

COMMISSION IMPLEMENTING REGULATION (EU) 2023/1773**of 17 August 2023****laying down the rules for the application of Regulation (EU) 2023/956 of the European Parliament and of the Council as regards reporting obligations for the purposes of the carbon border adjustment mechanism during the transitional period****(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2023/956 of the European Parliament and of the Council of 10 May 2023 establishing a carbon border adjustment mechanism ⁽¹⁾, and in particular Article 35(7) thereof,

Whereas:

- (1) Regulation (EU) 2023/956 lays down reporting obligations for the purposes of carbon border adjustment mechanism during the transitional period from 1 October 2023 until 31 December 2025.
- (2) During the transitional period, importers or indirect customs representatives are to report on the quantity of imported goods, direct and indirect emissions embedded in them, and any carbon price due for those emissions, including carbon prices due for emissions embedded in relevant precursor materials.
- (3) The first report should be submitted by 31 January 2024 in respect of goods imported during the fourth quarter of 2023. The last report should be submitted by 31 January 2026 in respect of goods imported during the fourth quarter of 2025.
- (4) The Commission is to adopt implementing rules for those reporting requirements.
- (5) The reporting requirements should be limited to what is necessary to minimise the burden on importers in the transitional period and facilitate the smooth roll-out of the CBAM declaration requirements after the transitional period.
- (6) In line with Annex IV to Regulation (EU) 2023/956, the detailed rules for calculating embedded emissions of imported goods should be based on the methodology applicable under the Emission Trading Scheme for installations located in the EU, as notably specified in Commission Implementing Regulation (EU) 2018/2066 ⁽²⁾. The principles for determining the embedded emissions of the goods listed in Annex I to Regulation (EU) 2023/956 should aim at identifying the relevant production processes for goods categories, and to monitor the direct and indirect emissions of those production processes. Reporting during the transitional period should also take into account existing norms and procedures of relevant Union legislation. As regards the production of hydrogen and its derivatives, the reporting should take into account Directive (EU) 2018/2001 of the European Parliament and of the Council ⁽³⁾.
- (7) The system boundaries of production processes, including emissions data at installation level, attributed emissions of production processes and embedded emissions of goods should be used for determining data to be provided for the purpose of fulfilling the reporting obligations. For those obligations, the importers and indirect customs representatives should ensure the availability of information needed from the operators of installations. That information should be received in a timely manner for the importers and indirect customs representatives to fulfil their reporting obligations. That information should include standard emission factors to use for calculating direct embedded emissions, notably fuel emission factors and process emission factors and reference efficiency factors for electricity and heat production.

⁽¹⁾ OJ L 130, 16.5.2023, p. 52.

⁽²⁾ Commission Implementing Regulation (EU) 2018/2066 of 19 December 2018 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council and amending Commission Regulation (EU) No 601/2012 (OJ L 334, 31.12.2018, p. 1).

⁽³⁾ Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, p. 82).

- (8) Since the beginning of the reporting period starts on 1 October 2023, importers and indirect customs representatives have limited time available to ensure compliance with the reporting obligations. Synergies can be obtained with the monitoring and reporting systems already used by third country operators. A temporary derogation to the calculation methods for reporting embedded emissions should therefore be allowed for a limited period, until end of 2024. That flexibility should apply when the operator in a third country is subject to a mandatory monitoring and reporting system associated to a carbon pricing scheme, or to other mandatory monitoring and reporting schemes, or when the operator is monitoring the emissions of the installation, including for an emissions reduction project.
- (9) For a limited period, until 31 July 2024, reporting declarants that would not be able to obtain all the information from third country operators to determine the actual embedded emissions of the imported goods in accordance with the methodology set in Annex III to this Regulation should be able to use and refer to an alternative method for determining the direct embedded emissions.
- (10) The reporting obligations should also afford some flexibility for the determination of the production steps in installations that do not account for a significant part of the embedded direct emissions of the imported goods. Such would be typically the case for the final production steps of steel or aluminium downstream products. In that case, a derogation from the required reporting obligations should be provided and estimated values may be reported for the production steps in installations whose contribution to direct emissions do not exceed 20 % of the total embedded emissions of the imported goods. That threshold should ensure sufficient flexibility for small operators in third countries.
- (11) One of the objectives of the transitional period is to collect data for the purpose of further specifying, in the implementing act pursuant to Article 7(7) of Regulation (EU) 2023/956, the methodology for calculating embedded indirect emissions after that period. In that context, the reporting of indirect emissions during the transitional period should be open and designed to allow to select the most appropriate value among those listed in Section 4.3 in Annex IV to Regulation (EU) 2023/956. Reporting of indirect emissions should however not include reporting based on the average emission factor of the Union grid as that value is already known by the Commission.
- (12) Data collected during the transitional period should provide the basis for the reports that the Commission is to present in accordance with Article 30(2) and (3) of Regulation (EU) 2023/956. Data collected during the transitional period should also help define a unique monitoring, reporting and verification methodology after the transitional period. The assessment of data collected should in particular be used for the Commission's work in view of adjusting the methodology applicable after the transitional period.
- (13) The indicative range of penalties that are to be imposed on a reporting declarant who has failed to respect the reporting obligations should be based on the default values made available and published by the Commission for the transitional period for the embedded emissions that were not reported. The indicative maximum range should be coherent with the penalty pursuant to Article 16(3) and (4) of Directive 2003/87/EC of the European Parliament and of the Council ^(*), while also taking into account that the obligation in the transitional period is limited to data reporting. The criteria to be used by competent authorities for determining the actual amount of the penalty should be based on the gravity and duration of the failure to report. The Commission should monitor the CBAM reports in order to provide for an indicative assessment of the information needed by the competent authorities and to ensure coherency of the penalties to be applied.
- (14) In order to ensure the efficient implementation of reporting obligations, an electronic database, the CBAM Transitional Registry, should be established by the Commission to collect the information reported during the transitional period. The CBAM Transitional Registry should be the basis for the establishment of the CBAM Registry pursuant to Article 14 of Regulation (EU) 2023/956.

^(*) Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

- (15) The CBAM Transitional Registry should become the system for the filing and management of the CBAM reports for reporting declarants, including checks, indicative assessments, and review procedures. To ensure an accurate assessment of the reporting obligations, the CBAM Transitional Registry should be interoperable with existing customs systems.
- (16) In order to ensure an effective and uniform reporting system, technical arrangements for the functioning of the CBAM Transitional Registry should be laid down, such as arrangements for the development, testing and deployment as well as for the maintenance and potential modifications of the electronic systems, data protection, updating of data, limitation of data processing, systems ownership, and security. These arrangements should be compatible with the principle of data protection by design and by default under Article 27 of Regulation (EU) 2018/1725 of the European Parliament and of the Council ⁽⁵⁾ and Article 25 of Regulation (EU) 2016/679 of the European Parliament and of the Council ⁽⁶⁾, as well as with security of processing under Article 33 of Regulation (EU) 2018/1725 and Article 32 of Regulation (EU) 2016/679.
- (17) In order to ensure the continuity of data reporting at all times, it is important to provide for alternative solutions to be implemented in the event of a temporary failure of the electronic systems for data reporting. To that effect, the Commission should work on a CBAM business continuity plan.
- (18) In order to secure access to the CBAM Transitional Registry, the Uniform User Management and Digital Signature (UUM&DS) system, as referred to in Article 16 of Commission Implementing Regulation (EU) 2023/1070 ⁽⁷⁾, should be used for managing, the authentication, and access verification process for reporting declarants.
- (19) For the purpose of identifying the reporting declarants and establishing a list of the reporting declarants with their Economic Operator Registration and Identification (EORI) numbers, the CBAM Transitional Registry should be interoperable with the Economic Operator Registration and Identification system, as referred to in Article 30 of Implementing Regulation (EU) 2023/1070.
- (20) For checking and reporting purposes, the national systems should provide the required information on goods listed in Annex I to Regulation (EU) 2023/956, as referred in Commission Implementing Decision (EU) 2019/2151 ⁽⁸⁾.
- (21) Identifying imported goods by means of their classification in the Combined Nomenclature ('CN') set out in Council Regulation (EEC) No 2658/87 ⁽⁹⁾ and the storage provisions set out in Implementing Regulation (EU) 2023/1070 should be used for providing information on imported goods listed in Annex I to Regulation (EU) 2023/956.
- (22) This Regulation respects the fundamental rights and observes the principles recognised by the Charter of Fundamental Rights of the European Union, and notably the right to protection of personal data. The personal data of economic operators and other persons processed by the electronic systems should be restricted to the dataset set out in Annex I to this Regulation. Where it is necessary, for the purposes of the Implementing Regulation, to process personal data, this should be carried out in accordance with Union law on the protection of personal data.

⁽⁵⁾ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of individuals with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (EU Data Protection Regulation) (OJ L 295, 21.11.2018, p. 39).

⁽⁶⁾ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

⁽⁷⁾ Commission Implementing Regulation (EU) 2023/1070 of 1 June 2023 on technical arrangements for developing, maintaining and employing electronic systems for the exchange and storage of information under Regulation (EU) No 952/2013 of the European Parliament and the Council (OJ L 143, 2.6.2023, p. 65).

⁽⁸⁾ Commission Implementing Decision (EU) 2019/2151 of 13 December 2019 establishing the work programme relating to the development and deployment of the electronic systems provided for in the Union Customs Code (OJ L 325, 16.12.2019, p. 168).

⁽⁹⁾ Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff (TARIC) (OJ L 256, 7.9.1987, p. 1).

In that regard, any processing of personal data by Member States' authorities should be subject to Regulation (EU) 2016/679 and national requirements on the protection of natural persons with regard to the processing of personal data. Any processing of personal data by the Commission should be subject to Regulation (EU) 2018/1725. Personal data should be kept in a form which permits the identification of data subjects for no longer than necessary for the purposes for which personal data are processed. In this regard, the data retention period for the CBAM Transitional Registry shall be limited to 5 years from the reception of the CBAM report.

- (23) The European Data Protection Supervisor was consulted in accordance with Article 42(1) of Regulation (EU) 2018/1725 and delivered an opinion on 28 July 2023.
- (24) As the first reporting period starts on 1 October 2023, this Regulation should enter into force as a matter of urgency.
- (25) The measures provided for in this Regulation are in accordance with the opinion of the CBAM Committee,

HAS ADOPTED THIS REGULATION:

CHAPTER I

SUBJECT MATTER AND DEFINITIONS

Article 1

Subject matter

This Regulation lays down rules for reporting obligations laid down in Article 35 of Regulation (EU) 2023/956 in respect of goods listed in Annex I to that Regulation imported into the customs territory of the Union during the transitional period from 1 October 2023 to 31 December 2025 ('transitional period').

Article 2

Definitions

For the purposes of this Regulation, the following definitions apply:

- (1) 'reporting declarant' means any of the following persons:
 - (a) the importer who lodges a customs declaration for release for free circulation of goods in its own name and on its own behalf;
 - (b) the person, holding an authorisation to lodge a customs declaration referred to in Article 182(1) of Regulation (EU) No 952/2013 of the European Parliament and of the Council ⁽¹⁰⁾, who declares the importation of goods;
 - (c) the indirect customs representative, where the customs declaration is lodged by the indirect customs representative appointed in accordance with Article 18 of Regulation (EU) No 952/2013, when the importer is established outside the Union or where the indirect customs representative has agreed to the reporting obligations in accordance with Article 32 of Regulation (EU) 2023/956;
- (2) 'rebate' means any amount that reduces the amount due or paid by a person liable for the payment of a carbon price, before its payment or after, in a monetary form or in any other form.

⁽¹⁰⁾ Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (OJ L 269, 10.10.2013, p. 1).

CHAPTER II

RIGHTS AND OBLIGATIONS OF REPORTING DECLARANTS RELATED TO REPORTING

Article 3

Reporting obligations of reporting declarants

1. Each reporting declarant shall provide, based on the data, that the operator may communicate, as provided in Annex III to this Regulation, the following information regarding goods listed in Annex I to Regulation (EU) 2023/956 imported during the quarter to which the CBAM report relates:

- (a) the quantity of the goods imported, expressed in megawatt hours for electricity and in tonnes for other goods;
- (b) the type of goods as identified by their CN code.

2. Each reporting declarant shall provide the following information regarding the embedded emissions of the goods listed in Annex I to Regulation (EU) 2023/956, as listed in Annex I to this Regulation, in the CBAM reports:

- (a) the country of origin of the imported goods;
- (b) the installation where the goods were produced, identified by the following data:
 - (1) the applicable United Nations Code for Trade and Transport Location (UN/LOCODE) of the location;
 - (2) the company name of the installation, the address of the installation and its English transcript;
 - (3) geographical coordinates of the main emission source of the installation;
- (c) the production routes used, defined in Section 3 of Annex II to this Regulation, which shall reflect the technology used for the production of the goods, and information on specific parameters qualifying the indicated production route chosen as defined in Section 2 of Annex IV, for determining the embedded direct emissions;
- (d) the specific embedded direct emissions of the goods, which shall be determined by converting the attributed direct emissions of the production processes into emissions specific of the goods expressed as CO₂e per tonne in accordance with Sections F and G of Annex III to this Regulation;
- (e) the reporting requirements that have an effect on the embedded emissions of the goods as referred to in Section 2 of Annex IV to this Regulation;
- (f) for electricity as imported goods, the reporting declarant shall report the following information:
 - (1) the emission factor used for electricity, expressed as tonne CO₂e per MWh (megawatt hour) as determined in accordance with Section D of Annex III to this Regulation;
 - (2) the data source or method used for determining the emission factor of electricity as determined in accordance with Section D of Annex III to this Regulation;
- (g) for steel goods, the identification number of the specific steel mill where a particular batch of raw materials was produced, where known.

3. For specific embedded indirect emissions, each reporting declarant shall report the following information, as listed in Annex I to this Regulation, in the CBAM reports:

- (a) electricity consumption, expressed in megawatt hours, of the production process per tonne of goods produced;

- (b) specify whether the declarant reports actual emissions or default values made available and published by the Commission for the transitional period in accordance with Section D of Annex III to this Regulation;
 - (c) the corresponding emissions factor of the electricity consumed;
 - (d) the amount of specific embedded indirect emissions, which shall be determined by converting the attributed embedded indirect emissions of the production processes into indirect emissions specific of the goods expressed as CO₂e per tonne in accordance with Sections F and G of Annex III to this Regulation.
4. Where the rules for determining data are different from the ones indicated in Annex III to this Regulation, the reporting declarant shall provide additional information and description on the methodological basis of the rules used to determine the embedded emissions. The rules described shall lead to similar coverage and accuracy of emissions data, including systems boundaries, production processes monitored, emission factors and other methods employed for the calculations and reporting.
5. For the purposes of reporting, the reporting declarant may request that the operator uses an electronic template provided by the Commission and provide the content of the communication in Sections 1 and 2 of Annex IV.

Article 4

Calculation of embedded emissions

1. For the purpose of Article 3(2), the specific embedded emissions of goods produced in an installation shall be determined using one of the following methods, which are based on the choice of monitoring methodology determined in accordance with point B.2 of Annex III to this Regulation, consisting of either:
- (a) determining emissions from source streams on the basis of activity data obtained by means of measurement systems and calculation factors from laboratory analyses or standard values;
 - (b) determining emissions from emission sources by means of continuous measurement of the concentration of the relevant greenhouse gas in the flue gas and of the flue gas flow.
2. By way of derogation from paragraph 1, until 31 December 2024, the specific embedded emissions of goods produced in an installation may be determined using one of the following monitoring and reporting methods, if they lead to similar coverage and accuracy of emissions data compared to the methods listed in that paragraph:
- (a) a carbon pricing scheme where the installation is located; or
 - (b) a compulsory emission monitoring scheme where the installation is located; or
 - (c) an emission monitoring scheme at the installation which can include verification by an accredited verifier.
3. By way of derogation from paragraphs 1 and 2, until 31 July 2024 for each import of goods for which the reporting declarant does not have all the information listed in Article 3(2) and (3), the reporting declarant may use other methods for determining the emissions, including default values made available and published by the Commission for the transitional period or any other default values as specified in Annex III. In such cases, the reporting declarant shall indicate and reference in the CBAM reports the methodology followed for establishing such values.

*Article 5***Use of estimated values**

By way of derogation from Article 4, up to 20 % of the total embedded emissions of complex goods may be based on estimations made available by the operators of the installations.

*Article 6***Data collection and reporting regarding inward processing**

1. For goods placed under inward processing and subsequently released for free circulation either as the same goods or as processed products, the reporting declarant shall submit in the CBAM reports, for the quarter following the quarter where the discharge from customs procedure occurred in accordance with Article 257 of Regulation (EU) No 952/2013, the following information:

- (a) the quantities of goods listed in Annex I to Regulation (EU) 2023/956 that have been released for free circulation following inward processing during that period;
- (b) embedded emissions corresponding to those quantities of goods referred to in point (a) that have been released for free circulation following inward processing during that period;
- (c) the country of origin of the goods referred to in point (a), where known;
- (d) the installations where the goods referred to in point (a) were produced, where known;
- (e) the quantities of goods listed in Annex I to Regulation (EU) 2023/956 placed under inward processing that resulted in processed products that have been released for free circulation during that period;
- (f) embedded emissions corresponding to the goods that have been used to produce the quantities of processed products referred to in point (e);
- (g) in case of waiver for the bill of discharge granted by customs in accordance with Article 175 of Commission Delegated Regulation (EU) 2015/2446 ⁽¹⁾ the reporting declarant shall submit the waiver.

2. The reporting and calculation of the embedded emissions referred to in paragraph 1 points (b) and (f) shall be done in accordance with Articles 3, 4 and 5.

3. By way of derogation from paragraph 2, when processed products or goods placed under the inward processing are released for free circulation in accordance with Article 170(1) of Delegated Regulation (EU) 2015/2446, the embedded emissions referred to in paragraph 1 points (b) and (f) shall be calculated on the basis of the weighted average embedded emissions of the totality of the goods of the same CBAM goods category as defined in Annex II to this Regulation placed under the inward processing procedure from 1 October 2023.

The embedded emissions referred to in the first subparagraph shall be calculated as follows:

- (a) the embedded emissions of paragraph 2, point (b), shall be the total embedded emissions of the goods placed under inward processing that are imported; and

⁽¹⁾ Commission Delegated Regulation (EU) 2015/2446 of 28 July 2015 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards detailed rules concerning certain provisions of the Union Customs Code (OJ L 343, 29.12.2015, p. 1).

- (b) the embedded emissions of paragraph 2, point (f), shall be the total embedded emissions of the goods placed under inward processing that were used in one or more processing operations multiplied by the percentage quantities of the processed products obtained therefrom that are imported.

Article 7

Reporting of information regarding the carbon price due

1. Where applicable, the reporting declarant shall provide in the CBAM reports the following information regarding the carbon price due in a country of origin for the embedded emissions:

- (a) the type of product indicated by CN code;
- (b) the type of carbon price;
- (c) the country, where a carbon price is due;
- (d) form of rebate or any other form of compensation available in that country that would have resulted in a reduction of that carbon price;
- (e) the amount of the carbon price due, a description of the carbon pricing instrument and possible compensation mechanisms;
- (f) indication of the provision of the legal act providing for the carbon price, rebate, or other forms of relevant compensation, including a copy of the legal act;
- (g) the quantity of embedded direct or indirect emissions covered;
- (h) the quantity of embedded emissions covered by any rebate or other form of compensation, including free allocations, if applicable.

2. The monetary amounts referred to in paragraph 1 point (e), will be converted into euro based on the average exchange rates of the year preceding to the year when the report is due. The yearly average exchange rates shall be based on quotations published by the European Central Bank. For currencies for which a quotation is not published by the European Central Bank, the yearly average exchange rates shall be based on publicly available information about the effective exchange rates. The yearly average exchange rates shall be provided by the Commission in the CBAM Transitional Registry.

Article 8

Submission of CBAM reports

1. For each quarter from 1 October 2023 until 31 December 2025 the reporting declarant shall submit the CBAM reports to the CBAM Transitional Registry no later than one month after the end of that quarter.

2. In the CBAM Transitional Registry the reporting declarant shall provide information and indicate, whether:

- (a) the CBAM report is submitted by an importer in its own name and on its own behalf;
- (b) the CBAM report is submitted by an indirect customs representative on behalf of an importer.

3. Where an indirect customs representative does not agree to carry out reporting obligations of the importer under this Regulation, the indirect customs representative shall notify the importer of the obligation to comply with this Regulation. The notification shall include the information referred to in Article 33(1) of Regulation (EU) 2023/956.

4. The CBAM reports shall include the information in Annex I to this Regulation.
5. The CBAM report, once submitted in the CBAM Transitional Registry, shall be allocated a unique Report ID.

Article 9

Modification and correction of CBAM reports

1. A reporting declarant may modify a submitted CBAM report until two months after the end of the relevant reporting quarter.
2. By way of derogation from paragraph 1, a reporting declarant may modify the CBAM reports for the first two reporting periods until the submission deadline for the third CBAM report.
3. Upon a justified request of the reporting declarant, the competent authority shall assess that request and where appropriate shall allow the reporting declarant to resubmit a CBAM report or to correct it after the deadline referred to in paragraphs 1 and 2 and within one year after the end of the relevant reporting quarter. The resubmission of the corrected CBAM report or the correction, as applicable, shall be made no later than a month following the approval by the competent authority.
4. The competent authorities shall motivate the refusal of the request provided in paragraph 3 and inform the reporting declarant on the rights to appeal.
5. A CBAM report pending a dispute may not be modified. It can be replaced to take into account the outcome of that dispute.

CHAPTER III

ADMINISTRATION REGARDING CBAM REPORTING

Article 10

CBAM Transitional Registry

1. The CBAM Transitional Registry shall be a standardised and secure electronic database containing common data elements for reporting during the transitional period, and for providing access, case handling and confidentiality.
2. The CBAM Transitional Registry shall enable communication, checks and information exchange between the Commission, the competent authorities, customs authorities, and reporting declarants in accordance with Chapter V.

Article 11

Checks of CBAM reports and use of information by the Commission

1. The Commission may check CBAM reports to assess compliance with the reporting obligations of reporting declarants within the transitional period and until three months after the last CBAM report should have been submitted.

2. The Commission shall use the CBAM Transitional Registry, and the information contained in that Registry to perform the tasks laid down in this Regulation and in Regulation (EU) 2023/956.

Article 12

Indicative assessment by the Commission

1. For indicative purposes, the Commission shall communicate to the Member States a list of reporting declarants established in the Member State for which the Commission has reasons to believe they have failed to comply with the obligation to submit a CBAM report.

2. Where the Commission considers that a CBAM report does not contain all the information required in Articles 3 to 7 or considers a report incomplete or incorrect in accordance with Article 13, the Commission shall communicate the indicative assessment regarding that CBAM report to the competent authority in the Member State where the reporting declarant is established.

Article 13

Incomplete or incorrect CBAM reports

1. A CBAM report shall be considered incomplete where the reporting declarant has failed to report in accordance with Annex I to this Regulation.

2. A CBAM report shall be considered incorrect in any of the following cases:

- (a) the data or information in the submitted report do not comply with the requirements laid down in Articles 3 to 7 and Annex III to this Regulation;
- (b) the reporting declarant has submitted wrongful data and information;
- (c) where the reporting declarant does not provide an adequate justification for the use of reporting rules other than those listed in Annex III to this Regulation.

Article 14

Assessment of CBAM reports and use of information by the competent authorities

1. The competent authority of the Member State of establishment of the reporting declarant shall initiate the review and assess the data, information, list of reporting declarants communicated by the Commission and indicative assessment as referred to in Article 12 within three months from the communication of that list or indicative assessment.

2. The competent authorities shall use the CBAM Transitional Registry, and the information contained in that Registry, to perform the tasks laid down in this Regulation and Regulation (EU) 2023/956.

3. Within the transitional period or thereafter, the competent authorities may initiate the correction procedure regarding any of the following:

- (a) incomplete or incorrect CBAM reports;
- (b) failure to submit a CBAM report.

4. Where the competent authority initiates the correction procedure, the reporting declarant shall be notified that the report is under review, and that additional information is required. The request for additional information by the competent authority shall include the information required in Articles 3 to 7. The reporting declarant shall submit the additional information through the CBAM Transitional Registry.

5. The competent authority, or any other authority appointed by the competent authority, shall grant the authorisation to access the CBAM Transitional Registry and manage the registration at national level taking into consideration the EORI number in accordance with the technical arrangement set out in Article 20.

Article 15

Confidentiality

1. All decisions of the competent authorities and information acquired by the competent authority in the course of performing its duty related to reporting under this Regulation, which is confidential, or which is provided on a confidential basis shall be covered by the obligation of professional secrecy. Such information shall not be disclosed by the competent authority without the express permission of the person or authority that provided it.

By way of derogation from the first subparagraph, such information may be disclosed without permission where this Regulation provides for it and where the competent authority is obliged or authorised to disclose it by virtue of Union or national law.

2. Competent authorities may communicate confidential information referred to in paragraph 1 to customs authorities of the Union.

3. Any disclosure or communication of information as referred to in paragraphs 1 and 2 shall be made in compliance with applicable data protection provisions.

CHAPTER IV

ENFORCEMENT

Article 16

Penalties

1. Member States shall apply penalties in the following cases:

- (a) where the reporting declarant has not taken the necessary steps to comply with the obligation to submit a CBAM report; or
- (b) where the CBAM report is incorrect or incomplete in accordance with Article 13, and the reporting declarant has not taken the necessary steps to correct the CBAM report where the competent authority initiated the correction procedure in accordance with Article 14(4).

2. The amount of the penalty shall be between EUR 10 and EUR 50 per tonne of unreported emissions. The penalty shall increase in accordance with the European index of consumer prices.

3. When determining the actual amount of a penalty, for the unreported emissions calculated on the basis of the default values made available and published by the Commission for the transitional period, the competent authorities shall consider the following factors:

- (a) the extent of unreported information;
- (b) the unreported quantities of imported goods and the unreported emissions relating to those goods;
- (c) the readiness of the reporting declarant to comply with requests for information or to correct the CBAM report;

- (d) the intentional or negligent behaviour of the reporting declarant;
- (e) the past behaviour of the reporting declarant as regards compliance with the reporting obligations;
- (f) the level of cooperation of the reporting declarant to bring the infringement to an end;
- (g) whether the reporting declarant has voluntarily taken measures to ensure that similar infringements cannot be committed in the future.

4. Higher penalties shall be applied when more than two incomplete or incorrect reports within the meaning of Article 13 have been submitted in a row or the duration of the failure to report exceeds 6 months.

CHAPTER V

TECHNICAL ELEMENTS REGARDING THE CBAM TRANSITIONAL REGISTRY

SECTION 1

Introduction

Article 17

Central system in scope

1. The CBAM Transitional Registry shall be interoperable with:
 - (a) the Uniform User Management and Digital Signature (UUM&DS) system for the purposes of users registration and access management for the Commission, Member States, and reporting declarants, as referred to in Article 16 of Implementing Regulation (EU) 2023/1070;
 - (b) the Economic Operator Registration and Identification (EORI) for the purpose of validating and retrieving the Economic Operator Identity Information, as referred to in Article 30 of Implementing Regulation (EU) 2023/1070, for the data laid out Annex V to this Regulation;
 - (c) the Surveillance system for the purpose of retrieving information on Customs Imports Declarations for goods listed in Annex I to Regulation (EU) 2023/956 for checks of the CBAM reports and compliance, developed through the UCC Surveillance 3 (SURV3), as referred to in Article 99 of Implementing Regulation (EU) 2023/1070;
 - (d) the TARIC System as referred to in Regulation (EEC) No 2658/87.
2. The CBAM Transitional Registry shall be interoperable with decentralised systems as developed or upgraded through the Implementing Decision (EU) 2019/2151, for the purpose of retrieving information on Customs Imports Declarations for goods listed in Annex I to Regulation (EU) 2023/956, as specified in Annex VI and Annex VII to this Regulation, and for checking the CBAM reports and ensuring compliance of the reporting declarants when that information is not available in the SURV3 system.

Article 18

Contact points for the electronic systems

The Commission and Member States shall designate contact points for each of the electronic systems referred to in Article 17 of this Regulation, for the purposes of exchanging information to ensure a coordinated development, operation, and maintenance of those electronic systems.

The Commission and Member States shall communicate the details of these contact points to each other and inform each other immediately of any changes to those details.

SECTION 2

CBAM Transitional Registry*Article 19***Structure of the CBAM Transitional Registry**

The CBAM Transitional Registry shall consist of the following common components ('common components'):

- (a) the CBAM Trader Portal (CBAM TP);
- (b) the CBAM Competent Authorities Portal (CBAM CAP) with two segregated spaces:
 - (1) one for the National Competent Authorities (CBAM CAP/N); and
 - (2) another for the Commission (CBAM CAP/C);
- (c) the CBAM User Access Management;
- (d) the CBAM Registry Back End Services (CBAM BE);
- (e) the public CBAM page on the Europa website.

*Article 20***Terms of collaboration in the CBAM Transitional Registry**

1. The Commission shall propose the Terms of Collaboration, Service Level Agreement, and security Plan, for agreement with the competent authorities. The Commission shall operate the CBAM Transitional Registry in compliance with the terms agreed.
2. The CBAM Transitional Registry shall be used with respect to the CBAM reports and to the Import Declarations Records to which these reports relate.

*Article 21***The CBAM User Access Management**

1. The authentication and access verification of the reporting declarant for the goods listed in Annex I to Regulation (EU) 2023/956, for the purposes of access to the components of the CBAM Registry shall be done using the UUM&DS system as referred to in Article 17(1), point (a).
2. The Commission shall provide the authentication services allowing the users of the CBAM Transitional Registry to securely access that Registry.
3. The Commission shall use UUM&DS to grant the authorisation to access the CBAM Transitional Registry to its staff and to provide the delegations to the competent authorities to issue their authorisations.
4. The competent authorities shall use UUM&DS to grant the authorisation to access the CBAM Transitional Registry to their staff and to the reporting declarants established in their Member State.
5. A competent authority may opt to use an identity and access management system set up in their Member State pursuant to Article 26 of this Regulation (national Customs eIDAS system) to provide the necessary credentials to access the CBAM Transitional Registry.

*Article 22***CBAM Trader Portal**

1. The CBAM Trader Portal shall be the unique entry point to the CBAM Transitional Registry for the reporting declarants. The portal shall be accessible from the internet.
2. The CBAM Trader Portal shall interoperate with the CBAM Registry Back End services.
3. The CBAM Trader Portal shall be used by the reporting declarant for:
 - (a) the submission of the CBAM reports via a web interface or a System-to-System interface; and
 - (b) receiving notifications related to their CBAM compliance obligations.
4. The CBAM Trader Portal shall offer facilities for the reporting declarants to store the information about third countries installations and embedded emissions for their later re-use.
5. The access to the CBAM Trader Portal shall be exclusively managed by the CBAM Access Management referred to in Article 26.

*Article 23***CBAM Competent Authorities Portal (CBAM CAP) for the CBAM National Competent Authorities (CBAM CAP/N)**

1. The CBAM Competent Authorities Portal for the National Competent Authorities shall be the unique entry point to the CBAM Transitional Registry for the competent authorities. The portal shall be accessible from the internet.
2. The CBAM Competent Authorities Portal for the National Competent authorities shall interoperate with the CBAM Registry Back End services via the internal network of the Commission.
3. The CBAM Competent Authorities Portal for the National Competent Authorities shall be used by the competent authorities to carry out the tasks laid down in this Regulation and in Regulation (EU) 2023/956.
4. The access to the CBAM Competent Authorities Portal for the National Competent Authorities shall be exclusively managed by the CBAM Access Management referred to in Article 26.

*Article 24***CBAM Competent Authorities Portal (CBAM CAP) for the Commission (CBAM CAP/C)**

1. The CBAM Competent Authorities Portal for the Commission shall be the unique entry point to the CBAM Transitional Registry for the Commission. The portal shall be accessible on the Commission internal network and the internet.
2. The CBAM Competent Authorities Portal for the Commission shall interoperate with the CBAM Registry Back End services over the internal network of the Commission.
3. The CBAM Competent Authorities Portal for the Commission shall be used by the Commission to perform the tasks laid down in this Regulation and in Regulation (EU) 2023/956.

4. The access to the CBAM Competent Authorities Portal for the Commission shall be exclusively managed by the CBAM Access Management referred to in Article 26.

Article 25

The CBAM Registry Back End Services (CBAM BE)

1. The CBAM Registry Back End Services shall serve all requests placed by:
 - (a) the reporting declarants via the CBAM Trader Portal;
 - (b) the competent authorities via the CBAM Competent Authority Portal/N;
 - (c) the Commission via the CBAM Competent Authority Portal/C.
2. The CBAM Registry Back End Services shall store centrally and manage all the information entrusted to the CBAM Transitional Registry. It shall guarantee their persistence, integrity, and coherence of that information.
3. The CBAM Registry Back End Services shall be managed by the Commission.
4. The access to the CBAM Registry Back End Services shall be exclusively managed by the CBAM Access Management referred to in Article 26.

Article 26

Access management system

The Commission shall set up the access management system to validate the access requests submitted by reporting declarants and other persons within the UUM&DS system as referred to in Article 17(1), point (a) by connecting the Member States' identity and the EU identity and access management systems pursuant to Article 27.

Article 27

Administration management system

The Commission shall set up the administration management system to manage the authentication and authorisation, the identification data of reporting declarants and other persons for the purposes of allowing access to the electronic systems.

Article 28

Member States' identity and access management systems

The Member States shall set up or use existing an identity and access management systems to ensure:

- (a) a secure registration and storage of identification data of reporting declarants and other persons;
- (b) a secure exchange of signed and encrypted identification data of reporting declarants and other persons.

SECTION 3

Functioning of the electronic systems and training in the use thereof*Article 29***Development, testing, deployment, and management of the electronic systems**

1. The CBAM Transitional Registry common components shall be developed, tested, deployed, and managed by the Commission, and may be tested by the Member States. The competent authority of the Member State of establishment of the reporting declarant shall communicate the decisions on penalties with the respective outcome of that process to the Commission, by electronic systems developed at national level, linked to enforcement and penalties, or by other means.
2. The Commission shall design and maintain the common specifications of the interfaces with components of electronic systems developed at national level in close cooperation with the Member States.
3. Where appropriate, common technical specifications shall be defined by the Commission in close cooperation with, and subject to review by the Member States, with a view to deploying them in due time. The Member States and, where appropriate, the Commission shall engage in the development and deployment of the systems. The Commission and the Member States shall also collaborate with reporting declarants and other stakeholders.

*Article 30***Maintenance and changes to the electronic systems**

1. The Commission shall perform the maintenance of the common components and the Member States shall perform the maintenance of their national components.
2. The Commission shall ensure uninterrupted operation of the electronic systems.
3. The Commission may change the common components of the electronic systems to correct malfunctions, to add new functionalities or to alter existing ones.
4. The Commission shall inform the Member States of changes and updates to the common components.
5. The Commission shall make the information on the changes and updates to the electronic systems set out in paragraphs 3 and 4 publicly available.

*Article 31***Temporary failure of the electronic systems**

1. In the event of a temporary failure of the CBAM Transitional Registry, reporting declarants and other persons shall submit the information required to fulfil the required formalities by the means determined by the Commission, including by means other than electronic data-processing techniques.
2. The Commission shall inform Member States and reporting declarants about any unavailability of the electronic systems resulting from a temporary failure.
3. The Commission shall prepare a CBAM business continuity plan to be agreed between the Member States and the Commission. In case of temporary failure of the CBAM Transitional Registry, the Commission shall evaluate the conditions to activate it.

*Article 32***Training support on the use and functioning of the common components**

The Commission shall support the Member States on the use and functioning of the common components of the electronic systems by providing the appropriate training material.

*SECTION 4****Data protection, data management and the ownership and security of the electronic systems****Article 33***Personal data protection**

1. The personal data registered in the CBAM Transitional Registry, and the components of electronic systems developed at national level shall be processed for the purposes of implementing the Regulation (EU) 2023/956 having regard to the specific objectives of those databases as set out in this Regulation. The purposes for which the personal data could be processed shall be the following:
 - (a) authentication purposes and access management;
 - (b) monitoring, checks and review of CBAM reports;
 - (c) communication and notifications;
 - (d) compliance and judicial proceedings;
 - (e) functioning of the IT infrastructure, including interoperability with decentralised systems under this Regulation;
 - (f) statistics and review of the functioning of Regulation (EU) 2023/956 and this Regulation.
2. The Member States' national supervisory authorities in the field of personal data protection and the European Data Protection Supervisor shall cooperate, in accordance with Article 62 of Regulation (EU) 2018/1725, to ensure coordinated supervision of the processing of personal data registered in the CBAM Transitional Registry and the components of electronic systems developed at national level.
3. The provisions contained in this Article shall be without prejudice to the right to rectification of personal data in accordance with Article 16 of Regulation (EU) 2016/679.

*Article 34***Limitation of data access and data processing**

1. The data registered in the CBAM Transitional Registry by a reporting declarant may be accessed or otherwise processed by that reporting declarant. It may also be accessed and otherwise processed by the Commission and competent authorities.
2. Where incidents and problems in the operational processes are identified in the provision of the services of the systems where the Commission act as a processor, the Commission may have access to the data in these processes only for the purpose of resolving a registered incident or problem. The Commission shall ensure the confidentiality of such data.

*Article 35***System ownership**

The Commission shall be the system owner of the CBAM Transitional Registry.

*Article 36***System security**

1. The Commission shall ensure the security of the CBAM Transitional Registry.
2. For those purposes, the Commission and Member States shall take the necessary measures to:
 - (a) prevent any unauthorised person from having access to installations used for the processing of data;
 - (b) prevent the entry of data and any consultation, modification, or deletion of data by unauthorised persons;
 - (c) detect any of the activities referred to in points (a) and (b).
3. The Commission and the Member States shall inform each other of any activities that might result in a breach or a suspected breach of the security of the CBAM Transitional Registry.
4. The Commission and the Member States shall establish security plans concerning the CBAM Transitional Registry.

*Article 37***Controller for the CBAM Transitional Registry**

For the CBAM Transitional Registry and in relation to the processing of personal data, the Commission and Member States shall act as joint controllers as defined in Article 4, point (7), of Regulation (EU) 2016/679 and as defined in Article 3, point (8) of Regulation (EU) 2018/1725.

*Article 38***Data retention period**

1. In order to achieve the objectives pursued under this Regulation and Regulation (EU) 2023/956, in particular Article 30 thereof, the data retention period for the data in the CBAM Transitional Registry shall be limited to 5 years from the reception of the CBAM report.
2. Notwithstanding paragraph 1, where an appeal has been lodged or where court proceedings have begun involving data stored in the CBAM Transitional Registry, those data shall be retained until the appeal procedure or court proceedings are terminated and shall only be used for the purpose of the aforementioned appeal procedure or court proceedings.

*Article 39***Assessment of the electronic systems**

The Commission and the Member States shall conduct assessments of the components they are responsible for and shall, in particular, analyse the security and integrity of those components and the confidentiality of the data processed within those components.

The Commission and the Member States shall inform each other of the results of those assessments.

*Article 40***Entry into force**

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 17 August 2023.

For the Commission
The President
Ursula VON DER LEYEN

ANNEX I

Information to be submitted in the CBAM reports

The reporting declarant shall follow the CBAM report structure listed in Table 1 of this Annex and provided in the CBAM Transitional Registry, and include the detailed information listed in Table 2 of this Annex, when submitting the CBAM report.

Table 1

CBAM report structure

CBAM Report
Report issue date
Draft report ID
Report ID
Reporting period
Year
– Reporting declarant
— Address
– Representative (*)
— Address
– Importer (*)
— Address
– Competent authority
– Signatures
— Report confirmation
— Type of applicable reporting methodology
– Remarks
– CBAM goods imported
Goods item number
— Representative (*)
— Address
— Importer (*)
— Address
— Commodity code
Harmonized system sub-heading code
Combined nomenclature code
— Commodity details
— Country of origin
— Imported quantity per customs procedure
— Procedure

—————	Inward processing information
—————	Area of import
—————	Goods measure (per procedure)
—————	Goods measure (inward processing)
—————	Special references for goods
———	Goods measure (imported)
———	Goods imported total emissions
———	Supporting documents (for goods)
—————	Attachments
———	Remarks
———	CBAM goods' emissions
	Emissions sequence number
	Country of production
—————	The company name of the installation
—————	Address
—————	Contact details
—————	Installation
—————	Address
—————	Goods measure (produced)
—————	Installation emissions
—————	Direct embedded emissions
—————	Indirect embedded emissions
—————	Production method & qualifying parameters
—————	Direct emissions qualifying parameters
—————	Indirect emissions qualifying parameters
—————	Supporting documents (for emissions definition)
—————	Attachments
—————	Carbon price due
—————	Goods covered under carbon price due
—————	Goods measure (covered)
———	Remarks

(*) Note: Representatives/importers shall be registered either at CBAM report level or at the CBAM goods imported level, which shall depend on whether the same or different representatives/importers are related to CBAM goods imported.

Table 2

Detailed information requirements in the CBAM report

CBAM Report
Report issue date
Draft report ID
Report ID
Reporting period
Year
Total goods imported
Total emissions
– Reporting declarant
Identification number
Name
Role
— Address
Member State of establishment
Sub-division
City
Street
Street additional line
Number
Postcode
P.O. Box
– Representative (*)
Identification number
Name
— Address
Member State of establishment
Sub-division
City
Street
Street additional line
Number
Postcode
P.O. Box
– Importer (*)
Identification number
Name

— Address	
Member State or country of establishment	
Sub-division	
City	
Street	
Street additional line	
Number	
Postcode	
P.O. Box	
– Competent authority	
Reference number	
– Signatures	
— Report confirmation	
Report global data confirmation	
Use of data confirmation	
Date of signature	
Place of signature	
Signature	
Position of person signing	
— Type of applicable reporting methodology	
Other applicable reporting methodology	
– Remarks	
Additional information	
– CBAM goods imported	
Goods item number	
— Representative (*)	
Identification number	
Name	
— Address	
Member State of establishment	
Sub-division	
City	
Street	
Street additional line	
Number	
Postcode	
P.O. Box	

— Importer (*)	
Identification number	
Name	
— Address	
Member State or country of establishment	
Sub-division	
City	
Street	
Street additional line	
Number	
Postcode	
P.O. Box	
— Commodity code	
Harmonized system sub-heading code	
Combined nomenclature code	
— Commodity details	
Description of goods	
— Country of origin	
Country code	
— Imported quantity per customs procedure	
Sequence number	
— Procedure	
Requested procedure	
Previous procedure	
Inward processing information	
Member State of inward processing authorisation	
Inward processing waiver for bill of discharge	
Authorisation	
Globalisation time start	
Globalisation time end	
Deadline for submission of bill of discharge	
— Area of import	
Area of import	
— Goods measure (per procedure)	
Net mass	
Supplementary units	
Type of measurement unit	

——— Goods measure (inward processing)
Net mass
Supplementary units
Type of measurement unit
——— Special references for goods
Additional information
—— Goods measure (imported)
Net mass
Supplementary units
Type of measurement unit
—— Goods imported total emissions
Goods emissions per unit of product
Goods total emissions
Goods direct emissions
Goods indirect emissions
Type of measurement unit for emissions
—— Supporting documents (for goods)
Sequence number
Type
Country of document issuance
Reference number
Document line item number
Issuing authority name
Validity start date
Validity end date
Description
——— Attachments
Filename
Universal Resource Identified
Multipurpose Internet Mail Extensions
Included binary object
—— Remarks
Additional information
—— CBAM goods' emissions
Emissions sequence number
Country of production

_____	The company name of the installation
	Operator ID
	Operator name
_____	Address
	Country code
	Sub-division
	City
	Street
	Street additional line
	Number
	Postcode
	P.O. Box
_____	Contact details
	Name
	Phone number
	e-mail
_____	Installation
	Installation ID
	Installation name
	Economic activity
_____	Address
	Country of establishment
	Sub-division
	City
	Street
	Street additional line
	Number
	Postcode
	P.O. Box
	Plot or parcel number
	UNLOCODE
	Latitude
	Longitude
	Type of coordinates
_____	Goods measure (produced)
	Net mass
	Supplementary units
	Type of measurement unit

————— Installation emissions
Installation total emissions
Installation direct emissions
Installation indirect emissions
Type of measurement unit for emissions
————— Direct embedded emissions
Type of determination
Type of determination (electricity)
Type of applicable reporting methodology
Applicable reporting methodology
Specific (direct) embedded emissions
Other source indication
Source of emission factor (for electricity)
Emission factor
Electricity imported
Total embedded emissions of electricity imported
Type of measurement unit
Source of emissions factor value
Justification
Fulfilment of conditionality
————— Indirect embedded emissions
Type of determination
Source of emission factor
Emission factor
Specific (indirect) embedded emissions
Type of measurement unit
Electricity consumed
Source of electricity
Source of emissions factor value
————— Production method & qualifying parameters
Sequence number
Method ID
Method name
Identification number of the specific steel mill
Additional Information

—————	Direct emissions qualifying parameters
	Sequence number
	Parameter ID
	Parameter name
	Description
	Type of parameter value
	Parameter value
	Additional information
—————	Indirect emissions qualifying parameters
	Sequence number
	Parameter ID
	Parameter name
	Description
	Type of parameter value
	Parameter value
	Additional information
—————	Supporting documents (for emissions definition)
	Sequence number
	Type of emissions document
	Country of document issuance
	Reference number
	Document line item number
	Issuing authority name
	Validity start date
	Validity end date
	Description
—————	Attachments
	Filename
	Universal Resource Identified
	Multipurpose Internet Mail Extensions
	Included binary object
—————	Carbon price due
	Sequence number
	Type of instrument
	Description and indication of legal act
	Amount of carbon price due
	Currency

Exchange rate
Amount (EURO)
Country code
———— Goods covered under carbon price due
Sequence number
Type of goods covered
CN code of goods covered
Quantity of emissions covered
Quantity covered by free allocations, any rebate or other form of compensation
Supplementary information
Additional information
———— Goods measure (covered)
Net mass
Supplementary units
Type of measurement unit
———— Remarks
Sequence number
Additional Information

(*) Note: Representatives/importers shall be registered either at CBAM report level or at the CBAM goods imported level, which shall depend on whether the same or different representatives/importers are related to CBAM goods imported.

ANNEX II

Definitions and production routes for goods

1. DEFINITIONS

For the purpose of this Annex and of Annexes III, IV and VIII to IX the following definitions shall apply:

- (0) 'activity data' means the amount of fuels or materials consumed or produced by a process relevant for the calculation-based methodology, expressed in terajoules, mass in tonnes or (for gases) volume in normal cubic metres, as appropriate;
- (1) 'activity level' means the quantity of goods produced (expressed in MWh for electricity, or in tonnes for other goods) within the boundaries of a production process;
- (2) 'reporting period' means a period that the operator of an installation has chosen to use as reference for the determination of embedded emissions;
- (3) 'source stream' means any of the following:
 - (a) a specific fuel type, raw material or product giving rise to emissions of relevant greenhouse gases at one or more emission sources as a result of its consumption or production;
 - (b) a specific fuel type, raw material or product containing carbon and included in the calculation of greenhouse gas emissions using a mass balance method;
- (4) 'emission source' means a separately identifiable part of an installation or a process within an installation, from which relevant greenhouse gases are emitted;
- (5) 'uncertainty' means a parameter, associated with the result of the determination of a quantity, that characterises the dispersion of the values that could reasonably be attributed to the particular quantity, including the effects of systematic as well as of random factors, expressed in per cent, and describes a confidence interval around the mean value comprising 95 % of inferred values taking into account any asymmetry of the distribution of values;
- (6) 'calculation factors' means net calorific value, emission factor, preliminary emission factor, oxidation factor, conversion factor, carbon content or biomass fraction;
- (7) 'combustion emissions' means greenhouse gas emissions occurring during the exothermic reaction of a fuel with oxygen;
- (8) 'emission factor' means the average emission rate of a greenhouse gas relative to the activity data of a source stream assuming complete oxidation for combustion and complete conversion for all other chemical reactions;
- (9) 'oxidation factor' means the ratio of carbon oxidised to CO₂ as a consequence of combustion to the total carbon contained in the fuel, expressed as a fraction, considering carbon monoxide (CO) emitted to the atmosphere as the molar equivalent amount of CO₂;
- (10) 'conversion factor' means the ratio of carbon emitted as CO₂ to the total carbon contained in the source stream before the emitting process takes place, expressed as a fraction, considering CO emitted to the atmosphere as the molar equivalent amount of CO₂;
- (11) 'accuracy' means the closeness of the agreement between the result of a measurement and the true value of the particular quantity or a reference value determined empirically using internationally accepted and traceable calibration materials and standard methods, taking into account both random and systematic factors;
- (12) 'calibration' means the set of operations, which establishes, under specified conditions, the relations between values indicated by a measuring instrument or measuring system, or values represented by a material measure or a reference material and the corresponding values of a quantity realised by a reference standard;
- (13) 'conservative' means that a set of assumptions is defined in order to ensure that no under-estimation of reported emissions or over-estimation of production of heat, electricity or goods occurs;

- (14) 'biomass' means the biodegradable fraction of products, waste and residues from biological origin from agriculture, including vegetal and animal substances, from forestry and related industries, including fisheries and aquaculture, as well as the biodegradable fraction of waste, including industrial and municipal waste of biological origin;
- (15) 'waste' means any substance or object which the holder discards or intends or is required to discard, excluding substances that have been intentionally modified or contaminated in order to meet this definition;
- (16) 'residue' means a substance that is not the end product(s) that a production process directly seeks to produce; it is not a primary aim of the production process and the process has not been deliberately modified to produce it;
- (17) 'agricultural, aquaculture, fisheries and forestry residues' means residues that are directly generated by agriculture, aquaculture, fisheries and forestry and that do not include residues from related industries or processing;
- (18) 'legal metrological control' means the control by a public authority or regulator of the measurement tasks intended for the field of application of a measuring instrument, for reasons of public interest, public health, public safety, public order, protection of the environment, the levying of taxes and duties, the protection of consumers and fair trading;
- (19) 'data flow activities' mean activities related to the acquisition, processing and handling of data that are needed to draft an emissions report from primary source data;
- (20) 'measurement system' means a complete set of measuring instruments and other equipment, such as sampling and data processing equipment, used to determine variables such as the activity data, the carbon content, the calorific value or the emission factor of the greenhouse gas emissions;
- (21) 'net calorific value' (NCV) means the specific amount of energy released as heat when a fuel or material undergoes complete combustion with oxygen under standard conditions, less the heat of vaporisation of any water formed;
- (22) 'process emissions' means greenhouse gas emissions other than combustion emissions occurring as a result of intentional and unintentional reactions between substances or their transformation, for a primary purpose other than the generation of heat, including from the following processes:
 - (a) the chemical, electrolytic or pyrometallurgical reduction of metal compounds in ores, concentrates and secondary materials;
 - (b) the removal of impurities from metals and metal compounds;
 - (c) the decomposition of carbonates, including those used for flue gas cleaning;
 - (d) chemical syntheses of products and intermediate products where the carbon bearing material participates in the reaction;
 - (e) the use of carbon containing additives or raw materials;
 - (f) the chemical or electrolytic reduction of metalloid oxides or non-metal oxides such as silicon oxides and phosphates;
- (23) 'batch' means an amount of fuel or material representatively sampled and characterised, and transferred as one shipment or continuously over a specific period of time;
- (24) 'mixed fuel' means a fuel which contains both biomass and fossil carbon;
- (25) 'mixed material' means a material which contains both biomass and fossil carbon;
- (26) 'preliminary emission factor' means the assumed total emission factor of a fuel or material based on the carbon content of its biomass fraction and its fossil fraction before multiplying it by the fossil fraction to produce the emission factor;
- (27) 'fossil fraction' means the ratio of fossil and inorganic carbon to the total carbon content of a fuel or material, expressed as a fraction;

- (28) 'biomass fraction' means the ratio of carbon stemming from biomass to the total carbon content of a fuel or material, expressed as a fraction;
- (29) 'continuous emission measurement' means a set of operations having the objective of determining the value of a quantity by means of periodic measurements, applying either measurements in the stack or extractive procedures with a measuring instrument located close to the stack, whilst excluding measurement methodologies based on the collection of individual samples from the stack;
- (30) 'inherent CO₂' means CO₂ which is part of a source stream;
- (31) 'fossil carbon' means inorganic and organic carbon that is not biomass;
- (32) 'measurement point' means the emission source for which continuous emission measurement systems (CEMS) are used for emission measurement, or the cross-section of a pipeline system for which the CO₂ flow is determined using continuous measurement systems;
- (33) 'fugitive emissions' means irregular or unintended emissions from sources that are not localised, or too diverse or too small to be monitored individually;
- (34) 'standard conditions' means temperature of 273,15 K and pressure conditions of 101 325 Pa defining normal cubic metres (Nm³);
- (35) 'proxy data' means annual values which are empirically substantiated or derived from accepted sources and which an operator uses to substitute a data set for the purpose of ensuring complete reporting when it is not possible to generate all the required data or factors in the applicable monitoring methodology;
- (36) 'measurable heat' means a net heat flow transported through identifiable pipelines or ducts using a heat transfer medium, such as, in particular, steam, hot air, water, oil, liquid metals and salts, for which a heat meter is or could be installed;
- (37) 'heat meter' means a thermal energy meter or any other device to measure and record the amount of thermal energy produced based upon flow volumes and temperatures;
- (38) 'non-measurable heat' means all heat other than measurable heat;
- (39) 'waste gas' means a gas containing incompletely oxidised carbon in a gaseous state under standard conditions which is a result of any of the processes listed in point (22);
- (40) 'production process' means the chemical or physical processes carried out in parts of an installation to produce goods under an aggregated goods category defined in Table 1 of Section 2 of this Annex, and its specified system boundaries regarding inputs, outputs and corresponding emissions;
- (41) 'production route' means a specific technology used in a production process to produce goods under an aggregated goods category;
- (42) 'data set' means one type of data, either at installation level or production process level as relevant in the circumstances, as any of the following:
- (a) the amount of fuels or materials consumed or produced by a production process as relevant for the calculation-based methodology, expressed in terajoules, mass in tonnes, or for gases as volume in normal cubic metres, as appropriate, including for waste gases;
 - (b) a calculation factor;
 - (c) net quantity of measurable heat, and the relevant parameters required for determining this quantity, in particular:
 - mass flow of heat transfer medium, and
 - enthalpy of transmitted and returned heat transfer medium, as specified by composition, temperature, pressure and saturation;
 - (d) quantities of non-measurable heat, specified by the relevant quantities of fuels used for producing the heat, and the net calorific value (NCV) of the fuel mix;
 - (e) quantities of electricity;

- (f) quantities of CO₂ transferred between installations;
 - (g) quantities of precursors received from outside the installation, and their relevant parameters, such as country of origin, used production route, specific direct and indirect emissions, carbon price due;
 - (h) parameters relevant for a carbon price due;
- (43) 'minimum requirements' means monitoring methods using the minimum efforts allowed for determining data in order to result in emission data acceptable for the purpose of Regulation (EU) 2023/956;
- (44) 'recommended improvements' means monitoring methods which are proven means to ensure that data are more accurate or less prone to mistakes than by mere application of minimum requirements, and which may be chosen on a voluntary basis;
- (45) 'misstatement' means an omission, misrepresentation or error in the operator's reported data, not considering the uncertainty permissible for measurements and laboratory analyses;
- (46) 'material misstatement' means a misstatement that, in the opinion of the verifier, individually or when aggregated with other misstatements, exceeds the materiality level or could affect the treatment of the operator's report by the competent authority;
- (47) 'reasonable assurance' means a high but not absolute level of assurance, expressed positively in the verification opinion, as to whether the operator's report subject to verification is free from material misstatement;
- (48) 'eligible monitoring, reporting and verification system' means the monitoring, reporting and verification systems where the installation is established for the purpose of a carbon pricing scheme, or compulsory emission monitoring schemes, or an emission monitoring scheme at the installation which can include verification by an accredited verifier, in accordance with Article 4(2) of this Regulation.

2. MAPPING OF CN CODES TO AGGREGATED GOODS CATEGORIES

Table 1 of this Annex defines aggregated goods categories for each CN code listed in Annex I to Regulation (EU) 2023/956. Those categories are used for the purpose of defining system boundaries of production processes for the determination of embedded emissions corresponding to the goods listed in Annex I to Regulation (EU) 2023/956.

Table 1

Mapping of CN codes to aggregated goods categories

CN code	Aggregated goods category	Greenhouse gas
<i>Cement</i>		
2507 00 80 – Other kaolinic clays	Calcined clay	Carbon dioxide
2523 10 00 – Cement clinkers	Cement clinker	Carbon dioxide
2523 21 00 – White Portland cement, whether or not artificially coloured 2523 29 00 – Other Portland cement 2523 90 00 – Other hydraulic cements	Cement	Carbon dioxide
2523 30 00 – Aluminous cement	Aluminous cement	Carbon dioxide
<i>Electricity</i>		
2716 00 00 – Electrical energy	Electricity	Carbon dioxide
<i>Fertiliser</i>		
2808 00 00 – Nitric acid; sulphonitric acids	Nitric acid	Carbon dioxide and nitrous oxide

3102 10 – Urea, whether or not in aqueous solution	Urea	Carbon dioxide
2814 – Ammonia, anhydrous or in aqueous solution	Ammonia	Carbon dioxide
2834 21 00 – Nitrates of potassium 3102 – Mineral or chemical fertilisers, nitrogenous except 3102 10 (Urea) 3105 – Mineral or chemical fertilisers containing two or three of the fertilising elements nitrogen, phosphorus, and potassium; other fertilisers — Except: 3105 60 00 – Mineral or chemical fertilisers containing the two fertilising elements phosphorus and potassium	Mixed fertilisers	Carbon dioxide and nitrous oxide
<i>Iron and Steel</i>		
2601 12 00 – Agglomerated iron ores and concentrates, other than roasted iron pyrites	Sintered Ore	Carbon dioxide
7201 – Pig iron and spiegeleisen in pigs, blocks, or other primary forms Some products under 7205 (Granules and powders, of pig iron, spiegeleisen, iron, or steel) may be covered here	Pig Iron	Carbon dioxide
7202 1 – Ferro-manganese	FeMn	Carbon dioxide
7202 4 – Ferro-chromium	FeCr	Carbon dioxide
7202 6 – Ferro-nickel	FeNi	Carbon dioxide
7203 – Ferrous products obtained by direct reduction of iron ore and other spongy ferrous products	DRI	Carbon dioxide
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; semi-finished products of stainless steel 7224 – Other alloy steel in ingots or other primary forms; semi-finished products of other alloy steel	Crude steel	Carbon dioxide
7205 – Granules and powders, of pig iron, spiegeleisen, iron or steel (if not covered under category pig iron) 7208 – Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated 7209 – Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, cold-rolled (cold-reduced), not clad, plated or coated 7210 – Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, clad, plated or coated	Iron or steel products	Carbon dioxide

7211 – Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, not clad, plated or coated 7212 – Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, clad, plated or coated 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, not further worked than forged, hot-rolled, hot-drawn or hot-extruded, but including those twisted after rolling 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, of a width of 600 mm or more 7220 – Flat-rolled products of stainless steel, of a width of less than 600 mm 7221 – Bars and rods, hot-rolled, in irregularly wound coils, of stainless steel 7222 – Other bars and rods of stainless steel; angles, shapes and sections of stainless steel 7223 – Wire of stainless steel 7225 – Flat-rolled products of other alloy steel, of a width of 600 mm or more 7226 – Flat-rolled products of other alloy steel, of a width of less than 600 mm 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; hollow drill bars and rods, of alloy or non-alloy steel 7229 – Wire of other alloy steel 7301 – Sheet piling of iron or steel, whether or not drilled, punched or made from assembled elements; welded angles, shapes and sections, of iron or steel 7302 – Railway or tramway track construction material of iron or steel, the following: rails, check-rails and rack rails, switch blades, crossing frogs, point rods and other crossing pieces, sleepers (cross-ties), fish- plates, chairs, chair wedges, sole plates (base plates), rail clips, bedplates, ties and other material specialised for jointing or fixing rails 7303 – Tubes, pipes and hollow profiles, of cast iron 7304 – Tubes, pipes and hollow profiles, seamless, of iron (other than cast iron) or steel 7305 – Other tubes and pipes (for example, welded, riveted or similarly closed), having circular cross-sections, the external diameter of which exceeds 406,4 mm, of iron or steel 7306 – Other tubes, pipes and hollow profiles (for example, open seam or welded, riveted or similarly closed), of iron or steel		
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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 (for example, bridges and bridge-sections, lock-gates, towers, lattice masts, roofs, roofing frameworks, doors and windows and their frames and thresholds for doors, shutters, balustrades, pillars and columns), of iron or steel; plates, rods, angles, shapes, sections, tubes and the like, prepared for use in structures, of iron or steel 7309 – Reservoirs, tanks, vats and similar containers for any material (other than compressed or liquefied gas), of iron or steel, of a capacity exceeding 300 l, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment 7310 – Tanks, casks, drums, cans, boxes and similar containers, for any material (other than compressed or liquefied gas), of iron or steel, of a capacity not exceeding 300 l, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment 7311 – Containers for compressed or liquefied gas, of iron or steel 7318 – Screws, bolts, nuts, coach screws, screw hooks, rivets, cotter pins, washers (including spring washers) and similar articles, of iron or steel 7326 – Other articles of iron or steel		
<i>Aluminium</i>		
7601 – Unwrought aluminium	Unwrought aluminium	Carbon dioxide and perfluorocarbons
7603 – Aluminium powders and flakes 7604 – Aluminium bars, rods and profiles 7605 – Aluminium wire 7606 – Aluminium plates, sheets and strip, of a thickness exceeding 0,2 mm 7607 – Aluminium foil (whether or not printed or backed with paper, paper-board, plastics or similar backing materials) of a thickness (excluding any backing) not exceeding 0,2 mm 7608 – Aluminium tubes and pipes 7609 00 00 – Aluminium tube or pipe fittings (for example, couplings, elbows, sleeves) 7610 – Aluminium structures (excluding prefabricated buildings of heading 9406) and parts of structures (for example, bridges and bridge-sections, towers, lattice masts, roofs, roofing frameworks, doors and windows and their frames and thresholds for doors, balustrades, pillars and columns); aluminium plates, rods, profiles, tubes and the like, prepared for use in structures 7611 00 00 – Aluminium reservoirs, tanks, vats and similar containers, for any material (other than compressed or liquefied gas), of a capacity exceeding 300 litres, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment	Aluminium products	Carbon dioxide and perfluorocarbons

7612 – Aluminium casks, drums, cans, boxes and similar containers (including rigid or collapsible tubular containers), for any material (other than compressed or liquefied gas), of a capacity not exceeding 300 litres, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment 7613 00 00 – Aluminium containers for compressed or liquefied gas 7614 – Stranded wire, cables, plaited bands and the like, of aluminium, not electrically insulated 7616 – Other articles of aluminium		
<i>Chemicals</i>		
2804 10 000 – Hydrogen	Hydrogen	Carbon dioxide

3. PRODUCTION ROUTES, SYSTEM BOUNDARIES AND RELEVANT PRECURSORS

3.1. Cross-sectoral rules

For determining the activity level (quantity produced) of the goods, which is used as denominator in Equations 50 and 51 (Section F.1 of Annex III), the monitoring rules of Section F.2 of Annex III shall apply.

Where several production routes are used in the same installation for producing goods falling under the same CN code, and where those production routes are assigned separate production processes, the embedded emissions of those goods shall be calculated separately for each production route.

For the monitoring of direct emissions, all emission sources and source streams associated with the production process shall be monitored, taking into account specific requirements laid down in Sections 3.2 to 3.19 of this Annex, where relevant, and the rules laid down in Annex III.

Where CO₂ capture is used, the rules of Section B.8.2 of Annex III shall apply.

For the monitoring of indirect emissions, the total electricity consumption of each production process shall be determined, within the system boundaries defined in line with Sections 3.2 to 3.19 of this Annex and in accordance with Section A.4 of Annex III, where relevant. The relevant emission factor of electricity shall be determined in accordance with Section D.2 of Annex III.

If relevant precursors are specified, they refer to the corresponding aggregated goods categories.

3.2. Calcined clay

3.2.1. Special provisions

Clays falling under CN code 2507 00 80 which are not calcined, are assigned embedded emissions of zero. They shall be included in the CBAM report, but no additional information from the producer of the clay is required. The following provisions relate only to clays falling under that CN code and that are calcined.

3.2.2. Production route

For calcined clay, direct emissions monitoring shall encompass:

- All processes directly or indirectly linked to the production processes, such as raw material preparation, mixing, drying, and calcining, and flue gas cleaning.
- CO₂ emissions from the combustion of fuels as well as from raw materials, where relevant.

Relevant precursors: none.

3.3. **Cement clinker**

3.3.1. *Special provisions*

No distinction shall be made between grey and white cement clinker.

3.3.2. *Production route*

For cement clinker, direct emissions monitoring shall encompass:

- Calcination of limestone and other carbonates in the raw materials, conventional fossil kiln fuels, alternative fossil-based kiln fuels and raw materials, biomass kiln fuels (such as waste-derived fuels), non-kiln fuels, non-carbonate carbon content of limestone and shales, or alternative raw materials such as fly ash used in the raw meal in the kiln and raw materials used for flue gas scrubbing.
- The additional provisions of Section B.9.2 of Annex III shall apply.

Relevant precursors: none.

3.4. **Cement**

3.4.1. *Special provisions*

None.

3.4.2. *Production route*

For cement, direct emissions monitoring shall encompass:

- All CO₂ emissions from fuel combustion, where relevant for drying of materials.

Relevant precursors:

- Cement clinker;
- Calcined clay, if used in the process.

3.5. **Aluminous cement**

3.5.1. *Special provisions*

None.

3.5.2. *Production route*

For aluminous cement, direct emissions monitoring shall encompass:

- All CO₂ emissions from fuel combustion directly or indirectly linked to the process.
- Process emissions from carbonates in raw materials, if applicable, and flue gas cleaning.

Relevant precursors: none.

3.6. **Hydrogen**

3.6.1. *Special provisions*

Only the production of pure hydrogen or mixtures of hydrogen with nitrogen usable in ammonia production shall be considered. Not covered are the production of synthesis gas or of hydrogen within refineries or organic chemical installations, where hydrogen is exclusively used within those plants and not used for the production of goods listed in Annex I to Regulation (EU) 2023/956.

3.6.2. *Production routes*

3.6.2.1. *Steam reforming and partial oxidation*

For those production routes, direct emissions monitoring shall encompass:

- All processes directly or indirectly linked to hydrogen production, and flue gas cleaning.

- All fuels used in the hydrogen production process irrespective of their energetic or non-energetic use, and fuels used for other combustion processes including for the purpose of producing hot water or steam.

Relevant precursors: none.

3.6.2.2. Electrolysis of water

For that production route, direct emissions monitoring shall encompass, if relevant:

- All emissions from fuel use directly or indirectly linked to the hydrogen production process and from flue gas cleaning.

Indirect emissions: Where the produced hydrogen has been certified to comply with Commission Delegated Regulation (EU) 2023/1184 ⁽¹⁾, an emission factor of zero for the electricity may be used. In all other cases, the rules on indirect embedded emissions (Section D of Annex III) shall apply.

Relevant precursors: none.

Attribution of emissions to products: Where the co-produced oxygen is vented, all emissions of the production process shall be attributed to hydrogen. Where by-product oxygen is used in other production processes at the installation or sold, and where direct or indirect emissions are not equal to zero, the emissions of the production process shall be attributed to hydrogen based on molar proportions using the following equation:

$$Em_{H_2} = Em_{total} \left(1 - \frac{\frac{m_{O_2,sold}}{M_{O_2}}}{\frac{m_{H_2,prod}}{M_{H_2}} + \frac{m_{O_2,prod}}{M_{O_2}}} \right) \quad (\text{Equation 1})$$

Where:

- Em_{H_2} are either the direct or indirect emissions attributed to hydrogen produced over the reporting period, expressed in tonnes of CO₂;
- Em_{total} are either the direct or indirect emissions of the whole production process over the reporting period, expressed in tonnes of CO₂;
- $m_{O_2,sold}$ is the mass of oxygen sold or used in the installation over the reporting period, expressed in tonnes;
- $m_{O_2,prod}$ is the mass of oxygen produced over the reporting period, expressed in tonnes;
- $m_{H_2,prod}$ is the mass of hydrogen produced over the reporting period, expressed in tonnes;
- M_{O_2} is the molar mass of O₂ (31,998 kg/kmol); and
- M_{H_2} is the molar mass of H₂ (2,016 kg/kmol).

3.6.2.3. Chlor-Alkali electrolysis and production of chlorates

For those production routes, direct emissions monitoring shall encompass, if relevant:

- All emissions from fuel use directly or indirectly linked to the hydrogen production process and from flue gas cleaning.

Indirect emissions: Where the produced hydrogen has been certified to comply with Delegated Regulation (EU) 2023/1184, an emission factor of zero for the electricity may be used. In all other cases, the rules on indirect embedded emissions (Section D of Annex III) shall apply.

Relevant precursors: none.

Attribution of emissions to products: As hydrogen is considered a by-product in this production process, only a molar proportion of the overall process shall be attributed to the fraction of hydrogen sold or used as a precursor within the installation. Provided that direct or indirect emissions are not equal to zero, the emissions of the production process shall be attributed to hydrogen used or sold using the following equations:

⁽¹⁾ Commission Delegated Regulation (EU) 2023/1184 of 10 February 2023 supplementing Directive (EU) 2018/2001 of the European Parliament and of the Council by establishing a Union methodology setting out detailed rules for the production of renewable liquid and gaseous transport fuels of non-biological origin (OJ L 157, 20.6.2023, p. 11).

Chlor-Alkali electrolysis:

$$Em_{H_2,sold} = Em_{total} \left(\frac{\frac{m_{H_2,sold}}{M_{H_2}}}{\frac{m_{H_2,prod}}{M_{H_2}} + \frac{m_{Cl_2,prod}}{M_{Cl_2}} + \frac{m_{NaOH,prod}}{M_{NaOH}}} \right) \quad (\text{Equation 2})$$

Production of Sodium Chlorate:

$$Em_{H_2,sold} = Em_{total} \left(\frac{\frac{m_{H_2,sold}}{M_{H_2}}}{\frac{m_{H_2,prod}}{M_{H_2}} + \frac{m_{NaClO_3,prod}}{M_{NaClO_3}}} \right) \quad (\text{Equation 3})$$

Where:

- $Em_{H_2,sold}$ are either the direct or indirect emissions attributed to hydrogen sold or used as precursor over the reporting period, expressed in tonnes of CO₂;
- Em_{total} are either the direct or indirect emissions of the production process over the reporting period, expressed in tonnes of CO₂;
- $m_{H_2,sold}$ is the mass of hydrogen sold or used as precursor over the reporting period, expressed in tonnes;
- $m_{H_2,prod}$ is the mass of hydrogen produced over the reporting period, expressed in tonnes;
- $m_{Cl_2,prod}$ is the mass of chlorine produced over the reporting period, expressed in tonnes;
- $m_{NaOH,prod}$ is the mass of sodium hydroxide (caustic soda) produced over the reporting period, expressed in tonnes, calculated as 100 % NaOH;
- $m_{NaClO_3,prod}$ is the mass of sodium chlorate produced over the reporting period, expressed in tonnes, calculated as 100 % NaClO₃;
- M_{H_2} is the molar mass of H₂ (2,016 kg/kmol);
- M_{Cl_2} is the molar mass of Cl₂ (70,902 kg/kmol);
- M_{NaOH} is the molar mass of NaOH (39,997 kg/kmol); and
- M_{NaClO_3} is the molar mass of NaClO₃ (106,438 kg/kmol).

3.7. Ammonia

3.7.1. Special provisions

Both hydrous and anhydrous ammonia shall be reported jointly as 100 % ammonia.

Where CO₂ from ammonia production is used as feedstock for the production of urea or other chemicals, point (b) of Section B.8.2 of Annex III shall apply. Where a deduction of CO₂ is allowed according to that section and where it would lead to negative specific embedded direct emissions of ammonia, the specific embedded direct emissions of ammonia shall be zero.

3.7.2. Production routes

3.7.2.1. Haber-Bosch process with steam reforming of natural gas or biogas

For that production route, direct emissions monitoring shall encompass:

- All fuels directly or indirectly linked to ammonia production, and materials used for flue gas cleaning.
- All fuels shall be monitored, irrespective of whether used as energetic or non-energetic input.
- Where biogas is used, the provisions of Section B.3.3 of Annex III shall be applied.
- Where hydrogen from other production routes is added to the process, it shall be treated as a precursor with its own embedded emissions.

Relevant precursors: separately produced hydrogen, if used in the process.

3.7.2.2. Haber-Bosch process with gasification of coal or other fuels

That route applies where hydrogen is produced by gasification of coal, heavy refinery fuels or other fossil feedstock. Input materials may include biomass, for which the provisions of Section B.3.3 of Annex III shall be taken into account.

For that production route, direct emissions monitoring shall encompass:

- All fuels directly or indirectly linked to ammonia production, and materials used for flue gas cleaning.
- Each fuel input shall be monitored as one fuel stream, irrespective of whether it is used as energetic or non-energetic input.
- Where hydrogen from other production routes is added to the process, it shall be treated as a precursor with its own embedded emissions.

Relevant precursors: separately produced hydrogen, if used in the process.

3.8. Nitric acid

3.8.1. *Special provisions*

Amounts of nitric acid produced shall be monitored and reported as 100 % nitric acid.

3.8.2. *Production route*

For nitric acid, direct emissions monitoring shall encompass:

- CO₂ from all fuels directly or indirectly linked to nitric acid production, and materials used for flue gas cleaning;
- N₂O emissions from all sources emitting N₂O from the production process, including unabated and abated emissions. Any N₂O emissions from the combustion of fuels are excluded from monitoring.

Relevant precursors: Ammonia (as 100 % ammonia).

3.9. Urea

3.9.1. *Special provisions*

Where the CO₂ used in the production of urea stems from ammonia production, it is accounted for as subtraction in the embedded emissions of ammonia as precursor of urea, if the provisions of Section 3.7 of this Annex allow such deduction. However, where ammonia produced without direct fossil CO₂ emissions is used as a precursor, the used CO₂ may be deducted from the direct emissions of the installation producing the CO₂, provided that the delegated act adopted pursuant to Article 12(3b) of Directive 2003/87/EC defines urea production as a case where CO₂ is permanently chemically bound so that it does not enter the atmosphere under normal use, including any normal activity taking place after the end of the life of the product. Where such deduction would lead to negative specific direct embedded emissions of urea, the specific direct embedded emissions of urea shall be zero.

3.9.2. *Production route*

For urea, direct emissions monitoring shall encompass:

- CO₂ from all fuels directly or indirectly linked to urea production, and materials used for flue gas cleaning.
- Where CO₂ is received from another installation as process input, the CO₂ received and not bound in urea shall be considered an emission, if not already counted as emission of the installation where the CO₂ was produced, under an eligible monitoring, reporting and verification system.

Relevant precursors: Ammonia (as 100 % ammonia).

3.10. **Mixed fertilisers**

3.10.1. *Special provisions*

This section applies to the production of all kinds of nitrogen containing fertilisers, including ammonium nitrate, calcium ammonium nitrate, ammonium sulphate, ammonium phosphates, urea ammonium nitrate solutions, as well as nitrogen-phosphorus (NP), nitrogen-potassium (NK) and nitrogen-phosphorus-potassium (NPK) fertilisers. All kinds of operations are included such as mixing, neutralisation, granulation, prilling, irrespective of whether only physical mixing or chemical reactions take place.

The amounts of different nitrogen compounds contained in the final product shall be recorded in accordance with Regulation (EU) 2019/1009 of the European Parliament and of the Council ⁽²⁾:

- content of N as ammonium (NH_4^+);
- content of N as nitrate (NO_3^-);
- content of N as Urea;
- content of N in other (organic) forms.

The direct and indirect emissions of the production processes falling under this aggregated goods category may be determined for the whole reporting period and attributed to all mixed fertilisers on a pro-rata basis per tonne of final product. For each fertiliser grade, embedded emissions shall be calculated separately taking into account the relevant mass of precursors used and applying average embedded emissions during the reporting period for each of the precursors.

3.10.2. *Production route*

For mixed fertilisers, direct emissions monitoring shall encompass:

- CO_2 from all fuels directly or indirectly linked to fertiliser production, such as fuels used in driers and for heating input materials, and materials used for flue gas cleaning.

Relevant precursors:

- ammonia (as 100 % ammonia), if used in the process;
- nitric acid (as 100 % nitric acid), if used in the process;
- urea, if used in the process;
- mixed fertilisers (in particular salts containing ammonium or nitrate), if used in the process.

3.11. **Sintered ore**

3.11.1. *Special provisions*

This aggregated goods category includes all kinds of iron ore pellet production (for sale of pellets as well as for direct use in the same installation) and sinter production. To the extent covered by CN code 2601 12 00, also iron ores used as precursors for ferro-chromium (FeCr), ferro-manganese (FeMn) or ferro-nickel (FeNi) may be covered.

3.11.2. *Production route*

For sintered ore, direct emissions monitoring shall encompass:

- CO_2 from process materials such as limestone and other carbonates or carbonatic ores;
- CO_2 from all fuels including coke, waste gases such as coke oven gas, blast furnace gas or converter gas; directly or indirectly linked to the production process, and materials used for flue gas cleaning.

Relevant precursors: none.

⁽²⁾ Regulation (EU) 2019/1009 of the European Parliament and of the Council of 5 June 2019 laying down rules on the making available on the market of EU fertilising products and amending Regulations (EC) No 1069/2009 and (EC) No 1107/2009 and repealing Regulation (EC) No 2003/2003 (OJ L 170, 25.6.2019, p. 1).

3.12. **FeMn (Ferro-Manganese), FeCr (Ferro-Chromium) and FeNi (Ferro-Nickel)**

3.12.1. *Special provisions*

This process covers only the production of the alloys identified under CN codes 7202 1, 7202 4 and 7202 6. Other iron materials with significant alloy content such as spiegeleisen are not covered. NPI (nickel pig iron) is included if the nickel content is greater than 10 %.

Where waste gases or other flue gases are emitted without abatement, CO contained in the waste gas shall be considered as the molar equivalent of CO₂ emissions.

3.12.2. *Production route*

For FeMn, FeCr and FeNi, direct emissions monitoring shall encompass:

- CO₂ emissions caused by fuel inputs, irrespective of whether they are used for energetic or non-energetic use;
- CO₂ emissions from process inputs such as limestone and from flue gas cleaning;
- CO₂ emissions from the consumption of electrodes or electrode pastes;
- Carbon remaining in the product or in slags or wastes is taken into account by using a mass balance method in accordance with Section B.3.2 of Annex III.

Relevant precursors: Sintered ore, if used in the process.

3.13. **Pig iron**

3.13.1. *Special provisions*

This aggregated goods category includes non-alloyed pig iron from blast furnaces as well as alloy-containing pig irons (e.g. spiegeleisen), irrespective of the physical form (e.g. ingots, granules). NPI (nickel pig iron) is included if the nickel content is lower than 10 %. In integrated steel plants, liquid pig iron ('hot metal') directly charged to the oxygen converter is the product which separates the production process for pig iron from the production process of crude steel. Where the installation does not sell or transfer pig iron to other installations, there is no need to monitor emissions from pig iron production separately. A common production process including crude steel making and, subject to the rules of Section A.4 of Annex III, further downstream production may be defined.

3.13.2. *Production routes*

3.13.2.1. Blast furnace route

For that production route, direct emissions monitoring shall encompass:

- CO₂ from fuels and reducing agents such as coke, coke dust, coal, fuel oils, plastic wastes, natural gas, wood wastes, charcoal, as well as from waste gases such as coke oven gas, blast furnace gas or converter gas.
- Where biomass is used, the provisions of Section B.3.3 of Annex III shall be taken into account.
- CO₂ from process materials such as limestone, magnesite, and other carbonates, carbonatic ores; materials for flue gas cleaning.
- Carbon remaining in the product or in slags or wastes is taken into account by using a mass balance method in accordance with Section B.3.2 of Annex III.

Relevant precursors:

- sintered ore;
- pig iron or direct reduced iron (DRI) from other installations or production processes, if used in the process;
- FeMn, FeCr, FeNi if used in the process;
- hydrogen if used in the process.

3.13.2.2. Smelting reduction

For this production route, direct emissions monitoring shall encompass:

- CO₂ from fuels and reducing agents such as coke, coke dust, coal, fuel oils, plastic wastes, natural gas, wood wastes, charcoal, waste gases from the process or converter gas, etc.

- Where biomass is used, the provisions of Section B.3.3 of Annex III shall be taken into account.
- CO₂ from process materials such as limestone, magnesite, and other carbonates, carbonatic ores; materials for flue gas cleaning.
- Carbon remaining in the product or in slags or wastes is taken into account by using a mass balance method in accordance with Section B.3.2 of Annex III.

Relevant precursors:

- sintered ore;
- pig iron or DRI from other installations or production processes, if used in the process;
- FeMn, FeCr, FeNi if used in the process;
- hydrogen if used in the process.

3.14. **DRI (Direct Reduced Iron)**

3.14.1. *Special provisions*

There is only one production route defined, although different technologies may use different qualities of ores, which may require pelletisation or sintering, and different reducing agents (natural gas, diverse fossil fuels or biomass, hydrogen). Therefore, precursors sintered ore or hydrogen may be relevant. As products, iron sponge, hot briquetted iron (HBI) or other forms of direct reduced iron may be relevant, including DRI which is immediately fed to electric arc furnaces or other downstream processes.

Where the installation does not sell or transfer DRI to other installations, there is no need to monitor emissions from DRI production separately. A common production process including steel making and, subject to the rules of Section A.4 of Annex III, further downstream production may be used.

3.14.2. *Production route*

For this production route, direct emissions monitoring shall encompass:

- CO₂ from fuels and reducing agents such as natural gas, fuel oils, waste gases from the process or converter gas, etc.;
- Where biogas or other forms of biomass are used, the provisions of Section B.3.3 of Annex III shall be taken into account;
- CO₂ from process materials such as limestone, magnesite, and other carbonates, carbonatic ores; materials for flue gas cleaning;
- Carbon remaining in the product or in slags or wastes is taken into account by using a mass balance method in accordance with Section B.3.2 of Annex III.

Relevant precursors:

- sintered ore, if used in the process;
- hydrogen, if used in the process;
- pig iron or DRI from other installations or production processes, if used in the process;
- FeMn, FeCr, FeNi if used in the process.

3.15. **Crude steel**

3.15.1. *Special provisions*

The system boundaries shall cover all necessary activities and units for obtaining crude steel:

- If the process starts from hot metal (liquid pig iron), the system boundaries shall include the basic oxygen converter, vacuum degassing, secondary metallurgy, argon oxygen decarburisation/vacuum oxygen decarburisation, continuous casting or ingot casting, where relevant hot-rolling or forging, and all necessary auxiliary activities such as transfers, re-heating and flue gas cleaning;

- If the process uses an electric arc furnace, the system boundaries shall include all relevant activities and units such as the electric arc furnace itself, secondary metallurgy, vacuum degassing, argon oxygen decarburisation/vacuum oxygen decarburisation, continuous casting or ingot casting, where relevant hot-rolling or forging, and all necessary auxiliary activities such as transfers, heating of raw materials and equipment, re-heating and flue gas cleaning;
- Only primary hot-rolling and rough shaping by forging to obtain the semi-finished products under CN codes 7207, 7218 and 7224 are included in this aggregated goods category. All other rolling and forging processes are included in the aggregated goods category 'iron or steel products'.

3.15.2. *Production routes*

3.15.2.1. Basic oxygen steelmaking

For that production route, direct emissions monitoring shall encompass:

- CO₂ from fuels such as coal, natural gas, fuel oils, waste gases such as blast furnace gas, coke oven gas or converter gas, etc.
- CO₂ from process materials such as limestone, magnesite, and other carbonates, carbonatic ores; materials for flue gas cleaning.
- Carbon entering the process in scrap, alloys, graphite, etc. and carbon remaining in the product or in slags or wastes is taken into account by using a mass balance method in accordance with Section B.3.2 of Annex III.

Relevant precursors:

- pig iron, DRI, if used in the process;
- FeMn, FeCr, FeNi if used in the process;
- crude steel from other installations or production processes if used in the process.

3.15.2.2. Electric arc furnace

For that production route, direct emissions monitoring shall encompass:

- CO₂ from fuels such as coal, natural gas, fuel oils, as well as from waste gases such as blast furnace gas, coke oven gas or converter gas.
- CO₂ from the consumption of electrodes and electrode pastes.
- CO₂ from process materials such as limestone, magnesite, and other carbonates, carbonatic ores; materials for flue gas cleaning.
- Carbon entering the process, e.g. in the form of scrap, alloys and graphite, and carbon remaining in the product or in slags or wastes is taken into account by using a mass balance method in accordance with Section B.3.2 of Annex III.

Relevant precursors:

- pig iron, DRI, if used in the process;
- FeMn, FeCr, FeNi if used in the process;
- crude steel from other installations or production processes if used in the process.

3.16. **Iron or steel products**

3.16.1. *Special provisions*

Subject to the rules of Section A.4 of Annex III and Sections 3.11 to 3.15 of this Annex, the production process for iron or steel products may apply to the following cases:

- System boundaries cover as one process all steps of an integrated steel plant from production of pig iron or DRI, crude steel, semi-finished products as well as final steel products under the CN codes listed in Section 2 of this Annex.

- System boundaries cover the production of crude steel, semi-finished products and final steel products under the CN codes listed in Section 2 of this Annex.
- System boundaries cover the production of final steel products under the CN codes listed in Section 2 of this Annex starting from crude steel, semi-finished products or from other final steel products under the CN codes listed in Section 2 which are either received from other installations or produced within the same installation but under a separate production process.

Double counting or gaps in the monitoring of production processes of an installation shall be avoided. The following production steps shall be covered by the production process of 'iron or steel products':

- All production steps for producing goods covered by the CN codes given in Section 2 of this Annex for the aggregated goods category 'iron or steel products', which are not already covered by separate production processes for pig iron, DRI or crude steel, as required by Sections 3.11 to 3.15 of this Annex and as applied at the installation.
- All production steps applied at the installation, starting from crude steel, including, but not limited to: re-heating, re-melting, casting, hot rolling, cold rolling, forging, pickling, annealing, plating, coating, galvanising, wire drawing, cutting, welding, finishing.

For products that contain more than 5 % by mass of other materials, e.g. insulation materials in CN code 7309 00 30, only the mass of iron or steel shall be reported as the mass of the goods produced.

3.16.2. *Production route*

For iron or steel products, direct emissions monitoring shall encompass:

- All CO₂ emissions from combustion of fuels and process emissions from flue gas treatment, related to production steps applied at the installation, including, but not limited to: re-heating, re-melting, casting, hot rolling, cold rolling, forging, pickling, annealing, plating, coating, galvanising, wire drawing, cutting, welding and finishing of iron or steel products.

Relevant precursors:

- crude steel, if used in the process;
- pig iron, DRI, if used in the process;
- FeMn, FeCr, FeNi, if used in the process;
- iron or steel products, if used in the process.

3.17. **Unwrought aluminium**

3.17.1. *Special provisions*

This aggregated goods category includes non-alloyed as well as alloyed aluminium, in physical form typical for unwrought metals, such as ingots, slabs, billets or granules. In integrated aluminium plants, liquid aluminium directly charged to the production of aluminium products is included, too. Where the installation does not sell or transfer unwrought aluminium to other installations, there is no need to monitor emissions from unwrought aluminium production separately. A common production process including unwrought aluminium and, subject to the rules of Section A.4 of Annex III, further processes to produce aluminium products may be defined.

3.17.2. *Production routes*

3.17.2.1. Primary (electrolytic) smelting

For that production route, direct emissions monitoring shall encompass:

- CO₂ emissions from the consumption of electrodes or electrode pastes.
- CO₂ emissions from any fuels used (e.g. for drying and pre-heating of raw materials, heating of electrolysis cells, heating required for casting).
- CO₂ emissions from any flue gas treatment, from soda ash or limestone if relevant.
- Perfluorocarbon emissions caused by anode effects monitored in accordance with Section B.7 of Annex III.

Relevant precursors: none.

3.17.2.2. Secondary melting (recycling)

Secondary melting (recycling) of aluminium uses aluminium scrap as main input. However, where unwrought aluminium from other sources is added, it is treated like a precursor. Furthermore, where the product of this process contains more than 5 % alloying elements, the embedded emissions of the product shall be calculated as if the mass of alloying elements were unwrought aluminium from primary smelting.

For that production route, direct emissions monitoring shall encompass:

- CO₂ emissions from any fuels used for drying and pre-heating of raw materials, used in melting furnaces, in pre-treatment of scrap such as de-coating and de-oiling, and combustion of the related residues, and fuels required for casting of ingots, billets or slabs;
- CO₂ emissions from any fuels used in associated activities such as treatment of skimmings and slag recovery;
- CO₂ emissions from any flue gas treatment, from soda ash or limestone if relevant.

Relevant precursors:

- Unwrought aluminium from other sources, if used in the process.

3.18. Aluminium products

3.18.1. Special provisions

Subject to the rules of Section A.4 of Annex III and Section 3.17 of this Annex, the production process for aluminium products may apply to the following cases:

- System boundaries cover as one process all steps of an integrated aluminium plant from production of unwrought aluminium to semi-finished products as well as aluminium products under the CN codes listed in Section 2 of this Annex.
- System boundaries cover the production of aluminium products under the CN codes listed in Section 2 of this Annex starting from semi-finished products or from other aluminium products under the CN codes listed in Section 2 which are either received from other installations or produced within the same installation but under a separate production process.

Double counting or gaps in the monitoring of production processes of an installation shall be avoided. The following production steps shall be covered by the production process of 'aluminium products':

- All production steps for producing goods covered by the CN codes given in Section 2 of this Annex for the aggregated goods category 'aluminium products', which are not already covered by separate production processes for unwrought aluminium, as required by Section 3.17 of this Annex and as applied at the installation.
- All production steps applied at the installation, starting from unwrought aluminium, including, but not limited to: re-heating, re-melting, casting, rolling, extruding, forging, coating, galvanising, wire drawing, cutting, welding, finishing.

Where the product contains more than 5 % by mass alloying elements, the embedded emissions of the product shall be calculated as if the mass of alloying elements were unwrought aluminium from primary smelting.

For products that contain more than 5 % by mass of other materials, e.g. insulation materials in CN code 7611 00 00 only the mass of aluminium shall be reported as the mass of the goods produced.

3.18.2. Production route

For aluminium products, direct emissions monitoring shall encompass:

- All CO₂ emissions from fuel consumption in processes forming aluminium products, and flue gas cleaning.

Relevant precursors:

- unwrought aluminium, if used in the production process (treat primary and secondary aluminium separately, if data is known);
- aluminium products, if used in the production process.

3.19. **Electricity**

3.19.1. *Special provisions*

For electricity, only direct emissions shall be monitored and reported. The emission factor for electricity shall be determined in accordance with Section D.2 of Annex III.

3.19.2. *Production routes*

For electricity, direct emissions monitoring shall encompass:

— Any combustion emissions and process emissions from flue gas treatment.

Relevant precursors: none.

ANNEX III

Rules for determining data including on emissions at installation level, attributed emissions of production processes, and embedded emissions of goods**A. PRINCIPLES****A.1. Overall approach**

1. For the purpose of determining embedded emissions of goods listed in Annex I to Regulation (EU) 2023/956, the following activities shall be performed:
 - (a) The production processes relating to goods produced in the installation shall be identified using the aggregated goods categories as defined in Section 2 of Annex II, as well as the relevant production routes listed in Section 3 of Annex II, taking into account the rules for setting system boundaries of production processes in accordance with Section A.4 of this Annex.
 - (b) At the level of the installation producing the goods, the direct emissions of the greenhouse gases specified in Annex II for those goods shall be monitored in line with the methods provided in Section B of this Annex.
 - (c) Where measurable heat is imported to, produced in, consumed in or exported from the installation, net heat flows and the emissions associated with the production of that heat shall be monitored in line with the methods provided in Section C of this Annex.
 - (d) For the purpose of monitoring indirect emissions embedded in the goods produced, the consumption of electricity in the relevant production processes shall be monitored in line with the methods provided in Section D.1 of this Annex. Where electricity is produced within the installation or by a source with a direct technical link, the emissions associated with that electricity production shall be monitored in order to determine the emission factor for that electricity. Where the installation receives electricity from the grid, the emission factor for that electricity shall be determined according to Section D.2.3 of this Annex. Any quantities of electricity transferred between production processes or exported from the installation shall be monitored as well.
 - (e) The direct emissions at the installations, with heat production and consumption, electricity production and consumption, and any relevant waste gas streams shall be attributed to the production processes associated with the goods produced by applying the rules provided in Section F of this Annex. Those attributed emissions shall be used to calculate the specific direct and indirect embedded emissions of the goods produced, applying the Section F of this Annex.
 - (f) Where Section 3 of Annex II defines relevant precursors for goods produced in the installations, making those goods 'complex goods', the embedded emissions of the relevant precursor shall be determined according to Section E of this Annex, and shall be added to the embedded emissions of the complex goods produced, by applying the rules provided in Section G of this Annex. Where precursors are themselves complex goods, that process shall be repeated recursively until no more precursors are at stake.
2. Where an operator cannot adequately determine actual data for one or more data sets, by applying methods provided in Section A.3 of this Annex, and where no other method for closing data gaps is available, the default values made available and published by the Commission for the transitional period may be used under the conditions specified in Article 4(3) of this Regulation. In that case, a short explanation of the reasons for not using actual data shall be added.
3. Monitoring shall cover a reporting period which ensures that non-representative data due to short-time fluctuations in the production processes and data gaps are avoided to the highest extent feasible. The default reporting period is a calendar year. However, the operator may choose as alternative:
 - (a) if the installation has a compliance obligation under an eligible monitoring, reporting and verification system, that system's reporting period may be used, if it covers at least three months;

(b) the operator's fiscal year provided such period ensures higher data quality than the use of the calendar year.

The embedded emissions of goods shall be calculated as average of the reporting period chosen.

4. Regarding emissions occurring outside the installation boundaries that are relevant for calculating embedded emissions, data for the latest available reporting period shall be used, as obtained from the supplier of the input (e.g. electricity, heat, precursor). Emissions occurring outside the installation boundaries include:

- (a) indirect emissions where electricity is received from the grid;
- (b) emissions from electricity and heat imported from other installations;
- (c) embedded direct and indirect emissions of precursors received from other installations.

5. Emissions data over a full reporting period shall be expressed in tonnes CO₂e rounded to full tonnes.

All parameters used to calculate the emissions shall be rounded to include all significant digits for the purpose of calculating and reporting emissions.

Specific direct and indirect embedded emissions shall be expressed in tonnes of CO₂e per tonne of goods, rounded to include all significant digits, with a maximum of 5 digits after the comma.

A.2. Monitoring principles

For the monitoring of actual data at installation level, and for data sets necessary for attributing emissions to goods, the following principles shall apply:

1. Completeness: The monitoring methodology shall cover all parameters necessary to determine the embedded emissions of the goods listed in Annex I to Regulation (EU) 2023/956 in accordance with the methods and formulae contained in this Annex.
 - (a) Direct emissions at installation level include combustion and process emissions.
 - (b) Direct embedded emissions include the attributed emissions of the relevant production process in accordance with Section F of this Annex, based on direct emissions at the installation, emissions related to relevant heat flows and to material flows between process system boundaries, including waste gases, if relevant. Direct embedded emissions furthermore include the direct embedded emissions of relevant precursors.
 - (c) Indirect emissions at the installation level cover the emissions related to electricity consumption within the installation.
 - (d) Indirect embedded emissions include the indirect emissions of the goods produced within the installation, and the indirect embedded emissions of relevant precursors.
 - (e) For each parameter, an appropriate method in accordance with Section A.3 of this Annex shall be selected, ensuring that neither double counting nor data gaps occur.
2. Consistency and comparability: Monitoring and reporting shall be consistent and comparable over time. To that end, the selected methods shall be laid down in a written monitoring methodology documentation so that the methods are used consistently. The methodology shall be changed only if objectively justified. Relevant reasons include:
 - (a) changes in the configuration of the installation in the technology used, in the input materials and fuels, or in the goods produced;
 - (b) new data sources or monitoring methods have to be introduced because of changes of trade partners responsible for data used in the monitoring methodology;
 - (c) the accuracy of the data can be improved, data flows can be simplified or the control system can be improved.

3. Transparency: Monitoring data shall be obtained, recorded, compiled, analysed and documented, including assumptions, references, activity data, emission factors, calculation factors, data on embedded emissions of purchased precursors, measurable heat and electricity, default values of embedded emissions, information on a carbon price due, and any other data relevant for the purpose of this Annex, in a transparent manner that enables the reproduction of the determination of emissions data including by independent third parties, such as accredited verifiers. Documentation shall include a record of all changes of methodology.

Complete and transparent records shall be kept at the installation of all data relevant for determining embedded emissions of the goods produced, including necessary supporting documents, for at least 4 years after the reporting period. Those records may be disclosed to a reporting declarant.

4. Accuracy: The chosen monitoring methodology shall ensure that emission determination is neither systematically nor knowingly inaccurate. Any source of inaccuracies shall be identified and reduced as far as possible. Due diligence shall be exercised to ensure that the calculation and measurement of emissions exhibit the highest achievable accuracy.

Where data gaps have occurred or are expected to be unavoidable, substitute data shall consist of conservative estimates. Further cases where emissions data shall be based on conservative estimates include:

- (a) carbon monoxide (CO) emitted to the atmosphere shall be calculated as the molar equivalent amount of CO₂;
 - (b) all biomass emissions in mass balances and for transferred CO₂, where it is not possible to determine the biomass content in materials or fuels, the emissions shall be considered to be from fossil carbon.
5. Integrity of methodology: The chosen monitoring methodology shall enable reasonable assurance of the integrity of emission data to be reported. Emissions shall be determined using the appropriate monitoring methodologies set out in this Annex. Reported emission data shall be free from material misstatement, avoid bias in the selection and presentation of information, and provide a credible and balanced account of the embedded emissions of installation's produced goods.
 6. Optional measures to increase the quality of the data to be reported may be applied, in particular the data flow and control activities in line with Section H of this Annex.
 7. Cost-effectiveness: In selecting a monitoring methodology, the improvements from greater accuracy shall be balanced against additional costs. Monitoring and reporting of emissions shall aim for the highest achievable accuracy, unless that is technically not feasible or incurs unreasonable costs.
 8. Continuous improvement: It shall be regularly checked if monitoring methodologies can be improved. If verification of emissions data is performed, any recommendations for improvements included in the verification reports shall be considered for implementation within a reasonable timeframe, unless the improvement would incur unreasonable costs or would be technically not feasible.

A.3. Methods representing the best available data source

1. For the determination of embedded emissions of goods, and for underlying data sets, such as emissions related to individual source streams or emission sources, quantities of measurable heat, the overarching principle shall be to always select the best available data source. For this purpose, the following guiding principles shall apply:
 - (a) Monitoring methods described in this Annex are preferred. If for a specific data set there is no monitoring method described in this Annex, or it would incur unreasonable costs or is technically not feasible, monitoring methods from another eligible monitoring, reporting and verification system may be used under the conditions specified in Article 4(2) of this Regulation, if they cover the required data set. Where such methods are not available, not technically feasible, or would incur unreasonable costs, indirect methods for determination of the data set in

accordance with point 2 may be used. Where such methods are not available, not technically feasible, or would incur unreasonable costs, default values made available and published by the Commission for the transitional period may be used under the conditions specified in Article 4(3) of this Regulation.

- (b) For direct or indirect determination methods, a method is deemed suitable where it is ensured that any metering, analyses, sampling, calibrations, and validations for the determination of the specific data set are carried out by applying methods defined in relevant EN or ISO standards. Where such standards are not available, national standards may be used. Where no applicable published standards exist, suitable draft standards, industry best practice guidelines or other scientifically proven methodologies shall be used, limiting sampling and measurement bias.
 - (c) Within one method mentioned in point (a), measuring instruments or laboratory analyses under the operator's control shall be preferred over measuring instruments or analyses under the control of another legal entity, such as the supplier of fuel or materials or trade partners regarding goods produced.
 - (d) Measuring instruments shall be selected such that they exhibit the lowest uncertainty in use without incurring unreasonable costs. Instruments under legal metrological control are preferred, except where other instruments with significantly lower uncertainty in use are available. Instruments shall be used only in environments appropriate according to their use specification.
 - (e) Where laboratory analyses are used, or where laboratories carry out sample treatment, calibrations, method validations, or activities relating to continuous emissions measurements, the requirements of Section B.5.4.3 of this Annex shall apply.
2. Indirect determination methods: Where no direct determination method is available for a required data set, in particular for cases where net measurable heat going into different production processes needs to be determined, an indirect determination method may be used, such as:
- (a) calculation based on a known chemical or physical process, using appropriate accepted literature values for the chemical and physical properties of substances involved, appropriate stoichiometric factors and thermodynamic properties such as reaction enthalpies, as appropriate;
 - (b) calculation based on the installation's design data such as the energy efficiencies of technical units or calculated energy consumption per unit of product;
 - (c) correlations based on empirical tests for determining estimation values for the required data set from non-calibrated equipment or data documented in production protocols. For that purpose it shall be ensured that the correlation satisfies the requirements of good engineering practice and that it is applied only to determine values which fall into the range for which it was established. The validity of such correlations shall be evaluated at least once a year.
3. To determine the best available data sources, the data source highest in the ranking presented under point 1 and already available at the installation shall be selected. However, where it is technically feasible to apply a data source higher in the ranking without incurring unreasonable costs, such better data source shall be applied without undue delay. Where different data sources are available for the same data set at the same level in the ranking presented under point 1, the data source which ensures the clearest data flow with lowest inherent risk and control risk regarding misstatements shall be chosen.
4. The data sources chosen under point 3 shall be used for the determination and reporting of embedded emissions.
5. To the extent feasible without incurring unreasonable costs, for the purpose of the control system in accordance with Section H of this Annex, additional data sources or methods for determining data sets shall be identified to allow corroboration of data sources under point 3. The selected data sources, if any, shall be laid down in the monitoring methodology documentation.

6. Recommended improvements: It shall be checked regularly, but at least once per year, whether new data sources have become available, for the purpose of improving the monitoring methods. In the case that such new data sources are considered more accurate in accordance with the ranking presented under point 1, they shall be laid down in the monitoring methodology documentation and be applied from the earliest date possible.
7. Technical feasibility: Where a claim is made that applying a specific determination methodology is technically not feasible, a justification for this fact shall be laid down in the monitoring methodology documentation. It shall be re-assessed during the regular checks in line with point 6. That justification shall be based on whether the installation has technical resources capable of meeting the needs of a proposed data source or monitoring method that can be implemented in the required time for the purposes of this Annex. Those technical resources shall include availability of required techniques and technology.
8. Unreasonable costs: Where a claim is made that applying a specific determination methodology for a data set incurs unreasonable costs, a justification for this fact shall be laid down in the monitoring methodology documentation. It shall be re-assessed during the regular checks in line with point 6. The unreasonable nature of the costs shall be determined as follows.

Costs for determining a specific data set is considered unreasonable where the operator's cost estimation exceeds the benefit of a specific determination methodology. To that end, the benefit shall be calculated by multiplying an improvement factor with a reference price of EUR 20 per tonne of CO₂e and costs shall include an appropriate depreciation period based on the economic lifetime of the equipment, where applicable.

The improvement factor shall be:

- (a) the improvement of estimated uncertainty in a measurement, expressed in per cent, multiplied with the estimated related emissions over the reporting period. Related emissions means:
 - (1) the direct emissions caused by the source stream or emission source concerned;
 - (2) emissions attributed to a quantity of measurable heat;
 - (3) the indirect emissions related to the quantity of electricity concerned;
 - (4) embedded emissions of a material produced or of a precursor consumed;
- (b) 1 % of the related emissions, where no improvement of measuring uncertainty is involved.

Measures relating to the improvement of an installation's monitoring methodology shall not be deemed to incur unreasonable costs up to an accumulated amount of EUR 2 000 per year.

A.4. Division of installations into production processes

Installations shall be divided into production processes with system boundaries which ensure that relevant inputs, outputs and emissions can be monitored in accordance with Sections B to E of this Annex and direct and indirect emissions can be attributed to groups of goods defined in Section 2 of Annex II, by applying the rules of Section F of this Annex.

Installations shall be divided into production processes as follows:

- (a) A single production process shall be defined for each of the aggregated goods categories defined in Section 2 of Annex II that are relevant at the installation.
- (b) By way of derogation from point (a), separate production processes shall be defined for each production route where different production routes in accordance with Section 3 of Annex II for the same aggregated goods category are applied in the same installation, or where the operator selects voluntarily different goods or groups of goods for separate monitoring. A more disaggregated definition of production processes may also be used where it is in accordance with an eligible monitoring, reporting and verification system applicable at the installation.

- (c) By way of derogation from point (a), where at least a part of the precursors relevant for complex goods are produced in the same installation as the complex goods, and where the respective precursors are not transferred out of the installation for sale or use in other installations, the production of precursors and complex goods may be covered by a joint production process. Separate calculation of embedded emissions of the precursors shall be omitted in that case.
- (d) The following sectoral derogations from point (a) may be applied:
 - (1) Where two or more goods from the aggregated goods categories sintered ore, pig iron, FeMn, FeCr, FeNi, DRI, crude steel, or iron or steel products are produced in the same installation, the embedded emissions may be monitored and reported by defining one joint production process for all those goods.
 - (2) Where two or more goods from the groups unwrought aluminium or aluminium products are produced in the same installation, the embedded emissions may be monitored and reported by defining one joint production process for all those goods.
 - (3) For the production of mixed fertilisers, the monitoring and reporting for the respective production process may be simplified by determining one uniform value of embedded emissions per tonne of nitrogen contained in the mixed fertilisers, irrespective of the chemical form of nitrogen (ammonium, nitrate or urea forms).
- (e) Where a part of the installation serves the production of goods not listed in Annex I to Regulation (EU) 2023/956, it is a recommended improvement to monitor that part as one additional production process for the purpose of corroborating the completeness of the installation's total emissions data.

B. MONITORING OF DIRECT EMISSIONS AT INSTALLATION LEVEL

B.1. Completeness of source streams and emission sources

The boundaries of the installation and its production processes shall be clearly known to the operator and defined in the monitoring methodology documentation, taking into account the sector-specific requirements laid down in Section 2 of Annex II as well as Section B.9 of this Annex. The following principles shall apply:

1. As a minimum, all relevant greenhouse gas emissions emission sources and source streams associated directly or indirectly with the production of goods listed in Section 2 of Annex II shall be covered.
2. It is a recommended improvement to cover all emission sources and source streams of the total installation, in order to perform plausibility checks and to control the energy and emissions efficiency of the installation as a whole.
3. All emissions from regular operations shall be included, as well as from abnormal events, including start-up, shut-down and emergency situations, over the reporting period.
4. Emissions from mobile machinery for transportation purposes shall be excluded.

B.2. Choice of monitoring methodology

The applicable methodology shall be either:

1. The calculation-based methodology, which consists in determining emissions from source streams on the basis of activity data obtained by means of measurement systems and additional parameters from laboratory analyses or standard values. The calculation-based methodology may be implemented according to the standard method or the mass balance method.
2. The measurement-based methodology, which consists in determining emissions from emission sources by means of continuous measurement of the concentration of the relevant greenhouse gas in the flue gas and of the flue gas flow.

By way of derogation, other methodologies may be used under the conditions specified in Articles 4(2), 4(3) and 5 of this Regulation.

The monitoring methodology that gives the most accurate and reliable results shall be chosen, except where sector-specific requirements in accordance with Section B.9 require one particular methodology. The applied monitoring methodology may be a combination of methodologies such that different parts of the installation's emissions are monitored by either of the applicable methodologies.

The monitoring methodology documentation shall clearly identify:

- (a) for which source stream the calculation-based standard method or the mass balance method is used, including the detailed description of the determination of each relevant parameter provided in Section B.3.4 of this Annex;
- (b) for which emission source a measurement-based methodology is used, including the description of all relevant elements provided in Section B.6 of this Annex;
- (c) by means of a suitable diagram and process description of the installation, evidence that there is neither double counting nor data gaps in the emissions of the installation.

The installation's emissions shall be determined by

$$Em_{inst} = \sum_{i=1}^n Em_{calc,i} + \sum_{j=1}^m Em_{meas,j} + \sum_{k=1}^l Em_{other,k} \quad (\text{Equation 4})$$

Where:

Em_{inst} are the (direct) emissions of the installation expressed in tonnes CO₂e;

$Em_{calc,i}$ are the emissions from source stream i determined using a calculation-based methodology expressed in tonnes CO₂e;

$Em_{meas,j}$ are the emissions from emission source j determined using a measurement-based methodology expressed in tonnes CO₂e; and

$Em_{other,k}$ Emissions determined by another method, index k expressed in tonnes CO₂e.

B.3. Formulae and parameters for the calculation-based methodology for CO₂

B.3.1. Standard method

Emissions shall be calculated separately for each source stream as follows:

B.3.1.1. Combustion emissions

Combustion emissions shall be calculated using the standard method as follows:

$$Em_i = AD_i \cdot EF_i \cdot OF_i \quad (\text{Equation 5})$$

Where:

Em_i are the emissions [t CO₂] caused by fuel i ;

EF_i is the emission factor [t CO₂/TJ] of fuel i ;

AD_i is the activity data [TJ] of fuel i , calculated as:

$$AD_i = FQ_i \cdot NCV_i \quad (\text{Equation 6})$$

FQ_i is the fuel quantity consumed [t or m³] of fuel i ;

NCV_i is the net calorific value (lower heating value) [TJ/t or TJ/m³] of fuel i ;

OF_i is the oxidation factor (dimensionless) of fuel i , calculated as:

$$OF = 1 - C_{ash} / C_{total} \quad (\text{Equation 7})$$

C_{ash} is the carbon contained in ash and flue gas cleaning dust; and

C_{total} is the total carbon contained in the fuel combusted.

The conservative assumption that $OF = 1$ may always be used in order to reduce monitoring efforts.

Provided that this leads to a higher accuracy, the standard method for combustion emissions may be modified as follows:

- (a) the activity data is expressed as fuel quantity (i.e. in t or m³);
- (b) the EF is expressed in t CO₂/t fuel or t CO₂/m³ fuel, as applicable; and
- (c) the NCV may be omitted from the calculation. However, it is a recommended improvement to report NCV for allowing consistency checking and monitoring of the energy efficiency of the whole production process.

If the emission factor of a fuel i is to be calculated from the analyses of carbon content and NCV, the following equation shall be used:

$$EF_i = CC_i \cdot f / NCV_i \quad (\text{Equation 8})$$

If the emission factor of a material or fuel expressed in t CO₂/t is to be calculated from an analysed carbon content, the following equation is used:

$$EF_i = CC_i \cdot f \quad (\text{Equation 9})$$

Where:

f is the ratio of the molar masses of CO₂ and C: $f = 3,664 \text{ t CO}_2/\text{t C}$.

As the emission factor of biomass shall be zero provided that the criteria given in Section B.3.3 are met, this fact may be taken into account for mixed fuels (i.e. fuels which contain both fossil and biomass components) as follows:

$$EF_i = EF_{pre,i} \cdot (1 - BF_i) \quad (\text{Equation 10})$$

Where:

$EF_{pre,i}$ is the preliminary emission factor of fuel i (i.e. emission factor assuming the total fuel is fossil); and

BF_i is the biomass fraction (dimensionless) of fuel i .

For fossil fuels and where the biomass fraction is not known, BF_i shall be set to the conservative value zero.

B.3.1.2. Process emissions

Process emissions shall be calculated using the standard method as follows:

$$Em_j = AD_j \cdot EF_j \cdot CF_j \quad (\text{Equation 11})$$

Where:

AD_j is the activity data [t of material] of material j ;

EF_j is the emission factor [t CO₂/t] of material j ; and

CF_j is the conversion factor (dimension-less) of material j .

The conservative assumption that $CF_j = 1$ may always be used in order to reduce monitoring efforts.

In the case of mixed process input materials which contain inorganic as well as organic forms of carbon, the operator may choose either:

1. to determine a total preliminary emission factor for the mixed material by analysing the total carbon content (CC_j), and using a conversion factor and, where applicable a biomass fraction and net calorific value related to that total carbon content; or
2. to determine the organic and inorganic contents separately and treat them as two separate source streams.

Considering the available measurement systems for activity data and methods for determining the emission factor, for emissions from the decomposition of carbonates, the method giving the more accurate results shall be chosen for each source stream from the following two methods:

- Method A (Input-based): The emission factor, conversion factor and activity data shall be related to the amount of material input into the process. The standard emission factors of pure carbonates as provided in Table 3 in Annex VIII shall be used, taking into account the composition of the material as determined in line with Section B.5 of this Annex.
- Method B (Output-based): The emission factor, conversion factor and activity data shall be related to the amount of output from the process. The standard emission factors of metal oxides after decarbonisation as provided in Table 4 in Annex VIII shall be used, taking into account the composition of the relevant material as determined in line with Section B.5 of this Annex.

For CO₂ process emissions other than from carbonates, method A shall be applied.

B.3.2. Mass balance method

The CO₂ quantities relevant for each source stream shall be calculated based on the carbon content in each material, without distinguishing fuels and process materials. Carbon leaving the installation in products instead of being emitted is taken into account by output source streams, which have therefore negative activity data.

The emissions corresponding to each source stream shall be calculated as follows:

$$Em_k = f \cdot AD_k \cdot CC_k \quad (\text{Equation 12})$$

Where:

- AD_k is the activity data [t] of material k ; for outputs, AD_k is negative;
- f is the ratio of the molar masses of CO₂ and C: $f = 3,664 \text{ t CO}_2/\text{t C}$; and
- CC_k is the carbon content of material k (dimensionless and positive).

If the carbon content of a fuel k is calculated from an emission factor expressed in t CO₂/TJ, the following equation shall be used:

$$CC_k = EF_k \cdot NCV_k / f \quad (\text{Equation 13})$$

If the carbon content of a material or fuel k is calculated from an emission factor expressed in t CO₂/t, the following equation shall be used:

$$CC_k = EF_k / f \quad (\text{Equation 14})$$

For mixed fuels, meaning fuels which contain both fossil and biomass components or mixed materials, the biomass fraction may be taken into account, provided that the criteria provided in Section B.3.3 are met as follows:

$$CC_k = CC_{pre,k} \cdot (1 - BF_k) \quad (\text{Equation 15})$$

Where:

- $CC_{pre,k}$ is the preliminary carbon content of fuel k (i.e. emission factor assuming the total fuel is fossil); and
- BF_k is the biomass fraction of fuel k (dimensionless).

For fossil fuels or materials and where the biomass fraction is not known, BF shall be set to the conservative value zero. Where biomass is used as input material or fuel, and output materials contain carbon, the overall mass balance shall treat the biomass fraction conservatively, meaning that the fraction of biomass in total output carbon shall not exceed the total fraction of biomass contained in input materials and fuels, except if the operator provides evidence of a higher biomass fraction in the output materials by a 'trace the atom' (stoichiometric) method or by ¹⁴C analyses.

B.3.3. *Criteria for zero-rating of biomass emissions*

Where biomass is used as a fuel for combustion, it shall fulfil the criteria of this section. Where the biomass used for combustion does not comply with these criteria, its carbon content shall be considered as fossil carbon.

1. The biomass shall comply with the sustainability and the greenhouse gas emissions saving criteria laid down in paragraphs 2 to 7 and 10 of Article 29 of Directive (EU) 2018/2001.
2. By derogation from the previous point, biomass contained in or produced from waste and residues, other than agricultural, aquaculture, fisheries and forestry residues shall fulfil only the criteria laid down in Article 29(10) of Directive (EU) 2018/2001. This point shall also apply to waste and residues that are first processed into a product before being further processed into fuels.
3. Electricity, heating and cooling produced from municipal solid waste shall not be subject to the criteria laid down in paragraph 10 of Article 29 of Directive (EU) 2018/2001.
4. The criteria laid down in paragraphs 2 to 7 and 10 of Article 29 of Directive (EU) 2018/2001 shall apply irrespective of the geographical origin of the biomass.
5. The compliance with the criteria laid down in paragraphs 2 to 7 and 10 of Article 29 of Directive (EU) 2018/2001 shall be assessed in accordance with Articles 30 and 31(1) of that Directive.

B.3.4. *Relevant parameters*

In line with the formulae given in Sections B.3.1 to B.3.3 of this Annex, the following parameters shall be determined for each source stream:

1. Standard method, combustion:
 - Minimum requirement: Fuel quantity (t or m³), Emission factor (t CO₂/t or t CO₂/m³).
 - Recommended improvement: Fuel quantity (t or m³), NCV (TJ/t or TJ/m³), Emission factor (t CO₂/TJ), Oxidation factor, Biomass fraction, evidence for meeting the criteria of Section B.3.3.
2. Standard method, process emissions:
 - Minimum requirement: Activity data (t or m³), Emission factor (t CO₂/t or t CO₂/m³).
 - Recommended improvement: Activity data (t or m³), Emission factor (t CO₂/t or t CO₂/m³), conversion factor.
3. Mass balance:
 - Minimum requirement: Material quantity (t), Carbon content (t C/t material).
 - Recommended improvement: Material quantity (t), Carbon content (t C/t material), NCV (TJ/t), biomass fraction, evidence for meeting the criteria of Section B.3.3.

B.4. **Requirements for activity data**

B.4.1. *Continual or batch-wise metering*

Where quantities of fuels or materials, including goods or intermediate products, have to be determined for a reporting period, one of the following methods may be chosen and laid down in the monitoring methodology documentation:

1. based on continual metering at the process where the material is consumed or produced;
2. based on aggregation of metering of quantities separately (batch-wise) delivered or produced taking into account relevant stock changes. For this purpose the following shall apply:
 - (a) the quantity of fuel or material consumed during the reporting period shall be calculated as the quantity of fuel or material imported during the reporting period, minus the quantity of fuel or material exported, plus the quantity of fuel or material in stock at the beginning of the reporting period, minus the quantity of fuel or material in stock at the end of the reporting period;

- (b) the production levels of goods or intermediate products shall be calculated as the quantity exported during the reporting period, minus the quantity imported, minus the quantity of product or material in stock at the beginning of the reporting period, plus the quantity of product or material in stock at the end of the reporting period. For avoiding any double counting, products of a production process returned into the same production process are deducted from production levels.

Where it is technically not feasible or would incur unreasonable costs to determine quantities in stock by direct measurement, those quantities may be estimated based on one of the following:

1. data from previous years and correlated with appropriate activity levels for the reporting period;
2. documented procedures and respective data in audited financial statements for the reporting period.

Where the determination of quantities of products, materials or fuels for the entire reporting period is technically not feasible or would incur unreasonable costs, the next most appropriate day may be chosen to separate a reporting period from the following one. It shall be reconciled accordingly to the reporting period required. The deviations involved for each product, material or fuel shall be clearly recorded to form the basis of a value representative for the reporting period and to be considered consistently in relation to the next year.

B.4.2. *Operator's control over measurement systems*

The preferred method for determining quantities of products, materials or fuels shall be that the operator of the installation uses measurement systems under its own control. Measurement systems outside the operator's own control, in particular if under the control of the supplier of the material or fuel, may be used in the following cases:

1. where the operator does not have an own measurement system available for determining the respective data set;
2. where determining the data set by the operator's own measurement system is technically not feasible or would incur unreasonable costs;
3. where the operator has evidence that the measurement system outside the operator's control gives more reliable results and is less prone to risks of misstatements.

In the case that measurement systems outside the operator's own control are used, applicable data sources shall be the following:

- (1) amounts from invoices issued by a trade partner, provided that a commercial transaction between two independent trade partners takes place;
- (2) direct readings from the measurement systems.

B.4.3. *Requirements for measurement systems*

A thorough understanding of the uncertainty associated with metering quantities of fuels and materials, including the influence of the operating environment and, where applicable, the uncertainty of stock determination shall be available. Measuring instruments shall be chosen that ensure the lowest uncertainty available without incurring unreasonable costs and that are fit for the environment they are used in, in accordance with applicable technical standards and requirements. If available, instruments subject to legal metrological control shall be preferred. In this case, the maximum permissible error in service allowed by the relevant national legislation on legal metrological control for the relevant measuring task may be used as the uncertainty value.

Where a measuring instrument needs to be replaced because of malfunction or because calibration demonstrates that requirements are not met anymore, it shall be replaced by instruments that ensure meeting the same or a better uncertainty level compared to the existing instrument.

B.4.4. *Recommended improvement*

It is considered a recommended improvement to achieve a measurement uncertainty commensurate with the total emissions of the source stream or emission source, with lowest uncertainty for the biggest parts of the emissions. For orientation purposes, for emissions of more than 500 000 t CO₂ per year, the uncertainty over the full reporting period taking into account stock changes, if applicable, shall be 1,5 % or better. For emissions below 10 000 t CO₂ per year, uncertainty lower than 7,5 % shall be acceptable.

B.5. **Requirements for calculation factors for CO₂**

B.5.1. *Methods for determining calculation factors*

For the determination of calculation factors required for the calculation-based methodology, one of the following methods may be chosen:

1. use of standard values;
2. use of proxy data based on empirical correlations between the relevant calculation factor and other properties better accessible to measurement;
3. use of values based on laboratory analysis.

Calculation factors shall be determined consistently with the state used for related activity data, referring to the fuel's or material's state in which the fuel or material is purchased or used in the emission causing process, before it is dried or otherwise treated for laboratory analysis. Where this incurs unreasonable costs or where higher accuracy can be achieved, activity data and calculation factors may be consistently reported referring to the state in which laboratory analyses are carried out.

B.5.2. *Applicable standard values*

Type I standard values, shall be applicable only if no type II standard value is available for the same parameter and material or fuel.

Type I standard values shall be the following:

- (a) standard factors provided in Annex VIII;
- (b) standard factors contained in the latest IPCC guidelines for GHG inventories ⁽¹⁾;
- (c) values based on laboratory analyses carried out in the past, not older than 5 years and considered representative for the fuel or material.

Type II standard values, shall be the following:

- (a) standard factors used by the country where the installation is located for its latest national inventory submission to the Secretariat of the United Nations Framework Convention on Climate Change;
- (b) values published by national research institutions, public authorities, standardisation bodies, statistical offices, etc. for the purpose of more disaggregated emissions reporting than under the previous point;
- (c) values specified and guaranteed by the supplier of a fuel or material where there is evidence that the carbon content exhibits a 95 % confidence interval of not more than 1 %;
- (d) stoichiometric values for the carbon content and related literature values for the net calorific value (NCV) of a pure substance;
- (e) values based on laboratory analyses carried out in the past not older than two years and considered representative for the fuel or material.

⁽¹⁾ United Nations International Panel on Climate Change (IPCC): IPCC Guidelines for National Greenhouse Gas Inventories.

In order to ensure consistency over time, any standard values used shall be laid down in the monitoring methodology documentation, and only changed if there is evidence that the new value is more adequate and representative for the fuel or material used than the previous one. Where the standard values change on an annual basis, the authoritative applicable source of that value shall be laid down in the monitoring methodology documentation instead of the value itself.

B.5.3. *Establishing correlations for determining proxy data*

A proxy for the carbon content or emission factor may be derived from the following parameters, in combination with an empirical correlation determined at least once per year in accordance with the requirements for laboratory analyses given in Section B.5.4 of this Annex as follows:

- (a) density measurement of specific oils or gases, including those common to the refinery or steel industry;
- (b) net calorific value for specific coal types.

The correlation has to satisfy the requirements of good industrial practice and may be applied only to values of the proxy which fall into the range for which it was established.

B.5.4. *Requirements for laboratory analyses*

Where laboratory analyses are required for determining properties (including moisture, purity, concentration, carbon content, biomass fraction, net calorific value, density) of products, materials, fuels or waste gases, or for establishing correlations between parameters for the purpose of indirect determination of required data, the analyses shall comply with the requirements of this section.

The result of any analysis shall be used only for the delivery period or batch of fuel or material for which the samples have been taken, and for which the samples were intended to be representative. When determining a specific parameter, the results of all analyses made shall be used with regard to that parameter.

B.5.4.1. *Use of standards*

Any analyses, sampling, calibrations and validations for the determination of calculation factors shall be carried out by applying methods based on corresponding ISO standards. Where such standards are not available, the methods shall be based on suitable EN or national standards or requirements laid down in an eligible monitoring, reporting and verification system. Where no applicable published standards exist, suitable draft standards, industry best practice guidelines or other scientifically proven methodologies may be used, limiting sampling and measurement bias.

B.5.4.2. *Recommendations on sampling plan and minimum frequency of analyses*

The minimum frequencies for analyses for relevant fuels and materials listed in Table 1 of this Annex shall be used. Another analysis frequency may be used in the following cases:

- (a) where the table does not contain an applicable minimum frequency;
- (b) where an eligible monitoring, reporting and verification system provides for another minimum analysis frequency for the same type of material or fuel;
- (c) where the minimum frequency listed in Table 1 of this Annex would incur unreasonable cost;
- (d) where it can be demonstrated that based on historical data, including analytical values for the respective fuels or materials in the reporting period immediately preceding the current reporting period, any variation in the analytical values for the respective fuel or material does not exceed 1/3 of the uncertainty in determining the activity data of the relevant fuel or material.

Where an installation operates for part of the year only, or where fuels or materials are delivered in batches that are consumed over more than one reporting period, a more appropriate schedule for analyses may be chosen, provided that it results in a comparable uncertainty as under the last point of the previous subparagraph.

Table 1

Minimum analyses frequencies

Fuel/material	Minimum frequency of analyses
Natural gas	At least weekly
Other gases, in particular synthesis gas and process gases such as refinery mixed gas, coke oven gas, blast-furnace gas, converter gas, oilfield, and gas field gas	At least daily – using appropriate procedures at different parts of the day
Fuel oils (for example light, medium, heavy fuel oil, bitumen)	Every 20 000 tonnes of fuel and at least six times a year
Coal, coking coal, coke, petroleum coke, peat	Every 20 000 tonnes of fuel/material and at least six times a year
Other fuels	Every 10 000 tonnes of fuel and at least four times a year
Untreated solid waste (pure fossil or mixed biomass/fossil)	Every 5 000 tonnes of waste and at least four times a year
Liquid waste, pre-treated solid waste	Every 10 000 tonnes of waste and at least four times a year
Carbonate minerals (including limestone and dolomite)	Every 50 000 tonnes of material and at least four times a year
Clays and shales	Amounts of material corresponding to emissions of 50 000 tonnes of CO ₂ and at least four times a year
Other materials (primary, intermediate, and final product)	Depending on the type of material and the variation, amounts of material corresponding to emissions of 50 000 tonnes of CO ₂ and at least four times a year

Samples shall be representative for the total batch or time period of deliveries for which they are taken. In order to ensure representativeness, the heterogeneity of the material has to be taken into account, as well as all other relevant aspects such as the available sampling equipment, possible segregation of phases or local distribution of particle sizes, stability of samples, etc. The sampling method shall be laid down in the monitoring methodology documentation.

It is considered a recommended improvement to use a dedicated sampling plan for each relevant material or fuel, following applicable standards, containing the relevant information on methodologies for the preparation of samples, including information on responsibilities, locations, frequencies and quantities, and methodologies for the storage and transport of samples.

B.5.4.3. Recommendations for laboratories

Laboratories used to carry out analyses for the determination of calculation factors shall be accredited in accordance with ISO/IEC 17025, for the relevant analytical methods. Laboratories not accredited may be used for the determination of calculation factors only where there is evidence that access to accredited laboratories is technically not feasible or would incur unreasonable costs, and that the non-accredited laboratory is sufficiently competent. A laboratory shall be considered sufficiently competent if it complies with all of the following:

1. it is economically independent of the operator, or at least organisationally shielded from influence by the management of the installation;
2. it applies the applicable standards for the analyses requested;

3. it employs personnel competent for the specific tasks assigned;
4. it appropriately manages the sampling and sample preparation, including control of sample integrity;
5. it regularly carries out quality assurance on calibrations, sampling and analytical methods, by suitable methods, including regular participation in proficiency testing schemes, applying analytical methods to certified reference materials, or inter-comparison with an accredited laboratory;
6. it manages equipment appropriately, including by maintaining and implementing procedures for calibration, adjustment, maintenance and repair of equipment, and record keeping thereof.

B.5.5. *Recommended methods for determination of calculation factors*

It is considered a recommended improvement to apply standard values only for source streams which correspond to minor emission quantities, and to apply laboratory analyses for all major source streams. The following list presents the applicable methods in sequence of increasing data quality:

1. type I standard values;
2. type II standard values;
3. correlations for determining proxy data;
4. analyses carried out outside the operator's control, e.g. by the supplier of the fuel or material, contained in purchase documents, without further information on the methods applied;
5. analyses in non-accredited laboratories, or in accredited laboratories, but with simplified sampling methods;
6. analyses in accredited laboratories, applying best practice regarding sampling.

B.6. **Requirements for a measurement-based methodology for CO₂ and N₂O**

B.6.1. *General provisions*

A measurement-based methodology requires the use of a Continuous Emission Measurement System (CEMS) installed at a suitable measurement point.

For the monitoring of N₂O emissions, the use of the measurement-based methodology, is mandatory. For CO₂ it shall be used only if there is evidence that it leads to more accurate data than the calculation-based methodology. The requirements on uncertainty of measurement systems pursuant to Section B.4.3 of this Annex shall apply.

CO emitted to the atmosphere shall be treated as the molar equivalent amount of CO₂.

Where several emission sources exist in one installation and cannot be measured as one emission source, the operator shall measure emissions from those sources separately and add the results to obtain the total emissions of the gas in question over the reporting period.

B.6.2. *Method and calculation*

B.6.2.1. Emissions of a reporting period (annual emissions)

The total emissions from an emission source over the reporting period shall be determined by summing up over the reporting period all hourly values of the measured greenhouse gas concentration multiplied by the hourly values of the flue gas flow, where the hourly values shall be averages over all individual measurement results of the respective operating hour, applying the formula:

$$GHG\ EM_{total}[t] = \sum_{i=1}^{HoursOp} (GHG\ conc_{hourly,i} \cdot V_{hourly,i}) \cdot 10^{-6} [t/g] \quad (\text{Equation 16})$$

Where:

- $GHG\ Em_{total}$ are the total annual GHG emissions in tonnes;
- $GHG\ conc_{hourly,i}$ are the hourly concentrations of GHG emissions in g/Nm³ in the flue gas flow measured during operation for hour or shorter reference period i ;
- $V_{hourly,i}$ is the flue gas volume in Nm³ for one hour or a shorter reference period i , determined by integrating the flow rate over the reference period; and
- $HoursOp$ are the total number of hours (or shorter reference periods) for which the measurement-based methodology is applied, including the hours for which data has been substituted in accordance with Section B.6.2.6 of this Annex.

The index i refers to the individual operating hour (or reference periods).

Hourly averages for each measured parameter shall be calculated before further processing, by using all data points available for that specific hour. Where data for shorter reference periods can be generated without additional cost, those periods shall be used for the determination of the annual emissions.

B.6.2.2. Determination of GHG concentration

The concentration of the GHG under consideration in the flue gas shall be determined by continuous measurement at a representative point through one of the following:

- direct measurement of the concentration of the GHG;
- indirect measurement: in the case of high concentration in the flue gas, the concentration of the GHG may be calculated using an indirect concentration measurement taking into account the measured concentration values of all other components i of the gas stream, using the following formula:

$$GHG\ conc\ [\%] = 100\ \% - \sum_i Conc_i[\%] \quad (\text{Equation 17})$$

Where:

- $conc_i$ is the concentration of gas component i .

B.6.2.3. CO₂ emissions from biomass

Where relevant, any CO₂ amount stemming from biomass which complies with the criteria given in Section B.3.3 of this Annex may be subtracted from the total measured CO₂ emissions, provided one of the following methods is used for the amount of biomass CO₂ emissions:

1. a calculation-based methodology, including methodologies using analyses and sampling based on ISO 13833 (Stationary source emissions – Determination of the ratio of biomass (biogenic) and fossil-derived carbon dioxide – Radiocarbon sampling and determination);
2. another method based on a relevant standard, including ISO 18466 (Stationary source emissions – Determination of the biogenic fraction in CO₂ in stack gas using the balance method);
3. another method allowed by an eligible monitoring, reporting and verification system.

B.6.2.4. Determining CO₂e emissions from N₂O

In the case of N₂O measurements, the total annual N₂O emissions from all emissions sources, measured in tonnes to three decimal places, shall be converted to annual CO₂e in rounded tonnes, using the following formula and the GWP values given in Annex VIII:

$$CO_2e\ [t] = N_2O_{annual}[t] \times GWP_{N_2O} \quad (\text{Equation 18})$$

Where:

- N_2O_{annual} is the total annual N₂O emissions, calculated in accordance with Section B.6.2.1 of this Annex.

B.6.2.5. Determination of flue gas flow

The flue gas flow may be determined by one of the following methods:

- calculation by means of a suitable mass balance, taking into account all significant parameters on the input side, including for CO₂ emissions at least input material loads, input airflow and process efficiency, and on the output side, including at least the product output and the concentration of oxygen (O₂), sulphur dioxide (SO₂) and nitrogen oxides (NO_x);
- determination by continuous flow measurement at a representative point.

B.6.2.6. Treatment of measurement gaps

Where the continuous measurement equipment for a parameter is out of control, out of range or out of operation for part of the hour or reference period, the related hourly average shall be calculated pro rata to the remaining data points for that specific hour or shorter reference period, provided that at least 80 % of the maximum number of data points for a parameter are available.

Where fewer than 80 % of the maximum number of data points for a parameter are available, the following methods shall be used.

- In the case of a parameter directly measured as concentration, a substitution value as the sum of an average concentration and twice the standard deviation associated with that average is used, applying the following equation:

$$C_{subst}^* = \bar{C} + 2 \sigma_c \quad (\text{Equation 19})$$

Where:

- $\bar{C}$ is the arithmetic mean of the concentration of the specific parameter over the whole reporting period or, where specific circumstances applied when data loss occurred, an appropriate period reflecting the specific circumstances; and
- σ_c is the best estimate of the standard deviation of the concentration of the specific parameter over the whole reporting or, where specific circumstances applied when data loss occurred, an appropriate period reflecting the specific circumstances.

Where the reporting period is not applicable for determining such substitution values due to significant technical changes at the installation, another sufficiently representative timeframe shall be chosen for determining the average and standard deviation, where possible with the duration of at least 6 months.

- In the case of a parameter other than concentration, substitute values shall be determined through a suitable mass balance model or an energy balance of the process. This model shall be validated by using the remaining measured parameters of the measurement-based methodology and data at regular working conditions, considering a time period of the same duration as the data gap.

B.6.3. Quality requirements

All measurements shall be carried out applying methods based on:

1. ISO 20181:2023 Stationary source emissions – Quality assurance of automated measuring systems
2. ISO 14164:1999 Stationary source emissions – Determination of the volume flowrate of gas streams in ducts – Automated method
3. ISO 14385-1:2014 Stationary source emissions – Greenhouse gases – Part 1: Calibration of automated measuring systems
4. ISO 14385-2:2014 Stationary source emissions – Greenhouse gases – Part 2: Ongoing quality control of automated measuring systems
5. other relevant ISO standards, in particular ISO 16911-2 (Stationary source emissions – Manual and automatic determination of velocity and volume flow rate in ducts).

Where no applicable published standards exist, suitable draft standards, industry best practice guidelines or other scientifically proven methodologies shall be used, limiting sampling and measurement bias.

All relevant aspects of the continuous measurement system shall be considered, including the location of the equipment, calibration, measurement, quality assurance and quality control.

Laboratories carrying out measurements, calibrations and relevant equipment assessments for continuous measurement systems shall be accredited in accordance with ISO/IEC 17025 for the relevant analytical methods or calibration activities. Where the laboratory does not have such accreditation, sufficient competence in line with Section B.5.4.3 of this Annex shall be ensured.

B.6.4. Corroborating calculations

CO₂ emissions determined by a measurement-based methodology shall be corroborated by calculating the annual emissions of each greenhouse gas in question for the same emission sources and source streams. For this purpose, the requirements laid down in Sections B.4 to B.6 of this Annex may be simplified as appropriate.

B.6.5. Minimum requirements for continuous emissions measurements

As a minimum requirement, an uncertainty 7,5 % of the GHG emissions of an emission source over the full reporting period shall be achieved. For minor emission sources, or under exceptional circumstances 10 % uncertainty may be allowed. It is a recommended improvement to achieve an uncertainty of 2,5 % at least for emission sources emitting more than 100 000 tonnes of fossil CO₂e per reporting period.

B.7. Requirements for determining perfluorocarbon emissions

Monitoring shall cover emissions of perfluorocarbons (PFCs) resulting from anode effects including fugitive emissions of perfluorocarbons. Emissions not related to anode effects shall be determined based on estimation methods in accordance with industry best practice, in particular guidelines provided by the International Aluminium Institute.

PFC emissions shall be calculated from the emissions measurable in a duct or stack ('point source emissions') as well as fugitive emissions using the collection efficiency of the duct:

$$PFC \text{ emissions (total)} = PFC \text{ emissions (duct)} / \text{collection efficiency} \quad (\text{Equation 20})$$

The collection efficiency shall be measured when the installation-specific emission factors are determined.

The emissions of CF₄ and C₂F₆ emitted through a duct or stack shall be calculated by using one of the following methods:

1. method A where the anode effect minutes per cell-day are recorded;
2. method B where the anode effect overvoltage is recorded.

B.7.1. Calculation Method A – Slope Method

The following equations for determining PFC emissions shall be used:

$$CF_4 \text{ emissions [t]} = AEM \times (SEF_{CF_4} / 1\,000) \times Pr_{Al} \quad (\text{Equation 21})$$

$$C_2F_6 \text{ emissions [t]} = CF_4 \text{ emissions} \times F_{C_2F_6} \quad (\text{Equation 22})$$

Where:

AEM is the anode effect minutes/cell-day;

SEF_{CF₄} is the slope emission factor expressed in [(kg CF₄/t Al produced)/(anode effect minutes/cell-day)]. Where different cell-types are used, different SEF may be applied as appropriate;

Pr_{Al} is the production of primary aluminium [t] during the reporting period; and

F_{C₂F₆} is the weight fraction of C₂F₆ [t C₂F₆/t CF₄].

The anode effect minutes per cell-day expresses the frequency of anode effects (number anode effects/cell-day) multiplied by the average duration of anode effects (anode effect minutes/occurrence):

$$AEM = frequency \times average\ duration \quad (\text{Equation 23})$$

Emission factor: The emission factor for CF₄ (slope emission factor, SEF_{CF4}) expresses the amount [kg] of CF₄ emitted per tonne of aluminium produced per anode effect minute per cell-day. The emission factor (weight fraction F_{C2F6}) of C₂F₆ expresses the amount [kg] of C₂F₆ emitted proportionate to the amount [kg] of CF₄ emitted.

Minimum requirement: Technology-specific emission factors from Table 2 of this Annex are used.

Recommended improvement: Installation-specific emission factors for CF₄ and C₂F₆ are established through continuous or intermittent field measurements. For the determination of those emission factors industry best practice shall be applied, in particular the most recent guidelines provided by the International Aluminium Institute. The emission factor shall also take into account emissions related to non-anode effects. Each emission factor shall be determined with a maximum uncertainty of $\pm 15\%$. The emission factors shall be determined at least every three years or earlier where necessary due to relevant changes at the installation. Relevant changes shall include a change in the distribution of anode effect duration, or a change in the control algorithm affecting the mix of the types of anode effects or the nature of the anode effect termination routine.

Table 2

Technology-specific emission factors related to activity data for the slope method

Technology	Emission factor for CF ₄ (SEF _{CF4}) [(kg CF ₄ /t Al)/(AE-Mins/ cell-day)]	Emission factor for C ₂ F ₆ (F _{C2F6}) [t C ₂ F ₆ / t CF ₄]
Legacy Point Feed Pre Bake (PFPB L)	0,122	0,097
Modern Point Feed Pre Bake (PFPB M)	0,104	0,057
Modern Point-Fed Prebake without fully automated anode effect intervention strategies for PFC emissions (PFPB MW)	– (*)	– (*)
Centre Worked Prebake (CWPB)	0,143	0,121
Side Worked Prebake (SWPB)	0,233	0,280
Vertical Stud Søderberg (VSS)	0,058	0,086
Horizontal Stud Søderberg (HSS)	0,165	0,077

(*) The installation has to determine the factor by own measurements. If this is technically not feasible or involves unreasonable costs, the values for CWPB methodology shall be used.

B.7.2. Calculation Method B – Overvoltage Method

For the overvoltage method, the following equations shall be used:

$$CF_4\ emissions\ [t] = OVC \times (AEO/CE) \times Pr_{Al} \times 0,001 \quad (\text{Equation 24})$$

$$C_2F_6\ emissions\ [t] = CF_4\ emissions \times F_{C2F6} \quad (\text{Equation 25})$$

Where:

OVC is the overvoltage coefficient ('emission factor') expressed in kg CF₄ per tonne of aluminium produced per mV overvoltage;

AEO is the anode effect overvoltage per cell [mV] determined as the integral of (time $\times$ voltage above the target voltage) divided by the time (duration) of data collection;

CE is the average current efficiency of aluminium production [%];
 Pr_{Al} is the annual production of primary aluminium [t]; and
 $F_{C_2F_6}$ is the weight fraction of C_2F_6 [t C_2F_6 /t CF_4].

the term AEO/CE (Anode effect overvoltage/current efficiency) expresses the time-integrated average anode effect overvoltage [mV overvoltage] per average current efficiency [%].

Minimum requirement: Technology-specific emission factors from Table 3 of this Annex shall be used.

Recommended improvement: Installation-specific emission factors are used for CF_4 [(kg CF_4 /t Al)/(mV)] and C_2F_6 [t C_2F_6 /t CF_4] established through continuous or intermittent field measurements. For the determination of those emission factors industry best practice shall be applied, in particular the most recent guidelines provided by the International Aluminium Institute. The emission factors shall be determined with a maximum uncertainty of $\pm 15\%$ each. The emission factors shall be determined at least every three years or earlier where necessary due to relevant changes at the installation. Relevant changes shall include a change in the distribution of anode effect duration, or a change in the control algorithm affecting the mix of the types of anode effects or the nature of the anode effect termination routine

Table 3

Technology-specific emission factors related to overvoltage activity data

Technology	Emission factor for CF_4 [(kg CF_4 /t Al)/mV]	Emission factor for C_2F_6 [t C_2F_6 /t CF_4]
Centre Worked Prebake (CWPB)	1,16	0,121
Side Worked Prebake (SWPB)	3,65	0,252

B.7.3. Determination of CO_2e emissions

CO_2e emissions shall be calculated from CF_4 and C_2F_6 emissions as follows, using the global warming potentials listed in Annex VIII.

$$PFC \text{ emissions [t } CO_2e] = CF_4 \text{ emissions [t]} \times GWP_{CF_4} + C_2F_6 \text{ emissions [t]} \times GWP_{C_2F_6} \quad (\text{Equation 26})$$

B.8. Requirements for CO_2 transfers between installations

B.8.1. CO_2 contained in gases ('inherent CO_2 ')

Inherent CO_2 that is transferred into an installation, including that contained in natural gas, a waste gas (including blast furnace or coke oven gas) or in process inputs (including synthesis gas), shall be included in the emission factor for that source stream.

Where inherent CO_2 is transferred out of the installation as part of a source stream to another installation, it shall not be counted as emissions of the installation where it originates. However, where inherent CO_2 is emitted (e.g. vented or flared) or transferred to entities that do not themselves monitor emissions for the purpose of this Regulation or an eligible monitoring, reporting and verification system, it shall be counted as emissions of the installation where it originates.

B.8.2. Eligibility to deduct stored or used CO_2

In the following cases CO_2 originating from fossil carbon and originating from combustion or processes leading to process emissions, or which is imported from other installations, including in the form of inherent CO_2 , may be accounted for as not emitted:

1. if the CO₂ is used within the installation or transferred out of the installation to any of the following:
 - (a) an installation for the purpose of CO₂ capture which monitors emissions for the purpose of this Regulation or an eligible monitoring, reporting and verification system;
 - (b) an installation or transport network with the purpose of long-term geological storage of CO₂ which monitors emissions for the purpose of this Regulation or an eligible monitoring, reporting and verification system;
 - (c) a storage site for the purpose of long-term geological storage which monitors emissions for the purpose of this Regulation or an eligible monitoring, reporting and verification system.
2. If the CO₂ is used within the installation or transferred out of the installation to an entity which monitors emissions for the purpose of this Regulation or an eligible monitoring, reporting and verification system, in order to produce products in which the carbon stemming from CO₂ is permanently chemically bound so that it does not enter the atmosphere under normal use, including any normal activity taking place after the end of the life of the product, as defined in the delegated act adopted pursuant to Article 12(3b) of Directive 2003/87/EC.

CO₂ transferred to another installation for the purposes given in points 1 and 2 may be accounted for as not emitted only to the extent evidence is provided across the whole chain of custody to the storage site or installation of CO₂ use and including any transport operators, of the fraction of CO₂ actually stored or used for the production of chemically stable products compared to the total amount of CO₂ transferred out of the originating installation.

If CO₂ is used within the same installation for the purposes in points 1 and 2, the monitoring methods given in Sections 21 to 23 of Annex IV to Implementing Regulation (EU) 2018/2066 shall be applied.

B.8.3. *Monitoring rules for CO₂ transfers*

The identity and contact data of a responsible person of the receiving installations or entities shall be clearly laid down in the monitoring methodology documentation. The amount of CO₂ considered not emitted shall be reported in the communication pursuant to Annex IV.

The identity and contact data of a responsible person of the installations or entities from which CO₂ was received shall be clearly laid down in the monitoring methodology documentation. The amount of CO₂ received shall be reported in the communication pursuant to Annex IV.

For the determination of the quantity of CO₂ transferred from one installation to another, a measurement-based methodology shall be used. For the amount of CO₂ permanently chemically bound in products, a calculation-based methodology shall be used, preferably using a mass balance. The chemical reactions applied, and all relevant stoichiometric factors shall be laid down in the monitoring methodology documentation.

B.9. **Sector-specific requirements**

B.9.1. *Additional rules for combustion units*

Combustion emissions shall cover all CO₂ emissions from the combustion of carbon-containing fuels, including wastes, independent of any other classification of such emissions or fuels. Where it is unclear if a material acts as fuel or as process input, e.g. for reducing metal ores, that material's emissions shall be monitored the same way as combustion emissions. All stationary combustion units shall be considered, including boilers, burners, turbines, heaters, furnaces, incinerators, calciners, kilns, ovens, dryers, engines, fuel cells, chemical looping combustion units, flares, thermal or catalytic post-combustion units.

Monitoring shall furthermore include CO₂ process emissions from flue gas scrubbing, in particular CO₂ from limestone or other carbonates for desulphurisation and similar scrubbing, and from urea used in de-NO_x units.

B.9.1.1. Desulphurisation and other acid gas scrubbing

Process CO₂ emissions from the use of carbonates for acid gas scrubbing from the flue gas stream shall be calculated on the basis of carbonate consumed (Method A). In the case of desulphurisation, calculation may be based alternatively on the quantity of gypsum produced (Method B). In the latter case, the emission factor shall be the stoichiometric ratio of dry gypsum (CaSO₄ × 2H₂O) to CO₂ emitted: 0,2558 t CO₂/t gypsum.

B.9.1.2. De-NO_x

If urea is used as reduction agent in a de-NO_x unit, process CO₂ emissions from its use shall be calculated using method A, applying an emission factor based on the stoichiometric ratio of 0,7328 t CO₂/t urea.

B.9.1.3. Monitoring of flares

When calculating emissions from flares, routine flaring as well as operational flaring (trips, start-up, and shutdown as well as emergency relieves) shall be covered. Inherent CO₂ in the flared gases is to be included.

If more accurate monitoring is technically not feasible or would lead to unreasonable costs, a reference emission factor of 0,00393 t CO₂/Nm³ shall be used, derived from the combustion of pure ethane used as a conservative proxy for flare gases.

It is a recommended improvement to determine installation-specific emission factors derived from an estimate of the molecular weight of the flare stream, using process modelling based on industry standard models. By considering the relative proportions and the molecular weights of each of the contributing streams, a weighted annual average figure shall be derived for the molecular weight of the flare gas.

For activity data, higher measurement uncertainty than for other fuels combusted is acceptable.

B.9.2. Additional rules for emissions from cement clinker production

B.9.2.1. Additional rules for Method A (input-based)

Where method A (kiln input-based) is used for determining process emissions, the following special rules shall apply:

- Where cement kiln dust (CKD) or bypass dust leave the kiln system, the related quantities of raw material shall not be considered as process input. Emissions from CKD shall be calculated separately in accordance with Section B.9.2.3 of this Annex.
- Either raw meal as a whole, or separate input materials may be characterised, avoiding double counting or omissions from returned or by-passed materials. Where activity data is determined based on the clinker produced, the net amount of raw meal may be determined by means of a site-specific empirical raw meal/clinker ratio. That ratio shall be updated at least once per year applying industry best practice guidelines.

B.9.2.2. Additional rules for Method B (output-based)

Where method B (clinker output-based) is used for determining process emissions, the following special rules shall apply:

Activity data shall be determined as the clinker production [t] over the reporting period in one of the following ways:

- by direct weighing of clinker;
- based on cement deliveries, by material balance taking into account dispatch of clinker, clinker supplies as well as clinker stock variation, using the following formula:

$$Cli_{prod} = (Cem_{deliv} - Cem_{sv}) \cdot CCR - Cli_s + Cli_d - Cli_{sv} \quad (\text{Equation 27})$$

Where:

- $Cl_{i_{prod}}$ is the amount of clinker produced expressed in tonnes;
 Cem_{deliv} is the amount of cement deliveries expressed in tonnes;
 Cem_{SV} are the cement stock variations expressed in tonnes;
 CCR is the clinker to cement ratio (tonnes clinker per tonne cement);
 Cl_{i_s} is the amount of clinker supplied expressed in tonnes;
 Cl_{i_d} is the amount of clinker dispatched expressed in tonnes; and
 $Cl_{i_{SV}}$ is the amount of clinker stock variations expressed in tonnes.

The clinker to cement ratio shall either be derived separately for each of the different cement products based on laboratory analyses in line with the provisions of Section B.5.4 or calculated as ratio from the difference of cement deliveries and stock changes and all materials used as additives to the cement including by-pass dust and cement kiln dust.

As minimum requirement to determine the emission factor, a standard value of 0,525 t CO₂/t clinker shall be applied.

B.9.2.3. Emissions related to discarded dust

CO₂ process emissions from bypass dust or cement kiln dust (CKD) leaving the kiln system, shall be added to the emissions, corrected for a partial calcination ratio of CKD.

Minimum requirement: An emission factor of 0,525 t CO₂/t dust shall be applied.

Recommended improvement: The emission factor (EF) is determined at least once annually in line with the provisions of Section B.5.4 of this Annex and using the following formula:

$$EF_{CKD} = \left(\frac{EF_{Cli}}{1 + EF_{Cli}} \cdot d \right) / \left(1 - \frac{EF_{Cli}}{1 + EF_{Cli}} \cdot d \right) \quad (\text{Equation 28})$$

Where:

- EF_{CKD} is the emission factor of partially calcined cement kiln dust [t CO₂/t CKD];
 EF_{Cli} is the installation-specific emission factor of clinker [t CO₂/t clinker]; and
 d is the degree of CKD calcination (released CO₂ as % of total carbonate CO₂ in the raw mix).

B.9.3. Additional rules for emissions from nitric acid production

B.9.3.1. General rules for N₂O measurement

N₂O emissions shall be determined using a measurement-based methodology. N₂O concentrations in the flue gas from each emission source shall be measured at a representative point, after the NO_x/N₂O abatement equipment, where abatement is used. Techniques capable of measuring N₂O concentrations of all emission sources during both abated and unabated conditions shall be applied. All measurements shall be adjusted to a dry gas basis where required and consistently reported.

B.9.3.2. Determination of flue gas flow

For monitoring flue gas flow, the mass balance method set out in Section B.6.2.5 of this Annex shall be used, unless it is technically not feasible. In that case, an alternative method may be used, including by another mass balance method based on significant parameters such as ammonia input load, or determination of flow by continuous emissions flow measurement.

The flue gas flow shall be calculated in accordance with the following formula:

$$V_{flue\ gas\ flow} [Nm^3/h] = V_{air} \times (1 - O_{2,air}) / (1 - O_{2,flue\ gas}) \quad (\text{Equation 29})$$

Where:

V_{air} is the total input air flow in Nm³/h at standard conditions;

$O_{2,air}$ is the volume fraction of O₂ in dry air (= 0,2095); and

$O_{2,flue\ gas}$ is the volume fraction of O₂ in the flue gas.

V_{air} shall be calculated as the sum of all air flows entering the nitric acid production unit, in particular primary and secondary input air, and seal input air, where applicable.

All measurements shall be adjusted to a dry gas basis and reported consistently.

B.9.3.3. Oxygen (O₂) concentrations

Where necessary for calculating the flue gas flow in accordance with Section B.9.3.2 of this Annex, the oxygen concentrations in the flue gas shall be measured, applying the requirements laid down in Section B.6.2.2 of this Annex. All measurements shall be adjusted to a dry gas basis and reported consistently.

C. HEAT FLOWS

C.1. Rules for determining net measurable heat

C.1.1. Principles

All specified amounts of measurable heat shall always refer to net amount of measurable heat, determined as the heat content (enthalpy) of the heat flow transmitted to the heat-consuming process or external user minus the heat content of the return flow.

Heat-consuming processes necessary for operating the heat production and distribution, such as deaerators, make-up water preparation, and regular blow offs, shall be taken into account in the efficiency of the heat system and shall be accounted for in the embedded emissions of goods.

Where the same heat medium is used by several consecutive processes and its heat is consumed starting from different temperature levels, the quantity of heat consumed by each heat-consuming process shall be determined separately, unless the processes are part of the overall production process of the same goods. Re-heating of the transfer medium between consecutive heat-consuming processes shall be treated like additional heat production.

Where heat is used to provide cooling via an absorption cooling process, that cooling process shall be considered as the heat-consuming process.

C.1.2. Methodology for determining net amounts of measurable heat

For the purpose of selecting data sources for quantification of energy flows in accordance with Section A.4 of this Annex, the following methods for determining net amounts of measurable heat shall be considered:

C.1.2.1. Method 1: Using measurements

Under this method, all relevant parameters shall be measured, in particular temperature, pressure, state of the transmitted as well as the returned heat medium. In the case of steam, the state of the medium shall refer to its saturation or degree of superheating. The (volumetric) flow rate of the heat transfer medium shall be measured. Based on the measured values, the enthalpy and the specific volume of the heat transfer medium shall be determined using suitable steam tables or engineering software.

The mass flow rate of the medium shall be calculated as

$$\dot{m} = \dot{V} / v \quad (\text{Equation 30})$$

Where:

- $\dot{m}$ is the mass flow rate in kg/s;
 $\dot{V}$ is the volumetric flow rate in m³/s; and
 v is the specific volume in m³/kg.

As the mass flow rate is considered the same for transmitted and returned medium, the heat flow rate shall be calculated using the difference in enthalpy between the transmitted flow and the return, as follows:

$$\dot{Q} = (h_{\text{flow}} - h_{\text{return}}) \cdot \dot{m} \quad (\text{Equation 31})$$

Where:

- $\dot{Q}$ is the heat flow rate in kJ/s;
 h_{flow} is the enthalpy of the transmitted flow in kJ/kg;
 h_{return} is the enthalpy of the return flow in kJ/kg; and
 $\dot{m}$ is the mass flow rate in kg/s.

In the case of steam or hot water used as heat transfer medium, where the condensate is not returned, or where it is not feasible to estimate the enthalpy of the returned condensate, h_{return} shall be determined based on a temperature of 90 °C.

If the mass flow rates are known to be not identical, the following shall apply:

- where evidence is available that condensate remains in the product (e.g. in 'life steam injection' processes), the respective amount of condensate enthalpy is not deducted;
- where heat transfer medium is known to be lost (e.g. due to leakages or sewerage), an estimate for the respective mass flow is deducted from the mass flow of the transmitted heat transfer medium.

For determining the annual net heat flow from the above data, one of the following methods shall be used, subject to the measurement equipment and data processing available:

- determine annual average values for the parameters determining the annual average enthalpy of the transmitted and returned heat medium, multiplied by the total annual mass flow, using Equation 31;
- determine hourly values of the heat flow and sum up those values over the annual total operating time of the heat system. Subject to the data processing system, hourly values may be substituted by other time intervals as appropriate.

C.1.2.2. Method 2: Calculation of a proxy based on measured efficiency

The amounts of net measurable heat shall be determined based on the fuel input and the measured efficiency related to the heat production:

$$Q = \eta_H \cdot E_{\text{in}} \quad (\text{Equation 32})$$

$$E_{\text{in}} = \sum_i AD_i \cdot NCV_i \quad (\text{Equation 33})$$

Where:

- Q is the amount of heat expressed in TJ;
 η_H is the measured efficiency of heat production;
 E_{in} is the energy input from fuels;

AD_i are the annual activity data (i.e. quantities consumed) of the fuels i ; and
 NCV_i are the net calorific values of the fuels i .

The value of η_H is either measured over a reasonably long period, which sufficiently takes into account different load states of the installation or taken from the manufacturer's documentation. In that regard the specific part load curve shall be taken into account by using an annual load factor, as follows:

$$L_F = \frac{E_{In}}{E_{Max}} \quad (\text{Equation 34})$$

Where:

L_F is the load factor;
 E_{In} the energy input as determined using Equation 33 over the reporting period; and
 E_{Max} the maximum fuel input if the heat producing unit had been running at 100 % nominal load for the full calendar year.

The efficiency shall be based on a situation in which all condensate is returned. A temperature of 90 °C shall be assumed for the returned condensate.

C.1.2.3. Method 3: Calculating a proxy based on the reference efficiency

This method is identical to method 3, but using a reference efficiency of 70 % ($\eta_{Ref,H} = 0,7$) in Equation 32.

C.1.3. *Special rules*

Where an installation *consumes* measurable heat produced from exothermic chemical processes other than combustion, such as in ammonia or nitric acid production, that amount of heat consumed shall be determined separately from other measurable heat and that heat consumption shall be assigned zero CO_{2e} emissions.

Where measurable heat is recovered from non-measurable heat generated from fuels and used in production processes after that use, e.g. from exhaust gases, for avoiding double counting, the relevant amount of net measurable heat divided by a reference efficiency of 90 % is subtracted from the fuel input.

C.2. **Determining the fuel mix emission factor of measurable heat**

Where a production process consumes measurable heat produced within the installation, the heat-related emissions shall be determined using one of the following methods.

C.2.1. *Emission factor of measurable heat produced in the installation other than by cogeneration*

For measurable heat produced from the combustion of fuels within the installation except heat produced by cogeneration, the emission factor of the relevant fuel mix shall be determined and the emissions attributable to the production process shall be calculated as:

$$Em_{Heat} = EF_{mix} \cdot Q_{consumed} / \eta \quad (\text{Equation 35})$$

Where:

Em_{Heat} is the heat-related emissions of the production process in t CO₂;
 EF_{mix} is the emission factor of the respective fuel mix expressed in t CO₂/TJ including emissions from flue gas cleaning, where applicable;
 $Q_{consumed}$ is the amount of measurable heat consumed in the production process expressed in TJ; and
 η is the efficiency of the heat production process.
 EF_{mix} shall be calculated as:

$$EF_{mix} = (\sum AD_i \cdot NCV_i \cdot EF_i + Em_{FGC}) / (\sum AD_i \cdot NCV_i) \quad (\text{Equation 36})$$

Where:

- AD_i are the annual activity data (i.e. quantities consumed) of the fuels i used for the measurable heat production expressed in tonnes or Nm^3 ;
- NCV_i are the net calorific values of the fuels i expressed in TJ/t or TJ/ Nm^3 ;
- EF_i are the emission factors of the fuels i expressed in t CO_2 /TJ; and
- Em_{FGC} are the process emissions from flue gas cleaning expressed in t CO_2 .

Where a waste gas is part of the fuel mix used, and where the emission factor of the waste gas is higher than the standard emission factor of natural gas given in Table 1 of Annex VIII, that standard emission factor shall be used to calculate EF_{mix} instead of the emission factor of the waste gas.

C.2.2. Emission factor of measurable heat produced in the installation by cogeneration

Where measurable heat and electricity are produced by cogeneration (i.e. by combined heat and power (CHP)), the relevant emissions attributed to measurable heat and electricity shall be determined as required by this section. The rules regarding electricity shall also apply to the production of mechanical energy, if relevant.

The emissions of a cogeneration unit shall be determined as follows:

$$Em_{CHP} = \sum_i AD_i \cdot NCV_i \cdot EF_i + Em_{FGC} \quad (\text{Equation 37})$$

Where:

- Em_{CHP} are the emissions of the cogeneration unit during the reporting period expressed in t CO_2 ;
- AD_i are the annual activity data (i.e. quantities consumed) of the fuels i used for the CHP unit expressed in tonnes or Nm^3 ;
- NCV_i are the net calorific values of the fuels i expressed in TJ/t or TJ/ Nm^3 ;
- EF_i are the emission factors of the fuels i expressed in t CO_2 /TJ; and
- Em_{FGC} are the process emissions from flue gas cleaning expressed in t CO_2 .

The energy input to the CHP unit shall be calculated in accordance with Equation 33. The respective average efficiencies over the reporting period of heat production and electricity (or mechanical energy, if applicable) production shall be calculated as follows:

$$\eta_{heat} = \frac{Q_{net}}{E_{In}} \quad (\text{Equation 38})$$

$$\eta_{el} = \frac{E_{EL}}{E_{In}} \quad (\text{Equation 39})$$

Where:

- η_{heat} is the average efficiency of heat production during the reporting period (dimensionless);
- Q_{net} is the net amount of heat produced during the reporting period by the cogeneration unit expressed in TJ as determined in accordance with Section C.1.2;
- E_{In} is the energy input as determined using Equation 33 expressed in TJ;
- η_{el} is the average efficiency of electricity production during the reporting period (dimensionless); and
- E_{el} is the net electricity production of the cogeneration unit during the reporting period, expressed in TJ.

Where the determination of the efficiencies η_{heat} and η_{el} is technically not feasible or would incur unreasonable costs, values based on technical documentation (design values) of the installation shall be used. If no such values are available, conservative standard values of $\eta_{heat} = 0,55$ and $\eta_{el} = 0,25$ shall be used.

The attribution factors for heat and electricity from CHP shall be calculated as follows:

$$F_{CHP,heat} = \frac{\frac{\eta_{heat}}{\eta_{ref,heat}}}{\frac{\eta_{heat}}{\eta_{ref,heat}} + \frac{\eta_{el}}{\eta_{ref,el}}} \quad (\text{Equation 40})$$

$$F_{CHP,el} = \frac{\frac{\eta_{el}}{\eta_{ref,el}}}{\frac{\eta_{heat}}{\eta_{ref,heat}} + \frac{\eta_{el}}{\eta_{ref,el}}} \quad (\text{Equation 41})$$

Where:

- $F_{CHP,Heat}$ is the attribution factor for heat (dimensionless);
 $F_{CHP,El}$ is the attribution factor for electricity (or mechanical energy, if applicable) (dimensionless);
 $\eta_{ref, heat}$ is the reference efficiency for heat production in a stand-alone boiler (dimensionless); and
 $\eta_{ref,el}$ is the reference efficiency of electricity production without cogeneration (dimensionless).

The appropriate fuel-specific reference efficiencies are given in Annex IX.

The specific emission factor of the CHP-related measurable heat to be used for the attribution of heat-related emissions to production processes shall be calculated as

$$EF_{CHP,Heat} = Em_{CHP} \cdot F_{CHP,Heat} / Q_{net} \quad (\text{Equation 42})$$

Where:

- $EF_{CHP, heat}$ is the emission factor for the production of measurable heat in the cogeneration unit expressed in t CO₂/TJ;
and
 Q_{net} is the net heat produced by the cogeneration unit expressed in TJ.

The specific emission factor of the CHP-related electricity to be used for the attribution of indirect emissions to production processes shall be calculated as:

$$EF_{CHP,El} = Em_{CHP} \cdot F_{CHP,El} / E_{El,prod} \quad (\text{Equation 43})$$

Where:

- $E_{El,prod}$ is the electricity produced by the CHP unit.

Where a waste gas is part of the fuel mix used, and where the emission factor of the waste gas is higher than the standard emission factor of natural gas given in Table 1 of Annex VIII, that standard emission factor is used to calculate EF_{mix} instead of the emission factor of the waste gas.

C.2.3. Emission factor of measurable heat produced outside the installation

Where a production process consumes measurable heat produced outside the installation, the heat-related emissions shall be determined using one of the following methods.

1. Where the installation producing the measurable heat is subject to an eligible monitoring, reporting and verification system, or where the operator of the installation consuming the measurable heat ensures by the means of relevant provisions of the heat delivery contract that the installation producing the heat carries out emission monitoring in line with this Annex, the emission factor of measurable heat shall be determined using relevant equations of Section C.2.1 or C.2.2, based on emission data provided by the operator of the installation producing the measurable heat.
2. Where the method pursuant to point 1 is not available, a standard value is used, based on the standard emission factor of the fuel most commonly used in the industrial sector of the country, assuming a boiler efficiency of 90 %.

D. ELECTRICITY**D.1. Calculation of the emissions related to electricity**

The emissions relating to electricity production or consumption for the purpose of calculating embedded emissions in accordance with section F.1 shall be calculated using the following equation:

$$Em_{el} = E_{el} \cdot EF_{el} \quad (\text{Equation 44})$$

Where:

Em_{el} are the emissions related to electricity produced or consumed, expressed in t CO₂;

E_{el} is the electricity produced or consumed expressed in MWh or TJ; and

EF_{el} is the emission factor for electricity applied, expressed in t CO₂/MWh or t CO₂/TJ.

D.2. Rules for determining the emission factor of electricity as imported goods

For determining the specific actual embedded emissions of electricity as imported goods, only direct emissions shall be applicable in accordance with Section 2 of Annex IV to Regulation (EU) 2023/956.

The emission factor for calculating the specific actual embedded emissions of electricity shall be established as follows:

- (a) the specific default value for a third country, group of third countries or region within a third country, as the relevant CO₂ emission factor as set out in point D.2.1 of this Annex shall be used;
- (b) where no specific default value is available pursuant to point (a), the CO₂ emission factor in the EU as set out in point D.2.2 of this Annex shall be used;
- (c) where a reporting declarant submits sufficient evidence based on official and public information to demonstrate that the CO₂ emission factor in the third country, group of third countries or region within a third country from where electricity is imported is lower than the values in accordance with points (a) and (b), and where the conditions provided in point D.2.3 of this Annex are fulfilled, the claimed lower values shall be determined on the basis of the available and reliable data provided;
- (d) a reporting declarant may apply actual embedded emissions instead of default values for the calculation of embedded emissions of the imported electricity, if the cumulative criteria (a) to (d) provided in Section 5 of Annex IV to Regulation (EU) 2023/956 are met, and the calculation is based on data determined according to this Annex by the producer of the electricity, calculated using Section D.2.3 of this Annex.

D.2.1. CO₂ emission factor based on specific default values

In accordance with Section 4.2.1 of Annex IV to Regulation (EU) 2023/956, CO₂ emission factors in the third country, group of third countries or region within a third country, shall be used, based on the best data available to the Commission. For the purpose of this Regulation, these CO₂ emission factors shall be based on data from the International Energy Agency (IEA) and shall be provided by the Commission in the CBAM Transitional Registry.

D.2.2. CO₂ emission factor of the EU

Pursuant to Section 4.2.2 of Annex IV to Regulation (EU) 2023/956, the CO₂ emission factor for the Union shall apply. For the purpose of this Regulation, the CO₂ emission factor for the Union shall be based on data from the International Energy Agency (IEA) and shall be provided by the Commission in the CBAM Transitional Registry.

D.2.3. CO₂ emission factor based on reliable data demonstrated by the reporting declarant

For the purpose of point (c) of Section D.2 of this Annex, the reporting declarant shall provide the datasets from alternative official sources, including national statistics for the five-years period ending two years before the reporting.

In order to reflect the impact of decarbonisation policies, such as the increase in renewable energy production, as well as climatic conditions, such as particularly cold years, on the yearly electricity supply in the countries concerned, the reporting declarant shall calculate the CO₂ emission factor on the basis of the weighted average of the CO₂ emission factor for the five-years period ending two years before the reporting.

For this purpose, the reporting declarant shall calculate the yearly CO₂ emission factors per fossil fuel technology and its respective gross electricity generation in the third country capable of exporting electricity to the EU, based on the following equation:

$$Em_{el,y} = \frac{\sum_i EF_i \times E_{el,i,y}}{E_{el,y}} \quad (\text{Equation 45})$$

Where:

- $Em_{el,y}$ is the yearly CO₂ emission factor for all fossil fuel technologies in the given year in the third country capable of exporting electricity to the EU;
- $E_{el,y}$ is the total gross electricity generation from all fossil fuel technologies in that year; EF_i is the CO₂ emission factor for each fossil fuel technology 'i'; and
- $E_{el,i,y}$ is the yearly gross electricity generation for each fossil fuel technology 'i'.

The reporting declarant shall calculate the CO₂ emission factor as a moving average of those years starting with the current year minus two, based on the following equation:

$$Em_{el} = \frac{\sum_{y-6}^{y-2} Em_{el,i}}{5} \quad (\text{Equation 46})$$

Where:

- Em_{el} is the CO₂ emission factor resulting from the moving average of the CO₂ emission factors of the 5 previous years, starting from the current year, minus two years, until the current year, minus 6 years;
- $Em_{el,i}$ is the CO₂ emission factor for each year 'i';
- i is the variable index for the years to consider; and
- y is the current year.

D.2.4. CO₂ emission factor based on actual CO₂ emissions of the installation

Pursuant to Section 5 of Annex IV to Regulation (EU) 2023/956, a reporting declarant may apply actual embedded emissions instead of default values for the calculation of embedded emissions of the imported electricity if the cumulative criteria (a) to (d) provided in that section are met.

D.3. Rules for determining electricity quantities used for the production of goods other than electricity

For the purpose of determining embedded emissions, metering of electricity quantities shall apply to real power, not apparent power (complex power). Only the active power component shall be metered, and the reactive power shall be disregarded.

For the production of electricity, the activity level shall refer to net electricity leaving the system boundaries of the power plant or cogeneration unit, after subtraction of internally consumed electricity.

D.4. Rules for determining the embedded indirect emissions of electricity as an input for the production of goods other than electricity

During the transitional period, emission factors for electricity shall be determined based on either:

- (a) the average emission factor of the country of origin electricity grid, based on data from the International Energy Agency (IEA) provided by the Commission in the CBAM Transitional Registry; or

- (b) any other emission factor of the country of origin electricity grid based on publicly available data representing either the average emission factor or the CO₂ emission factor as referred to in Section 4.3 of Annex IV to Regulation (EU) 2023/956.

By derogation from the points (a) and (b), actual emission factors for electricity may be used for the cases specified in Sections D.4.1 to D.4.3.

D.4.1. *Emission factor of electricity produced in the installation other than by cogeneration*

For electricity produced from the combustion of fuels within the installation except electricity produced by cogeneration, the emission factor of electricity EF_{El} shall be determined based on the relevant fuel mix and the emissions attributable to the electricity production shall be calculated as:

$$EF_{El} = (\sum AD_i \cdot NCV_i \cdot EF_i + Em_{FGC}) / El_{prod} \quad (\text{Equation 47})$$

Where:

- AD_i are the annual activity data (i.e. quantities consumed) of the fuels i used for the electricity production expressed in tonnes or Nm³;
- NCV_i are the net calorific values of the fuels i expressed in TJ/t or TJ/Nm³;
- EF_i is the emission factors of the fuels i expressed in t CO₂/TJ;
- Em_{FGC} are the process emissions from flue gas cleaning expressed in t CO₂; and
- El_{prod} is the net amount of electricity produced expressed in MWh. It may include quantities of electricity produced from sources other than combustion of fuels.

Where a waste gas is part of the fuel mix used, and where the emission factor of the waste gas is higher than the standard emission factor of natural gas given in Table 1 of Annex VIII, that standard emission factor shall be used to calculate EF_{El} instead of the emission factor of the waste gas.

D.4.2. *Emission factor of electricity produced in the installation by cogeneration*

The emission factor of electricity production from by cogeneration shall be determined according to Section C.2.2 of this Annex.

D.4.3. *Emission factor of electricity produced outside the installation*

1. Where electricity is received from a source with a direct technical link, and where all the relevant data is available, the emission factor of that electricity shall be determined applying sections D.4.1 or D.4.2 as appropriate.
2. Where the electricity is received from an electricity producer under a power purchase agreement, the emission factor for electricity determined in accordance with sections D.4.1 or D.4.2 may be used, as appropriate, where communicated by the electricity producer to the operator and made available pursuant to Annex IV.

E. MONITORING OF PRECURSORS

Where the description of production routes for the production processes defined for the installation indicates relevant precursors, the quantity of each precursor consumed within the installation's production processes shall be determined in order to calculate the total embedded emissions of the complex goods produced in accordance with Section G of this Annex.

By way of derogation from the previous paragraph, where the production and use of a precursor are covered by the same production process, only the quantity of additional precursor used and obtained from other installations or from other production processes shall be determined.

The quantity used and emission properties shall be determined separately for each installation from which the precursor is sourced. The methods used for determining the required data shall be laid down in the monitoring methodology documentation of the installation, applying the following provisions:

1. Where the precursor is produced within the installation, but in a different production process as assigned by applying the rules of Section A.4 of this Annex, data sets to be determined shall include:
 - (a) specific embedded direct and indirect emissions of the precursor as average over the reporting period, expressed in tonnes CO₂e per tonne of precursor;
 - (b) quantity of the precursor consumed in each production process of the installation for which it is a relevant precursor.
2. Where the precursor is obtained from another installation, data sets to be determined shall include:
 - (a) the country of origin of the imported goods;
 - (b) the installation where it was produced, identified by
 - the unique installation identifier, if available,
 - the applicable United Nations Code for Trade and Transport Location (UN/LOCODE) of the location,
 - an exact address and its English transcript, and
 - the geographical coordinates of the installation;
 - (c) the production route used as defined in Section 3 of Annex II;
 - (d) the values of applicable specific parameters required for determining the embedded emissions, as listed in Section 2 of Annex IV;
 - (e) specific embedded direct and indirect emissions of the precursor as average over the most recent available reporting period, expressed in tonnes CO_{2(e)} CO₂e per tonne of precursor;
 - (f) the start and end date of the reporting period used by the installation from which the precursor was obtained;
 - (g) the information on the carbon price due for the precursor, if relevant.

The installation producing the precursor shall provide the relevant information, preferably by means of the electronic template mentioned in Article 3(5) and Annex IV.

3. For each quantity of precursor for which incomplete or inconclusive data under point (2) was received, the applicable default values made available and published by the Commission for the transitional period may be used under the conditions specified in Article 4(3) of this Regulation.

F. RULES FOR ATTRIBUTING EMISSIONS OF AN INSTALLATION TO GOODS

F.1. Calculation methods

For the purpose of assigning the installation's emissions to goods, the emissions, inputs, and outputs shall be attributed to production processes defined in accordance with Section A.4 of this Annex using Equation 48 for direct emissions and Equation 49 for indirect emissions, using total figures over the whole reporting period for the parameters given in the equation. The attributed direct and indirect emissions shall then be converted into specific embedded direct and indirect emissions of the goods resulting from the production process using Equations 50 and 51.

$$AttrEm_{Dir} = DirEm^* + Em_{H,imp} - Em_{H,exp} + WG_{corr,imp} - WG_{corr,exp} - Em_{el,prod} \quad (\text{Equation 48})$$

Where $AttrEm_{Dir}$ is calculated to have a negative value, it shall be set to zero.

$$AttrEm_{indir} = Em_{el,cons} \quad (\text{Equation 49})$$

$$SEE_{g,Dir} = \frac{AttrEm_{g,Dir}}{ALg} \quad (\text{Equation 50})$$

$$SEE_{g,Indir} = \frac{AttrEm_{g,Indir}}{ALg} \quad (\text{Equation 51})$$

Where:

- $AttrEm_{Dir}$ are the attributed direct emission of the production process over the whole reporting period, expressed in t CO₂e;
- $AttrEm_{Indir}$ are the attributed indirect emission of the production process over the whole reporting period, expressed in t CO₂e;
- $DirEm^*$ are the directly attributable emissions from the production process, determined for the reporting period using the rules provided in Section B of this Annex, and the following rules:

Measurable heat: Where fuels are consumed for the production of measurable heat which is consumed outside the production process under consideration, or which is used in more than one production process (which includes situations with imports from and exports to other installations), the fuels' emissions are not included in the directly attributable emissions of the production process, but added under the parameter $Em_{H,import}$ in order to avoid double counting.

Waste gases:

The emissions caused by waste gases produced and fully consumed within the same production process are included in $DirEm^*$.

The emissions from the combustion of waste gases exported from the production process are fully included in $DirEm^*$ irrespective of where they are consumed. However, for exports of waste gases the term $WG_{corr,export}$ shall be calculated.

Emissions from the combustion of waste gases imported from other production processes are not taken into account in $DirEm^*$. Instead the term $WG_{corr,import}$ shall be calculated;

- $Em_{H,imp}$ are the emissions equivalent to the quantity of measurable heat imported to the production process, determined for the reporting period using the rules provided in Section C of this Annex, and the following rules:

Emissions related to measurable heat imported to the production process include imports from other installations, other production processes within the same installation, as well as heat received from a technical unit (e.g. a central power house at the installation, or a more complex steam network with several heat producing units) that supplies heat to more than one production process.

Emissions from measurable heat shall be calculated using the following formula:

$$Em_{H,imp} = Q_{imp} \cdot EF_{heat} \quad (\text{Equation 52})$$

Where:

- EF_{heat} is the emission factor for the production of measurable heat determined in accordance with Section C.2 of this Annex, expressed in t CO₂/TJ; and
- Q_{imp} is the net heat imported to and consumed in the production process expressed in TJ;

- $Em_{H,exp}$ are the emissions equivalent to the quantity of measurable heat exported from the production process, determined for the reporting period using the rules provided in Section C of this Annex. For the exported heat either the emissions of the actually known fuel mix in accordance with Section C.2 shall be used, or – if the actual fuel mix is unknown – the standard emission factor of fuel most commonly used in the country and industrial sector, assuming a boiler efficiency of 90 %.

Heat recovered from electricity-driven processes and from nitric acid production shall not be accounted;

$WG_{corr,imp}$ are the attributed direct emissions of a production process consuming waste gases imported from other production processes, corrected for the reporting period using the following formula:

$$WG_{corr,imp} = V_{WG} \cdot NCV_{WG} \cdot EF_{NG} \quad (\text{Equation 53})$$

Where:

V_{WG} is the volume of the waste gas imported;

NCV_{WG} is the net calorific value of the waste gas imported; and

EF_{NG} is the standard emission factor of natural gas as given in Annex VIII;

$WG_{corr,exp}$ are the emissions equivalent to the quantity of waste gases exported from the production process, determined for the reporting period using the rules provided in Section B of this Annex, and the following formula:

$$WG_{corr,exp} = V_{WG,exp} \cdot NCV_{WG} \cdot EF_{NG} \cdot Corr_{\eta} \quad (\text{Equation 54})$$

Where:

$V_{WG,exp}$ is the volume of waste gas exported from the production process;

NCV_{WG} is the net calorific value of the waste gas;

EF_{NG} is the standard emission factor of natural gas as given in Annex VIII; and

$Corr_{\eta}$ is the factor that accounts for the difference in efficiencies between the use of waste gas and the use of the reference fuel natural gas. The standard value is $Corr_{\eta} = 0,667$;

$Em_{el,prod}$ are the emissions equivalent to the quantity of electricity produced within the boundaries of the production process, determined for the reporting period using the rules provided in Section D of this Annex;

$Em_{el,cons}$ are the emissions equivalent to the quantity of electricity consumed within the boundaries of the production process, determined for the reporting period using the rules provided in Section D of this Annex;

$SEE_{g,Dir}$ are the specific direct embedded emissions of goods g expressed in t CO₂e per tonne, valid for the reporting period;

$SEE_{g,Indir}$ are the specific indirect embedded emissions of goods g expressed in t CO₂e per tonne, valid for the reporting period;

AL_g is the activity level of the goods g , i.e. the amount of the goods g produced in the reporting period in that installation, determined in accordance with Section F.2 of this Annex, expressed in tonnes.

F.2. Monitoring methodology for activity levels

The activity level of a production process shall be calculated as the total mass of all goods leaving the production process during the reporting period for the goods listed in Annex I of Regulation (EU) 2023/956 by the aggregated goods category according to Section 2 of Annex II to which the production process relates. Where production processes are defined such that also the production of precursors is included, double counting shall be avoided by counting only the final products leaving the system boundaries of the production process. Any special provisions laid down for the production process or production route in Section 3 of Annex II shall be taken into account. Where several production routes are used at the same installation for producing goods falling under the same CN code, and where those production routes are assigned separate production processes, the embedded emissions of the goods shall be calculated separately for each production route.

Only goods which can be sold or directly used as precursor in another production process shall be taken into account. Off-spec products, by-products, waste, and scrap produced in a production process, irrespective of whether they are returned to production processes, delivered to other installations, or disposed of, shall not be included in the determination of the activity level. They shall therefore be assigned zero embedded emissions when entering another production process.

For determining activity levels, the metering requirements laid down in Section B.4 of this Annex apply.

F.3. Monitoring methods required for attributing emissions to production processes

F.3.1. Principles for attributing data to production processes

1. The methods chosen for attributing data sets to production processes shall be laid down in the monitoring methodology documentation. They shall be regularly reviewed in order to improve the data quality, where possible, in line with Section A of this Annex.
2. Where data for a specific data set are not available for each production process, an appropriate method for determining the required data for each individual production process shall be chosen. For this purpose, either of the following principles shall be applied depending on which principle yields more accurate results:
 - (a) where different goods are produced one after the other in the same production line, inputs, outputs, and corresponding emissions shall be attributed sequentially based on the usage time per year for each production process;
 - (b) inputs, outputs, and corresponding emissions shall be attributed based on the mass or volume of individual goods produced or estimates based on the ratio of free reaction enthalpies of the chemical reactions involved or based on another suitable distribution key that is corroborated by a sound scientific methodology.
3. Where several measuring instruments of different quality are contributing to measurement results, either of the following methods may be used for splitting installation-level data on quantities of materials, fuels, measurable heat, or electricity to production processes:
 - (a) Determination of the split based on a determination method, such as sub-metering, estimate, correlation, used equally for each production process. Where the sum of the production process data is different from the data determined separately for the installation, a uniform 'reconciliation factor' is applied for uniform correction to meet the total figure of the installation as follows:

$$RecF = D_{Inst} / \sum D_{PP} \quad (\text{Equation 55})$$

Where:

$RecF$ is the reconciliation factor;

D_{Inst} is the data value determined for the installation as a whole; and

D_{PP} are the data values for the different production processes.

The data for each production process are then corrected as follows, with $D_{PP,corr}$ being the corrected value of D_{PP} :

$$D_{PP,corr} = D_{PP} \times RecF \quad (\text{Equation 56})$$

- (b) If only one production process's data are unknown or of lower quality than the data of other production processes, known production process data may be subtracted from the total installation data. This method is preferred only for production processes which contribute smaller quantities to the installation's allocation.

F.3.2. Procedure for tracking CN codes of goods and precursors

For the purpose of correct attribution of data to production processes, the installation shall maintain a list of all goods and precursors produced at the installation as well as of precursors obtained from outside the installation, and their applicable CN codes. Based on this list:

1. products and their annual production figures shall be attributed to production processes in accordance with the aggregated goods categories provided in Section 2 of Annex II;
2. this information shall be taken into account for attributing inputs, outputs, and emissions separately to production processes.

To this end a procedure shall be established, documented, implemented, and maintained for regular checking whether the goods and precursors produced in the installation correspond to the CN codes applied when setting up the monitoring methodology documentation. This procedure shall furthermore contain provisions to identify if the installation produces new goods and to ensure that the applicable CN code for the new product is determined and added it to the list of goods for attributing related inputs, outputs, and emissions to the appropriate production process.

F.4. Further rules for the attribution of direct emissions

1. Emissions of source streams or emission sources serving only one production process shall be attributed to that production process in full. Where a mass balance is used, outgoing source streams shall be subtracted in accordance with Section B.3.2 of this Annex. For avoiding double counting, source streams which are converted into waste gases, with the exception of waste gases produced and fully consumed within the same production process, shall be attributed using Equations 53 and 54. The necessary monitoring of the NCV and volume of the respective waste gas shall be done by applying the rules given in Sections B.4 and B.5 of this Annex.
2. Only where source streams or emission sources serve more than one production process, the following methods for attribution of direct emissions shall apply:
 - (a) Emissions from source streams or emission sources used for the production of measurable heat shall be attributed to production processes in accordance with Section F.5 of this Annex.
 - (b) Where waste gases are not used within the same production process in which they are produced, the emissions stemming from waste gases shall be attributed in accordance with rules and equations given in Section F.1 of this Annex.
 - (c) Where the amounts of source streams attributable to production processes are determined by metering before the use in the production process, the appropriate methodology shall be applied in accordance with Section F.3.1 of this Annex.
 - (d) Where emissions from source streams or emission sources cannot be attributed in accordance with other methods, they shall be attributed using correlated parameters, which have already been attributed to production processes in accordance with Section F.3.1 of this Annex. For that purpose, source stream amounts and their respective emissions shall be attributed proportionally to the ratio in which those parameters are attributed to production processes. Appropriate parameters include the mass of goods produced, mass or volume of fuel or material consumed, amount of non-measurable heat produced, operating hours, or known equipment efficiencies.

F.5. Further rules for the attribution of emissions from measurable heat

The general calculation principles given in Section F.1 of this Annex shall apply. The relevant heat flows shall be determined in line with Section C.1 of this Annex and the emission factor of measurable heat by applying Section C.2 of this Annex.

Where losses of measurable heat are determined separately from the amounts used in production processes, emissions related to these heat losses shall be added proportionally to the emissions of all production processes in which measurable heat produced in the installation is used, in order to ensure that 100 % of the quantity of net measurable heat produced within the installation, or imported or exported by the installation, as well as quantities transferred between production processes, shall be attributed to production processes without any omission or double counting.

G. CALCULATION OF SPECIFIC EMBEDDED EMISSIONS OF COMPLEX GOODS

In accordance with Annex IV to Regulation (EU) 2023/956, the specific embedded emissions SEE_g of complex goods g shall be calculated as follows:

$$SEE_g = \frac{AttrEmg + EE_{InpMat}}{AL_g} \quad (\text{Equation 57})$$

$$EE_{InpMat} = \sum_{i=1}^n M_i \cdot SEE_i \quad (\text{Equation 58})$$

Where:

SEE_g	are the specific direct or indirect embedded emissions of (complex) goods g expressed in t CO ₂ e per tonne of goods g ;
$AttrEm_g$	are the attributed direct or indirect emissions of the production process yielding goods g determined in accordance with Section F.1 of this Annex for the reporting period, expressed in t CO ₂ e;
AL_g	is the activity level of the production process yielding goods g determined in accordance with Section F.2 of this Annex for the reporting period, expressed in tonnes;
EE_{InpMat}	are the embedded direct or indirect emissions of all precursors consumed during the reporting period which are defined as relevant for the production process of goods g in Section 3 of Annex II, expressed in t CO ₂ e;
M_i	is the mass of precursor i used in the production process yielding g during the reporting period, expressed in tonnes of precursor i ; and
SEE_i	are the specific direct or indirect embedded emissions of precursor i expressed in t CO ₂ e per tonne of precursor i .

In this calculation, only precursors not covered by the same production process as goods g are taken into account. Where the same precursor is obtained from different installations, the precursor from each installation shall be treated separately.

Where a precursor i itself has precursors, those precursors are first taken into account using the same calculation method in order to calculate the embedded emissions of the precursor i before they are used for calculating the embedded emissions of goods g . This method is used recursively to all precursors which are complex goods.

The parameter M_i refers to the total mass of precursor required to produce the amount AL_g . It also includes quantities of the precursor which do not end up in the complex goods but may be spilt, cut off, combusted, chemically modified, etc. in the production process and leave the process as by-products, scrap, residues, wastes, or emissions.

In order to provide data which can be used independently of activity levels, the specific mass consumption m_i for each precursor i shall be determined and included in the communication pursuant to Annex IV:

$$m_i = M_i / AL_g \quad (\text{Equation 59})$$

Thereby the specific embedded emissions of complex goods g may be expressed as:

$$SEE_g = ae_g + \sum_{i=1}^n (m_i \cdot SEE_i) \quad (\text{Equation 60})$$

Where:

ae_g	are the specific attributed direct or indirect emissions of the production process yielding goods g , expressed in t CO ₂ e per tonne of g , being equivalent to specific embedded emissions without precursors' embedded emissions:
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$$ae_g = AttrEm_g / AL_g \quad (\text{Equation 61})$$

m_i	is the specific mass consumption of precursor i used in the production process yielding one tonne of goods g , expressed in tonnes of precursor i per tonne of goods g (i.e. dimensionless); and
SEE_i	are the specific direct or indirect embedded emissions of precursor i expressed in t CO ₂ e per tonne of precursor i .

H. OPTIONAL MEASURES TO INCREASE QUALITY OF DATA

1. Sources of risks of errors are identified in the data flow from primary data to final data in the communication pursuant to Annex IV. An effective control system is established, documented, implemented, and maintained to ensure that the communications resulting from data flow activities do not contain misstatements and are in conformity with the monitoring methodology documentation and in compliance with this Annex.

The risk assessment pursuant to the first subparagraph is made available to the Commission and the competent authority upon request. If the operator chooses to use verification in line with recommended improvements, the operator also makes it available for the purposes of verification.

2. For the purpose of the risk assessment, written procedures are established, documented, implemented, and maintained for data flow activities as well as for control activities, and references to those procedures are included in the monitoring methodology documentation.
3. Control activities referred to in paragraph 2 shall include, where applicable:
 - (a) quality assurance of the relevant measurement equipment;
 - (b) quality assurance of information technology systems ensuring that the relevant systems are designed, documented, tested, implemented, controlled and maintained in a way that ensures processing reliable, accurate and timely data in accordance with the risks identified in the risk assessment;
 - (c) segregation of duties in the data flow activities and control activities, as well as management of necessary competencies;
 - (d) internal reviews and validation of data;
 - (e) corrections and corrective action;
 - (f) control of out-sourced processes;
 - (g) keeping records and documentation including the management of document versions.

4. For the purposes of paragraph 3(a), it shall be ensured that all relevant measuring equipment is calibrated, adjusted, and checked at regular intervals including prior to use, and checked against measurement standards traceable to international measurement standards, where available, and proportionate to the risks identified.

Where components of the measuring systems cannot be calibrated, those components shall be identified in the monitoring methodology documentation and alternative control activities shall be established.

When the equipment is found not to comply with required performance, necessary corrective action shall be promptly taken.

5. For the purposes of paragraph 3(d), data resulting from the data flow activities referred to in paragraph 2 shall be regularly reviewed and validated. Such review and validation of the data shall include:
 - (a) a check as to whether the data are complete;
 - (b) a comparison of the data determined over the preceding reporting period and, in particular, consistency checks based on time series of greenhouse gas efficiency of the relevant production processes;
 - (c) a comparison of data and values resulting from different operational data collection systems, in particular for production protocols, sales figures and stock figures of relevant goods;
 - (d) comparisons and completeness checks of data at the level of the installation and production process of relevant goods.
6. For the purposes of paragraph 3(e), it shall be ensured that, where data flow activities or control activities are found not to function effectively, or not to respect the rules set in the documentation of procedures for those activities, corrective action is taken and affected data is corrected without undue delay.
7. For the purposes of paragraph 3(f), where one or more data flow activities or control activities referred to in paragraph 1 are outsourced from the installation, to all of the following shall be performed:
 - (a) checking the quality of the outsourced data flow activities and control activities in accordance with this Annex;

- (b) defining appropriate requirements for the outputs of the outsourced processes as well as the methods used in those processes;
- (c) checking the quality of the outputs and methods referred to in point (b) of this paragraph;
- (d) ensuring that outsourced activities are carried out such that those are responsive to the inherent risks and control risks identified in the risk assessment.

8. The effectiveness of the control system shall be monitored, including by carrying out internal reviews and taking into account the findings of the verifier, if verification is applied.

When the control system is found ineffective or not commensurate with the risks identified, the control system shall be improved and the monitoring methodology documentation updated accordingly, including the underlying written procedures for data flow activities, risk assessments and control activities, as appropriate.

9. Recommended improvement: the operator may voluntarily have the installation's emissions data and specific embedded emissions data of goods as compiled in accordance with Annex IV verified by an independent verifier accredited to ISO 14065, or according to the rules of the eligible monitoring, reporting and verification system relevant to the installation.
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ANNEX IV

Content of the recommended communication from operators of installations to reporting declarants

1. CONTENT OF THE EMISSIONS DATA COMMUNICATION TEMPLATE

General information

1. Information on the installation:

- (a) the name and contact details of the operator;
- (b) the name of the installation;
- (c) contact details for the installation;
- (d) the unique installation identifier, if available;
- (e) the applicable United Nations Code for Trade and Transport Location (UN/LOCODE) of the location;
- (f) an exact address and its English transcript;
- (g) geographical coordinates of the installation's main emission source.

2. For each of the aggregated goods category, the production processes and routes used as listed in Table 1 of Annex II.

3. For each of the goods, listed either for each CN code separately, or aggregated by aggregated goods category in accordance with Section 2 of Annex II:

- (a) the specific direct embedded emissions of each of the goods;
- (b) information on the data quality and methods used, in particular if the embedded emissions have been completely determined based on monitoring, or whether any of the default values made available and published by the Commission for the transitional period have been used;
- (c) the specific indirect embedded emissions of each of the goods, and the method how the emission factor was determined, and the information source used;
- (d) the emission factor used for electricity as imported goods, expressed as tonne CO₂e per MWh and the data source or method used for determining the emission factor of electricity, if different than the emission factors provided by the Commission in the CBAM Transitional Registry;
- (e) where default values made available and published by the Commission for the transitional period are reported instead of actual data of specific embedded emissions, a short description for the reasons shall be added;
- (f) the sector-specific information in accordance with Section 2 of this Annex, if relevant;
- (g) if applicable, the information on carbon price due. Where a carbon price due for precursors is obtained from other installations, any carbon price due for those precursors shall be listed separately per country of origin.

Recommended improvement of the general information

1. Total emissions of the installation, including:

- (a) activity data and calculation factors for each source stream used;
- (b) emissions of each emission source monitored using a measurement-based methodology;
- (c) emissions determined by other methods;
- (d) quantities of CO₂ received from other installations or exported to other installations, for the purpose of geological storage or as input to products in which the CO₂ is permanently chemically bound.

2. A balance of imported, produced, consumed, and exported measurable heat, waste gases and electricity.
3. The quantity of all precursors received from other installations, and their specific direct and indirect embedded emissions.
4. The quantity of precursor used in each production process, excluding precursors produced in the same installation.
5. Information on how the attributed direct and indirect emissions of each production process were calculated.
6. The activity level and attributed emissions of each production process.
7. A list of all relevant goods produced by CN code, including precursors not covered by separate production processes.
8. A short description of the installation, its main production processes, any production processes not covered for CBAM purposes, main elements of the monitoring methodology used, whether rules of an eligible monitoring, reporting and verification system have been applied, and which measures for improvement of the data quality have been taken, in particular whether any form of verification was applied.
9. Information on the electricity emissions factor in the power purchase agreement, where appropriate.

2. SECTOR-SPECIFIC PARAMETERS TO BE INCLUDED IN THE COMMUNICATION

Aggregated goods category	Reporting requirement in the CBAM report
Calcined clay	— Whether or not the clay is calcined.
Cement clinker	— N.a.
Cement	— Mass ratio of tonnes cement clinker consumed per produced tonne of cement (clinker to cement ratio expressed in per cent).
Aluminous cement	— N.a.
Hydrogen	— N.a.
Urea	— Purity (mass % urea contained, % N contained).
Nitric acid	— Concentration (mass %).
Ammonia	— Concentration, if hydrous solution.
Mixed fertilisers	— Information required anyway under Regulation (EU) 2019/1009: — content of N as ammonium (NH_4^+); — content of N as nitrate (NO_3^-); — content of N as urea; — content of N in other (organic) forms.
Sintered Ore	— N.a.
Pig Iron	— The main reducing agent used. — Mass % of Mn, Cr, Ni, total of other alloy elements.
FeMn Ferro-Manganese	— Mass % of Mn and carbon.
FeCr – Ferro-Chromium	— Mass % of Cr and carbon.
FeNi – Ferro-Nickel	— Mass % of Ni and carbon.

DRI (Direct Reduced Iron)	— The main reducing agent used. — Mass % of Mn, Cr, Ni, total of other alloy elements.
Crude steel	— The main reducing agent of the precursor, if known. — Mass % of Mn, Cr, Ni, total of other alloy elements. — Tonnes scrap used for producing 1 t crude steel. — % of scrap that is pre-consumer scrap.
Iron or steel products	— The main reducing agent used in precursor production, if known. — Mass % of Mn, Cr, Ni, total of other alloy elements. — Mass % of materials contained which are not iron or steel if their mass is more than 1 % to 5 % of the total goods' mass. — Tonnes scrap used for producing 1 t of the product. — % of scrap that is pre-consumer scrap.
Unwrought aluminium	— Tonnes scrap used for producing 1 t of the product. — % of scrap that is pre-consumer scrap. — If the total content of elements other than aluminium exceeds 1 %, the total percentage of such elements.
Aluminium products	— Tonnes scrap used for producing 1 t of the product. — % of scrap that is pre-consumer scrap. — If the total content of elements other than aluminium exceeds 1 %, the total percentage of such elements.

ANNEX V

EORI data

Table 1 contains the information on the economic operators as found in EOS, which shall be interoperable with the CBAM Transitional Registry.

Table 1

EORI data

Economic Operator System (EOS) EORI
Customer Identification
EORI country + EORI national Number
EORI country
EORI start date
EORI expiry date
Customs Customer Information
EORI short name
EORI full name
EORI language
EORI establishment date
EORI person type
EORI economic activity
List of EORI establishment addresses
Establishment addresses
EORI Address
EORI language
EORI name
Establishment in union
EORI address start date
EORI address end date
VAT or TIN numbers
'VAT' or 'TIN'
National identifier + VAT or TIN number Concatenate country with national identifier
EORI legal status
EORI legal status language
EORI legal status
EORI legal status begin date & end date
Contact list
Contact
EORI contact address
EORI contact language

EORI contact full name
EORI contact name
Publication agreement flag
Address fields description
Street and Number
Postcode
City
Country code
List of communication details
Communication type

ANNEX VI

Data Requirements complement for Inward Processing

Table 1 contains the information from the decentralised customs systems, which shall be interoperable with the CBAM Transitional Registry in accordance with Article 17 of this Regulation.

Table 1

Additional information for inward processing

Data requirement from customs authorities after inward processing bill of discharge, when no waiver is granted to the reporting declarant
Issuing country
Data record reference
Data record version number
Data record version status
Reporting Period Start Date
Reporting Period End Date
Supervising Custom Office (SCO for inward processing)
Authorization for inward processing reference number
Importer identification number/Authorization Holder for inward processing
Importer country
Goods item identifier (seq. no)
Harmonised system sub-heading code
Combined nomenclature code
Description of goods
Requested procedure code
Previous procedure code
Country of origin code
Country of destination code
Country of dispatch
Net mass
Type of measurement units
Supplementary units
Statistical value
Net mass of the actual product used in processed products released for free circulation
Net mass as actual products released on the same commodity code for free circulation
Representative identification number and status
Mode of transport at the border

ANNEX VII

National system data

Table 1 contains the information from the decentralised systems, which shall be interoperable with the CBAM Transitional Registry in accordance with Article 17 of this Regulation.

Table 1

National system data
Issuer
Data record reference
Data record version number
Data record version status
Import declaration number
Declaration goods item number
Declaration acceptance date
Requested procedure code
Previous procedure code
Country of origin code
Country of preferential origin code
Country of destination code
Country of dispatch
Quota order number
Description of goods
Harmonised system sub-heading code
Combined nomenclature code
TARIC code
Net mass
Statistical value
Supplementary units
Declaration type
Additional declaration type
Format
Importer identification number
Importer country
Consignee identification number
Declarant identification number
Holder of authorization identification number
Holder authorization type
Authorization reference number
Representative identification number
Mode of transport at the border
Inland mode of transport

ANNEX VIII

Standard factors used in the monitoring of direct emissions at installation level

1. FUEL EMISSION FACTORS RELATED TO NET CALORIFIC VALUES (NCV)

Table 1

Fuel emission factors related to net calorific value (NCV) and net calorific values per mass of fuel

Fuel type description	Emission factor (t CO ₂ /TJ)	Net calorific value (TJ/Gg)	Source
Crude oil	73,3	42,3	IPCC 2006 GL
Orimulsion	77,0	27,5	IPCC 2006 GL
Natural gas liquids	64,2	44,2	IPCC 2006 GL
Motor gasoline	69,3	44,3	IPCC 2006 GL
Kerosene (other than jet kerosene)	71,9	43,8	IPCC 2006 GL
Shale oil	73,3	38,1	IPCC 2006 GL
Gas/Diesel oil	74,1	43,0	IPCC 2006 GL
Residual fuel oil	77,4	40,4	IPCC 2006 GL
Liquefied petroleum gases	63,1	47,3	IPCC 2006 GL
Ethane	61,6	46,4	IPCC 2006 GL
Naphtha	73,3	44,5	IPCC 2006 GL
Bitumen	80,7	40,2	IPCC 2006 GL
Lubricants	73,3	40,2	IPCC 2006 GL
Petroleum coke	97,5	32,5	IPCC 2006 GL
Refinery feedstocks	73,3	43,0	IPCC 2006 GL
Refinery gas	57,6	49,5	IPCC 2006 GL
Paraffin waxes	73,3	40,2	IPCC 2006 GL
White spirit and SBP	73,3	40,2	IPCC 2006 GL
Other petroleum products	73,3	40,2	IPCC 2006 GL
Anthracite	98,3	26,7	IPCC 2006 GL
Coking coal	94,6	28,2	IPCC 2006 GL
Other bituminous coal	94,6	25,8	IPCC 2006 GL
Sub-bituminous coal	96,1	18,9	IPCC 2006 GL
Lignite	101,0	11,9	IPCC 2006 GL
Oil shale and tar sands	107,0	8,9	IPCC 2006 GL
Patent fuel	97,5	20,7	IPCC 2006 GL
Coke oven coke and lignite coke	107,0	28,2	IPCC 2006 GL
Gas coke	107,0	28,2	IPCC 2006 GL
Coal tar	80,7	28,0	IPCC 2006 GL

Gas works gas	44,4	38,7	IPCC 2006 GL
Coke oven gas	44,4	38,7	IPCC 2006 GL
Blast furnace gas	260	2,47	IPCC 2006 GL
Oxygen steel furnace gas	182	7,06	IPCC 2006 GL
Natural gas	56,1	48,0	IPCC 2006 GL
Industrial wastes	143	n.a.	IPCC 2006 GL
Waste oils	73,3	40,2	IPCC 2006 GL
Peat	106,0	9,76	IPCC 2006 GL
Waste tyres	85,0 ⁽¹⁾	n.a.	World Business Council for Sustainable Development - Cement Sustainability Initiative (WBCSD CSI)
Carbon monoxide	155,2 ⁽²⁾	10,1	J. Falbe and M. Regitz, Römpp Chemie Lexikon, Stuttgart, 1995
Methane	54,9 ⁽³⁾	50,0	J. Falbe and M. Regitz, Römpp Chemie Lexikon, Stuttgart, 1995

⁽¹⁾ This value is the preliminary emission factor, i.e. before application of a biomass fraction, if applicable.

⁽²⁾ Based on NCV of 10,12 TJ/t.

⁽³⁾ Based on NCV of 50,01 TJ/t.

Table 2

Fuel emission factors related to net calorific value (NCV) and net calorific values per mass of biomass material

Biomass material	Preliminary EF [t CO ₂ /TJ]	NCV [GJ/t]	Source
Wood / Wood waste (air dry ⁽¹⁾)	112	15,6	IPCC 2006 GL
Sulphite lyes (black liquor)	95,3	11,8	IPCC 2006 GL
Other primary solid biomass	100	11,6	IPCC 2006 GL
Charcoal	112	29,5	IPCC 2006 GL
Biogasoline	70,8	27,0	IPCC 2006 GL
Biodiesels	70,8	37,0	IPCC 2006 GL ⁽²⁾
Other liquid biofuels	79,6	27,4	IPCC 2006 GL
Landfill gas ⁽³⁾	54,6	50,4	IPCC 2006 GL

Sludge gas ⁽¹⁾	54,6	50,4	IPCC 2006 GL
Other biogas ⁽¹⁾	54,6	50,4	IPCC 2006 GL
Municipal waste (biomass fraction) ⁽¹⁾	100	11,6	IPCC 2006 GL

⁽¹⁾ The given emission factor assumes around 15 % water content of the wood. Fresh wood can have water content of up to 50 %. For determining the NCV of completely dry wood, the following equation shall be used:

$$NCV = NCV_{dry} \cdot (1 - w) - \Delta H_v \cdot w$$

Where NCV_{dry} is the NCV of the absolute dry material, w is the water content (mass fraction) and $\Delta H_v = 2,4 \text{ GJ/t } H_2O$ is the evaporation enthalpy of water. Using the same equation, the NCV for a given water content can be back-calculated from the dry NCV.

⁽²⁾ The NCV value is taken from Annex III to Directive (EU) 2018/2001.

⁽³⁾ For landfill gas, sludge gas and other biogas: Standard values refer to pure Biomethane. For arriving at the correct standard values, a correction is required for the methane content of the gas.

⁽⁴⁾ The IPCC guidelines also give values for the fossil fraction of municipal waste: EF = 91,7 t CO₂/TJ; NCV = 10 GJ/t.

2. EMISSION FACTORS RELATED TO PROCESS EMISSIONS

Table 3

Stoichiometric emission factor for process emissions from carbonate decomposition (Method A)

Carbonate	Emission factor [t CO ₂ /t Carbonate]
CaCO ₃	0,440
MgCO ₃	0,522
Na ₂ CO ₃	0,415
BaCO ₃	0,223
Li ₂ CO ₃	0,596
K ₂ CO ₃	0,318
SrCO ₃	0,298
NaHCO ₃	0,524
FeCO ₃	0,380
General	Emission factor = $[M(\text{CO}_2)] / \{Y * [M(x)] + Z * [M(\text{CO}_3^{2-})]\}$ X = metal M(x) = molecular weight of X in [g/mol] M(CO₂) = molecular weight of CO₂ in [g/mol] M(CO₃²⁻) = molecular weight of CO₃²⁻ in [g/mol] Y = stoichiometric number of X Z = stoichiometric number of CO₃²⁻

Table 4

Stoichiometric emission factor for process emissions from carbonate decomposition based on alkali earth oxides (Method B)

Oxide	Emission factor [t CO ₂ /t Oxide]
CaO	0,785
MgO	1,092
BaO	0,287
general: X _Y O _Z	$\text{Emission factor} = \frac{M(\text{CO}_2)}{\{Y * [M(x)] + Z * [M(O)]\}}$ X = alkali earth or alkali metal M(x) = molecular weight of X in [g/mol] M(CO₂) = molecular weight of CO₂ [g/mol] M(O) = molecular weight of O [g/mol] Y = stoichiometric number of X = 1 (for alkali earth metals) = 2 (for alkali metals) Z = stoichiometric number of O = 1

Table 5

Emission factors for process emissions from other process materials (production of iron or steel, and processing of ferrous metals) ⁽¹⁾

Input or output material	Carbon content (t C/t)	Emission factor (t CO ₂ /t)
Direct reduced iron (DRI)	0,0191	0,07
EAF carbon electrodes	0,8188	3,00
EAF charge carbon	0,8297	3,04
Hot briquetted iron	0,0191	0,07
Oxygen steel furnace gas	0,3493	1,28
Petroleum coke	0,8706	3,19
Pig iron	0,0409	0,15
Iron/iron scrap	0,0409	0,15
Steel/steel scrap	0,0109	0,04

⁽¹⁾ IPCC 2006 Guidelines for National Greenhouse Gas Inventories.

3. GLOBAL WARMING POTENTIALS FOR NON-CO₂ GREENHOUSE GASES

Table 6

Global warming potentials

Gas	Global warming potential
N ₂ O	265 t CO ₂ e/t N ₂ O
CF ₄	6 630 t CO ₂ e/t CF ₄
C ₂ F ₆	11 100 t CO ₂ e/t C ₂ F ₆

ANNEX IX

Harmonised efficiency reference values for separate production of electricity and heat

In the tables below the harmonised efficiency reference values for separate production of electricity and heat are based on net calorific value and standard atmospheric ISO conditions (15 °C ambient temperature, 1,013 bar, 60 % relative humidity).

Table 1

Reference efficiency factors for electricity production

Category		Type of fuel	Year of construction		
			Before 2012	2012-2-015	From 2016
Solids	S1	Hard coal including anthracite, bituminous coal, sub-bituminous coal, coke, semi-coke, pet coke	44,2	44,2	44,2
	S2	Lignite, lignite briquettes, shale oil	41,8	41,8	41,8
	S3	Peat, peat briquettes	39,0	39,0	39,0
	S4	Dry biomass including wood and other solid biomass including wood pellets and briquettes, dried woodchips, clean and dry waste wood, nut shells and olive and other stones	33,0	33,0	37,0
	S5	Other solid biomass including all wood not included under S4 and black and brown liquor	25,0	25,0	30,0
	S6	Municipal and industrial waste (non-renewable) and renewable/bio-degradable waste	25,0	25,0	25,0
Liquids	L7	Heavy fuel oil, gas/diesel oil, other oil products	44,2	44,2	44,2
	L8	Bio-liquids including bio-methanol, bioethanol, bio-butanol, biodiesel, and other bio-liquids	44,2	44,2	44,2
	L9	Waste liquids including biodegradable and non-renewable waste (including tallow, fat and spent grain)	25,0	25,0	29,0
Gaseous	G10	Natural gas, LPG, LNG and biomethane	52,5	52,5	53,0
	G11	Refinery gases hydrogen and synthesis gas	44,2	44,2	44,2
	G12	Biogas produced from anaerobic digestion, landfill, and sewage treatment	42,0	42,0	42,0
	G13	Coke oven gas, blast furnace gas, mining gas, and other recovered gases (excluding refinery gas)	35,0	35,0	35,0
Other	O14	Waste heat (including high temperature process exhaust gases, product from exothermic chemical reactions)			30,0

Table 2

Reference efficiency factors for heat production

Category		Type of fuel	Year of construction					
			Before 2016			From 2016		
			Hot water	Steam ⁽¹⁾	Direct use of exhaust gases ⁽²⁾	Hot water	Steam ⁽¹⁾	Direct use of exhaust gases ⁽²⁾
Solids	S1	Hard coal including anthracite, bituminous coal, sub-bituminous coal, coke, semi-coke, pet coke	88	83	80	88	83	80
	S2	Lignite, lignite briquettes, shale oil	86	81	78	86	81	78
	S3	Peat, peat briquettes	86	81	78	86	81	78
	S4	Dry biomass including wood and other solid biomass including wood pellets and briquettes, dried woodchips, clean and dry waste wood, nut shells and olive and other stones	86	81	78	86	81	78
	S5	Other solid biomass including all wood not included under S4 and black and brown liquor	80	75	72	80	75	72
	S6	Municipal and industrial waste (non-renewable) and renewable/bio-degradable waste	80	75	72	80	75	72
Liquids	L7	Heavy fuel oil, gas/diesel oil, other oil products	89	84	81	85	80	77
	L8	Bio-liquids including bio-methanol, bioethanol, bio-butanol, biodiesel, and other bio-liquids	89	84	81	85	80	77
	L9	Waste liquids including biodegradable and non-renewable waste (including tallow, fat and spent grain)	80	75	72	75	70	67
Gaseous	G10	Natural gas, LPG, LNG and biomethane	90	85	82	92	87	84
	G11	Refinery gases hydrogen and synthesis gas	89	84	81	90	85	82

	G12	Biogas produced from anaerobic digestion, landfill, and sewage treatment	70	65	62	80	75	72
	G13	Coke oven gas, blast furnace gas, mining gas, and other recovered gases (excluding refinery gas)	80	75	72	80	75	72
Other	O14	Waste heat (including high temperature process exhaust gases, product from exothermic chemical reactions)	—	—	—	92	87	—

(¹) If steam plants do not account for the condensate return in their calculation of CHP (combined heat and power) heat efficiencies, the steam efficiencies shown in the table above shall be increased by 5 percentage points.

(²) Values for direct use of exhaust gases shall be used if the temperature is 250 °C or higher.