

## Additional written evidence from CCm Technologies

### Supplementary information

CCm Technologies provided a response to the EAC's CBAM inquiry in October 2021. Having followed the progress of the inquiry submissions and general CBAM policy discussion, CCM wanted to provide supplementary information to the committee on its latest assessment of the benefits of applying a CBAM to specific sectors.

#### 1. CCm Technologies suggests a CBAM could be applied to 'low hanging fruit' sectors initially

The ability of sectors to transition to lower emission operations is constrained on a sector-by-sector basis by the technological progress and availability of cost-effective alternatives. There is therefore good reason to introduce CBAMs in incremental stages, starting with those industries where the adaptation would involve minor adjustment from sufficiently capable businesses resulting in significant emission reduction benefit.

CCm would suggest that the fertiliser sector in the UK should be included in the first category of CBAM applied industries.

The [agricultural fertilizer demand worldwide](#) has seen a slight but steady growth over the past decade. In 2020, it amounted to 188 million metric tons, and is [forecast](#) to surpass 208 million by 2025. The United Kingdom's fertiliser needs are approximately 3.75m tonnes per annum (Source: <https://www.cffertilisers.co.uk/about-us/>)

(Source: <https://www.statista.com/topics/4588/agricultural-fertilizer-market-in-the-uk/#dossierKeyfigures>)



Source: <https://tradingeconomics.com/united-kingdom/imports-of-fertilizers> Monthly £ pound sterling amounts totalling £777.6mn pa.

The nature and scale of activity in the fertiliser market mean there are approximately 11 leading fertiliser manufacturers in the global market.

Currently on average across Europe every tonne of fertiliser produced under traditional methods generates 3.3 tonnes of CO<sub>2</sub>e emissions, with the figure in excess of 6.6 in North America and 7.1 in Russia (Source: Fertilizer Europe [https://www.fertilizerseurope.com/wp-content/uploads/2020/01/The-carbon-footprint-of-fertilizer-production\\_Regional-reference-values.pdf](https://www.fertilizerseurope.com/wp-content/uploads/2020/01/The-carbon-footprint-of-fertilizer-production_Regional-reference-values.pdf) - Table 7/Page 14). In the market today, lower emissions alternatives can create direct analogues of conventional fertilisers with positive impacts on overall soil health while generating 80%+ lower emissions

ranging from 200kg per tonne to in some cases “Climate Positive” outcomes, critically produced at a cost competitive price.

By switching to biogenically derived alternatives for agricultural resourcing, the UK would save over half a billion tonnes of CO<sub>2</sub>e emissions by 2050.

The introduction of a CBAM to this sector would accelerate the adoption of less polluting alternatives, while helping the UK meet its emissions targets. As fertiliser falls into the Scope 3 carbon emissions category of many food retailers and manufacturers, it would also improve overall consumer footprints across the UK.

## **2. CBAM application is in line with the improving regulatory environmental in Europe**

CCm would highlight that the introduction of a CBAM is in line with progress being made in the European Union to incentivise the adoption of carbon reduction techniques while remaining competitive.

In its ‘Fit for 55’ package, the EU has proposed a new carbon border adjustment mechanism alongside revision and extension to the ETS. Recent Circular Economy legislation has also encouraged European firms to recover nutrients from waste processes thereby encouraging lower emissions fertiliser derived from captured waste carbon and repurposed industrial or water waste.

We would emphasise that rather than act as a measure to undermine competitiveness, the lack of application of a CBAM means domestic UK industry could end up acting slower than European counterparts and be punished for goods that embody more carbon in their manufacture.

## **3. Data collection available today can support accurate assessment of carbon emissions in products**

When designing a CBAM it's important to accurately understand the emissions being produced or captured as part of product manufacture.

CCm Technologies also wish to highlight the increased appetite for, and availability of, data relating to emissions reduction. Many of the most recent business pledges to net zero rely on accurate emissions reduction reporting, including the Race to Net Zero and The Amazon Climate Pledge.

At CCm, data collection is part and parcel of our carbon capture and fertiliser manufacture process. We have developed a cloud-based data platform delivering a full audit trail that enables businesses to accurately understand the contribution they're making to the climate crisis by providing integrity and validation to their net zero ambitions and critically, the impact on their Scope 3 carbon emissions (see last page pf document).

Rather than see CCm's data capture as an outlier, this reflects a trend in increased data recording and reporting, crucial to validating the efforts of UK PLC. With Transition Plans and TCFDs already being introduced in the UK alongside the business practices we're seeing in the field, data capture on the scale necessary to accurately assess emissions should not be seen as a significant hurdle to overcome, particularly in sectors such as fertiliser.

Figure 1: An example of the dashboard provided to CCm partners. This includes data about CO2 sequestered emission related (along the top). The dashboard provides links to the reporting and monitoring activities associated with the partnership



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