

(English version)

Question for written answer E-002051/25
to the Commission
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(21 May 2025)

Subject: Protecting circular steel production by adopting a legal definition of green steel and amending CBAM

Presented in March 2025, the EU steel action plan aims to make the European steel industry more competitive, but does not provide a clear definition of the term ‘green steel’. The absence of objective criteria for production processes (their carbon footprint, the type of energy and raw materials they use) makes it impossible to introduce a labelling system that incentivises low-emission processes.

This legal vacuum is also reflected in the current design of the EU’s Carbon Border Adjustment Mechanism (CBAM), which does not guarantee a level playing field between EU producers and importers. Basing CBAM on the Emissions Trading System’s (ETS) free allocation benchmarks — which unfortunately take into account the process used rather than the product’s actual carbon footprint — will grant seamless access to the European market to third country steel products made using gas and virgin raw materials (DRI-EAF). Such a state of affairs would put the companies that use recycled scrap and renewable energies — which have to buy ETS credits for all their emissions — at a disadvantage.

In the light of the above:

1. Will the Commission provide a legal basis for green steel that is based on a product’s actual carbon footprint?
2. Will it amend CBAM to prevent any distortions that will harm circular steelmaking processes for flat and long products?
3. How will the Commission push for decarbonised steel to be included in industrial policies and public tenders?

Submitted: 21.5.2025

Answer given by Executive Vice-President Séjourné on behalf of the European Commission
(31 July 2025)

Under the Clean Industrial Deal⁽¹⁾ (CID), the Commission announced that the upcoming Industrial Decarbonisation Accelerator Act⁽²⁾ (IDAA) will develop a voluntary label on the carbon intensity of industrial products, starting with steel, based on a simple methodology with Emissions Trading System data and building on the Carbon Border Adjustment Mechanism⁽³⁾ (CBAM) methodology.

The label will be designed to provide frontrunners a transparent mechanism to earn a green premium and drive the development of low-carbon lead markets.

In parallel, the Commission will continue working on developing comprehensive life-cycle assessments, building on the IDAA’s voluntary label where relevant.

By the end of the transitional phase of the CBAM, the Commission will conduct a comprehensive review of its implementation which will examine key issues, including the role of scrap in steel production.

The Commission is aware of the particular situation associated with this and is assessing the issues and potential solutions, as appropriate ways to address them.

As announced in the CID⁽⁴⁾ and in the European Steel and Metals Action Plan⁽⁵⁾, the upcoming IDAA will introduce resilience and sustainability criteria to foster clean European supply for energy-intensive sectors, such as steel.

⁽¹⁾ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52025DC0085>.

⁽²⁾ [https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=PI_COM:Ares\(2025\)3570423](https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=PI_COM:Ares(2025)3570423).

⁽³⁾ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32023R0956>.

⁽⁴⁾ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52025DC0085>.

⁽⁵⁾ https://ec.europa.eu/commission/presscorner/detail/en/ip_25_805.