

Clevedon Fasteners Ltd EU Carbon Border Adjustment Mechanism (CBAM) policy

We are increasingly being asked to provide reports to customers both in the EU and also in the UK for parts we supply which then are exported to the EU

Certain of the Commodity Codes Clevedon Fasteners Supply part under, fall within the CBAM regulations as they contain Iron or Steel precursors

There is a lot of mis understanding regarding Regulation 2023/956 and we have researched our obligations under it. This document outlines what we believe are our obligations i.e.

the total quantity of each type of CBAM good;

- the actual total embedded emissions;
- the total indirect emissions;

(Source EU commission)

as far as reporting to partners. We will be reporting in a standardise manner what we believe is the necessary information to fulfil our and our partners obligations.

We will not be providing customer designed reports as there is no standardisation that we have seen and many ask for information or formats that are unnecessary in order to be compliant

Anything we are asked for over and above our company report will be challenged and the customer asked to provide where in the regulations the additional information is provably required.

Additional information still required will be chargeable

Background

As from October 1, 2023, Regulation 2023/956 introduced the EU's Carbon Border Adjustment Mechanism (CBAM) with the objective to reduce carbon emissions, put a fair price on the carbon emitted during the production of carbon intensive goods imported into the EU and encourage a cleaner industrial production through a methodology for calculating embedded emissions according to the Paris Agreement and the EU Fit for 55 packages.

This mechanism will be implemented in phases and is aligned with the phase-out of the allocation of free allowances set in the EU Emissions Trading System (ETS).

During the transitional period the obligations arising from the importation of goods subject to the CBAM are limited to:

Submit CBAM reports on a quarterly basis: Importers of goods (or their indirect customs representative) will have to report greenhouse gas emissions (GHG) embedded in their imports (direct and indirect emissions) during a given

quarter of a calendar year, without making any financial payments or adjustments.

The report shall be submitted no later than one month after the end of that quarter.

The obligation to submit the CBAM report on a quarterly basis will cover the whole transitional period from 01/10/2023 to 31/12/2025. And so, on

(Source EU commission)

Details

1. We manufacture products of iron and steel that fall within the CBAM regulations
2. We will provide quarterly reports to customers upon request (many of our customers do not export) once requested the customer will be put on our internal registry and regular reports will be issued automatically
3. The reports contain all of the required information to comply with the CBAM regulations, in a format consistent with those regulations and calculated by the agreed protocols
4. The figures used are commercially sensitive and will not be released except to the HMRC or to the proper EU Tax authorities
5. A sample of the report format is shown below.

