

# Navigating Carbon Border Adjustment Mechanism (CBAM) Pre-Verification: Key Requirements for Compliance

## Understanding CBAM

The European Union's CBAM regulation is designed to address carbon leakage by requiring reporting on carbon embedded emissions for certain goods and precursors imported into the EU. This regulation places rigorous third-party accredited verification requirements on exporters, aiming to create a level playing field for manufactures inside and outside the European Union. Unlike carbon accounting protocols and standards used for voluntary disclosures, such as the GHG Protocol, ISO 14064-1 and ISO 14067, CBAM requirements have unique complexities, which makes pre-verification essential for a smooth transition.

### Industries and products affected:

- Cement
- Iron and steel
- Aluminum
- Fertilizers
- Hydrogen
- Electricity

### Why CBAM pre-verification matters

Pre-verification can prepare exporters for the mandatory verification period, which takes effect on January 1, 2026. We perform CBAM pre-verifications following EU Emissions Trading System (ETS) verification rules and internal procedures for conducting verifications. Our proactive CBAM pre-assessment evaluates your emissions monitoring and reporting system against CBAM requirements. Our assessment helps identify errors, data gaps and improvement opportunities, providing exporters with valuable insights to meet upcoming regulatory demands.

### Key documentation for CBAM pre-verification

To support the pre-verification process, the following documentation is required:

- Monitoring methodology: a robust monitoring methodology is fundamental, detailing each stage of the emissions reporting system
- Manufacturing process flow: a comprehensive description of the production process is crucial to ensure all emissions are accounted for, fulfilling the CBAM completeness requirement
- GHG emissions accounting methodology: emissions calculations must align with CBAM regulations, including all prescribed monitoring methods, activity data and calculation factors

### Deliverables and benefits

Our pre-verification service provides a findings' log that identifies misstatements, non-conformities and areas for improvement. This log gives manufacturers ample time to address any gaps, ensuring readiness for third-party accredited verification when mandatory requirements take effect on January 1, 2026.

### SGS: Your trusted partner for CBAM compliance

With over 15 years of experience in EU ETS verification, we are industry leaders in verifying GHG emissions across all sectors covered by CBAM. Our global presence and expertise ensure that we can provide tailored CBAM solutions in your language and region. By choosing our pre-verification services, you can confidently prepare for compliance, mitigate risks and facilitate a smooth transition to CBAM's mandatory period.

**"Through our extensive expertise, robust compliance processes and commitment, we can help you accurately assess carbon emissions and navigate regulatory requirements effectively,"** Jerónimo Casas, Global Product Manager Climate Change and Sustainability Solutions.

### Contact us

Prepare your business for the future, find out more:  
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