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FREE GUIDE

EARTH5R GUIDES · NO. 07

CBAM Guide for Indian Exporters

What the EU's carbon border charge costs your buyers from 2026, why verified emissions data is the cheapest lever you have, and how to get ready. For CFOs, export heads and sustainability teams in steel, aluminium, cement and fertilisers.

Since January 2026, every tonne of Indian steel entering the EU carries a carbon cost. Your data decides how big it is.

The EU's Carbon Border Adjustment Mechanism (CBAM) charges importers for the emissions embedded in steel, aluminium, cement, fertilisers, hydrogen and electricity. The importer pays, but the exporter's data sets the bill, and buyers are already pricing it in.

This guide explains CBAM as it stands in September 2026, after the EU's October 2025 simplification and the conclusion of EU-India trade talks in January 2026. It shows how the bill is calculated, why default values are expensive, what verification involves, and how to protect margins through data, contracts and decarbonisation.

It draws on the EU regulations and Commission publications, India's Ministry of Commerce and Ministry of Steel, the reports of companies in the Above Average band of TERRA, Earth5R's ESG intelligence platform, and Earth5R's research on CBAM and Indian steel.

How to use it

Chapters 1 to 7 explain the rules and costs; 8 to 11 cover measurement, verification, India's policies and contracts; 12 to 17 are practice, a plan and a checklist. Four free templates come with it.

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Not legal, tax or verification advice. This guide summarises Regulation (EU) 2023/956 as amended by Regulation (EU) 2025/2083 and related acts, as of September 2026. Check the current texts and your importer's requirements.

A price problem, not paperwork

From 2023 to 2025, CBAM was a reporting exercise. From 2026, it is a cost your buyer weighs against every other supplier.

- **The buyer pays, you lose the order.** EU importers buy CBAM certificates for the emissions in your goods. If your tonne carries more carbon, or unproven carbon, it costs them more, and they will buy elsewhere or ask you for a discount.
- **No data means the worst number.** Without your own verified figures, importers use EU default values, which carry a mark-up of 10% in 2026 rising to 30% from 2028.
- **The charge grows every year.** The free allocation deducted from the bill shrinks from 97.5% of the benchmark in 2026 to nothing in 2034.
- **It is spreading.** The EU has proposed extending CBAM to about 180 downstream steel and aluminium products from 2028.



Drone mapping on the Mithi River project. CBAM rewards what can be measured and checked.

The shift in one line. Under CBAM, carbon data is part of the product. Two identical coils of steel sell at different effective prices if one comes with verified emissions and the other does not.

Sources: Regulation (EU) 2023/956 as amended by Regulation (EU) 2025/2083; Commission Implementing Regulation (EU) 2025/2621 (default values); Directive (EU) 2023/959; European Commission proposal COM(2025) 989.

CBAM by numbers

The size of the exposure, and how Indian steel compares.

EARTH5R · CBAM AND INDIA

CBAM by numbers

What the EU's carbon border charge means for Indian exporters.

6

sectors: steel, aluminium, cement, fertilisers, hydrogen, electricity

€75.36

CBAM certificate price per tCO₂e, Q1 2026

50 t

annual import threshold below which EU importers are exempt

2034

free allocation fully phased out

Tonnes of CO₂e per tonne of steel

EU default value, India hot-rolled flat steel (before mark-up)

4.28

Indian steel average, crude steel (2022)

2.55

Threshold for India's "green steel" label

below 2.2

Global steel average (2022)

1.85

Scrap-based electric arc furnace (Tata Steel Ludhiana)

below 0.3

EU default value (Implementing Regulation (EU) 2025/2621, via EPDlogy); Ministry of Steel figures via IEEFA (crude steel, 2022); Ministry of Steel Green Steel Taxonomy, December 2024 (finished steel); Tata Steel Integrated Report 2025-26. Measures differ in scope, shown for scale.

-24.4%

India's steel and aluminium exports to the EU, FY2024-25 (GTRI)

89 units

certified under India's green steel label by March 2026, 12.34 MT (PIB)

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Exports are already falling.

GTRI reports India's steel and aluminium exports to the EU fell 24.4% in FY2024-25, with iron and steel down 35.1% to USD 3.05 billion.

Intensity is the gap. Indian

crude steel averaged 2.55 tCO₂ per tonne in 2022, against a global average of 1.85, according to the Ministry of Steel.

Buyers want discounts. GTRI

warned exporters may face price reductions of 15 to 22% as buyers pass CBAM costs back.

Sources: GTRI via AL Circle (September 2025) and Maritime Gateway; Ministry of Steel figures via IEEFA; European Commission (certificate prices); PIB, 5 May 2026 (green steel certification).

CBAM in one page

The rules as they stand in September 2026.

Question	What the rules say
Law	Regulation (EU) 2023/956, amended by Regulation (EU) 2025/2083 of 8 October 2025, with implementing acts adopted in December 2025.
Goods covered	Cement, iron and steel, aluminium, fertilisers, hydrogen and electricity, listed by CN code in Annex I, including some downstream steel articles.
Who is liable?	The EU importer, as an authorised CBAM declarant. Importers who applied by 31 March 2026 could keep importing while their application was processed.
Small importers	Exempt if they import less than 50 tonnes a year of CBAM steel, aluminium, fertilisers and cement combined. Hydrogen and electricity have no threshold.
What is charged	Embedded emissions, minus a free allocation adjustment that shrinks each year, minus any carbon price effectively paid in the country of origin.
Certificates	Sold from 1 February 2027 on a common central platform. The 2026 price is the quarterly average of EU ETS auction prices: €75.36 for Q1 and €75.28 for Q2 2026. From 2027, weekly.
Declaration	Annually by 30 September, first in 2027 for 2026 imports. From 2027, importers must hold at least 50% of expected certificates at the end of each quarter.
Data	Actual embedded emissions, verified by an accredited verifier; or EU default values with a mark-up of 10% (2026), 20% (2027) and 30% (from 2028), 1% for fertilisers.

Watch the old numbers. Many guides still quote a 31 May declaration deadline, certificate sales in 2026 or an 80% quarterly holding. All three changed with the October 2025 simplification.

Sources: Regulation (EU) 2023/956 and 2025/2083 (Articles 6, 17, 20, 21, 22); European Commission CBAM pages and certificate price notices; Implementing Regulation (EU) 2025/2621.

How the bill is worked out

Emissions above what EU producers still get free are charged at the EU carbon price.

EARTH5R · HOW CBAM IS CHARGED

How the CBAM bill is worked out

Four steps from a tonne of steel to a certificate bill.

- 1 **Embedded emissions**
Direct and, where they count, indirect emissions per tonne: actual verified values, or EU default values with a mark-up
- 2 **minus Free allocation adjustment**
CBAM benchmark × CBAM factor: what EU producers still get free. The factor falls from 97.5% in 2026 to zero in 2034
- 3 **minus Carbon price paid**
Any carbon price effectively paid in the country of origin, with evidence
- 4 **= Certificates × price**
The EU importer buys and surrenders certificates at the EU carbon price. Your data decides how many

CBAM factor: share of free allocation still deducted

2026	2027	2028	2029	2030	2031	2032	2033	2034
97.5%	95%	90%	77.5%	51.5%	39%	26.5%	14%	0%

Regulation (EU) 2023/956 as amended by Regulation (EU) 2025/2083; Directive (EU) 2023/959, recital 46. Simplified, exact benchmarks and factors are set in EU implementing acts.

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Why 2026 already hurts

The deduction is based on the EU benchmark for the product, not on your own emissions. Everything above the benchmark is charged in full from the first year. A tonne of hot-rolled steel on India's default value carries several times the EU benchmark, so most of it is charged even in 2026.

Worked example

Using Earth5R's free workbook with illustrative inputs for Indian hot-rolled coil in 2026 (default 4.28 tCO₂e/t plus 10%, benchmark 1.53, price €75.36), the default route costs about **€242 per tonne**. An actual value of 2.50 costs about **€76**. On 15,000 tonnes a year, the difference is about **€2.5 million**.

Illustrative only: benchmarks and correction factors are set in EU implementing acts and differ by product and route. Formula: Regulation (EU) 2023/956 as amended; EUROMETAL, November 2025.

Default values or actual data?

Default values are designed to be conservative. For most Indian exporters, actual verified data is cheaper.

CN code	Product	India default value (tCO ₂ e/t, before mark-up)
7207	Semi-finished steel	4.27
7208	Hot-rolled flat steel	4.28
7214	Bars and rods	4.27
7601	Unwrought aluminium	1.87
2523 29 00	Grey Portland cement	1.48 (1.39 direct, 0.09 indirect)

As listed from Commission Implementing Regulation (EU) 2025/2621 (via EPDlogy). Check the official tables, including any later corrections, before use. Mark-ups: 10% in 2026, 20% in 2027, 30% from 2028; 1% for fertilisers.

What the gap is worth

Earth5R's research on CBAM and Indian steel, drawing on figures reported by EUROMETAL, put the Q1 2026 cost of Indian hot-rolled coil at about €254 per tonne on default values, against about €50 on actual verified values. The exact saving depends on your plant, but the direction is clear.

[Read Earth5R's analysis: CBAM and Indian steel.](#)

When defaults make sense

- Very small or occasional EU shipments
- Plants already close to the default intensity
- While a monitoring system is being built, as a stopgap

Verification only for actual data. Since October 2025, declarations based on default values do not need verification. Actual values must be verified by an accredited verifier.

What changed in 2025 and 2026

The EU simplified CBAM before the definitive period began, and has proposed widening it.

Change	Effect on Indian exporters
50-tonne de minimis (Regulation 2025/2083)	Small EU buyers are exempt, so demand for your data concentrates in larger importers. Splitting shipments to stay under the threshold is prohibited.
Annual declaration by 30 September	First declaration in September 2027 for 2026 imports. Your 2026 verified data should reach buyers well before.
Certificate sales from 1 February 2027	The cost for 2026 imports is paid in 2027, at 2026 quarterly average prices.
50% quarterly holding from 2027	Lowered from 80%, easing importers' cash flow a little.
Verification only for actual values	Defaults need no verification; actual data does.
Default carbon prices for third countries (from 2027)	The Commission may publish default carbon prices for countries with carbon pricing, which could simplify deductions.
Default value mark-ups (December 2025)	10%, 20%, then 30%: waiting costs more each year.
Downstream extension proposal (December 2025)	About 180 more steel and aluminium-intensive goods from 1 January 2028, with anti-circumvention rules, if adopted.

What to do. Name one owner for CBAM, follow the Commission's CBAM pages, and ask your top EU buyers what format and timing they need for 2026 data.

Sources: Regulation (EU) 2025/2083; Implementing Regulation (EU) 2025/2621; COM(2025) 989; European Commission news, 20 October 2025.

Who does what

CBAM obligations sit in the EU, but most of the work sits in India.

Who	Role under CBAM	What they need
EU importer	Authorised CBAM declarant: declares embedded emissions, buys and surrenders certificates	Your emissions data per CN code, on time, verified
Indian installation operator	Measures emissions, may register in the CBAM Registry, shares data with importers	A monitoring plan, metering, emission factors, precursor data
Exporter or trader	Passes data from installations to buyers; negotiates price	Data packs from each installation it sources from
Accredited verifier	Verifies actual embedded emissions	Access to records and, where required, the site
Upstream suppliers	Provide emissions of precursors such as pig iron, DRI, ferro-alloys, alumina, clinker	A request that explains what and why
Government of India	Carbon market (CCTS), green steel label, trade negotiations	Industry data and feedback

Traders beware. If you export goods made by others, you need data from each installation. Without it, your buyers will use defaults and your offer will look expensive.



A small recycling unit in Mumbai. Supply chains that run through small businesses need simple data requests.

Measuring embedded emissions

The EU method follows EU ETS system boundaries. A monitoring plan makes the numbers repeatable.

01 Define the installation and processes

Draw the boundary, list each production process that makes CBAM goods, and shared utilities.

02 List source streams

Fuels, process materials (limestone, electrodes), electricity and heat.

03 Measure activity data

Weighbridges, flow meters, purchase and stock records.

04 Apply emission factors

Laboratory analysis or recognised defaults, documented with versions.

05 Add precursors

Pig iron, DRI, ferro-alloys, alumina, clinker: supplier data or defaults.

06 Attribute to products

Divide by output to get tCO₂e per tonne, direct and indirect, by CN code.

Electricity

Indirect emissions come from electricity used in production. State the emission factor and its source, whether grid, captive plant or a power purchase agreement. Check whether indirect emissions count for your product under the current rules.

Precursors

Where a precursor has already been subject to EU carbon pricing, its emissions are not counted again. For Indian precursors, ask suppliers for data; otherwise use defaults and say so.

Free templates. Earth5R's CBAM Monitoring Plan template covers boundaries, source streams, methods, data flow and quality control. Sheet 2 of the workbook sizes your embedded emissions.

Sources: Regulation (EU) 2023/956, Article 7 and Annex IV, as amended by Regulation (EU) 2025/2083 (recital 18 on precursors).

Verification

Actual data only counts if an accredited verifier has checked it.

What verifiers look for

- A monitoring plan that matches what happens on site
- Complete source streams and correct system boundaries
- Activity data reconciled to purchase, stock and production records
- Emission factors and calorific values with documented sources
- Correct attribution to products and CN codes
- Precursor data and how it was obtained
- Controls: calibration, maker-checker, treatment of data gaps

Getting it right

- Agree with your main EU buyers which verifiers they will accept, and when they need the report.
- Budget for a site visit and allow time to fix findings.
- Verify once per installation and year, then share the report with every buyer under confidentiality terms.

Recognition of Indian verifiers. India's Ministry of Commerce says the EU-India FTA secured "enhanced technical cooperation on recognition of carbon prices, recognition of verifiers, as well as financial assistance". Watch how this is implemented.



Segregating waste for an audit at Powai Lake, Mumbai, 2018: every item counted and recorded. Verification tests whether numbers trace back to records like these.

Sources: Regulation (EU) 2025/2083 (verification of actual emissions by an accredited verifier); Ministry of Commerce and Industry, 27 January 2026.

India's side: CCTS, green steel and the FTA

Three Indian developments that shape your CBAM position, and one open question.

Development	What it is
Carbon Credit Trading Scheme (CCTS)	Emission-intensity targets notified in October 2025 for aluminium, cement, chlor-alkali and pulp and paper (282 entities), and in January 2026 for refineries, petrochemicals, textiles and secondary aluminium, taking the total to 490. A revised draft for 255 iron and steel units was issued in June 2026.
Green Steel Taxonomy	Issued by the Ministry of Steel in December 2024: steel below 2.2 tCO ₂ e per tonne of finished steel qualifies, with star ratings. By 31 March 2026, 89 units covering 12.34 million tonnes were certified.
EU-India FTA	Negotiations concluded on 27 January 2026. India reports a most-favoured-nation assurance on CBAM flexibilities, cooperation on carbon prices and verifiers, and financial assistance. The EU said there is no commitment to change CBAM obligations or give India more favourable treatment.

The open question. CBAM allows a deduction for a carbon price "effectively paid" in the country of origin. Whether India's intensity-based CCTS will give rise to such a price, and how much, is not established. Do not price a CCTS deduction into contracts yet.

Use them anyway. CCTS monitoring and green steel certification build the same data discipline CBAM needs, and a green steel rating is a selling point with EU buyers.

Sources: PIB, 22 January 2026 and 5 May 2026; ICAP; LKS (June 2026 draft for iron and steel); Ministry of Steel Green Steel Taxonomy (December 2024, via S&P Global); Ministry of Commerce and Industry, 27 January 2026; Argus, 27 January 2026.

Contracts and pricing

CBAM moves money between you and your buyer. Agree how before the first invoice.

Five things to agree with each buyer

- 01 Data**
What, in which format, by when, for which year.
- 02 Verification**
Who verifies, who pays, and access to records.
- 03 Defaults**
What happens to price if data is late.
- 04 Cost sharing**
Fixed price, annual CBAM adjustment, or reimbursement.
- 05 Confidentiality**
Installation data used only for CBAM compliance.

How a leader frames it. Tata Steel's supply chain team reports working "to ensure CBAM readiness for EU shipments (installation-level data pack, verification pathways, and commercial pass-through clauses)". Data, verification and contract terms, in that order.

Pricing tactics

- Quote a price with your verified intensity, and show the buyer the certificate saving versus default values.
- Offer lower-carbon grades at a premium, backed by product-level data.
- Review CBAM terms each year as the free allocation falls.

Free template. Earth5R's CBAM Contract Clauses and Buyer Letter gives model wording for all five points.

Source: Tata Steel Integrated Report 2025-26. Model clauses are a starting point for legal review, not legal advice.

Best cases from TERRA

What companies in the Above Average band of TERRA, Earth5R's ESG intelligence platform, report on CBAM, carbon intensity and low-carbon products.

Company	What their reports show	Worth copying
Tata Steel	Names CBAM as "particularly significant" for European exports and is building "installation-level data pack, verification pathways, and commercial pass-through clauses". Reports intensity by site: India 2.45, Netherlands 1.66 and consolidated 2.22 tCO ₂ per tonne of crude steel (FY2025-26). 81% of India products covered by Environmental Product Declarations. Its scrap-based electric arc furnace at Ludhiana (0.75 MTPA, March 2026) targets under 0.3 tCO ₂ /tcs.	A three-part readiness plan; product-level footprints
Dalmia Bharat	466 kg CO ₂ per tonne of cementitious material, below the Transition Pathway Initiative's 1.5°C trajectory. 12 cement plants in the CCTS cycle, and assessing Article 6 carbon credit projects. Exports are under 0.1% of turnover.	Benchmarking intensity against a public pathway
ABB India	Notes the EU-India FTA concluded in January 2026 and plans to "Identify EU export-ready product lines". Lists carbon pricing as a transition risk.	Linking trade access to product readiness

Sources: Tata Steel Integrated Report 2025-26 and BRSR; Dalmia Bharat Integrated Annual Report 2025-26; ABB India Annual Report 2025. Figures as published. Inclusion implies no partnership or endorsement. TERRA bands reflect overall ESG assessment.

Four lessons

1

Treat CBAM as a commercial issue.

Tata Steel puts data packs and pass-through clauses in the same sentence.

2

Report intensity by site.

Buyers price the plant that made the goods, not the group average.

3

Publish product footprints.

Environmental Product Declarations make low-carbon claims checkable.

4

Use India's schemes.

CCTS and green steel certification build the data CBAM needs.

Small exporters and MSMEs

Smaller firms face the same buyers with fewer resources. Four ways to cope.

1**Know which buyers still need data.**

The 50-tonne threshold exempts small EU importers. Your large buyers will still need data every year, and they are the ones who can switch suppliers.

2**Start with a simple, honest number.**

Even before verification, a documented estimate helps a buyer see you are close to or below the default value, and whether verification will pay.

3**Share the cost of capability.**

Industry associations and clusters can pool monitoring plans, training and verifier visits across similar plants.

4**Ask your suppliers early.**

Precursor data from pig iron, ferro-alloy or clinker suppliers takes time. Send a short, clear request.

The warning. GTRI notes that MSMEs without plant data face "default emissions values, typically set at conservative, high benchmarks". For many small exporters, the choice is between measuring and losing EU customers.



Recording data at source, Delhi, 2018. Simple digital records are the first step towards verifiable numbers.

Cutting the carbon, cutting the bill

Data lowers the bill today. Lower emissions keep it low as free allocation disappears.

Lever	What it does	Example
Scrap-based EAF	Replaces blast furnace iron with recycled steel	Tata Steel Ludhiana: under 0.3 tCO ₂ /tcs targeted
Renewable electricity	Cuts indirect emissions where they count, and Scope 2	Power purchase agreements with evidence
Energy efficiency	Less fuel per tonne: waste heat recovery, top gas recovery, better furnaces	PAT scheme experience
Fuel switching	Natural gas or hydrogen-based DRI in place of coal	Pilot scale in India
Lower-clinker cement	Blended cements with slag or fly ash	Dalmia Bharat: 466 kg CO ₂ /t cementitious
Product data	Environmental Product Declarations make low-carbon grades saleable	Tata Steel: 81% of India products with EPDs

The long view. By 2034 the free allocation is gone. Every tonne above zero is charged at the EU carbon price. The plants that decarbonise now will hold EU market share.



A solar-powered recovery unit on the Mithi River, Mumbai. Clean power changes the carbon of what a machine does.

Sources: Tata Steel Integrated Report 2025-26; Dalmia Bharat Integrated Annual Report 2025-26.

Data that can be checked

What the Mithi River project, funded by Huhtamäki and delivered by Earth5R with United Nations Technology Innovation Labs, RiverRecycle and the Municipal Corporation of Greater Mumbai, teaches about carbon data.

11,100 t

waste removed, 2020 to 2024

4,440 t

plastic recovered

6,660 t

CO₂e avoided (estimate; no credits claimed)

Drone

mapping before and during the project

Three lessons for CBAM

- **Record as you go.** Data systems monitored recovery volumes throughout, so figures did not depend on memory.
- **Baseline visually.** Drone mapping recorded hotspots before and during the work, which made change checkable.
- **Say what a number is.** Avoided emissions were reported as an estimate, with no credits claimed. CBAM data needs the same honesty about method and basis.

Earth5R's ground-verified data. Earth5R's field network collects geo-tagged environmental data, and TERRA measures the gap between what companies claim and what their data shows. The same approach helps suppliers build numbers a verifier can test.



Drone mapping on the Mithi River project.



Recovered material sorted by type, Mumbai.

Source: Earth5R Mithi River case study.

A 12-step CBAM readiness plan

Most exporters can complete steps 1 to 8 within one reporting year.

- 01 Map EU exposure**
Products, CN codes, tonnes and buyers (workbook sheet 1).
- 02 Talk to top buyers**
Their data format, deadlines and verifier expectations.
- 03 Name an owner**
One person for CBAM across plants and sales.
- 04 Write a monitoring plan**
Boundaries, source streams, methods, controls.
- 05 Collect a full year of data**
Fuels, materials, electricity, output.
- 06 Request precursor data**
From upstream suppliers.
- 07 Calculate embedded emissions**
Per tonne, per CN code, direct and indirect.
- 08 Compare with defaults**
Estimate the saving for your buyers (sheet 3).
- 09 Verify**
With an accredited verifier; fix findings.
- 10 Send data packs**
One per installation and year, under confidentiality terms.
- 11 Agree contract terms**
Data, verification, defaults, cost sharing.
- 12 Plan decarbonisation**
Ahead of the 2034 end of free allocation.

EARTH5R · CBAM TIMELINE	
CBAM, 2023 to 2034	
The dates Indian exporters need to plan around.	
Oct 2023	Transitional period begins: quarterly reports, no payment
Oct 2025	EU simplification: 50-tonne threshold, annual declaration moved to 30 September, verification only for actual values
Jan 2026	Definitive period: authorised declarants; 2026 imports carry a cost
Jan 2026	EU and India conclude FTA talks; EU says CBAM obligations unchanged
Q1, Q2 2026	Certificate prices €75.36 and €75.28 per tCO ₂ e
Feb 2027	Certificate sales open on the common central platform
30 Sep 2027	First annual declaration, for 2026 imports
2027	Default value mark-up 20%; weekly certificate price; 50% quarterly holding
2028	Default mark-up 30%; proposed extension to about 180 downstream goods
2034	Free allocation gone: full carbon cost on every tonne
Regulation (EU) 2023/956 as amended by Regulation (EU) 2025/2083; European Commission; Ministry of Commerce and Industry, 27 January 2026; proposal COM(2025) 989.	
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Checklist for CFOs and export heads

Twelve questions for your next management review.

- ☐ Which of our products are CBAM goods, and how many tonnes go to EU buyers?
- ☐ Which buyers import more than 50 tonnes a year, and what data do they need from us?
- ☐ Do we know our embedded emissions per tonne for each product and plant?
- ☐ How do they compare with the EU default values for India?
- ☐ What would CBAM cost our buyers per tonne on defaults, and on our data?
- ☐ Do we have a monitoring plan a verifier could test?
- ☐ Have we booked verification for 2026 data in time for buyers' 2027 declarations?
- ☐ Do we have precursor data from our suppliers?
- ☐ Do our contracts cover data, verification, defaults, cost sharing and confidentiality?
- ☐ Are we counting on any Indian carbon price deduction that is not yet established?
- ☐ Which of our downstream products could be covered from 2028?
- ☐ What is our plan to cut intensity before free allocation ends in 2034?

Need help? Earth5R supports carbon data readiness, value chain data collection and ESG reporting, drawing on ground-verified field data and TERRA, its ESG intelligence platform. [See Earth5R's ESG and BRSR reporting services.](#)

Glossary of CBAM terms

Authorised CBAM declarant. An EU importer or indirect customs representative authorised to import CBAM goods and file declarations.

CBAM benchmark. The EU emissions benchmark for a product, used to calculate the free allocation adjustment.

CBAM certificate. A certificate for one tonne of CO₂e, bought by the importer at a price linked to EU ETS auctions.

CBAM factor. The share of the benchmark still deducted each year: 97.5% in 2026, falling to zero in 2034.

CCTS. India's Carbon Credit Trading Scheme, setting emission-intensity targets for industrial sectors.

CN code. Combined Nomenclature: the EU's product classification used to define CBAM goods.

De minimis. The 50-tonne annual threshold below which importers of CBAM steel, aluminium, fertilisers and cement are exempt.

Default value. An emissions value per tonne published by the Commission by country and product, with a mark-up.

Direct emissions. Emissions from the production processes of the goods, including heat and cooling consumed.

Embedded emissions. Direct emissions plus, where they count, indirect emissions from electricity used in production.

EPD. Environmental Product Declaration: a verified statement of a product's life-cycle impacts.

EU ETS. The EU Emissions Trading System, whose prices set the CBAM certificate price.

Precursor. An input that is itself a CBAM good, such as pig iron, DRI or alumina.

Specific embedded emissions (SEE). Embedded emissions per tonne of product.

Verifier. An accredited body that checks actual embedded emissions data.

Templates, infographics and how to share this guide

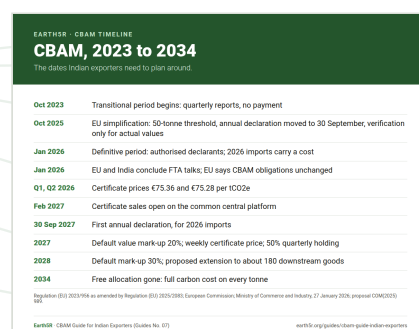
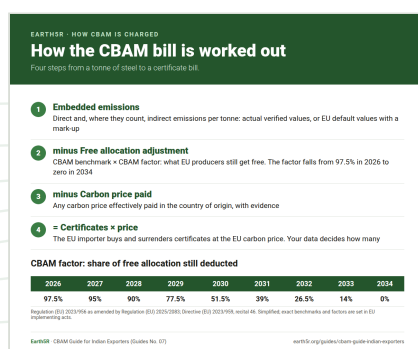
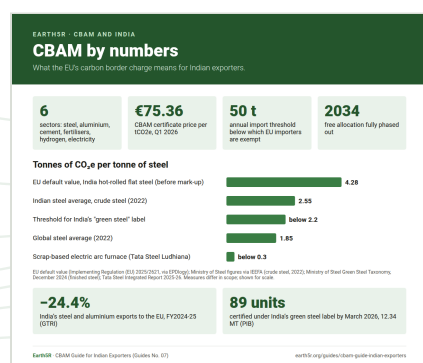
Everything below is free to use, adapt and republish on your own website or intranet, with credit and a link to this guide.

Resource	What it is	Download
CBAM Cost and Data Workbook (Excel)	EU exposure, embedded emissions calculator, cost per tonne on actual versus default values by year, CBAM factor schedule, data pack checklist, precursor tracker, timeline	earth5r.org/guides/cbam-guide-indian-exporters
CBAM Emissions Data Pack (Word)	What to send each EU importer, per installation and year	Same page
CBAM Monitoring Plan (Word)	Boundaries, source streams, methods, data flow, quality control	Same page
Contract Clauses and Buyer Letter (Word)	Model clauses on data, verification, defaults, cost sharing and confidentiality	Same page
Three infographics	CBAM by numbers; how the bill is worked out; timeline 2023 to 2034	Same page, with embed code

How to cite this guide.

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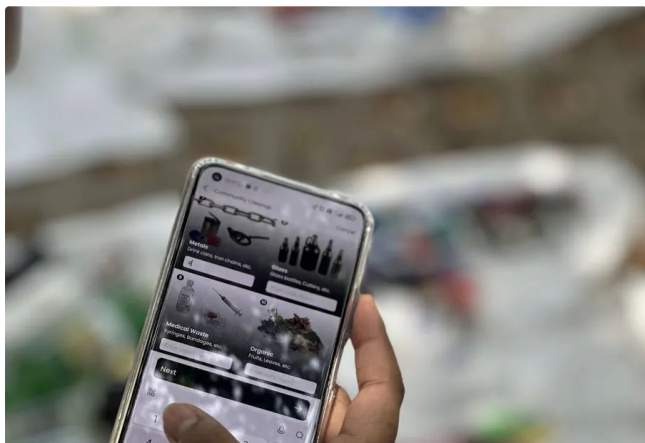
Measuring what matters



The team at the Mithi River recovery installation, Mumbai.



The solar-powered recovery unit on the Mithi.



Recording waste data on the Earth5R app, Mumbai, 2023.



A waste audit at Powai Lake, Mumbai, 2023.



Sorting plastic at a small recycling unit, Mumbai, 2018.



An Earth5R session for professionals, Bengaluru.

More photographs of Earth5R's work with partner NGOs: earth5r.org/csr-ngo-work-gallery. All photographs © Earth5R.



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