



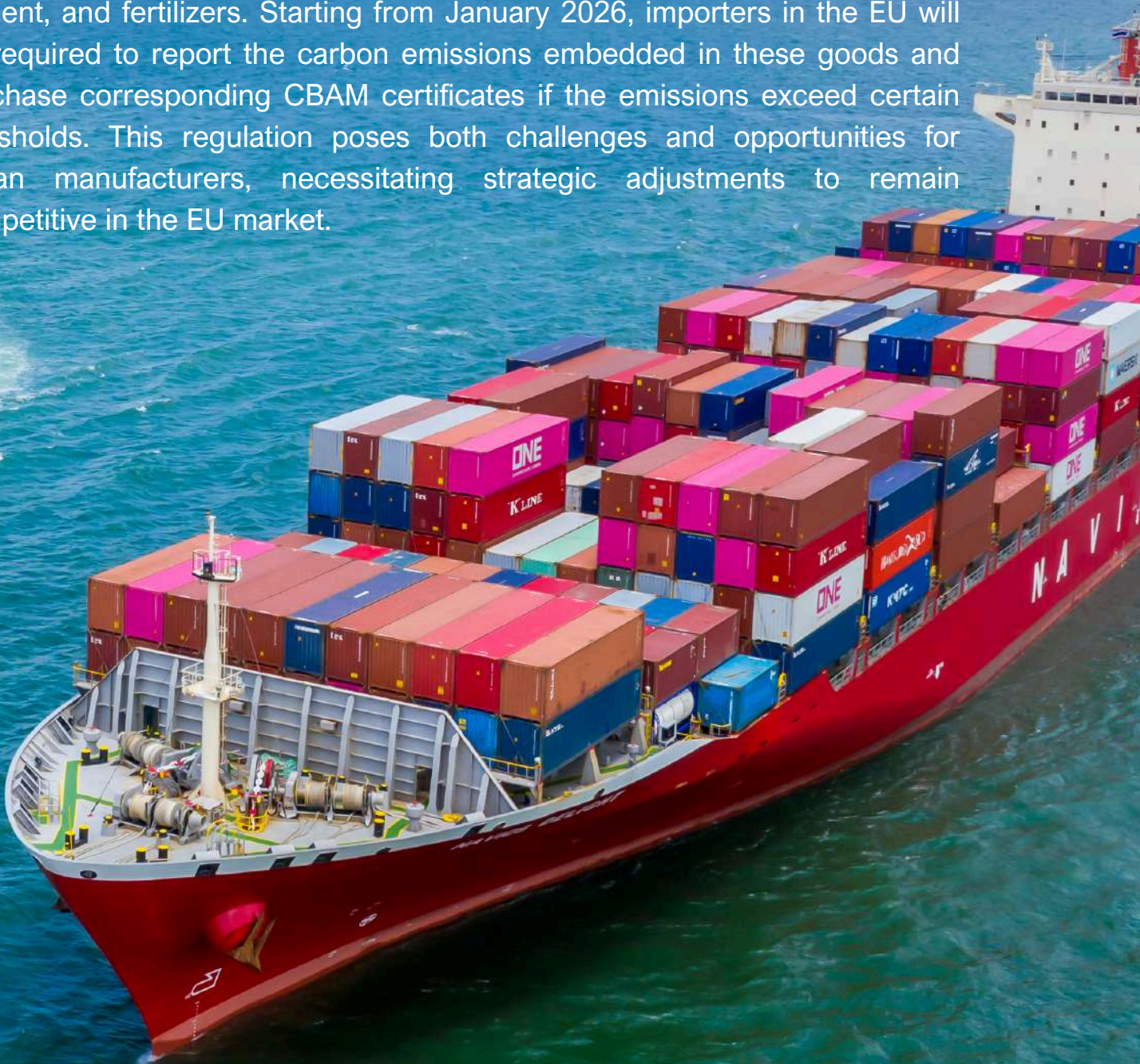
CARBON BORDER ADJUSTMENT MECHANISM

CBAM

The Carbon Border Adjustment Mechanism (CBAM) is a regulatory framework introduced by the European Union (EU) as part of its broader climate strategy, the European Green Deal. The primary goal of CBAM is to impose a carbon price on imports of certain high-carbon-intensity goods, ensuring that imported products bear a cost comparable to that imposed on goods produced within the EU. This mechanism aims to prevent "carbon leakage," where companies move production to countries with less stringent emissions regulations, thereby undermining EU climate efforts

CBAM - IMPACT ON INDIAN MANUFACTURERS

India is significantly impacted by CBAM due to its status as a major exporter of carbon-intensive goods, particularly in sectors like steel, aluminum, cement, and fertilizers. Starting from January 2026, importers in the EU will be required to report the carbon emissions embedded in these goods and purchase corresponding CBAM certificates if the emissions exceed certain thresholds. This regulation poses both challenges and opportunities for Indian manufacturers, necessitating strategic adjustments to remain competitive in the EU market.



Step-by-Step Approach for CBAM Compliance



1

Identify CBAM Goods

Determine which products fall under the CBAM regulations by reviewing the list of targeted goods.

2

Define Installation Boundaries

Clearly outline the boundaries of your manufacturing installations to assess emissions accurately

3

Data Collection

Gather relevant data on energy consumption and processing from all stages of production.

4

Calculate Embedded Emissions

Use established methodologies to calculate the total carbon emissions associated with your products

5

Monitoring Methodologies & Prepare Reporting

Establish systems for ongoing monitoring and reporting of emissions data. Ensure that you can disclose emissions data in the required format by the deadlines set by the EU

6

Engage with Importers

Communicate with importers in EU about your compliance status and any potential costs related to CBAM certificates



Timeline for CBAM Compliance

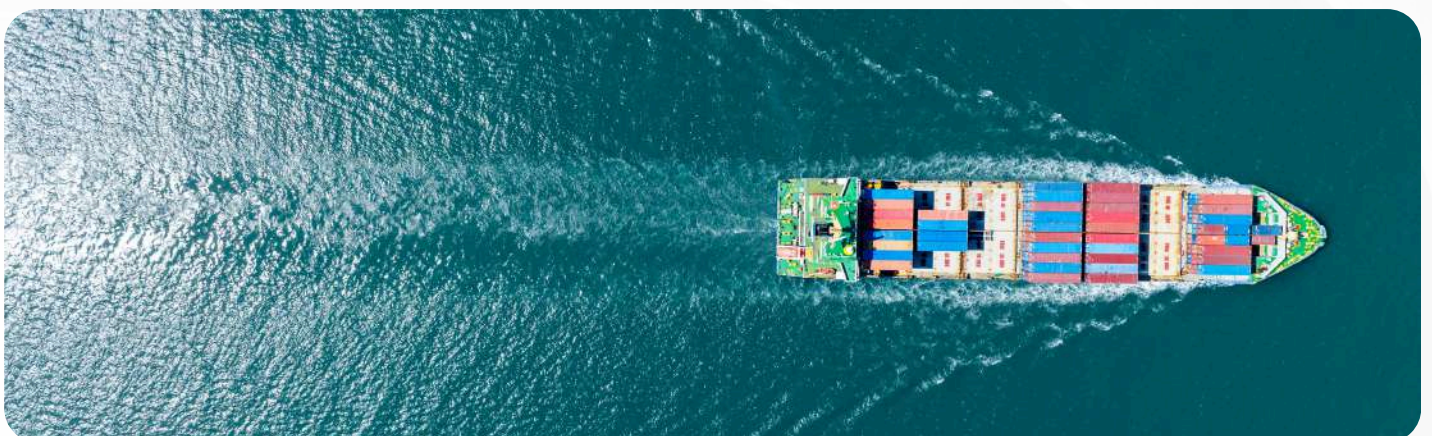
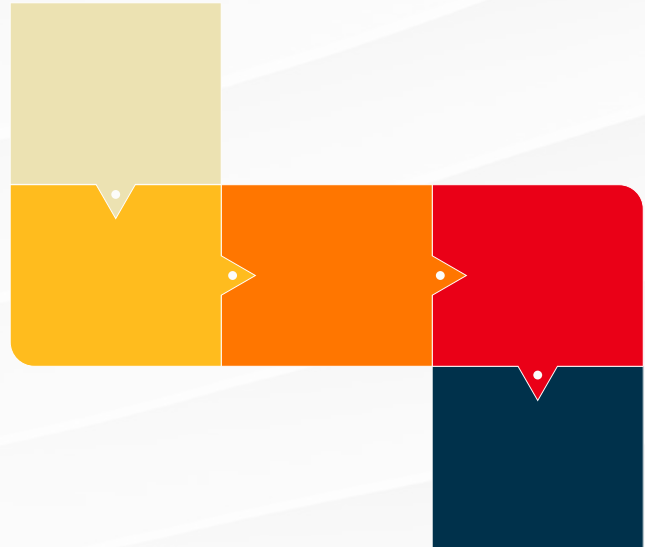
Transition Period

Oct 23 - Dec 25

Transition phase where manufacturers must begin collecting data and calculating embedded emissions without immediate financial penalties

Jan 26 Onward

Full implementation phase where financial adjustments will be required based on reported emissions, along with mandatory purchase of CBAM certificates



Our Services

Expert Advice

Quality Austria Central Asia provides specialized advisory services tailored to the unique needs of Indian manufacturers. Our experts can help businesses understand the nuances of CBAM, including its implications for specific industries and products

1

Training Programs

Quality Austria Central Asia offers training sessions aimed at educating stakeholders about CBAM requirements. This includes guidance on emissions calculation, reporting methodologies, and understanding compliance obligations

2

Audit Services

Quality Austria Central Asia provides auditing services to verify compliance with CBAM. This includes reviewing emissions data and ensuring that all calculations align with EU standards, thus preparing manufacturers for potential audits by EU authorities

3

Documentation Assistance

Quality Austria Central Asia helps in preparing the necessary documentation for CBAM compliance, ensuring that reports are complete, accurate, and submitted on time.

4



QUALITY AUSTRIA CENTRAL ASIA

Quality Austria Central Asia (QACA) is a prominent provider of assessment, testing, training, and certification services, established in 2010 as a joint venture between Quality Austria and Peacock Global Quality Assurance. With over 14 years of experience, QACA has built a reputation for excellence, helping businesses achieve compliance with various international standards, including ISO certifications. QACA is accredited by multiple bodies, ensuring credibility and reliability in its services. QACA's extensive portfolio includes audits, inspections, and training programs tailored to enhance organizational performance and sustainability practices. With a strong presence across India and several other countries, QACA is dedicated to empowering businesses to meet their goals through quality management and continuous improvement. QACA'S commitment to integrity and excellence makes them a trusted partner for organizations seeking to elevate their operational standards.