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# Ambitious labels for climate-friendly steel, concrete and cement can help cut industry emissions

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## Press Release

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With the full launch at COP28 of a new “Climate Club” for countries committed to accelerating the decarbonisation of heavy industry, and the United States promoting a “Green Steel Club,” common and standardised labels for low-emissions industrial products are high on the climate agenda. A new report by Agora Industry outlines a proposal for rapid alignment that can boost investment in clean technologies and markets for climate-friendly basic materials, while avoiding unnecessary global trade frictions.

**Berlin, 1. December 2023.** Steel, cement and concrete are fundamental to the world economy, but their production accounts for 16 per cent of global emissions that are fuelling climate change. Available technologies already allow these materials to be produced with significantly lower CO<sub>2</sub> footprints. However, a lack of common and ambitious standardised definitions for what is “climate-friendly” steel, cement or concrete risks undermining the nascent market for such materials.

The new report by Agora Industry makes the case for accelerating the adoption of standardised emissions performance labels to help spur confidence in the purchase of low-carbon steel, concrete and cement.

The report comes at a time when the European Union and the United States are negotiating a global agreement on sustainable steel and aluminium (GASSA) to avoid tariffs on European steel and aluminium being imposed again. Determining standards for green steel has also become a focus of the Climate Club launched by Germany during its G7-presidency and championed by Chancellor Olaf Scholz at this year’s COP28 talks in Dubai.

“The shift to climate-friendly production requires stoking demand, and that in turn means agreeing on ambitious standardised labels for low emissions and near-zero emissions steel and cement,” said Frank Peter, director of Agora Industry. “If advanced economies take the first step in creating lead markets for climate-friendly products they will empower businesses and consumers to make informed choices and allow industry players to become catalysts for innovation and transformation in the basic materials sector.”

While the absence of standardised labels has been identified as a barrier to climate action by some initiatives already – such as ResponsibleSteel, First Mover Coalition, and the U.N.’s Industrial Deep Decarbonisation Initiative – the growing list of competing approaches is causing a problem. Lack of consensus, aggravated by competing industrial interests on the precise design of labelling standards, has slowed down progress. “Governments now urgently need to muster the courage to compromise on a sufficiently robust and common approach,” Frank Peter said.

Agora Industry's analysis offers an independent overview of the proposed approaches that exist to date, evaluating them against criteria of environmental robustness, speed of implementation, practical feasibility for users and applicability to a wide set of countries at the global scale. To support governments in making decisions that reflects these criteria, Agora's analysis puts forward compromise approaches, building on the best elements of existing proposals.

Against the backdrop of broader climate negotiations at COPs, it is important that such labels can eventually be widely adopted to avoid a patchwork of competing national approaches. "The basis for these labels needs to be as consistent and unambiguous as possible if it is to allow for the development of CO<sub>2</sub> product requirements across borders," said Frank Peter. "Institutions such as the European Union, the OECD and standardization bodies such as ISO can play an important role in ensuring international alignment to facilitate trade in these global commodities across jurisdictions with different climate legislations. Given the urgency of driving down global emissions and the opportunity to make significant headway in this regard with green building materials, forums such as the Climate Club can the lead way in establishing the use of standardised labels."

The 53-page publication 'Labels for climate friendly basic materials' is available for free download at <https://www.agora-industry.org>.



### About Agora Industry:

Agora Industry develops scientifically sound and politically feasible strategies for successful pathways to a climate-neutral industry – in Germany, Europe and internationally. The organisation which is part of the Agora Think Tanks works independently of economic and partisan interests. Its only commitment is to climate action.

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