

Towards a watertight CBAM implementation

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Heidelberg Materials welcomes the revision of the Carbon Border Adjustment Mechanism (CBAM), a cornerstone of the European Union's strategy to decarbonize energy-intensive production. CBAM is essential to ensure that EU decarbonisation efforts are not undermined by carbon-intensive imports, which have significantly increased for both clinker and cement in recent years. To succeed, the enforcement must be watertight, preventing circumvention and resource shuffling. The position paper proposes targeted adjustments to the Regulation.

1. Staying the course

- **Maintain the existing timeline for a full CBAM phase-in by 2034:** Free allocation alone is not sufficient any longer to secure a level-playing field for EU producers. Therefore, CBAM should be timely introduced mirroring the full carbon costs for EU production.

2. Preventing resource shuffling

- **Establish a long-term instrument to prevent resource shuffling:** Market signals already point to a reallocation of export flows towards the EU, whereby third-country producers channel lower-carbon products to the EU market while continuing to sell carbon-intensive products elsewhere. In such cases, the carbon intensity reported at the EU border improves without driving corresponding emission reductions in the country in question. This undermines CBAM's climate objectives and creates distortions for EU producers. Therefore, the Commission should identify high risk countries, and mandate the use of national values, or default values, based on an assessment of the following criteria:
 - Disproportionate use of low-carbon products in EU-bound exports vs national averages.
 - Decarbonisation investments concentrated in EU-exporting facilities.
 - Significantly lower clinker-to-cement ratios in exports compared to domestic markets.
- **Apply average national or default emissions values until a long-term solution is in place:** Current proposals place an unrealistic 'burden of proof' on national authorities. In many countries, the structures to effectively monitor import flows and fully enforce CBAM controls have not yet been established. Customs often do not even have access to the CO₂ content of imported products and thus cannot detect abusive practices. National averages – or in their absence default values, without the punitive markup – assessed on a yearly basis based on data gathered by JRC/ Eurostat (JRC 2023 [link](#), EU Open Research Repository 2026 [link](#)), and complemented by industry data would considerably simplify implementation while maintaining incentives for third-country producers to reduce emissions.

3. Strengthening anti-circumvention

- **Maintain stringent verification across all Member States:** Shortcuts will weaken enforcement and facilitate circumvention, hence sufficient time for third-country verifiers' capacity development should be considered.
- **Enforce product integrity checks:** Complement CN codes with TARIC codes by June 2026 to allow customs to distinguish cement types and monitor detailed import patterns (see Annex I for the TARIC codes proposal). Implement random sampling of clinker content for non-CEM I cement products by custom authorities to reduce misdeclaration risks.
- **Strengthen the CBAM sanctions regime:** Shorten the review timeline for CBAM declarations by the Commission and national authorities to six months for products or importers that indicate a risk. Include a notification system by EU producers towards competent national authorities. In case of notification of infringement, the resolution timeline should be limited to three months.

4. Ensuring the transparency and effectiveness of CBAM

- **Require quarterly CBAM reporting as early as 2026:** Avoid the "2026 data blackout" by ensuring the Commission and national authorities have the necessary information on a quarterly basis. Currently, clinker shipments unloaded in a EU port in January 2026 with an erroneous declaration could only be corrected when CBAM certificates are surrendered by September 2027. The Commission should require a quarterly CBAM report from September 2026, as implemented transitional phase.
- **Establish a public "CBAM Transparency Register":** Publish import volumes, CO₂ emissions, TARIC codes, and destination and country of origin per importer on an annual basis. Access could be limited to relevant stakeholders. This will help monitor abusive practices.
- **Strengthen national enforcement:** The new EU customs authority (EUCA) should oversee and support effective coordination between national competent CBAM authority and customs, ensuring the latter can carry out efficient implementation and control at products entry into the EU, and communicates the information periodically via the surveillance mechanism. The information communicated should include TARIC codes for cement and clinker products.
- **Align ETS and CBAM benchmarks and apply them retroactively for 2026:** This ensures equal treatment with EU ETS installations.

5. Recognizing only robust third-country carbon pricing

- **Deduct only enforced, verifiable domestic carbon prices:** Recognition must account for free allocation, rebates, indirect cost compensation and other subsidies, and schemes applicable to both domestic and exported products, to avoid artificial under-pricing. Implement the rules swiftly to ensure legal clarity and prevent loopholes.
- **Exclude international carbon credits:** Focus should be on driving decarbonization incentives of industrial production rather than offsets. Their variable quality, lack of equivalence with the EU ETS, and enforcement challenges make them unsuitable for CBAM deductions.

6. Avoiding exemptions

- **Remove the proposed Article 27a:** Open-ended and retroactive exemptions create legal and market uncertainties and jeopardize decarbonization investments across CBAM sectors.

7. Protecting EU exporters

- **Provide export-leakage protection within EU ETS and industrial decarbonisation tools:** Include clinker and cement products in the Temporary Decarbonisation Fund and develop complementary instruments to maintain EU exports competitiveness.

A watertight CBAM requires preventing resource shuffling and circumvention, enforcing CBAM compliance with efficient coordination at Member States level and strong verification rules, and recognising only robust foreign carbon pricing. Heidelberg supports a strong, enforceable CBAM that preserves a level playing field.