



EUROFER current status and EU product policy developments - 2026 ESTEP Workshop

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EUROFER Compromise Discussions

Recent exchanges among EUROFER board members revealed a potential compromise based on the following principles, however, point 3 was not universally accepted and so there was no compromise in the end:

1. The following three metrics are equally important when displayed in a label:
 - a) **Transformation Progress Level** (TPL according to the LESS rulebook for carbon flat and longs, and to be designed for stainless)
 - b) **Product Carbon Footprint** (PCF)
 - c) **Recycled Content** (RC)
 2. Rulebooks to be developed for the PCF and RC (to enable certification under one label)
 3. Investigate a potential product/market segmentation to differentiate how each part of the label is used
- LESS and EUROFER Stainless producers continue to develop a potential compromise solution that would recognise different thresholds for different stainless steel grades (ongoing LESS consultation for a stainless rulebook).

Policy update

Industrial Accelerator Act – delayed until 25th February 2025 (leaked draft is out)

- Carbon intensity label : Article 41: *“(b) where the scrap share in the product ranges from 20% to 90%, the performance classes shall be gradually adjusted to reflect and incentivise the use of recycled content;”*
- EU content and public procurement requirements in key markets
- Priority projects/clusters, streamline permitting, European Competitiveness Fund.
- Provisions on critical raw materials, scrap, stockpiling, foreign investment and Intellectual Property

Ecodesign for Sustainable Products Regulation (ESPR) – delegated act on steel products

- 2nd Stakeholder consultation due in February/March
- Delegated act by end 2026 early 2027
- Focus of Carbon Footprint with thresholds, recycled content, and substances of concern

Automotive package

- CO₂ compensation mechanism using low-carbon steel from 2035 (worth up to 7% of the reductions)
- incentives for EU content (clean corporate fleets, small car super credit)

Potential low CO₂ steel labels depending on purpose and policy instruments

(speculation on potential differentiation of labels in future EU legislation that could help frame the discussion about green steel definitions)

Objective / purpose	Technical instruments (measurement / assessment method)		Political instruments for requirements & incentives to produce or purchase low CO ₂ steel		
	Type	Potential Technicalities	Instrument	Potential Incentive/requirement	Potential EU content?
Assessing and incentivising decarbonisation efforts	Carbon Intensity Label (IDAA) IDAA label adapted into ESPR label (ETS data + thresholds?)	<ol style="list-style-type: none"> <u>Type</u>: Voluntary <u>Method</u>: ETS data/CBAM method <u>Boundary</u>: Up to Hot rolled <u>Duration</u>: Time limited for transition <u>Thresholds</u> adjusted for scrap content 	(Carbon) Contracts for Difference (Opex support)	<ul style="list-style-type: none"> Project based strike price? 	Available to EU producers only (100%)
			Lead Market Requirements and Incentives (alternative to CfD) (IDAA, NZIA, Green public and private procurement)	<ul style="list-style-type: none"> Tax incentives? Grants? Mandatory targets/quotas? 	Minimum EU content?
Assessing and incentivising the use of low CO ₂ products on the market and phasing out worst performers	Product Carbon Footprint Label (ESPR)	<ol style="list-style-type: none"> <u>Type</u>: Mandatory (performance and/or information requirements) <u>Method</u>: Lifecycle cradle-to-gate (intermediate) or cradle-to-grave (final) <u>Boundary</u>: Product dependent <u>Duration</u>: Increase stringency over time <u>Thresholds</u>: Horizontal and/or adjusted? <p>Baseline = average product put on the market. Minimum requirements for GPP and MS incentives “shall be based on the two highest performance classes”</p>	Intermediate steel products (ESPR delegated act + could also cascade to steel products under the CPR)	Max. CO ₂ threshold, Min. Recycled content or just reporting?	N/A (applies to all products put on the market)
			Final product/end market ESPR requirements (CPR, EPBD, GPP, NZIA, Automotive/ELV, Machinery, Packaging, Appliances)	<ul style="list-style-type: none"> Max. CO₂ threshold? Min. Recycled content? 	Minimum EU content (also with low CO ₂)?