

CARBON BORDER ADJUSTMENT MECHANISM

INFORMATION FOR PRODUCERS OF **HYDROGEN** THAT IS EXPORTED TO THE EU

> What is the EU CBAM?

The EU CBAM is the EU's landmark tool to put a fair price on the carbon emitted during the production of certain carbon-intensive goods, including **hydrogen**, entering the EU. It will ensure that the EU's climate objectives are not undermined and encourage cleaner industrial production in non-EU countries. **Since 1 October 2023**, the EU's Carbon Border Adjustment Mechanism (EU CBAM) applies in its transitional phase.



**As a producer of hydrogen that is exported to the EU,
CBAM is relevant for you!**

> What does this mean for me?



Since the EU CBAM entered into application in its transitional phase, EU importers must report quarterly on the quantities of hydrogen they import into the EU, the greenhouse gas emissions released as it was produced (embedded in that hydrogen) and the carbon price due in the country of origin.

As a producer, you will need to submit the above-mentioned information to importers so that they can correctly report the embedded emissions of the goods they have imported into the EU. This also sets out an opportunity to reduce greenhouse gas emissions in your production processes and contribute to combating climate change.



> How does the European Commission help?



To help you navigate the new system in its transitional phase, the European Commission provides operational guidance, available in many languages, as well as e-learning materials for you and your international trading partners.

To facilitate the information exchange between you and the EU importer (or the customs representative acting on behalf of the importer), the European Commission created an Excel communication template. The template can be used as a tool to determine the embedded emissions of the produced goods. The information on the summary worksheet can then be shared with the EU importer. The summary worksheet contains the information needed by the EU importer for the quarterly CBAM report. Examples of filled-in templates for different CBAM sectors as well as a recorded course on how to use the template are available on the [Commission's CBAM website](#).



KEY POINTS FOR PRODUCERS OF HYDROGEN TO REMEMBER IN THE CBAM TRANSITIONAL PHASE AS OF 1 OCTOBER 2023

Hydrogen producers will transmit information to EU importers or their customs representatives who must report on a quarterly basis



- The **quantity of hydrogen** (in tonnes) in the scope of EU CBAM being imported to the EU during the previous quarter.



- **Direct CO₂ emissions** embedded in the goods being imported to the EU. Indirect emissions embedded in the goods resulting from the production of electricity which is consumed during the production of those goods.



- Any **carbon price** due in the **country of origin** for the embedded emissions in the imported goods, together with information on any rebate or other forms of compensation.



- **Contextual information on the produced CBAM goods** such as the production route and, depending on the good, sector-specific parameters.

> **How should I determine the embedded emissions of CBAM goods?**

The methodology to determine embedded emissions of CBAM goods is laid out in Implementing Regulation (EU) 2023/1773. Further guidance is available on the CBAM website, in particular the guidance for operators in third countries and sector-specific guidance in the form of a recorded webinar and an e-learning contain module.

The aforementioned implementing regulation provides for two flexibilities when determining emissions:

1. For imports until 31 December 2024, embedded emissions of the goods may be determined using other methods that lead to similar coverage and accuracy. They may be based on (a) a carbon pricing scheme, (b) a compulsory emission monitoring scheme or (c) an emission monitoring scheme at the installation.
2. Estimated values (including default values) can be used for input materials or subprocesses with a relatively minor contribution to the total embedded emissions of complex goods (i.e. <20%).

> **Can I report my data directly to the European Commission?**

From January 2025 onwards, third-country operators will be able to provide information directly to the European Commission through the operator's portal of the CBAM Registry. Operators may provide information on their installations and the embedded emissions in the produced CBAM goods. Operators may decide if they wish to share such information with EU importers. The objective of this direct reporting is to reduce administrative burden, as data could only be reported once and importers then simply refer to those data.

You can find all details needed to calculate and report the embedded emissions in the guidance and e-learning materials available on the dedicated website: **Visit:** <https://encr.pw/QryJu>

[The Frequently Asked Questions](#)

[The Guidance Documents for operators in third countries](#)

Also available in [Spanish](#), [German](#), [French](#), [Italian](#), [Polish](#), [Arabic](#), [Chinese](#), [Hindi](#), [Korean](#), [Ukrainian](#) and [Turkish](#).

[EU CBAM and developing countries](#)

[The Communication template](#)

[Recorded course on how to use the template](#)

[Sector specific guidance: the webinar and the e-learning](#)

We also advise you to consult regularly [our website](#) where new material and tools are uploaded on a regular basis.