BOSSARD
Proven Productivity

February, 2026

Information on the CBAM Regulation

Dear Sir or Madam

As of 1 January 2026, Regulation (EU) 2023/956 on the Carbon Border Adjustment Mechanism (CBAM) will fully enter into force following the end of the transitional phase. From this date, importers of certain CO_2-intensive products – including relevant iron, steel and aluminum products such as screws, nuts, and washers – are required to purchase corresponding CBAM certificates for the emissions generated during production in the countries of origin.

The objective of CBAM is to prevent distortions of competition caused by unequal CO_2 costs and to avoid so-called "carbon leakage" effects, meaning the relocation of emission-intensive production to countries with lower environmental standards. This creates equal competitive conditions for European and non-European products.

As a responsible importer and wholesaler of these product groups, we are directly affected by this regulation. We are required to record and report the CO_2 emissions per imported unit of product and to cover the resulting CBAM costs through certificates.

The situation has changed significantly due to the EU clarification issued on 17th December 2025:

- For the vast majority of supply chains, no officially certified CO_2 data from manufacturers is yet available
- The first certified manufacturers are not expected before mid-2027 at the earliest
- The EU therefore currently provides for the use of so-called default values per customs tariff number and country of manufacture
- These default values are generalized assumptions and do not always reflect the actual CO_2 situation of a specific manufacturer
- In practice, this leads to significantly higher and, in some cases, only partially reliable CO_2 values

Despite these conditions, we have deliberately chosen a transparent and fair approach:

- No flat-rate inclusion in product prices
- Item-by-item disclosure per article
- Consideration of the actual country of origin
- Clear separation between EU and non-EU goods

The onward charging of CBAM costs will take place from 1st January 2026.

The invoiced surcharge may be adjusted once the final rates are available.

Bossard Sweden AB
Boplatsgatan 6b
213 76 Malmö

T 040-16 59 60
www.bossard.com

BOSSARD
Proven Productivity

The calculation is carried out in accordance with the statutory formula:

(Specific CO_2 emissions – (CBAM benchmark × CBAM factor)) × CBAM certificate price

Please note:
The price of CBAM certificates is market-based and aligned with the price in the European Emissions Trading System (EU-ETS). A reliable forecast of future price developments is therefore only possible to a limited extent.

Definition of terms used in the CBAM formula:

- **Specific CO_2 emissions:**
  Emissions actually reported by the supplier
- **CBAM benchmark:**
  Defines the average CO_2 emissions per unit of product according to EU specifications (kg CO_2/product)
- **CBAM factor:**
  Phasing-in or free allocation factor for the period from 2026 to 2034

Year	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**
CBAM-Factor	0,975	0,950	0,900	0,775	0,515	0,390	0,265	0,140	0,00

- **CBAM certificate price**:
  Market-dependent price per ton of CO_2 in accordance with the European Emissions Trading System (EU-ETS)

By multiplying these values, the respective CO_2 cost component per line item is determined and transparently shown on the invoice.

Please note that there are still unresolved matters awaiting clarification from the authorities.

Therefore, we have no choice but to proceed as outlined above. The invoiced rates cover only the costs imposed on us by the regulation.

We kindly ask for your understanding regarding this legally mandatory measure and are available to answer any questions you may have at any time.

Marc Allerslev Olsen
Bossard Sweden AB
Managing Director
Tlf.+45 28901417
Marc.olsen@bossard.com