



POLICY BRIEFING

Making imported emissions count

Strengthening the climate dimension of EU trade and external economic policy

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The Traded Emissions Tracker

This brief is constructed around the findings of the Traded Emissions Tracker, a newly launched web platform developed by the European Climate Foundation (ECF) and the climate consultancy Matière that provides a visual overview of emissions linked to international trade covering the period from 2010 to 2023. Most climate statistics report emissions where they are physically released. Yet in a globalised economy, a large share of what we consume is produced abroad, generating emissions in the production country and not only the country of consumption. The tool's purpose is to make this consumption-based perspective tangible and clear to inform trade and climate policy.

The greenhouse gas (GHG) emissions embodied in international trade are presented visually, broken down by country, gas and sector. This includes the proportion of a country's (or group of countries') carbon footprint that is imported (emissions generated abroad for goods and services consumed domestically) and exported (emissions generated domestically for goods and services consumed abroad).

The tracker and its methodology can be accessed here: <https://emissions.netzerotrade.org/>

Key findings

- **The EU already has many of the tools needed to influence imported emissions, but they are fragmented across policy objectives and levels of governance.** Instruments such as CBAM, ESR, EUDR, FTAs and bilateral partnerships affect different parts of the EU's external emissions footprint but are not organised around a shared reduction objective.
- **Imported emissions data can make existing tools more strategic.** This data can identify partner countries, sectors and value chains where EU demand is associated with the largest emissions and help prioritise regulatory action, investment and cooperation.
- It can help **align decarbonisation with the EU's wider competitiveness and resilience objectives** by prioritising cleaner production in strategically important value chains and strengthening demand for low carbon products.
- **A coherent approach must combine market regulation with cooperation and investment.** This briefing's case studies show that reducing imported emissions requires different policy mixes, from industrial decarbonisation and product requirements to bilateral partnerships and platforms for cooperation.
- **Imported emissions scope must extend beyond industrial carbon pricing.** Significant emissions embodied in EU imports originate in sectors such as agriculture, land use, power generation and extractive industries, requiring a broader toolbox than carbon pricing.
- **Establish a dedicated EU strategy on imported emissions.** The strategy should establish a common objective and monitoring framework for reducing emissions embodied in EU consumption, using sector- and partner-level carbon-intensity indicators and assess how existing EU policies are collectively reducing emissions associated with EU consumption.

1. Introduction

In September 2026, the Institute for European Environmental Policy (IEEP) published a briefing presenting an overview of emissions embodied in EU imports¹ using findings from the Traded Emissions Tracker. That briefing finds that the EU's greenhouse gas (GHG) consumption footprint is 21% higher than its territorially produced emissions. Around 1.4 billion tonnes CO₂ equivalent (tCO₂e) of this footprint are generated outside and imported into the EU. The main origins of imported emissions come from power generation, mining and fossil fuel extraction, crop and animal production and base metals. However, despite their substantial contribution to the EU's GHG footprint, imported emissions are not yet adequately accounted for within the EU's climate policy, which remains primarily focused on reducing territorial emissions.

The EU has a growing range of policies aimed at addressing the environmental and carbon footprint of EU consumption, including the Carbon Border Adjustment Mechanism² (CBAM), the EU Deforestation Regulation³ (EUDR), and the Ecodesign for Sustainable Products Regulation⁴ (ESPR), alongside trade agreements, international partnerships, and multilateral platform for engagement on climate action. The main policy gap is not necessarily the absence of relevant instruments but the lack of a coherent policy approach capable of bringing them together around a shared and measurable objective.

This briefing argues that a dedicated objective for reducing imported emissions could provide a common goal against which industrial, external partnership, trade, and product policies can be evaluated. The briefing therefore considers both how the existing external policy toolbox could contribute to its delivery and where such an objective could be situated within EU climate policy. This briefing does not aim to propose a precise legal form for such an objective or strategy but identifies possible key elements needed to establish a coherent EU approach to reducing emissions associated with EU consumption.

2. Existing toolbox

The EU has several existing instruments at its disposal that could influence the emissions embodied in the EU's imports. While some, such as CBAM, address emissions embedded in imported products, others pursue broader environmental, trade or investment objectives while potentially influencing emissions generated along international supply chains. These instruments operate through different channels and at different levels of governance, without being organised around a common objective to reduce the emissions associated with EU imports.

At the unilateral level, the EU increasingly uses access to its market to influence the environmental performance of products and production methods abroad. The CBAM

applies a carbon price to the embedded emissions of selected carbon-intensive imports, while the EUDR conditions market access for selected commodities on deforestation-related requirements. The EUPR provides a framework for introducing sustainability requirements across a wider range of products, including information and performance requirements related to environmental impacts such as carbon and environmental footprints.

These measures emerged from a broader recognition under the European Green Deal that the environmental impacts associated with EU consumption extend beyond its territorial borders. However, more than five years later, their implementation remains relatively recent and their coverage partial: each addresses particular products, sectors or environmental impacts. Meanwhile, the EU's broader policy agenda has evolved towards a stronger focus on competitiveness, resilience and strategic autonomy, notably through the Clean Industrial Deal⁵ (CID) and the Competitiveness Compass⁶.

At the bilateral level, trade and investment agreements, and partnership frameworks open other avenues for cooperation on imported emissions. Free Trade Agreements (FTAs), including their Trade and Sustainable Development (TSD) Chapters⁷, provide well established platforms for regulatory dialogue and cooperation on climate and environmental issues. Other bilateral partnerships covering sustainable investment, industrial transition and raw materials, such as Clean Trade and Investment Partnerships⁸ (CTIPs), Sustainable Investment Facilitation Agreements⁹ (SIFAs), Just Energy Transition Partnerships¹⁰ (JETPs), Strategic Partnerships on Energy and Critical Raw Materials¹¹ (CRMs) and bilateral climate dialogues¹² provide a more targeted sectoral approach compared to FTAs. These partnerships largely aim to boost cooperation and steer investment to decarbonising energy systems, industrial processes and support strategic clean supply chains underpinning EU imports.

International trade and climate cooperation platforms have also taken off, aiming to improve coordination between trade and climate policies. Examples include the Climate Club¹³, the WTO's Trade and Environmental Sustainability Structured Discussions¹⁴ (TESSD), and the Coalition of Trade Ministers on Climate¹⁵, alongside newer initiatives under the UNFCCC and the OECD. The Integrated Forum on Climate Change and Trade¹⁶ (IFCCT) and the UNFCCC's dialogue on trade and climate change¹⁷ provide dedicated spaces for discussion of the interaction between trade and climate action. The OECD's Inclusive Forum on Carbon Mitigation Approaches¹⁸ (IFCMA) gathers countries to discuss and improve data sharing, methodologies and understanding of the international spillovers of climate policies. These initiatives offer avenues for greater cooperation on critical issues to address imported emissions, such as carbon-intensity methodologies, monitoring, reporting and verification (MRV), and the interoperability and mutual recognition of emissions data and systems.

The table on the following pages (6-7) provides a comparative overview of selected EU unilateral, bilateral and plurilateral instruments that already influence or could potentially influence emissions embodied in EU imports. Each instrument is briefly assessed from a common viewpoint: their primary policy focus, their relevance to imported emissions, the potential added value of using imported emissions data to guide their application, and their main limitations. The objective is not to suggest that all these tools should become dedicated imported emissions instruments, but to identify the different potential entryways in which these instruments together could contribute to a coherent EU approach to reducing the emissions associated with its consumption.

After a review of the available instruments, we find that the EU already possesses many regulatory, cooperative and diplomatic tools capable of influencing imported emissions, where traded emissions-data would better inform prioritisation of product groups or supply chains. The main limitation is the current fragmentation of these tools across objectives, sectors and levels of governance. Some instruments can measure or differentiate environmental performance but apply only to selected products or impacts: the CBAM and the ESDR can distinguish products according to emissions-related performance, while the EUDR demonstrates how market access can be conditioned on environmental impacts generated abroad. Other instruments, including FTAs, CTIPs and SIFAs, can support the decarbonisation of production and investment in partner countries, but do not currently use traded emissions-data systematically to set priorities or assess results. International initiatives such as the Climate Club, TESSD, the Coalition of Trade Ministers on Climate, and initiatives under the UNFCCC and the OECD remain critical create wider support for tackling imported emissions as a key part of climate action, while advancing common methodologies, policy coordination and political cooperation.

A common imported emissions objective could provide the strategic link between these functions, using information on the EU's imported emissions footprint, trade patterns and carbon-intensity to identify where regulatory action, cooperation and international coordination could have the greatest impact. Importantly, addressing emissions embodied in EU imports not only supports overall decarbonisation, but can also contribute to the EU's wider objectives concerning competitiveness and economic resilience. First, ensuring carbon costs faced by EU producers are reflected in imported products can help level the playing field for decarbonising producers. Second, encouraging low carbon production in sectors and value chains supplying the EU can reduce exposure to fossil fuel price shocks and subsequent production and price impacts, while prioritising resilience of strategic supply chains. Finally, greater demand for low carbon products can provide greater certainty for with green investments, thereby reducing investment risks and supporting the development of markets and value chains in which the EU has strategic interests.

Table 1: Overview of selected EU unilateral, bilateral and plurilateral instruments, their potential to influence emissions embodied in EU imports and key limitations

	Instrument	Primary policy focus	Imported emissions relevance	Potential added value of imported emissions data	Key limitations
Market access rules	CBAM	Carbon leakage and differences in carbon pricing for selected carbon-intensive industrial goods.	Directly , but narrowly due to sectoral coverage.	Yes , traded-emissions data could identify major imported emissions sources beyond current CBAM sectors.	Limited sectoral coverage, though an expansion to additional downstream products is under negotiation; focused on carbon leakage rather than the EU's wider imported emissions footprint.
	EUDR	Deforestation and forest degradation associated with EU consumption of cattle, cocoa, coffee, palm oil, rubber, soy, wood and derived products.	Indirectly , not a direct emissions-accounting instrument but affects emissions linked to land-use change and deforestation embodied in EU imports.	Yes, when combined with land-use emissions data. Imported emissions evidence could help identify commodities/origins where deforestation-related rules intersect with particularly large GHG footprints.	Commodity- and impact-specific; focuses on source deforestation. Implementation only begins at the end of 2026/2027 following delays and simplification.
	ESPR	Unsustainable product design and lifecycle environmental impacts. It establishes a framework for product-specific information and performance requirements.	Indirectly , environmental-footprint requirements (expected to include climate change) introduced for imported products placed on the EU market.	Yes. Imported emissions data could help prioritise product groups where carbon-footprint requirements would address significant external emissions.	Framework legislation; impact depends on product-specific rules and implementation priorities.

Cooperation frameworks	FTAs / TSD chapters	Environmental and labour effects associated with trade; implementation of environmental agreements; cooperation on climate, circular economy and sustainable supply chains.	Potentially and indirectly. FTAs could influence production abroad through commitments, dialogue, cooperation and implementation mechanisms, but do not measure imported emissions as an outcome.	Yes , partner- and sector-level emissions data could identify high-emission bilateral value chains and inform TSD implementation priorities, and cooperation agendas.	Sustainability provisions currently not aimed around reducing emissions embodied in trade; outcomes depend heavily on implementation and cooperation.
	Bilateral investment, industrial and transition partnerships	Clean industrialisation; investment facilitation; supply chain resilience; decarbonisation of strategic supply chains; avenues for dialogue and cooperation. E.g., CTIPs, SIFAs, JETPs, Strategic partnerships on CRMs, bilateral climate dialogues.	Potentially , they could influence embodied emissions by boosting cooperation and steering investment towards decarbonising energy systems, industrial processes and supporting strategic clean supply chains underpinning EU imports.	Yes , the data could help identify sectors/value chains where clean investment and cooperation would simultaneously improve resilience and deliver the largest emissions reductions while aligning resilience and diversification objectives.	High heterogeneity in mandate, sector and partner coverage, proven effectiveness.
Dialogue platforms	Plurilateral trade and climate cooperation	Trade and climate dialogue; policy coherence; political coordination. E.g., Climate Club, WTP TESSD, Coalition of Trade Ministers on Climate.	Indirectly , imported emissions are not systematically considered but these fora can improve the international coordination on methodologies needed to distinguish emissions intensity across traded industrial products.	Yes , the data could help identify sectors and trade relationships where common methodologies, industrial cooperation and low-emission markets are most relevant.	Plurilateral, voluntary and cooperative rather than regulatory.

3. Testing the toolbox

The following section presents three country examples to test how the EU's existing policy toolbox could work in practice when viewed through an imported emissions lens. Building on the analysis from IEEP's previous brief on import emissions which focuses on the EU's largest sources of imported emissions – China, the United States and Russia – this briefing selects India, Indonesia and Brazil because they represent different emissions profiles, policy challenges and all feature new FTAs that have already or will enter into force in the near future: (i) India highlights the interaction between industrial emissions, power generation, CBAM, ESRP and a newly concluded FTA; (ii) Indonesia brings together critical raw materials, strategic supply-chain diversification and the need to decarbonise extractive and energy-intensive production; and (iii) Brazil illustrates the challenge of addressing agricultural, land-use and extractive emissions through a combination of trade, supply-chain and sustainability instruments.

For each partner, the analysis starts from the emissions hotspots identified by the Traded Emissions Tracker. The Tracker identifies sectors accounting for the largest shares of emissions embodied in EU imports, while wider evidence on trade patterns and production characteristics can help assess the emissions intensity of these sectors and identify where decarbonisation efforts could be most relevant. Then, existing EU instruments relevant to the partner country are considered to see where gaps remain, and how a more coherent combination of regulatory, bilateral and international tools could contribute to reducing emissions associated with EU demand.

3.1. EU-India

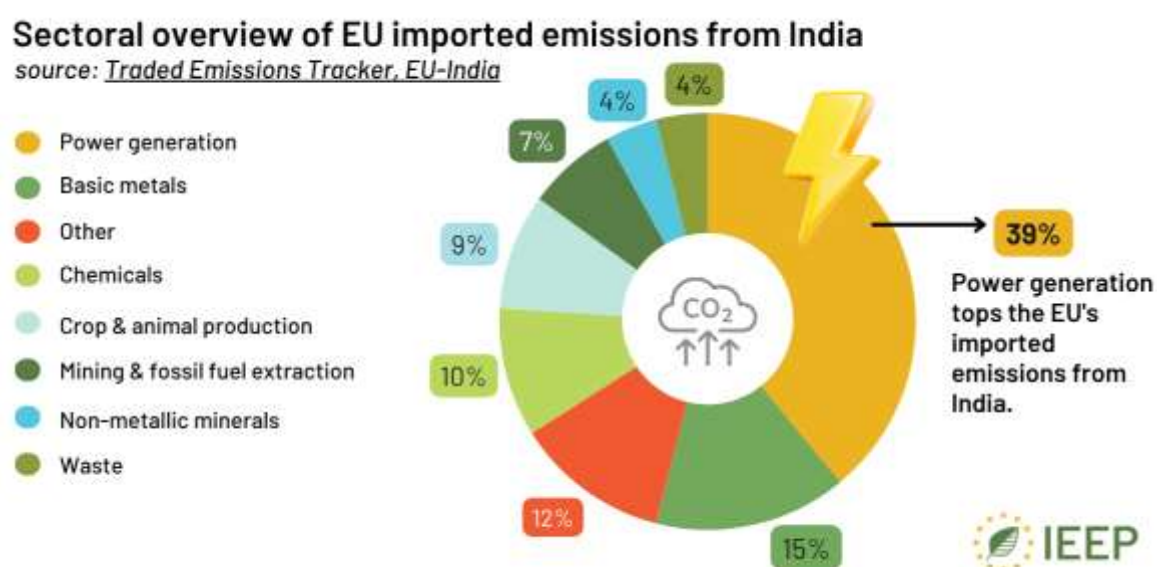
Traded emissions tracker signal

India is the fourth-largest source of the EU's imported emissions after China, the United States and Russia, making up 4.7% of the total. In 2023, EU consumption was associated with 66.37 million tonnes of CO₂ equivalent (MtCO₂e) generated in India, with around 40% of these emissions originating from power generation and 15% from basic metals processing. The EU is also a significant destination for emissions embodied in Indian exports, accounting for 13% of India's exported production-based emissions, second only to the United States (18%).

In 2023, the EU imported approximately 1.5 million tonnes of clothing from India¹⁹. Accounting for cradle-to-gate emissions²⁰, the production of a virgin cotton T-shirt in India emits around 2.45 kg CO₂e, but the environmental impacts of clothing production extend well beyond greenhouse gas emissions²¹. Water use and scarcity are particularly relevant: India accounts for around 12% of the global apparel sector's water-scarcity footprint, second only to China²². While the scale and nature of these impacts vary

considerably according to fibre composition and production methods, the volume of EU imports points to a significant environmental footprint embedded in European consumption, much of which falls outside the scope of emissions-focused policy instruments.

Figure 1: Sectoral overview of EU imported emissions from India (source: Traded Emissions Tracker, EU-India)



EU policy context and the current toolbox

India represents a large and strategically important market with which the EU has recently deepened its economic relationship²³. In January 2026, the EU announced that negotiations on the EU-India FTA had concluded and revealed that the pair had also signed a Memorandum of Understanding to establish a platform for cooperation and support on climate action. Moreover, the EU pledged €500 million over two years to advance India's sustainable industrial transition²⁴.

Cooperation on trade goes back to 2023 with the EU-India Trade and Technology Council (TTC)²⁵ which includes working groups on green and clean energy technologies, and trade, investment and resilient value chains. At its third ministerial meeting in July 2026, the TTC reaffirmed their commitment to cooperate on strategic value chains and clean energy technologies²⁶. The TTC complements the wider EU-India Clean Energy and Climate Partnership (CECP) which was established in 2016²⁷.

These instruments are particularly relevant given the composition of the EU's imported emissions from India. A large share originates in power generation and basic metals production, while India's energy system and iron and steel production remain heavily dependent on fossil fuels²⁸. This places industrial decarbonisation at the centre of the bilateral relationship and makes the CBAM directly relevant for covered products such as iron and steel and aluminium. India is among the top exporting third countries of

CBAM-covered imports²⁹, and the EU and India have engaged bilaterally on CBAM implementation and emissions reporting.

Beyond the CBAM, the ESPR is another instrument highly relevant to India, as a significant exporter of iron and steel but also clothing, all of which are covered by the ESPR's first working plan. Together, the CBAM and the ESPR could provide complementary incentives for industrial transformation: the CBAM by creating a direct carbon-price signal for selected emissions-intensive imports, and the ESPR by influencing a broader range of production characteristics through product-specific requirements, including carbon and environmental footprints, water use, resource efficiency, recycled content, durability and recyclability³⁰.

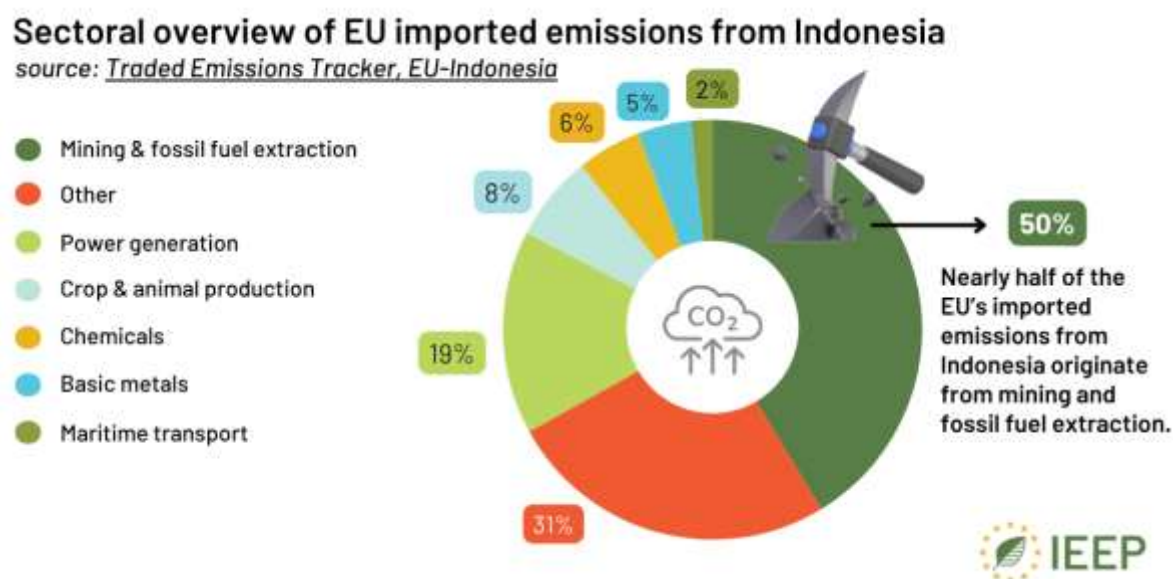
Existing tools such as the CBAM, the ESPR, the trade agreement, and additional cooperative initiatives such as the climate-action platform for industrial-transition, the TTC, and the CECP establish several channels through which the EU can influence emissions embedded in its imports. Still, these tools address different objectives. The contribution of power generation in the total imported emissions points to a broader decarbonisation challenge that requires cooperation on energy and industrial transformation including upstream investment in low-carbon product design and production methods beyond border measures for carbon-intensive goods.

3.2. EU-Indonesia

Traded emissions tracker signal

Indonesia is the 12th-largest source of the EU's imported emissions with 21.43 MtCO₂e generated in Indonesia for EU consumption in 2023. The Southeast Asian nation plays a leading role in global mineral supply chains, accounting for around 63% of global mined nickel³¹. This extraction-oriented country profile is reflected in the Traded Emissions Tracker: almost half of the EU emissions embodied in EU imports from Indonesia originate in the mining and fossil fuel sector. Power generation is the second-largest source responsible for 19.4% of imported emissions and reflecting the carbon intensity of electricity used across production chains supplying the EU.

Figure 2: Sectoral overview of EU imported emissions from Indonesia (source: [Traded Emissions Tracker, EU-Indonesia](#))



EU policy context and the current toolbox

In September 2025, the EU and Indonesia concluded negotiations on a Comprehensive Economic Partnership Agreement (IEU-CEPA)³² which aims to expand trade and investment opportunities to a market of more than 280 million consumers while improving the resilience and diversification of EU supply chains. Indonesia is especially important for the EU's green and industrial transition as a major miner of critical raw materials, notably nickel and cobalt³³. In this context, it's worth examining the EU-Indonesia relationship to see if deeper trade and raw-material cooperation could also support decarbonisation of the production systems supplying the EU. In addition to broader market access, the IEU-CEPA creates a new framework for bilateral dialogue and cooperation on trade-related sustainability issues in addition to managing longstanding tensions over nickel export restrictions. However, many climate and environmental provisions still rely primarily on cooperation rather than enforceable commitments. Therefore, additional action is necessary to translate these commitments into tangible outcomes for climate and environment³⁴.

The pair's broader bilateral cooperation already makes use of several instruments. Most notably, the EU participates in Indonesia's JETP, which aims to accelerate the decarbonisation of the Indonesian power sector through public and private finance and policy support. Substantial financing has already been committed by Team Europe under the partnership, including support for renewable energy and reducing energy generation emissions³⁵. This is particularly relevant given that energy generation accounts for almost 20% of emissions embodied in EU imports from Indonesia. Indonesia is also a member of the Climate Club, creating a further channel for cooperation on industrial decarbonisation, carbon-intensity methodologies and low-emission production.

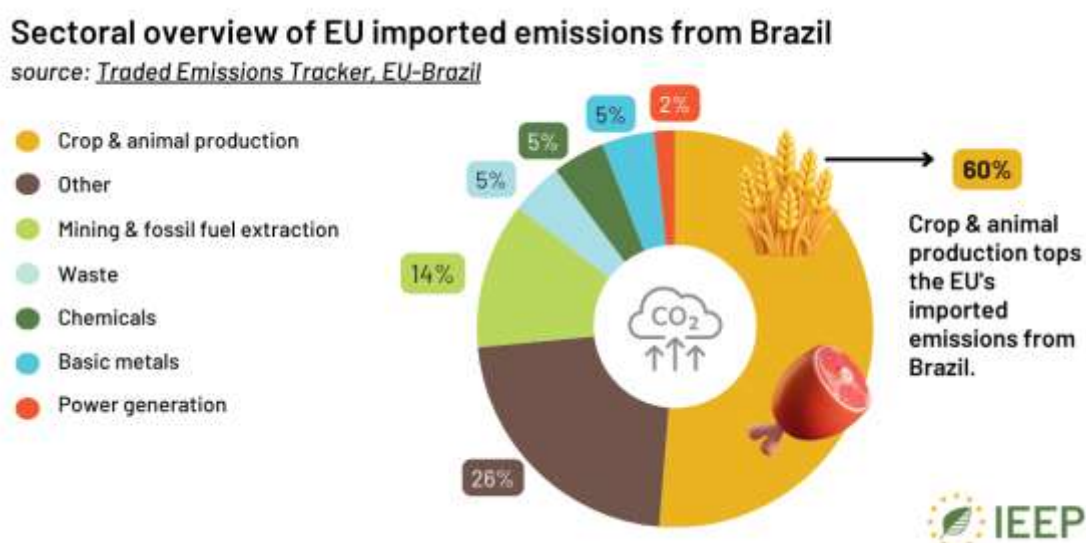
These instruments together create a complementary policy mix: the IEU-CEPA addresses market access, trade and investment in raw materials; the JETP targets the carbon intensity of the power system underpinning production; and the Climate Club provides a plurilateral forum for cooperation on industrial decarbonisation. Though potentially useful to complement the IEU-CEPA in the future, there is currently no EU-Indonesia Strategic Partnership on CRMs comparable to those established with some other resource-rich partners. Closer cooperation on raw materials could provide an additional avenue for linking security of supply, investment and the environmental performance of extraction and processing. More broadly, the existing instruments remain organised around separate objectives rather than a shared imported emissions outcome.

3.3. EU-Brazil

Traded emissions tracker signal

Brazil is the sixth-largest source of the EU's imported emissions with 29.31 MtCO₂e generated for EU consumption in 2023. Reflecting Brazil's importance as a producer and exporter of agricultural commodities, crop and animal production account for around 60% of the emissions embodied in EU imports. However, the emissions profile is not exclusively agricultural: 13.6% originates in mining and fossil fuel extraction. This is consistent with the broader EU-Brazil trade relationship, in which fuels and mining products, including oil and iron ore, also represent a significant share of Brazilian exports to the EU³⁶. The EU is Brazil's second-largest destination for emissions embodied in its exports, underlining the relevance of EU market access and trade policy in shaping emissions-intensive production.

Figure 3: Sectoral overview of EU imported emissions from Brazil (source: [Traded Emissions Tracker, EU-Brazil](#))



EU policy context and the current toolbox

Brazil provides a different perspective given the weight of agricultural and land-related emissions in the traded emissions footprint. The EU and Mercosur signed the Partnership Agreement and interim Trade Agreement in January 2026, with the interim agreement provisionally applying since 1 May 2026³⁷. Sustainability concerns have remained politically prominent throughout the negotiations, particularly around commodity-driven deforestation.

The agreement's TSD Chapter includes the Paris Agreement as an "essential element" of the agreement and features an annex to the TSD Chapter which reiterates the Parties' joint commitment to tackling climate change³⁸. The agreement also includes a chapter on sustainable agriculture and food systems, though the provisions are non-binding and rely heavily on the Parties' cooperation efforts. These bilateral platforms for dialogue are particularly relevant in light of recent news that Brazil lost EU authorisation for exports of beef, poultry, aquaculture products and honey as the country had not provided sufficient guarantees of compliance with the EU's new antimicrobial-use requirements³⁹.

Separate EU market-access requirements also operate alongside the trade agreement. The EUDR applies to commodities such as soy and beef and requires covered products placed on the EU market to be deforestation-free. This is particularly relevant given that crop and animal production account for around 60% of emissions embodied in EU imports from Brazil.

At the multilateral level, Brazil participates in the WTO's TESSD, including work on trade-related climate measures, sustainable supply chains and sustainable agriculture. Taken together, the Mercosur agreement, EUDR, sustainable food systems cooperation and multilateral engagement provide several avenues for addressing environmental impacts associated with EU demand.

What a coherent approach on import-emissions could change

The three case studies reach a common conclusion: the EU has a broad range of instruments at its disposal that could influence emissions embodied in its imports. However, these tools are not currently organised around a shared imported emissions outcome. By adopting a more coherent approach, their collective impact on reducing imported emissions could be strengthened through the following avenues:

Use imported emissions data to set priorities. Data on traded emissions can help identify where EU demand is associated with significant emissions and where the EU's imported emissions footprint is concentrated. Combined with information on carbon-intensity and production characteristics, this can help identify where existing instruments could be deployed more strategically. For example, in India the large share of imported emissions in power generation and basic metals production

indicates that these sectors represent significant components of the emissions footprint associated with EU demand, while additional carbon-intensity data can help assess where the greatest opportunities for decarbonisation lie. Applying an imported emissions-lens to the instruments currently in play could mean that EU-India cooperation under the FTA and the TTC prioritises efforts to decarbonise power generation and heavy industry through investment and regulatory cooperation, with special focus on the CBAM and the ESPR implementation. With CBAM covering embedded carbon in carbon-intensive goods, the ESPR could influence production across a wider set of environmental impacts, including carbon and environmental footprints, water and resource use, recycled content and circularity.

Establish a common framework for monitoring changes in the EU's consumption-based emissions footprint. This should combine information on the overall imported emissions footprint with carbon-intensity indicators at sector and trade partner level. This would allow the EU to track levels and changes in the emissions embodied in its consumption, while intensity indicators would help assess changes in the emissions intensity of production supplying the EU as opposed to limiting import volumes from specific sector or trading partners.

Connect supply-chain resilience with decarbonisation. Indonesia illustrates why strategic diversification and security objectives should also account for the emissions intensity of the production systems supplying the EU. The CEPA, the JETP, and cooperation through the Climate Club already provide channels for trade, investment, power-sector decarbonisation and industrial cooperation. An imported emissions strategy could harmonise these agendas, ensuring that efforts to secure access to critical raw materials such as nickel are accompanied by support for cleaner extraction, processing and energy supply.

Extend the approach beyond carbon-intensive industry. Brazil demonstrates that a coherent imported emissions strategy cannot rely primarily on instruments modelled on CBAM. Crop and animal production embody the largest share of imported emissions from Brazil, but these agricultural goods require a different combination of tools such as the EUDR and sustainable food systems cooperation under the EU-Mercosur agreement. Therefore, an imported emissions-lens could help identify where agricultural supply chains and other sectors such as mining and fossil fuel extraction contribute significantly to the EU's footprint .

Combine regulatory incentives with cooperation and investment. The three case studies show how unilateral measures can create market incentives or requirements for cleaner production, while bilateral and plurilateral cooperation can help partners mobilise the investment, technology and policy changes required to respond. The idea is not to replace these existing instruments with a single imported emissions policy. Instead, a common objective on imported emissions across these instruments could

help to identify where regulatory action, cooperation, investment and international coordination are most effectively implemented.

Assess the combined outcome. The principal gap across the three cases is the absence of a common benchmark against which the contribution of these different instruments can be assessed. A dedicated imported emissions reduction objective could provide this strategic link, allowing the EU to evaluate whether its trade, industrial and partnership policies are collectively reducing the emissions associated with EU consumption rather than addressing individual parts of the footprint in isolation.

4. Towards a coherent EU approach on imported emissions

The analysis above suggests that the main policy gap is not that there are no tools capable of influencing imported emissions, but that their implementation would be lacking in the absence of a common objective. An EU objective for reducing imported emissions could provide this strategic function. It could give greater direction to the use of existing trade, industrial and partnership instruments, help identify priority sectors and partner relationships, and provide a basis for monitoring whether these policies are collectively reducing the emissions associated with EU consumption. It could also help align decarbonisation with the EU's wider competitiveness and resilience objectives by prioritising cleaner production in strategically important value chains and strengthening demand for low carbon products.

As imported emissions reflect a different dimension of the EU's climate footprint, an imported emissions objective should aim to complement the EU's territorial climate targets. The objective could be expressed as a reduction in emissions embodied in EU imports over time, supported by sectoral and partner-level indicators to guide implementation.

Establishing an objective through a dedicated strategy

A dedicated EU strategy on imported emissions could provide a useful starting point for establishing this objective and translating it into a coherent policy framework. This strategy could allow the EU to develop the necessary evidence base and policy architecture without immediately requiring a quantified reduction target, while being able to account for the overarching nature of imported emissions across the EU's economy. Such a strategy could establish four main elements:

1. **An EU-level objective** formally recognising the reduction of emissions embodied in EU imports as complementary to EU climate policy.
2. **A common monitoring framework** combining the EU's consumption-based emissions footprint with carbon-intensity indicators at sectoral and trading-partner level. This would help differentiate emissions associated with high import volumes from carbon-intensive imports, and identify sectors and trading relationships driving changes.
3. **A policy mapping and assessment framework** linking the objective to relevant EU trade, industrial, environmental and partnership instruments. This would allow the EU to identify where existing policies and measures can contribute to reducing imported emissions and where gaps or overlaps exist.
4. **A systematic review process** assessing how EU policies and measures are contributing to changes in the EU's consumption-based footprint and identifying where additional action or adjustments are required.

Importantly, establishing a strategy on imported emissions does not require the EU to immediately adopt a quantified percentage reduction target. Establishing a common EU-level indicator and baseline would allow the EU to track changes in its consumption-based emissions footprint, identify priority sectors and trading relationships, and assess the contribution of existing EU policies over time.

One benefit of a standalone strategy is that it can provide a clearer basis for coordinating the different instruments examined in this briefing. These existing policies would remain the principal tools to influence imported emissions as opposed to creating a new overarching regulatory instrument for imports. For example, on unilateral measures: the CBAM could contribute through its effect on the carbon intensity of covered industrial imports; the EUDR through reducing deforestation-related emissions in relevant supply chains; the ESPR through product-level environmental requirements. Bilateral tools such as FTAs and investment or transition partnerships could contribute through cooperation, investment and support for cleaner production.

A common imported emissions objective would provide the strategic link between these different approaches while a systematic review process would allow for the cumulative effectiveness of these instruments in reducing imported emissions to be assessed. Over time, as the evidence base and methodologies improve, this could provide a foundation of knowledge to develop a quantified reduction trajectory and strengthen the contribution of imported emissions-relevant policies in both climate action and the EU's competitiveness and resilience objectives.

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