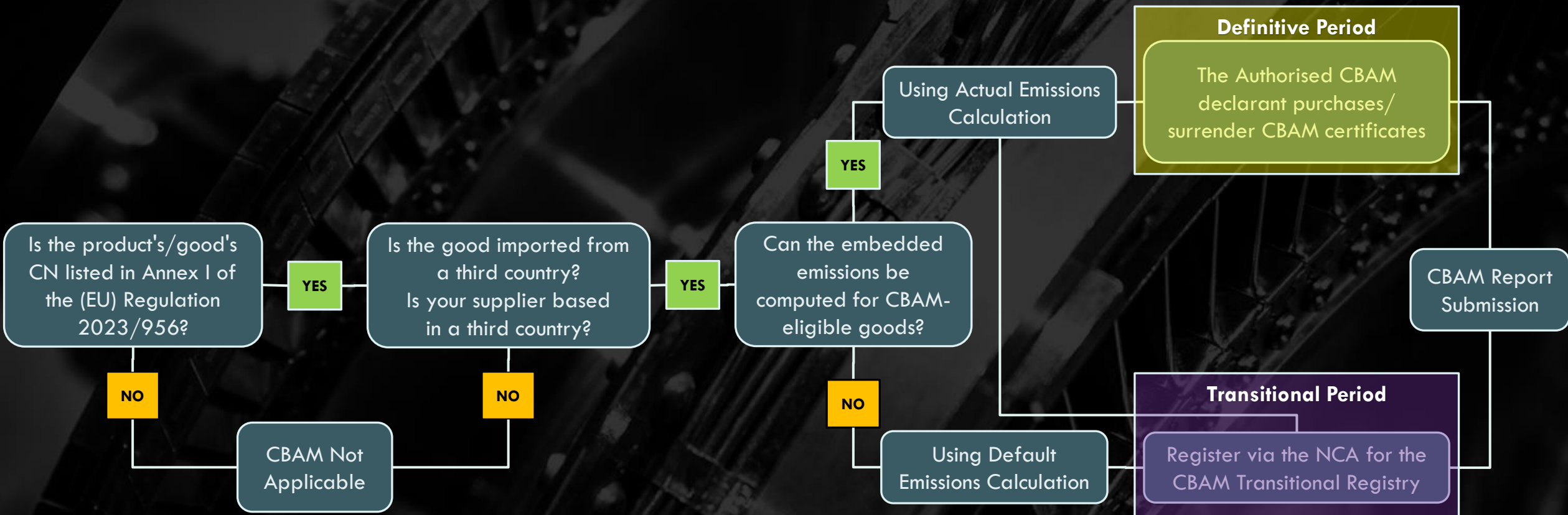


A dark, high-contrast, close-up photograph of a mechanical assembly. The image shows a central cable or hose running diagonally, surrounded by various structural components, including what appears to be a large, curved metal part with a ribbed surface. The lighting is dramatic, highlighting the textures and metallic surfaces of the machinery.

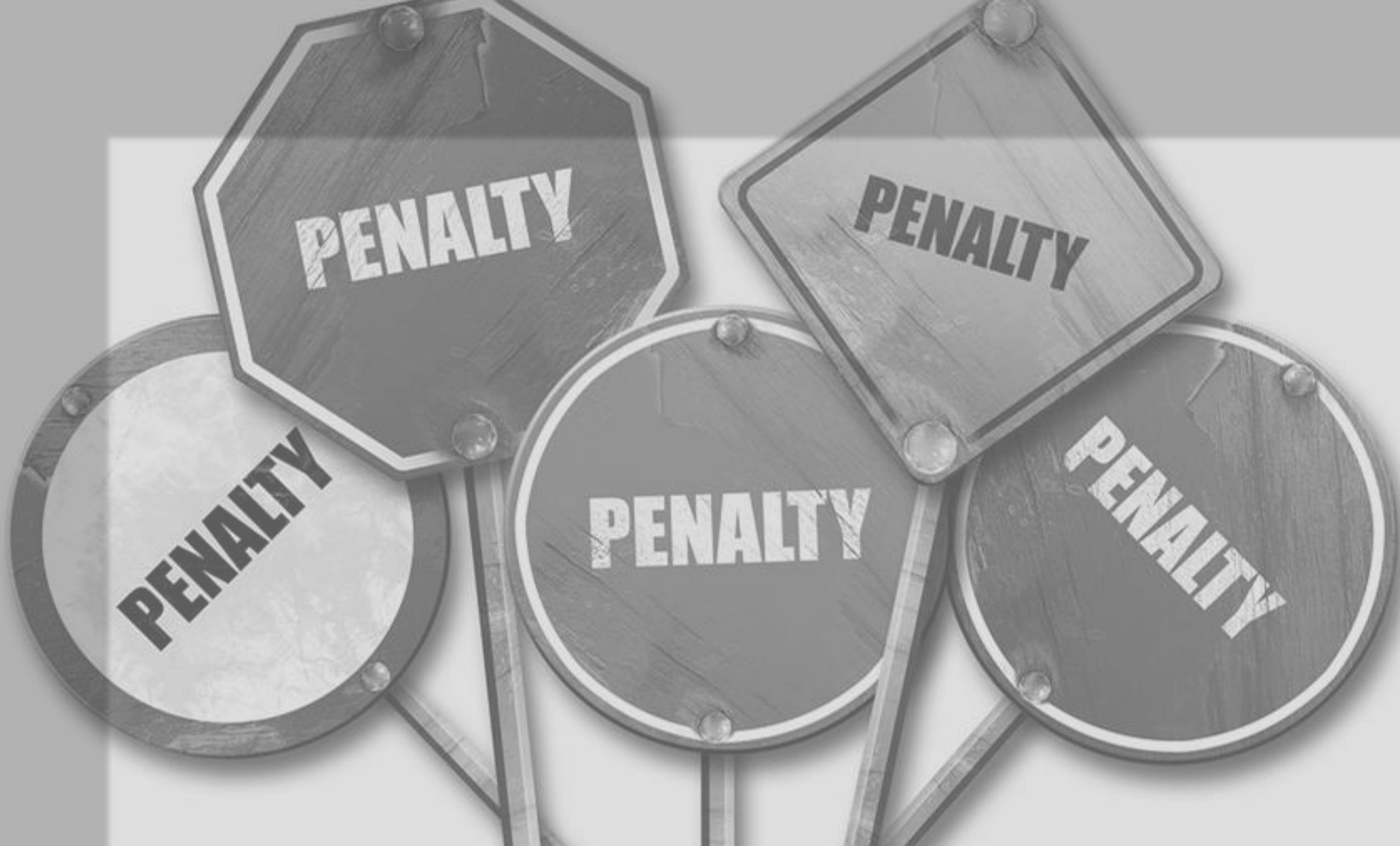
# **MECHANISM OF CBAM**



# MECHANISM OF CBAM



- ❑ **From the 1st of October 2023:** Lodge quarterly CBAM Reports (First due January 31st, 2024)
- ❑ **From the 1st of January 2026:** Lodge annual CBAM Reports and purchase/ surrender CBAM Certificates associated with the embedded emissions of the imported CBAM goods



# PENALTIES



## Who inspects the CBAM reports?



The European Commission



Σώμα Δίωξης Οικονομικού Εγκλήματος (ΣΔΟΕ)

Το ΣΔΟΕ είναι υπεύθυνο και για την επιβολή προστίμων

## Reasons for Penalty

- ☐ Incomplete CBAM report
- ☐ Misunderstood included data
- ☐ Failed submission of the report

Reporting declarants may incur penalties from NCAs ranging from 10 to 50 EURO per ton (€/tn) of unreported emissions.



*\*\*Article 35(4) of the Regulation*

# Coming Soon...

coming soon...

## Upcoming Delegated Acts



- ❑ Detailed Verification process (4th quarter 2024)
- ❑ Indicative range of penalties
- ❑ Detailed rules regarding the yearly average carbon price due expressed in the foreign currency
- ❑ Detailed rules about the calculation methods
- ❑ The detailed format reporting requirements for indirect emissions in imported goods
- ❑ Extend scope of CBAM to other types of goods

# GET STARTED NOW!



Check if you fall within the scope of CBAM

Are you importing from 3<sup>rd</sup> countries?  
Are you importing products that have CN codes listed in the CBAM?



Contact your Suppliers

Does your suppliers have calculated the embedded emissions of the products?  
Does your supplier have data available for you to calculate the embedded emissions?  
Can you rely on default values?



Access the CBAM Transitional Registry

Get all required company data to access the platform (EORI etc.)  
Get all product's data that are required to properly report the emissions (Embedded Carbons, Customs Clearance)



Start Reporting on the 31<sup>st</sup> of January 2024

Prepare and submit reports for the last quarter of 2023

LESS THAN

7

DAYS

FOR THE DEADLINE OF THE FIRST REPORTING PERIOD





# CONTACT US

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# *Coming up in “The Sustainable Webinar Series”*

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- **EuDR**  
European Deforestation Regulation
- **CSRD & ESRS**  
Corporate Sustainability Reporting Directive  
European Sustainability Reporting Standard
- **ESPR & GCD**  
Ecodesign and Sustainable Product Regulation  
Safe & Sustainable by design  
Green Claims Directive

Διοργάνωση: Σ.Ε.Χ.Β.  
Με την τεχνική υποστήριξη της SustChem S.A.



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