

RAISING THE AMBITION OF SUSTAINABILITY CRITERIA FOR THE CONSTRUCTION SECTOR

HOW TO BUILD FOR THE FUTURE

Introduction

This fact sheet compares the **construction sector's** sustainability criteria in the **EU Taxonomy** and the **Independent Science-Based Taxonomy (ISBT)**. The construction sector is one of Europe's most material- and carbon-intensive industries, relying heavily on 3 materials:



STEEL



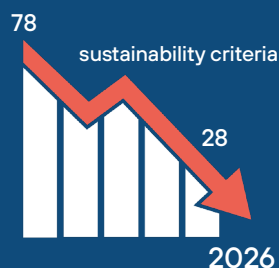
ALUMINIUM



CEMENT

What the Omnibus I proposes

The European Commission's **Omnibus I proposal** (Feb 2025), which aims to simplify the EU Taxonomy, would **cut sustainability reporting requirements for industries from 78 → 28** and reduce the amount of companies mandate to report, **significantly weakening environmental reporting.**



64%
decrease in
environmental
impact data

Why this matters



It would weaken sustainability standards and sustainable investments identification.



Stronger and more ambitious criteria would drive real climate progress in the construction sector.



Ambition must be raised not lowered, and must incorporate the Independent Science-Based Taxonomy (ISBT)'s criteria.



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CONSTRUCTION MATERIALS

STEEL

Taxonomy

CO₂ content limit of steel products is based on the best 10% performing installations of 2016

ISBT

Update the CO₂ content limits to reflect recent industry advancement

- **Benefit:** If industries apply the updated limits based on 2021/2025 ETS benchmarks, the steel sector's emissions would drop by **~18%**.

Develop new and low-carbon processes for steel production, such as the use of low-carbon hydrogen for iron production (H₂-DRI) and the use of steel scrap in primary steel

- **Benefit:** Mainstreaming the adoption of low-carbon processes is essential in the development of a sustainable steel sector, with an emissions reduction up to **93%**.

ALUMINIUM

Taxonomy

CO₂ content limit of aluminium products is based on the best 10% performing installations of 2016

ISBT

Update the CO₂ content limits to reflect recent industry advancement

- **Benefit:** If industries apply the updated limits based on 2021/2025 ETS benchmarks, aluminium sector's emissions would drop by **~1%**.

Add a CO₂ content limit for secondary aluminium reflecting the 90% best-performing installations

- **Benefit:** While the production of secondary aluminium is inherently less carbon-intensive than the production of primary aluminium, introducing CO₂ content limits to secondary aluminium would further promote efficiency and the adoption of best practices.

CEMENT

Taxonomy

The production of grey clinker should entail < 722 kgCO₂/t

Cement or alternative hydraulic binder < 0.465 tCO₂/t

ISBT

Reduce CO₂ emissions from clinker and cement production to < 352.35 kgCO₂/t in line with the European climate targets for 2030

- **Benefit:** If industries reduce the CO₂ content of clinker and cement to this threshold, the sector's emissions would decrease by **51%** for clinker and **24%** for cement and alternative hydraulic binders.

Introduce a CO₂ content limit for concrete of < 250 kg/m³

- **Benefit:** The introduction of CO₂ content limits on concrete would ensure that optimised concrete mix compositions are used as low-carbon cement does not necessarily lead to low-carbon concrete.





CONSTRUCTION vs RENOVATION

CONSTRUCTION

Taxonomy

New buildings must have an energy demand 10% lower than Near-Zero Energy Buildings (NZEB)

New buildings with a surface larger than 5000 m² must disclose their life-cycle global warming potential (GWP)

ISBT

While not providing updated criteria compared to the Taxonomy, ISBT invites for the extension of the disclosure obligation to all buildings under construction

- **Benefit:** Disclosing the life-cycle GWP for all new buildings aligned with the EU Taxonomy would provide useful data about the emissions from materials in our built environment, while also contributing to develop best practices for the construction sector as a whole.

RENOVATION

Taxonomy

Renovation processes to be taxonomy compliant must reduce buildings' Primary Energy Demand (PED) by > 30%

ISBT

A more ambitious target is needed, rather than mere compliance with the Energy Performance of Buildings Directive for renovations, requiring to reduce PED by > 60%

- **Benefit:** Assuming a building consumes 25000 kWh per year with a carbon intensity of 0.25 kgCO₂/kWh, applying the ISBT criteria would reduce the building's emissions from 1.8t CO₂ saved per year to 3.7 t CO₂.



To reduce the construction sector's emissions, more ambitious and tighter thresholds are needed.



Implementing Omnibus I's proposal for the taxonomy, on the contrary, would weaken sustainability reporting requirements and lower environmental ambition.

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