

STEEL ACTION PLAN

Blueprint to make renewablesbased steel the new normal





EEB steel action plan

The European Environmental Bureau (EEB) represents more than 30 million concerned individuals active in over 180 citizens-led environmental NGOs, small and big, across 41 countries.

Introduction

This plan outlines the needed actions to drive the steel sector towards more sustainable production routes, while keeping it at the forefront of innovation. Avenues to de-pollute and decarbonise steelmaking are available: the phase-out of fossil-based production processes, the prioritisation of circularity and efficiency strategies and the use of policy levers along the value chain, such as public and private procurement, should together lead to make renewables-based steel the new normal.

Most stakeholders and analysts broadly agree on the way forward for the steel sector, which includes preventing the downcycling of steel scrap, promoting its reuse and ensuring its application in high-quality products, accelerating electrification, removing barriers to deploying renewable electricity and renewable hydrogen, securing a socially-just transition where the workforce is properly re-skilled and upskilled, promoting renewables-based steel on markets and mobilising both private and public resources.

In line with the EU's ambition to transform the steel sector, we take this opportunity to recommend that the **Steel and Metals Action Plan** prioritises the following actions:

- Focusing on the most energy and material-efficient production routes. Scrap-based steel must be the focus, with greater attention given to improve scrap quality and prevent downcycling.
- **Prioritising the modernisation of electricity grids** and the development of a hydrogen infrastructure in line with credible needs.
- **Ensuring renewable electricity is the cheapest option.** Levies, taxes and subsidies should be urgently reformed to make this a reality and further incentivise the use of tools such as renewable Power Purchase Agreements.
- Advancing a "Steel Union" approach when it comes to funding to maximise efficiency of public and private funding through supporting EU-based trade flows instead of outdated state-based steel production. This approach would support renewables-based reduced iron trade within the EU and with third countries as an alternative to each integrated steel site having its own H2-DRI plant, where site conditions are not favourable (e.g. lack of renewables or hydrogen infrastructure, unfavourable iron ore transportation conditions).
- **Ensuring adequate investment flows** based on clear conditionalities on emission reduction targets (e.g. phase out of fossil fuels) and on a prominent role for private capitals.
- **Exploring and setting new trade flows.** They should be socially just, provide long-term benefits to both trade partners and the EU, and include reciprocity mechanisms to safeguard and promote EU social and environmental standards.



- **Strengthening standards to drive the uptake of renewables-based steel** in lead markets to complement market-based instruments such as CBAM and the EU ETS.
- Focusing R&I efforts on increasing the availability of high-quality scrap and advancing iron-ore based production routes based on direct electrification to be market-ready within the next decade.
- 1. Circularity and Material Efficiency



Figure 1 - Steel scrap availability vs steel production in Europe (source: Material Economics)

a. **Policies should prioritise the use of scrap-based steel, as well as a more efficient use of steel**. Steel can be used more efficiently through better product design, lightweighting and lifetime extension of products. In this respect, the notion that scrap



is scarce is misguiding; the EU can fulfil most of its steel demand using scrap-based production¹.

- b. **Scrap-based steel should be used for high-quality applications**. Products containing steel should be designed to prevent steel downcycling and preserve its qualities after the first use. For instance, steel contamination with copper should be prevented through accurate design and improved sorting and collection aimed at keeping the value of both materials. Structural steel having lower GHG emissions compared to other steel products should be deconstructed and reused and not downcycled as scrap to the best extent possible.
- c. **Over-reliance on the iron ore-based route should be avoided to use energy more efficiently and lower the need for renewable electricity and hydrogen.** Scrapbased steel production (EAF) is 4 times more efficient that the iron-ore based using hydrogen (H2-DRI-EAF route) in terms of energy consumption. When it comes to costs, the marginal cost premium of the EAF route for flat steel products is 8-13% compared to 35-70% of the H2-DRI-EAF route².

Recommendations

- Prioritise the scrap-based route in legislation. Its inherent efficiency in terms of energy use should be recognised, as well as the fact that it is cheaper and with a production route having an intra-EU value chain from raw materials to final products.
- Design products with material efficiency and end-of-life in mind to prevent material waste, make recovery of steel easier and prevent contamination leading to downcycling.
- Improve sorting and collection of scrap according to their grades, as well as closed loops for specific alloys and for specific uses of steel to prevent downcycling and increase reuse (e.g. structural steel in construction).
- Implement stricter export policies at the EU level for scrap, given that the EU exports 18 million tonnes of steel scrap yearly³.

¹ Material Economics (2020). Preserving value in EU industrial materials - A value perspective on the use of steel, plastics, and aluminium.

² World Economic Forum (2023): Steel industry net-zero tracker (via EuRIC)

³ <u>https://gmk.center/en/news/eu-could-become-scrap-importer-in-less-than-5-years-forecast/</u>



2. Electrification



Figure 2 - Electrification enablers (source: Regulatory Assistance Project)

- a. When iron-ore based steel is needed, electrified processes should be prioritised, being more efficient and cleaner than combustion processes. The H2-DRI-EAF route uses half the energy of the blast furnaces equipped with carbon capture and storage⁴. At the same time, electrified processes allow 99% emissions reduction while fossil-based routes with CCS between 73 and 89%⁵.
- b. Electricity and carbon prices should accelerate the transition towards electrification with renewable electricity. The impact of fossil-based sources should be a tangible liability for the industry to incentivise a transition towards renewables-based production routes.
- c. **Taxes and levies should penalise fossil fuels and promote renewable electricity**. No exception should be made to the principle that the most polluting fuels should be

⁴ Agora Industry, Wuppertal Institute and Lund University (2024): Low-carbon technologies for the global steel transformation. A guide to the most effective ways to cut emissions in steelmaking.

⁵ Assuming a 90% carbon capture rate.



taxed the highest so to better reflect their real environmental, health and social impacts, while subsidies should be redirected to accelerating deployment of nature-positive renewable electricity.

- d. The availability of renewable electricity and the upgrade of grids and storage should be accelerated. The foreseeable growth of electricity consumption should be anticipated with an ambitious investments plan able to spark its production without creating bottlenecks in the grid. A careful planning of the exact energy grid, all measures considered, should be laid out in the EU roadmap to avoid conflicting or redundant infrastructures.
- e. **Barriers to a wide uptake of electrification technologies should be promptly addressed.** This includes a general update of infrastructures, a larger availability of renewable electricity, a wrong price signal promoting fossil fuels, high CAPEX and network costs and lack of skills and awareness in value chains.

Recommendations

- Promote national action to lower taxation on renewable electricity and strengthen the use of Carbon Contracts for Difference and renewable Power Purchase Agreements to make the price of renewable electricity lower than fossil-based sources to reflect its lower impact of the environment and the society.
- Phase out the EU ETS free allocation according to the CBAM timeline.
- Accelerate the integration of the electricity market and the upgrade of the electricity infrastructure, as well as the availability of renewable electricity, including by pushing steel producers to contribute to this effort with a percentage of renewable electricity production proportional to their turnover.
- Establish renewable electricity and renewable hydrogen joint purchase platforms across the EU and industrial players to lower prices and ensure long-term sustainability for electricity and hydrogen producers.
- Incentivise flexibility in terms of storage and demand -side response, remove network charges and all exemptions and reduced rates for fossil fuels and undue levies on renewable electricity under the current Energy Taxation Directive⁶.

3. Trade and a Level Playing Field

- a. **The EU Single Market should incentivise the trade of renewables-based steel**. Steel producers transitioning towards renewables-based production routes (see points 1 and 2) should not be put at a disadvantage compared to producers of fossil-based alternatives.
- b. CBAM should be tightly enforced and its loopholes fixed to prevent emissionintensive steel to enter the EU at whichever point of the value chain. CBAM

⁶ <u>https://eeb.org/wp-content/uploads/2022/03/EEB-brief-ETD-final-31-March-2022-rev.pdf</u>



should prevent resource shuffling and be extended to include finished and intermediate products.

- c. **The Ecodesign for Sustainable Products Regulation (ESPR) should prioritise steel as planned** and horizontal criteria of repairability, recyclability and recycled content should apply to steel as a priority and set criteria that privilege renewables-based steel producers.
- d. **Trade agreements should foresee further reciprocity-shield mechanisms** covering other aspects in relation to pollution prevention impacts but also level playing field on social considerations.
- e. **The reality of new steel production routes should be acknowledged.** New trade flows should be explored to understand their potential to make steelmaking more efficient and more sustainable globally. Partnerships with extra-EU exporters of reduced iron should create local sustainable development, a diversified economy and long-term benefits.

Recommendations

- Enforce CBAM and fix its loopholes to prevent circumvention, namely by extending it towards downstream intermediate and finished products and preventing "resource shuffling⁷".
- Use Ecodesign requirements to make product-policy a lever to allow in the Single Market only circular, durable and renewables-based steel products.
- Explore new green iron trade flows (e.g. "Green Iron Corridors⁸") able to benefit both the exporting and the importing ends of the value chain.
- Anticipate the impact on the importing countries in terms of jobs and plan measures and investments to keep employment and upskill/reskill the workforce.

4. Lead markets & the role of standards

- a. The leverage of big buyers in the public and private sectors should be used to reduce the emissions of purchases. Targets for purchasing renewable-based steel should be envisaged in the procurement of products, works or services contracts by Member States and private buyers.
- b. A sound definition of "green steel" is needed to guide markets towards the more sustainable choice. Such definition should be based on the successful Ecodesign framework, incentivise the use scrap-based steel and foresee a progressive tightening of criteria to phase fossil fuels production routes out by the next decade.

⁷ Sandbag, Mind the Scrap, 2024

⁸ Rachel Wilmoth, Quailan Homann, Chathu Gamage, Lachlan Wright, Kaitlyn Ramirez, Sascha Flesch, Thanh Ha, Joaquin Rosas, Natalie Janzow, Green Iron Corridors: Transforming Steel Supply Chains for a Sustainable Future, RMI, 2024



- c. **Standards should play the role in guiding the market.** Not only they complement the role of the carbon market to get the decarbonisation but also play a key role to achieve other environmental and public health protection goals (e.g. use of natural resources, impact on the air and water quality, durability and increased use of recycled contents).
- d. **Robust reporting requirements and public availability of performance data** allow for assessing comparability of progress made, the identification of industry frontrunners and support compliance promotion. This can be achieved through the Digital Product Passports (ESPR) and the implementation of the Industrial Emissions Portal Regulation (IEP-R).

Recommendations

- Ensure that the review of the Public Procurement Directive includes increasing quotas and mandatory targets for the purchasing of renewables-based steel, as well as uses life-cycle assessments to identify the most economically advantageous tender to ensure that public procurement creates a lead market for renewable steel.
- Develop science-based definition of "green steel" within the ESPR framework able to phase out fossil-free production processes by 2040, as well as incentivise circularity and reuse of steel. Ensure as wide as possible applicability to steel products under the ESPR.
- Ensure a rigorous and ambitious implementation of the Industrial Emissions Directive, notably regarding deep industrial transformation to promote the more sustainable production processes and circularity standards (e.g. revised Iron and Steel BREF and forward-looking transformation plans).
- Provide for digital reporting tools such as the Digital Product Passport (ESPR), as well as reporting of consumption inputs and contextualisation of data via the European Industrial Emissions Portal⁹ so to allow for benchmarking of progress within the value chain as well as progress made on the industrial transformation. The data should be publicly available in user friendly format.

5. Funding

- a. **Public funds should be spent strategically to facilitate the more efficient production routes** allowing an efficient use of steel and energy and the highest decrease of emissions. Prioritising the improvement of the scrap-based route would allow to use electricity more efficiently, so lowering the needed investments to upgrade grids and boost renewables.
- b. **State aids must be limited to fix market failures and not policy failures.** The fact that, for instance, state aids are used to incentivise the transition of steelmaking because of the shortcomings of the EU ETS and the IED is an inefficient use of public

⁹ <u>https://industry.eea.europa.eu/</u>



resources¹⁰. Instead, a coherent legislative framework is needed to provide clear signals to incentivise investments to reduce emissions.

- c. **Furthermore, State aids must be strictly conditioned** to clear pollution prevention at source (installation level transformation plans) consistent with the climate neutrality and zero-pollution targets of the EU, as well as to provisions to prevent offshoring¹¹ and to promote reskilling and upskilling.
- d. **Public support should be agreed under a Union-wide and value chain approach to deliver the highest public benefit.** A more holistic "Steel-Union" approach should be used considering the availability and cost of renewable hydrogen and electricity, iron ore deposits and intra-EU trade corridors to ensure the best return of the public investment to the Union as a whole.

Recommendations

- Prioritise the use of public funding for infrastructures able to incentivise the electrification of steelmaking, such as grids.
- Start a new "Steel IPCEI" addressing the entire value chain, integrating the strengths of different Member States into a unique project able to maximise environmental, societal and economic gains.
- Minimise policy failures through a strict implementation of the IED (e.g. compliance with strict range of the Iron and Steel BREF BAT Conclusions¹²), EU ETS and CBAM, so policies can guide the transition of the sector with a minimal use of State aids.
- Condition the granting of State aids to clear environmental and social conditionalities such as a Toxic-Free and Zero Pollution ambition compatibility check¹³, and anti-offshore provisions to prevent companies leaving the EU after benefitting from public aid.
- Incentivise private investments through de-risking tools (e.g. long-term guarantees by Member States and Green Procurement) and long-term price stability tools such as renewable Power Purchase Agreements and Carbon Contracts for Difference.

¹⁰ Decision SA.104903 states that "current measures and policies such as the EU ETS mechanism do not provide sufficient financial incentives for investments to reduce GHG gas emissions linked to the steel production" since "the existing Dunkirk plant is currently eligible for free CO2 certificates under the EU ETS [free allocation, AN], which means that emissions associated with the existing BF-BOF route for steel production currently do not constitute in full a cost for the beneficiary" and that "there are no binding EU policies or Union standards in place that require undertakings in the steel manufacturing sector to significantly reduce GHG emissions linked to their steel production processes".

¹¹ Spanish law approved by the Government in December 2024 and presently under discussion at the Congress (art. 18) foresees the reimbursement of State aids when: companies don't keep the activity in the country for at least 5 years, reduce their production by 65% or more, reduce workforce by 500 people or more.

¹² See <u>https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2012.070.01.0063.01.ENG</u>

¹³ The Industrial Blueprint coalition <u>https://euelections.eeb.org/industrial-blueprint/</u> calls for a "Toxic Free and Zero Pollution Ambition compatibility check" to be elaborated so to implement the Zero-Pollution Action Plan, that should be applied to any new or revised piece of legislation, state aids and subsidies



6. Research & Innovation

a. **R&I should be directed towards technologies able to use energy and materials more efficiently**. This means, for instance, direct electrification technologies, as well as techniques able to improve steel circularity and prevent downcycling.

Recommendations

- Use EU funds such as the Innovation Fund and facilitate private investments to support new techniques to improve automated disassembly of products and grade-to-grade and alloy-to-alloy sorting, including to prevent copper contamination, as well as to develop innovative techniques to separate copper from steel and new metallurgy processes able to increase copper tolerance.
- Facilitate private investments to support direct electrification of the iron-ore route, such as Molten Oxide Electrolysis, to reduce the need for hydrogen in the long term.



ANNEX Action plan for 2025-2030

Corporate Level

Action	Policy Hook	Impact
Investments on blast furnaces relining are	Corporate investment decisions	Avoidance of stranded assets
immediately stopped	EU Taxonomy	
Invest in innovation:	Corporate investment decisions	
 Direct electrification technologies 	EU Taxonomy	
- Better sorting and use of scrap		
IED Transformation plans are adopted by	see EU (IED and IEP-R)	Credibility of EU producers is enhanced.
2027 and clearly foresee the phase out of		Clear investment signals at corporate level.
fossil fuels-based processes by 2040. Credible		EU operators leading by example in
installation level specific measures with action		implementing the deep industrial
plan are made transparently available		transformation.
through the IEP-R. Cover rate of integrated		
steel sites is at 100%.		
Minimum share of annual turnover is	Corporate Sustainability pledges	Energy Intensive Users contribute financially
reinvested in RES projects at country level.		to lower energy prices / secure energy
Starting with [10%] as from 2026.		security, as well as to attract further
		investments along the value chain.
For scrap-based EAF route: 100% renewable	Power purchase agreement, green	Energy Intensive Users contribute financially
energy supply by latest 2030.	certificates, on site RES production etc.	to lower energy prices / secure energy
		security.



'Lead markets' / users of steel contribute fully to enabling the transformation of the value chain (policy and finance).	"Clean" / "Low Emissions" Steel purchasing commitments by big buyers e.g. automotive, railways, construction sector, defence industry. Efforts sharing mechanism	Big buyers (private and public) are supporting financially the transition 'effort sharing" within Europe, thereby also lowering costs for the transition of the value chain and hence lower dependency / disruption of sourcing outside of the EU. "Steel Union" put into practice
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National level

Action	Policy Hook	Impact
Provide for a decarbonisation pathway	CfD (conditionalities) – set at the	The expectations as to "difference" are
(carbon intensities) to be achieved by [2040]	national level	substantiated and provide added value v.
as condition for providing contracts for		reference scenario (compliance with legal
difference.		and best practice standards)
The "difference" should be established in		
qualitative and quantitative terms i.e. project		
performance goes beyond expectations		
achieved through the implementation of state		
of the art 'current strict BAT performance) and		
ahead of national climate neutrality goals		
Conditionalities in State aid schemes are	State aid decisions (follow up and	The implementation of state aid funded
promptly enforced in case of non-compliance.	verification scheme)	projects are promoted
Permit writers are revising the permits for	IED transposition: notably strict	National implementation practice promotes
integrated steel sites mandating a blast	application of Article 15(3) relevant for	deep industrial transformation without use
furnace phase out schedule by a given target	case by case permitting and general	of public funds and leads by example.
date [2040].	binding rules update and Article 27(e)	
The requirement to implement the strict	 Deep industrial transformation 	
ranges of <u>BAT Conclusions for the Iron and</u>	extended 8-year timeframe.	



Steel BREF are used as a negotiation basis for accelerating the deep industrial transformation on the ground. The same approach applies for revising General Binding Rules.		
EU Member States request for a swift review of the I&S EU BREF in 2026 and call for fossil fuels based Iron and Steel decommissioning BAT	See EU (Iron and Steel BREF)	Up to date forward looking production standards
Shift taxation and levies from renewables to fossil fuels. Align taxes and levies to encourage investments in renewable electricity. All exemptions and reduced rates that currently still incentivise the use of fossil fuels are removed as undue levies on renewable electricity	Energy Taxation Directive National rules on energy levies and taxation.	The cost of energy reflects its impact on the environment and public health, pushing for more investments in renewables.
Public procurement tenders include	Public Procurement Directive	
renewables-based steel products.	on non-price criteria for RES auctions.	

EU level



Action	Policy Hook	Impact
Stimulate concrete action plans for the	IED Transformation Plans (Delegated	Level playing field for EU operators.
conversion of blast furnaces into fossil-free	Act as per art 27e, deadline for COM	EU to lead by example.
production processes.	by 25 June 2026) to elaborate format.	Define meaning of deep industrial
Minimal key performance indicators are	Deadline for submission is 2030.	transformation that is coherent with the
mandatory such as: fossil feedstock	Best practice transformation plans are	integrated approach on pollution
substitution plans, process electrification	shared for consultation prior to	prevention.
action plan, closure dates for BF-BoF, scale of	decision making with NGO prior to	Enhance predictability and advanced
investment by companies disclosed, interim	adoption.	planning for transformation considering also
progress indicators set.	Industrial Emissions Portal Regulation	public accountability
The transformation plans are made publicly	(regarding public availability).	
available through the EEA Industrial Emissions		
Portal		
Article 9(1) of the IED / Art 26 EU ETS Directive	IED review due by 2028	EU policy coherence is restored. Combined
limitation is removed. Instead, EU Member		approach of market based with command
Sates are mandated to set GHG emission		and control (standards-based approach)
performance limits for energy intensive		
industries.		
Art 9(2) and 15 (4) Point b of the IED is		
amended to make energy efficiency binding.		
Mandatory fossil-free production and	IED <u>Iron and Steel BREF review</u> is kick	Walking the EU green deal talk: integrated
ambitious BAT performance levels are set in	started at the end of 2025.	pollution prevention, wider co-benefits to air
BAT-Conclusions reflecting 'state of the art'	Ambitious BAT-Conclusions are swiftly	and water protection as well as human
that is fit for the climate neutrality and zero	adopted that contain a BF-BoF	health.
pollution ambition	decommissioning plan and 100% RES	
	powered scrap-EAF route.	
BAT-Conclusions fit for the climate neutrality	IED: Ferrous Metals Processing BREF	Walking the EU green deal talk: integrated
and zero pollution ambition for downstream	is made fit for purpose through a fast-	pollution prevention, wider co-benefits to air
ferrous metals processing activities	track update, notably on the following:	



	Electrification of hot rolling, phase out	and water protection as well as human
	of coke oven gas/natural gas route.	health.
Ambitious standards for "responsible steel'	IED: Mining of Ores BREF BAT-	Up to date forward looking production
value chain:	Conclusions adopted in 2027	standards
Ambitious BAT-C for MIN BREF ensuring		
climate neutral iron ore mining that reflect		
state of the art on environmental		
performance incl. biodiversity protection		
Target EU and national funding towards fossil-	EU Competitiveness Fund	Cost-effectiveness of decision making is
free and the more efficient production routes.	State aid control and new State aid	enhanced
National state aid projects are pooled for all	framework, Innovation Fund, IPCEIs.	
EU integrated steel sites and selection criteria	Polluter Pays Principle put to practice	
for best value for common EU interests v.		
public support checks are performed.		
Externalised costs (water, air quality, true		
carbon price) are subtracted.		
Dedicated support for grid modernisation to	Implementation of the EU Action Plan	
allow for 100% RES based deployment for Ell	for Grids	
is provided	MFF funding criteria	
Promoting scale up of renewable hydrogen	H2 auctioning system.	
production and priority use for steelmaking,	Revised RED: exclusion of H2 award to	
as well as pooled purchases at the EU level.	domestic uses and non-Ell industries	
Redesign of H2 auctioning system to be	for which alternative technical options	
performance based.	are available	



Scale up of private capital support in financing the industrial transformation	De-risk tools (guarantees) e:g/ by EIB of European Fund for Strategic investments. Capital Markets Union (pension funds)	
Address EU policy failures to accelerate the transition (CBAM)	Advance CBAM implementation (phase out of free allocation prevent resource shuffling, extend towards finished and intermediate products, include upstream pollution from coking coal, methane from coal mining, etc). IED review (see above)	Laws guide the transformation of the sector by providing coherent economic and policy signals to investors and companies.
"Green steel" labelling provides a level playing field among production routes based on actual emission performances per ton of steel (e.g. CO2 intensity). Such minimal requirements become more stringent overtime to phase fossil-based production out and to provide for a carbon intensity level reaching net-0 by 2050.	Ecodesign for Sustainable Products Regulation (ESPR)	A sound definition of "green steel" and a clear phase out of fossil-based production processes provide incentives for producers and big buyers to produce and purchase low emissions steel.
Make "green public procurement" the normal	Public Procurement Directive	
 Allow benchmarking of progress in delivering pollution prevention in the steel value chain by making the following information publicly available in the EEA industrial Emissions Portal at installation level: Electronic permit conditions in force. 	Industrial Emissions Portal Regulation (IEPR) implementation. This implies that national systems are made fit for purpose for direct integration in the EU EEA industrial emissions portal.	Increased public accountability. Reducing admin burden for both companies and member states authorities for reporting and compliance promotion. Supporting level playing field, benchmarking of progress.



 Consumption data (water, energy, key materials e.g. scrap). For energy the type of energy is indicated 		Corporate due diligence put to practice
 Emissions intensity data for GHG and key air pollutants including waste water discharges per t. of steel produced (requires reporting on production volume) at annual basis 		
 Progress report against achievements / indicators set in EMS 		
 Transformation Plan implementation progress report 		
The tool is designed for enabling maximum user-friendliness and is searchable and comparable at installation / country level		
Policies and funding schemes are thought under an "EU-wide Steel Union" approach to maximise efficiency and the strengths of Member States on certain phases of the value chain	Competitiveness Compass pilot case, IPCEIs	The EU has a more efficient steel value chain based on its regional strengths rather than 27 value chains competing against each other
Prevent scrap downcycling and increase high- quality scrap availability. Increase circularity and durability of steel- based products through for instance: - Easier dismantling of steel-based products at the end of life.	End-of-Life Vehicles Directive, Circular Economy Act, Ship Recycling, ESPR.	Reality check as substitute options for various production routes in particular flat steel products
- Easier repairability		



 Closed loops for certain alloys (e.g. stainless steel) 		
- Longer legal guarantees for use phase		
Maximising intra-EU scrap loops.	EU waste legislation (e.g. Ship recycling, shipment of waste), rigorous implementation of 3Rs (reduce, reuse, recycle).	More than 50% of ferrous scrap is exported outside the EU which doubled between 2016-2023. EU vulnerability and trade dependencies should be reduced whilst promoting "3Rs -Made in EU"
 Address economic and legislative barriers to renewable electrification such as: Shift taxation from renewable electricity to fossil fuels. 	EU ETS & CBAM, Energy Taxation Directive, Competitiveness Compass pilot case on Electrification, Affordable Energy Action Plan, Steel and Metals	Internalise negative externalise. The Polluter pays principle is finally implemented. Provide for the needed "business case" for industry to act recalibrating costs (for
 Internalise negative externalities due to pollution e.g. mandatory use od Value of Statistical Life air pollution cost method 	Action Plan. Revised CEEAG. Implementation of the EU Action Plan for Grids.	operators) against wider social/ public benefits.
 Apply more realistic carbon cost aligned to <u>IPCC / 1.5C Paris compatible</u> <u>scenario</u> indicating a range of 226- 385USD/tCO2eq 		
- Support energy efficiency measures.		
- Invest in grids and interconnectors.		
 Plan a progressive phase out of the "merit order" mechanism 		
Stimulate joint purchases of feedstocks at EU level (e.g. renewable hydrogen)	Competitiveness Coordination Tool	Energy Intensive Users secure energy and feedstocks at lower and less volatile prices.

We are Europe's largest network of environmental citizens' organisations. We bring together 185 civil society organisations from 41 countries. Together, we work for a better future where people and nature thrive together.

The EEB is an International non-profit association / Association internationale sans but lucratif (AISBL). EC register for interest representatives: Identification number 06798511314-27 BCE identification number: 0415.814.848 RPM Tribunal de l'entreprise francophone de Bruxelles

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