



ICN TOOLKIT · CBAM · EDITION 1

CBAM Readiness Kit for Indian Exporters

Your EU customers now have to account for the carbon in the steel, aluminium, cement and fertiliser they buy from you. This kit explains, in plain words, what they will ask for, how to work out your numbers, and what to do in the next 90 days.

WHAT'S IN THE KIT

- This guide (what CBAM means for you, how the numbers are worked out, a 90-day plan, ready-to-send replies)
- CBAM Embedded Emissions Calculator (Excel): fuels, process, electricity and precursors in, emissions per tonne and an estimate of your buyer's CBAM cost out

Infinite Carbon Private Limited ("ICN") · CIN U66190MH2025PTC463011 · icn.earth

Information correct to the best of our knowledge on 29 October 2026. CBAM rules are still being finalised in places; we flag where. This kit is general guidance, not legal or tax advice. Licensed for use inside the buying organisation only.

01 CBAM in one page

The EU's Carbon Border Adjustment Mechanism (CBAM) puts a carbon price on certain goods coming into the EU, so that imports pay roughly what EU producers pay under the EU Emissions Trading System (EU ETS).

- **Goods covered:** iron and steel, aluminium, cement, fertilisers, hydrogen and electricity. This includes many downstream products made from them, such as steel tubes, screws, bolts and aluminium sections. The exact list is by EU customs code (CN code) in Annex I of the CBAM Regulation.
- **Who pays:** the EU importer, not you. But the importer can only work out what it owes with data from the producer, which is you or your supplier. If you can't give good data, your buyer has to use EU default values, which are deliberately set high.
- **From 1 January 2026** the “definitive” phase began. Reporting-only days (October 2023 to December 2025) are over. Importers bringing in more than **50 tonnes a year** of CBAM goods (all goods added together, excluding hydrogen and electricity) need to be **authorised CBAM declarants**.
- **When money changes hands:** CBAM certificates go on sale from **February 2027**, including those needed for goods imported in 2026. The first annual declaration, covering 2026 imports, is due by **30 September 2027**. From 2027 importers must also hold certificates covering at least 50% of the emissions in goods imported so far in the year, checked every quarter.
- **Price:** linked to the EU ETS allowance price. The amount payable is reduced to reflect free allowances EU producers still receive. That reduction shrinks every year until 2034, so the cost to your buyer rises every year.

What this means for you: CBAM turns your plant's carbon intensity into part of your price. Two exporters selling the same coil at the same rupee price can cost an EU buyer very different amounts once CBAM is added. Good, verified data is now a sales asset.

02 What your EU buyer will ask you for

Expect a request, often as a spreadsheet, for each product you ship. The European Commission publishes a standard *communication template for installation operators*, and many buyers send that, or their own version of it. Typical asks:

They ask for	What it means in practice
Installation details	Plant name, address, UN/LOCODE or coordinates, and the operator's contact person.
Production route	For steel: BF-BOF, DRI-EAF, scrap-EAF and so on. For aluminium: primary (smelter) or secondary (remelting). For cement: clinker or cement grinding only.
Specific embedded emissions (SEE)	Tonnes of CO ₂ (and for some goods, N ₂ O and PFCs) per tonne of product, split into direct and, where relevant, indirect emissions.
Precursors	The emissions carried in the inputs you bought or made, such as pig iron, crude steel, clinker or unwrought aluminium, with their own SEE.

They ask for	What it means in practice
Method and verification	Whether the numbers are actual or default values. Actual values used in a 2026 declaration must be verified by an accredited verifier, and the verifier's report travels with the data.
Carbon price paid	Any carbon price actually paid in India for those emissions, with evidence. A deduction is only possible for a price actually paid, net of any rebates.

Tip: the Commission's O3CI portal lets producers outside the EU register voluntarily and share installation data and verification status with declarants directly. It is worth considering once your numbers are verified.

03 How embedded emissions are worked out

CBAM looks at your installation and splits it into *production processes*, one per group of goods. For each process you add up the emissions that belong to it and divide by the tonnes it produced.

$$\text{SEE (tCO}_2\text{e per tonne)} = (\text{Attributed direct emissions of the process} + \text{Embedded emissions of precursors used}) \div \text{Tonnes of product made}$$

THE THREE BUILDING BLOCKS

- Fuel combustion.** For each fuel: quantity × net calorific value (NCV) × emission factor. Coal, coke, natural gas, furnace oil, diesel, LPG, petcoke, and so on.
- Process emissions.** CO₂ released by chemistry rather than burning, such as limestone in cement and lime kilns, carbon anodes in aluminium smelting, or carbon from electrodes and additives in steelmaking.
- Precursors.** If you buy billets to make bars, the billets' own embedded emissions come with them. Quantity of precursor used × its SEE.

ELECTRICITY (INDIRECT EMISSIONS)

For **cement and fertilisers**, indirect emissions from the electricity you use also count. For **iron and steel, aluminium and hydrogen**, only direct emissions count in the definitive period. Report electricity use anyway; buyers often want it and the rules can change.

DEFAULT VALUES VERSUS ACTUAL VALUES

Default values are published by the Commission (Implementing Regulation (EU) 2025/2621). They include a mark-up, so they are usually worse than a reasonably efficient plant's real numbers. Using your own verified actual values usually lowers your buyer's bill, which gives you a pricing argument or a reason to be the preferred supplier.

The calculator in this kit follows this structure: a fuel table, a process table, an electricity line and a precursor table, giving SEE per tonne, a comparison with the default value you enter, and an estimate of your buyer's CBAM cost per tonne under different EU carbon prices.

MONITORING PERIOD AND DATA YOU NEED

Data	Usual source
Fuel purchased and consumed	Invoices, weighbridge slips, stock records, gas meter readings