

European Union Carbon Border Adjustment Mechanism

Nicofe Materials Limited Supplier Information Booklet

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What is the European Union Carbon Border Adjustment Mechanism (CBAM)?

A mechanism to put a price on the Carbon emissions during the production of goods that are entering the European Union (EU) to replace the EU Emissions Trading System (ETS). It is intended to ensure that the EU meets the climate objectives it has set out for itself. The European Union assures all producers and importers that the CBAM is compatible with World Trade Organisation (WTO) rules. CBAM was launched late last year and involves charges for greenhouse gases emitted during the production of certain goods entering the EU, including iron and steel. The programme is currently in a transition phase, but EU companies must produce quarterly reports on the iron and steel they import covering emissions and carbon prices due or paid. Payments are scheduled to begin in 2026.



What Do Our Suppliers Need to Know?

The CBAM initiative has implications across the iron and steel supply chain for any organisations working with customers in the EU. Currently the industries targeted are: Iron & Steel, Aluminium, Cement, Electricity, Fertilisers and Hydrogen. With further additions in 2026 and full inclusion of EU Emissions Trading System (ETS) products by 2030. This Document will be updated accordingly. The period between October 2023 and 2026 is considered the 'transitional phase' and during this period importers are only required to report on Carbon Emissions of any product within scope, a list of the iron and steel scope is provided below.

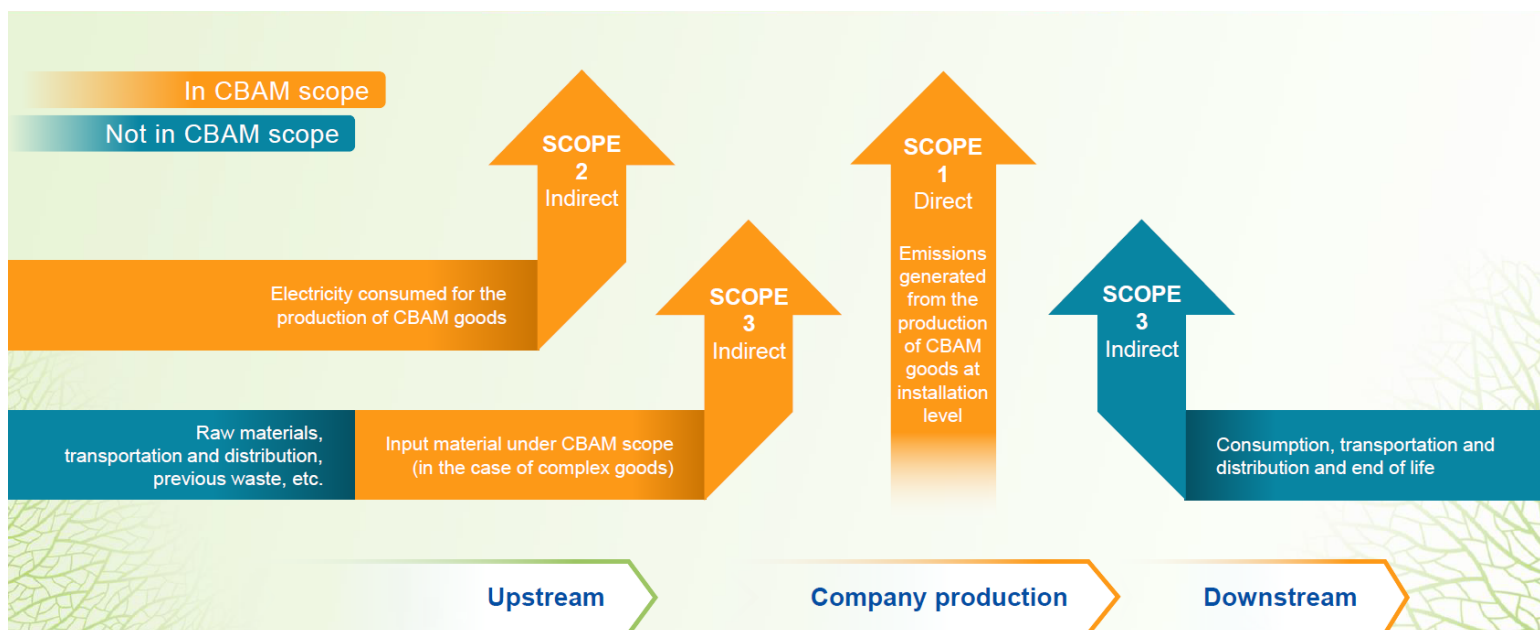
Aggregated goods category	Product CN Code	Description
Iron or steel products	Includes: 7205, 7208–7217, 7219–7223, 7225–7229, 7301–7311, 7318 and 7326	7205 Granules and powders, of pig iron, spiegeleisen, iron or steel
		7208 Flat-rolled products of iron or non-alloy steel
		7209 Flat-rolled products of iron or non-alloy steel
		7210 Flat-rolled products of iron or non-alloy steel
		7211 Flat-rolled products of iron or non-alloy steel
		7212 Flat-rolled products of iron or non-alloy steel
		7213 Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel
		7214 Other bars and rods of iron or non-alloy steel
		7215 Other bars and rods of iron or non-alloy steel
		7216 Angles, shapes and sections of iron or non-alloy steel
		7217 Wire of iron or non-alloy steel
		7219 Flat-rolled products of stainless steel
		7220 Flat-rolled products of stainless steel
		7221 Bars and rods, hot-rolled, in irregularly wound coils, of stainless steel
		7222 Other bars and rods of stainless steel; angles, shapes
		7223 Wire of stainless steel
		7225 Flat-rolled products of other alloy steel
		7226 Flat-rolled products of other alloy steel
		7227 Bars and rods, hot-rolled, in irregularly wound coils, of other alloy steel
		7228 Other bars and rods of other alloy steel; angles, shapes and sections, of other alloy steel
		7229 Wire of other alloy steel
		7301 Sheet piling of iron or steel
		7302 Railway or tramway track construction material of iron or steel
		7303 Tubes, pipes and hollow profiles, of cast iron
		7304 Tubes, pipes and hollow profiles, seamless, of iron or steel
		7305 Other tubes and pipes (for example, welded, riveted or similarly closed)
		7306 Other tubes, pipes and hollow profiles
		7307 Tube or pipe fittings (for example, couplings, elbows, sleeves), of iron or steel
		7308 Structures (excluding prefabricated buildings of heading 9406) and parts of structures
		7309 Reservoirs, tanks, vats and similar containers for any material (other than compressed or liquefied gas)
		7310 Tanks, casks, drums, cans, boxes and similar containers
		7311 Containers for compressed or liquefied gas, of iron or steel
		7318 Screws, bolts, nuts, coach screws, screw hooks, rivets, cotters, cotter pins, washers
		7326 Other articles of iron or steel
category	Product CN Code	Description
Sintered Ore	2601 12 00	Agglomerated iron ores and concentrates, other than roasted iron pyrites
Pig iron	7201	Pig iron and spiegeleisen in pigs, blocks or other primary forms
	7205	Some products under 7205 (Granules and powders, of pig iron, spiegeleisen, iron, or steel)
Ferro-alloy: FeMn	7202 1	Ferro-manganese (FeMn)
Ferro-alloy: FeCr	7202 4	Ferro-chromium (FeCr)
Ferro-alloy: FeNi	7202 6	Ferro-nickel (FeNi)
DRI	7203	Ferrous products obtained by direct reduction of iron or and other spongy ferrous products
Crude steel	7206, 7207, 7218 and 7224	7206 Iron and non-alloy steel in ingots or other primary forms (excluding iron of heading 7203)
		7207 Semi-finished products of iron or non-alloy steel
		7218 Stainless steel in ingots or other primary forms
		7224 Other alloy steel in ingots or other primary forms

What Do We Need From Our Suppliers?

The following Calculations will need to be undertaken by the **Manufacturer** of the material. Along with any other processing conducted outside the European Union.

- The Calculated **Direct** Imbedded Emissions (tCO₂e)
- The Calculated **Indirect** Imbedded Emissions (tCO₂e)
- The Calculated **Total** Imbedded Emissions (tCO₂e)

These figures will be collated by the European Commission, in order to understand the Carbon Cost of the flow of goods into the EU.



The New York Times

A New Tax on Greenhouse Gases

In a first, the European Union is imposing a charge on some high-emissions imports like steel. Here's what it means.



Share full article



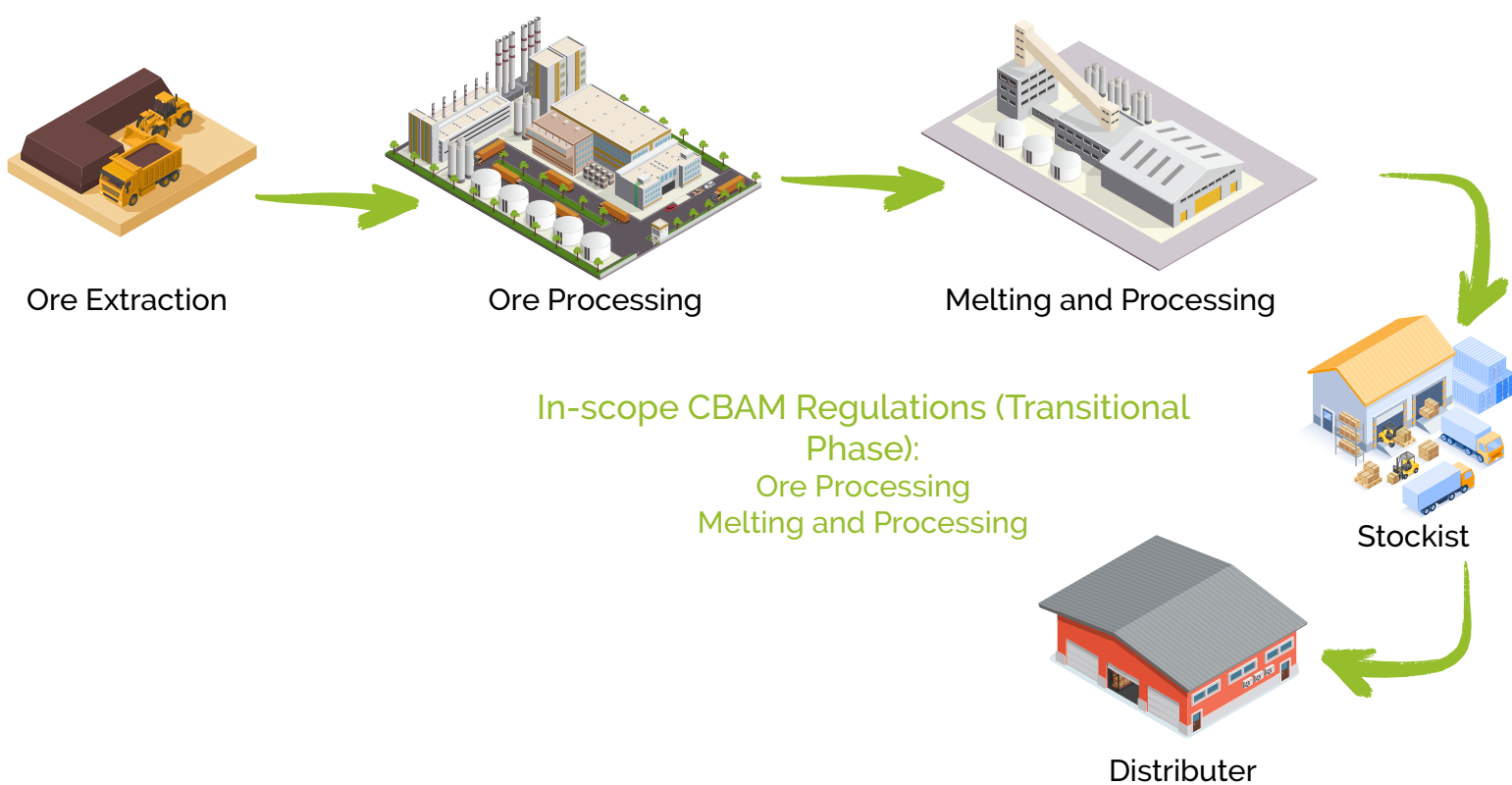
Europe will impose a new import tax on seven high-emissions sectors, such as cement and steel, starting in 2026. Johanna Geron/Reuters



By **Manuela Andreoni**

April 25, 2023

Who Needs To Report?



What Are The Consequences of Non-Compliance?

Non-compliance with CBAM Regulation reporting, even during the transitional phase can lead to penalties from EUR 10 to EUR 50 per tonne of unreported emissions.

This has the potential to discourage trade between Europe and external suppliers and in some cases suppliers may be black listed if the information is not provided.



Where Can I Find Out More?

The European Commission has extensive resources online to assist importers and producers in working out how the new CBAM policy will affect them:

https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism_en



The Nicofe Promise

Here at Nicofe we strive to provide our customers with complete knowledge of our material.

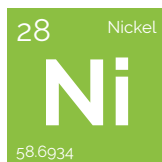
We offer comprehensive technical advice to all our customers to ensure that no project is out of reach.

With a wide array of technical partners we can ensure that material properties are replicable and available for our customers when they need it most.

We are fully accredited to JOSCAR and AS9120B standards. At Nicofe, we see the attainment and maintenance of certifications as an essential pillar of our business – and a real benefit for our customers.

Contact us today at:
materials@nicofe.com

Or visit our website:
<https://www.nicofe.com/>



/nAI: kəʊ: fɪ/

Proper noun:

Nicofe

1. A company in South Devon specialising in Nickel Cobalt Irons