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Germany

ENVIRONMENT

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This country-specific Q&A provides an overview of environment laws and regulations applicable in Germany.

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GERMANY
ENVIRONMENT

1. What is the environmental framework and the key pieces of environmental legislation in your jurisdiction?

Article 20a of the German Constitution lays down the foundation of environmental policy. Similar provisions can be found in most constitutions of federal states (*Bundesländer*). , According to this guiding principle, all actions by government entities, including the enforcement of laws by public authorities, must take into account the protection of the environment. Authorities and courts therefore resort to Article 20a when interpreting and applying provisions that give them discretionary powers.

Environmental law in Germany is not codified into one unified environmental code. Rather, German environmental law consists of several separate bodies of law, for example:

- Climate protection and energy regulation under the Climate Protection Act (*Klimaschutzgesetz*), the Renewable Energy Act (*Erneuerbare-Energien-Gesetz*), and the Energy Conservation Act (*Gesetz zur Einsparung von Energie in Gebäuden*);
- Nature and landscape conservation under the Federal Nature Conservation Act (*Bundesnaturschutzgesetz*);
- Immission control under the Federal Immission Control Act (*Bundesimmissionsschutzgesetz*);
- Soil protection under the Federal Soil Protection Act (*Bundesbodenschutzgesetz*) and the Federal Contaminated Sites Ordinance (*Bundesbodenschutzverordnung*);
- Waste control, management, and disposal under the Waste Management Act (*Kreislaufwirtschaftsgesetz*);

Additional environmental legislation includes the Environmental Impact Assessment Act (*Umweltverträglichkeitsprüfungsgesetz*), the Environmental Information Act (*Umweltinformationsgesetz*), the Environmental Damage Act (*Umweltschadensgesetz*), and the Environmental Appeals Act (*Umweltrechtsbehelfsgesetz*). Climate protection regulations can also be found in criminal law provisions. This strict set of rules has led commentators to describe Germany as an 'environmental state', i.e. a state that regards environmental protection as one of its central missions. Thisperception has been further substantiated by the "climate jurisprudence" of the German Federal Constitutional Court (*Bundesverfassungsgericht*).

New provisions allowing swifter administrative permit procedures have recently been adopted in the Permit Acceleration Act (*Genehmigungsbeschleunigungsgesetz*), the Act to speed up planning and approval procedures in the transport sector (*Gesetz zur Beschleunigung von Planungs- und Genehmigungsverfahren im Verkehrsbereich*); the Act to further accelerate planning and approval procedures (*Gesetz zur weiteren Beschleunigung von Planungs- und Genehmigungsverfahren*) and the Investment Acceleration Act (*Investitionsbeschleunigungsgesetz*).

2. Who are the primary environmental regulatory authorities in your jurisdiction? To what extent do they enforce environmental requirements?

Primarily, authorities of the federal states are responsible for enforcing environmental requirements, regardless of whether they concern federal law. Their explicit competence depends on the act concerned and the administration structure of the federal state. On the federal level, only a few authorities are relevant, e.g. the Federal Ministry of the Environment (*Bundesministerium für Umwelt*) and the Federal Environmental Agency (*Umweltbundesamt*).

Legal instruments to enforce environmental requirements include forcing the permit holder to comply with the permit, levy an enforcement fine

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(*Zwangsgeld*), impose administrative fines (*Bußgeld*), carry out necessary measures at the expense of the operator (*Selbstvornahme*), revoke permits, or shut down a facility. In rare cases, criminal liability is possible, even if no environmental damage has been caused.

3. What is the framework for the environmental permitting regime in your jurisdiction?

Licences (*Bewilligungen*) and permits (*Genehmigungen*). Their requirements are contained in several environmental statutes. German law does not provide a single, all-encompassing environmental permit. A project may require several authorisations from different authorities. However, some permits do aggregate several environmental law allowances (*Konzentrationswirkung*), i.e. they replace all or most of the other permits that would otherwise be necessary (most importantly, permits under the Immission Control Act).

4. Can environmental permits be transferred between entities in your jurisdiction? If so, what is the process for transferring?

Whether a permit can be transferred depends on the following distinctions: A specific personal permit (*Personalkonzession*), contains personal elements inseparable from the permit holder, whereas an object-related permit (*Sachkonzession*) is independent of personal elements, e.g. related to property or installations. Generally, personal permits – which are very rare in environmental law – cannot be transferred from one person to another. Object-related permits (e.g. an operator permit pursuant to the Immission Control Act) exist independently of the operator's identity and can therefore usually be transferred, usually done when transferring the plant or property.

5. What rights of appeal are there against regulators with regards to decisions to grant environmental permits?

In case of an authority's refusal to grant an environmental permit, an applicant may appeal the decision to the authority or (subsidiarily) by court action. An applicant may also appeal against individual conditions stipulated in a permit, when considered unduly onerous. Appeals generally have to be filed within one month of the authority's decision. If the higher authority dismisses the appeal, this gives way to appeal to the administrative court. Generally, in order to have standing, applicants must demonstrate the possibility that the authority's refusal to grant a permit may violate their rights. However, some provisions give standing to environmental or nature conservation associations (NGOs) allowing them to appeal on behalf of the rights of a third party.

In most federal states, an appeal procedure has two phases: The applicant must generally initiate an appeal proceeding (*Widerspruchsverfahren*), addressed to the competent authority, before bringing an action before an administrative court. In these procedures, the higher authority will review the appeal. If the appeal is conceded by the court, it can: (i) remit the case to the authority and require the authority to grant the permit; (ii) repeal the unduly onerous condition; or (iii) order the authority to re-consider the application, taking into account the court's decision. Which course of action follows, depends on the prerequisites of the provision concerned.

6. Are environmental impact assessments (EIAs) for certain projects required in your jurisdiction? If so, what are the main elements of EIAs and to what extent can EIAs be challenged?

Two types of impact assessments exist: The environmental impact assessment (*Umweltverträglichkeitsprüfung*, or UVP) and the strategic environmental assessment (*strategische Umweltprüfung*, or SUP). Their aim is to pro-actively determine potential environmental impacts at an early stage. Both are subject of the Environmental Impact Assessment Act (*Umweltverträglichkeitsprüfungsgesetz*). An EIA can significantly delay the permit decision because it includes providing relevant information, presenting it to the public and assessing it by the authorities.

The EIA is part of the permit procedure in German law and not an independent element. Therefore, isolated legal actions against the EIA alone can only be admissible and successful if the disregarded article of the EIA Act itself provides enforceable rights.

7. What is the framework for determining and allocating liability for contamination of soil and groundwater in your jurisdiction, and what are the applicable regulatory regimes?

The key statutes are the Federal Soil Protection Act

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(*Bundes-Bodenschutzgesetz*) and the federal states' soil protection acts. Contamination risks are evaluated on the basis of threshold values set out, inter alia, by an ordinance complementing the act. According to the act, several persons/entities may be held liable for contamination, all of whom can equally be subject to inspections carried out at their expense or to remedial action orders. In turn, the accountable person/entity may have a compensation claim against the others. Especially in complex investigations and remediation situations, it may be advisable to conclude a contract with the competent authority under public law (*öffentlich-rechtlicher Vertrag*). Further detailed regulations concerning soil protection are set out in the amended Federal Soil Protection and Contaminated Sites Ordinance (*Bundes-Bodenschutz- und Altlastenverordnung*), in force since August 2023. The Federal Water Act (Wasserhaushaltsgesetz) contains regulation regarding ground water.

8. Under what circumstances is there a positive obligation to investigate land for potential soil and groundwater contamination? Is there a positive obligation to provide any investigative reports to regulatory authorities?

If there is sufficient indication of a contaminated site, the authorities may order the person/entity liable under the Soil Protection Act to carry out investigations to assess the relevant hazards (*Gefährdungsabschätzung*). In case of a site contamination and even after clearance, responsible parties may be obliged to conduct monitoring and investigations. Especially in the case of particularly hazardous or widespread contamination, responsible parties may be ordered to conduct an investigation to determine the type and extent of the required measures (*Sanierungsuntersuchung*) or to submit a remediation plan (*Sanierungsplan*).

According to the Immission Control Act, a report on the initial status must be submitted to the competent authority in advance, if hazardous substances are used in an industrial activity. If the site is found to be more contaminated than specified in the report, the operator is obliged to restore the site to its previous condition.

9. If land is found to be contaminated, or pollutants are discovered to be migrating to neighbouring land, is there a duty to report this contamination to relevant authorities?

Such duties are laid down in the soil protection laws of the federal states. For instance, the State Soil Protection Act of North Rhine-Westphalia (*Landesbodenschutzgesetz NRW*) obligats responsible parties to notify the competent authorities, which are primarily defined on district level. Depending on the specific case, the disclosure obligation may be limited by the privilege against self-incrimination. However, operators must consider that non-disclosure could result in an administrative fine. In addition, environmental contamination is also subject to the Environmental Damages Act (*Umweltschadensgesetz*), which sets out obligations for companies in case of immediate risk of environmental damage or if environmental damage has occurred.

10. Does the owner of land that is affected by historical contamination have a private right of action against a previous owner of the land when that previous owner caused the contamination?

A property owner whose land is contaminated but who did not cause the contamination and who is obliged by the competent authorities to carry out remediation measures has a right to compensation against other responsible parties (if they exist). In cases involving several responsible parties, the Soil Protection Act provides for a compensation claim between the parties. If not otherwise agreed, the obligation to provide such compensation, and the amount of compensation, depends on the extent to which the hazard or damage was caused primarily by one party.

Generally, claims for compensation become time-barred after three years. If the remediation measures were carried out by the authority, the period begins once the authority collects the costs of that remediation; if a private party carried them out, it starts once the claimant becomes aware of the other party's responsibility. Regardless of such knowledge, claims become time-barred 30 years after the remediation measures were completed.

11. What are the key laws and controls governing the regulatory regime for waste in your jurisdiction?

The regulatory regime for waste is established in the Waste Management Act (*Kreislaufwirtschaftsgesetz*), which follows the principles of reduce, reuse, recycle and dispose. Waste is defined as substances or objects that the holder disposes of, intends to dispose of, or is required to dispose of. Several ordinances, such as the

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List of Wastes Ordinance (*Abfallverzeichnisverordnung*), complement the act's provisions. The regulations include strict recycling requirements and rules regarding the separatation of waste types and take action against the discarding of returned products by introducing duties of care. Manufacturers may be obliged to draw up a transparency report on the destruction of goods. The EU has and will continue to introduce an abundance of rules, which concern certain types of waste.

12. Do producers of waste retain any liabilities in respect of the waste after having transferred it to another person for treatment or disposal off-site (e.g. if the other person goes bankrupt or does not properly handle or dispose of the waste)?

Section 22 of the Waste Management Act allows responsible parties to commission a third party to dispose of the waste. However, this does not relieve them of fulfilling their duties of care. The commissioning parties may be held liable under criminal and civil law if the waste has not been disposed of properly by the third party and if they have neglected their responsibility to select the third party with due care.

13. To what extent do producers of certain products (e.g. packaging/electronic devices) have obligations regarding the take-back of waste?

The Packaging Act (*Verpackungsgesetz*) obliges manufacturers and distributors to take back returned packaging free of charge and to have it recycled in an environmentally friendly way. The packaging manufacturers and distributors are obliged to participate financially in a waste disposal scheme which must guarantee regular collection from private consumers.

For vehicles, the End-of-Life Vehicles Ordinance (*Altfahrzeug-Verordnung*) requires manufacturers or importers to take back all vehicles licensed in the EU free of charge and to ensure that they are properly recycled.

Electronic waste as well as batteries/ accumulators can be returned to collection points free of charge, as set out in the Battery Act (*Batteriegesetz*) and the Electrical and Electronic Equipment Act (*Elektro- und Elektronikgerätegesetz*). Producers, importers, and (under certain circumstances) retailers must take back, recycle, or dispose such waste according to the WEEE Directive (2012/19/EU) and the Electrical and Electronic Equipment Act (*Elektrogesetz*). A new Batteries Regulation (2023/1542/EU) will be legally binding from February 18, 2024.

14. What are the duties of owners/occupiers of premises in relation to asbestos, or other deleterious materials, found on their land and in their buildings?

Duties may entail an asbestos survey or drawing up a list of asbestos affected components as a precautionary measure. There is no general obligation to remove asbestos contained in buildings or individual building parts. The competent authorities have the power to issue all orders deemed necessary to protect human health. In addition, the responsible party may incur civil liability for personal injuries based on its duty to protect the public (*Verkehrssicherungspflichten*).

15. To what extent are product regulations (e.g. REACH, CLP, TSCA and equivalent regimes) applicable in your jurisdiction? Provide a short, high-level summary of the relevant provisions.

Some of the most significant product regulations in Germany are: the REACH Regulation (1907/2006/EC), the CLP Regulation (1272/2008/EC), the POP Regulation (850/2004/EC), the Biocidal Product Regulation (528/2012/EU) and the Regulation on F-gases (517/2014/EU).

In 2021, Germany introduced the Act on Corporate Due Diligence Obligations in Supply Chains (*Lieferkettensorgfaltspflichtengesetz*), obliging companies of a certain size to evaluate the risks for certain human rights violations and damages to the environment in their supply chains, to publish a policy statement and to take measures to prevent or minimize violations. Enforcement fines (*Zwangsgeld*) up to EUR 50,000 and administration fines (*Bußgeld*), may follow in case of violations. Additionally, the Corporate Sustainability Due Diligence Directive (CSDDD) allows for even stricter measures in this regard (see below under point 14. Updates/Reform).

Other strict product regulations in Germany include: the General Product Safety Regulation (2023/988/EU) , the Regulation on deforestation-free products (2023/1115/EU) and the planned EU Eco-design Regulation, for which a provisional agreement has been reached by the EU institutions on December 4, 2023.

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16. What provisions are there in your jurisdiction concerning energy efficiency (e.g. energy efficiency auditing requirements) in your jurisdiction?

The revised Energy Efficiency Directive (2023/1791/EU) sets the goal to collectively ensure an additional 11.7% reduction in energy consumption by 2030 compared to the reference scenario projections of 2020. Binding saving targets have to be fulfilled by the member states over the years up until 2030 and obligations for companies to perform energy audits have to be implemented.

Germany has adopted its “Energy Efficiency Strategy 2050” (*Energieeffizienzstrategie*) in December 2019, which updates the National Action Plan on Energy Efficiency from 2011. It commits to cut primary energy consumption by 30%t by 2030 and by 50% by 2050, relative to consumption levels in 2008. Besides promoting targeted investment in energy efficiency and setting up funding programmes to increase energy efficiency in companies, the strategy also imposes binding obligations on large companies to conduct energy audits and establishes new standards for new appliances and newly constructed buildings.

17. What are the key policies, principles, targets, and laws relating to the reduction of greenhouse gas emissions (e.g. emissions trading schemes) and the increase of the use of renewable energy (such as wind power) in your jurisdiction?

In Germany the targets for the upcoming decades have been stated in the Climate Action Programme 2030 and the Climate Change Act (*Klimaschutzgesetz*). Relevant regulations for achieving the reduction targets are, eg.:

The Fuel Emissions Trading Act (*Brennstoff–Emissionshandelsgesetz*) introduced a national emissions trading system for fuels. On the EU-level, the EU emission trading system (EU ETS) is the EU’s key instrument for reducing greenhouse gas emissions from large-scale emitters of certain industries. The EU-ETS 2, a new separate emission trading system, has been installed, covering further industry sectors. For carbon intensive goods that are entering the EU, the Carbon Border Adjustment Mechanism has been created (see below under point 14. Updates/Reform).

Furthermore, the Buildings Energy Act (*Gebäudeenergiegesetz*) states an abundance of rules to ensure climate-friendly construction, heating, and refurbishments of buildings.

Regarding the increase of the use of renewable energy, the goal is that 80% of gross electricity consumption come from renewable energy sources by 2030.. To prioritise the expansion, many new provisions for the generation of renewable energy, like wind energy or solar energy have been introduced.

18. Does your jurisdiction have an overarching “net zero” or low-carbon target and, if so, what legal measures have been implemented in order to achieve this target.

Germany aims to become greenhouse gas neutral by 2045. It has set the interim targets of cutting emissions by at least 65% by 2030 compared to 1990 levels, and 88% by 2040.

The EU aims to become greenhouse gas neutral by 2050. It has set out to reduce greenhouse gas emissions by 55%, compared to 1990 levels, by 2030 and achieving a share of renewable energy amounting to at least 42,5%.

19. To what extent does your jurisdiction regulate the ability for products or companies to be referred to as “green”, “sustainable” or similar terms? Who are the regulators in relation to greenwashing allegations?

Such terms have not been legally defined in an act yet. Courts have come up with broad definitions, dealing with lawsuits based on the Unfair Competition Act (*Gesetz gegen den unlauteren Wettbewerb*). The EU Commission has introduced a proposal for a Green Claims Directive in March 2023, requiring businesses to provide credible evidence to support their assertions so as not to mislead consumers. The proposal may be introduced in the course of 2024.

20. Are there any specific arrangements in relation to anti-trust matters and climate change issues?

Sustainability as a policy priority can be found in: The Horizontal Block Exemption Regulations (HBERs), which are two regulations by the EU Commission, that allow certain research and development and specialisation agreements to be exempted from Art. 101 (1) TFEU.

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Furthermore, the European Horizontal Guidelines, which provides guidance on the HBERs, and on how to assess various common types of horizontal cooperation agreements under Article 101 (1) and (3) TFEU.

21. Have there been any notable court judgments in relation to climate change litigation over the past three years?

In 2021, the German Constitutional Court has issued a landmark ruling regarding the insufficiency of the former Climate Action Law to reach the climate targets set out by the Paris Agreement. The legislator responded by moving up the "net-zero" goal from 2050 to 2045 and further stepping up the targets for emission cuts. "Climate lawsuits" in Germany against the state, as well as against private companies, continue to be of increasing importance. They include complaints to refrain from emissions intense behaviour or promotion of products as "climate-neutral".

22. In light of the commitments of your jurisdiction that have been made (whether at international treaty meetings or more generally), do you expect there to be substantial legislative change or reform in the relation to climate change in the near future?

The EU and Germany both have set out high ambitions to become climate-neutral in the near future. Especially due to the ongoing adoption of new EU directives in accordance with the EU Green Deal and the "Fit-for 55" package, it is inevitable that further substantial legislative changes will follow.

23. To what extent can the following persons be held liable for breaches of environmental law and/or pollution caused by a company: (a) the company itself; (b) the shareholders of the company; (c) the directors of the company; (d) a parent company; (e) entities (e.g. banks) that have lent money to the company; and (f) any other entities?

The most important liability rules are set out in public law provisions and laid down in various statutes, ordinances and administrative regulations. The German Civil Code (Bürgerliches Gesetzbuch) provides for private claims for compensation, and indemnity claims in respect to environmental damage. Other relevant rules are laid down in e.g. the state's general police laws (Polizei- und Ordnungsrecht), Environmental Liability Act (Umwelthaftungsgesetz) and the German Criminal Code (Strafgesetzbuch).

a. Liability of the company itself: As the polluter/owner/occupier of an installation or site, a company bears full liability under public and civil law. Irrespective of any fines imposed on individual company personnel, the competent public authorities may fine the company itself. Such fines for administrative offences are generally enforced by the administrative authorities at the state level.

b. Liability of the company's shareholders: The shareholders' liability depends on the legal form of the company. Whereas shareholders of a non-incorporated partnership may be held liable, shareholders of a limited liability corporation generally cannot be held liable, unless they are personally responsible for the damage.

c. Liability of the company's directors: There is no specific precedent set by German civil courts regarding the personal liability of company directors for environmental wrongdoing. The matter is subject to ongoing legal discussion. However, administrative authorities may fine senior company personnel under certain circumstances.

d. Liability of the parent company: The Soil Protection Act clarifies that an entity which is responsible for its subsidiaries/affiliates under general principles of corporate law may be held liable for contaminated land owned by its subsidiary. Under certain circumstances, the general rule to separate the company as a legal entity from its parent company may be disregarded, thus leading to liability of the parent company.

e. Liability of lenders: The concept of lender-liability, under which a creditor is responsible for environmental damage caused by the borrower, does not exist in German environmental law. Nonetheless, environmental risks usually do play a part in a bank's assessment of the credit rating of a business. They may also factor into the ESG reporting of the lender itself.

24. To what extent can: (a) a buyer assume any pre-acquisition environmental liabilities in an asset sale/share sale; and (b) a seller retain any environmental liabilities after an asset sale/share sale in your jurisdiction?

The extent of liability depends on the transaction

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structure. The buyer generally acquires the target company with all its pre-acquisition environmental liabilities. The seller mainly remains liable as the historic polluter, especially towards the authorities. An SPA can provide compensation between the parties with indemnification claims or warranty clauses. In the absence of such clauses, the buyer has a statutory right to indemnification against the seller if the seller caused the soil pollution, and unless the buyer waived the statutory indemnification claim vis-à-vis the seller. However, the environmental liabilities set out by public law and addressed by the competent authorities often oblige both parties.

25. What duties to disclose environmental information does a seller have in a transaction? Is environmental due diligence commonplace in your jurisdiction?

If the seller fails to inform the buyer about any existing or suspected contamination, the buyer may be able to claim compensation. Unless expressly agreed otherwise, the seller is liable for any defect relating to the sold property, unless the buyer has been made aware of such defect, meaning any known dangerous contamination under the Soil Protection Act. The buyer can either rescind the contract or reduce the purchase price accordingly. A claim for compensation may also be applicable. Generally, the buyer must assert these rights within two years.

26. What environmental risks can be covered by insurance in your jurisdiction, and what types of environmental insurance policy are commonly available? Is environmental insurance regularly obtained in practice?

Since the environmental liability laws are not consolidated and stipulate various different offences across various different acts, a great variety of insurance types exist, depending on the committed offence and the costs. Insurance cover will not be granted if the environmental damage has been caused by the normal operation of an installation, unless the insured party proves that it could not reasonably have been expected to recognise the possibility of such damage, given the state of technology at the time of the effect on the environment. Only in more recent times, a few larger international insurance companies have begun to offer environmental liability policies to fill this gap.

27. To what extent are there public registers of environmental information kept by public authorities in your jurisdiction? If so, what is the process by which parties can access this information?

Public access to environmental information in Germany is regulated in the Environmental Information Act (*Umweltinformationsgesetz*) and corresponding acts by the states. Any environmental information recorded by federal authorities falls within the scope of the act and it obliges all federal authorities to disclose environmental information to all citizens who wish to receive information. Public registers only exist in certain areas.

The Corporate Sustainability Reporting Directive (2022/2464/EU) is a new regulation that requires companies to provide comprehensive and detailed disclosure of their sustainability performance, expanding the rules of the Non-Financial Reporting Directive (2014/95/EU). The directive must be implemented into German law by July 6, 2024. The content of the report is specified by the European Sustainability Reporting Standards (ESRS), in force since 2024.

28. To what extent is there a requirement on public bodies in your jurisdiction to disclose environmental information to parties that request it?

At the federal-level, information must be disclosed to the public in accordance with the Environmental Information Act. Access to environment-related information at the state and municipality level falls within the legislative competence of the federal states, which have all adopted similar legislation. Access to environmental information may be denied in order to protect certain public and private interests.

29. Have there been any significant updates in environmental law in your jurisdiction in the past three years? Are there any material proposals for significant updates or reforms in the near future?

Construction and operation of renewable energy plants in overriding public interest

The expansion of renewable energies has been privileged in Section 2 of the Renewable Energy Sources Act (*Erneuerbare-Energien-Gesetz 2023*), stipulating that the construction and operation of renewable energy plants is in the overriding public interest and is serving

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public safety. Until electricity generation in Germany is almost greenhouse gas-neutral, renewable energies are to be given priority in the consideration of protected interests to be carried out in each case. For example, when considering landscape protection regulations, renewable energy plants may be granted priority.

Corporate Sustainability Due Diligence Directive (CSDDD)

On December 14, 2023, a provisional agreement has been reached for the Corporate Sustainability Due Diligence Directive (CSDDD). It sets obligations for EU- and non-EU companies of a certain size regarding actual and potential adverse impacts on human rights and the environment, with respect to their own operations, those of their subsidiaries, and those carried out by their business partners. It applies to EU-companies with at least 500 employees and a net worldwide turnover over EUR 150 million and non-EU companies if they have over EUR 150 million net turnover generated in the EU, three years from the entry into force of the directive. Financial services will be temporarily excluded from the scope. Pecuniary penalties may amount up to 5% of the company's net turnover. Compliance with the CSDDD may also be qualified as a criterion for the award of public contracts and concessions. Since it needs to be implemented into German law, the directive will show its effects at the earliest in 2025.

Carbon Border Adjustment Mechanism (CBAM)

The Carbon Border Adjustment Mechanism (CBAM) ensures that a price is put on the carbon emitted during the production of carbon intensive goods that are entering the EU. It applies to cement, iron, steel, aluminium, fertilisers, electricity and hydrogen. On October 1, 2023, the CBAM entered its transitional phase, with the first reporting period for importers ending on January 31, 2024. The permanent system will enter into force in 2026. Each year, importers will need to declare the quantity of goods imported into the EU in the preceding year and their embedded greenhouse gases. According to those numbers, they will be obliged to buy the corresponding amount of CBAM certificates.

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