EuLA Feedback on the EU Climate Law Amendment

Brussels, 15/09/2025

EuLA, the European Lime Association, represents European non-captive lime production through its 24 covered Member States (companies & national associations). Lime is one of the essential building blocks of modern industry. It is used in many essential processes, such as making construction buildings, producing iron and steel, treating contaminated land, purifying drinking water, making sugar and even cleaning gases from powers stations. Lime and its derivatives are also important additives for making paper, glass, and agricultural products.

The European Lime Association (EuLA) welcomes the European Union's commitment to achieving climate neutrality by 2050. It is important that the EU's proposed 90% net reduction by 2040 be applied consistently across all sectors, including the EU ETS. This means ETS-covered industries should be expected to reduce their emissions by 90% compared to 1990 levels by 2040, not to reach near-100% abatement by 2039. Ensuring a fair, equal distribution of effort is essential to preserve predictability, competitiveness, and solidarity across sectors as Europe transitions to climate neutrality.

EuLA also welcomes the positive elements of the EU's approach, including the creation of a robust framework for permanent removals under the CRCF and ETS review, ensuring fair competition and supporting technological neutrality. Opening pathways for solutions such as DACCS, BioCCS, and enhanced recognition of lime recarbonation under the CRCF is crucial, while spontaneous carbonation should be recognised in the compliance market to establish a fair baseline.

1. Key Concerns & Opportunities

Limited Flexibility – "Too Little, Too Late"

The Commission's proposed access to international credits only from 2036 and limited to 3% of 1990 emissions is insufficient. EuLA recommends early inclusion of international CDRs under the Paris Agreement's Article 6.4 framework, with an increased limit beyond 3%, to reflect the urgency and scale of the climate challenge. This call is shared by the broader energy-intensive industries, who reaffirm that the 3% cap is overly restrictive and delayed, thus advocating integrating robust international credits into the post-2030 framework from the outset. Without greater flexibility, the ETS risks a period of market shortage, undermining cost-effective compliance for industry.

Equal Access Across ETS Sectors

There is no reason why the use of CDRs should be limited to specific economic sectors. For hard-to-abate sectors like lime, equal and non-discriminatory access to high-quality CDRs and removal credits are essential to maintain cost-effective compliance and a level playing field. While the

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Commission envisages deploying domestic permanent removals only to compensate residual emissions from hard-to-abate sectors (nor is there a definition of hard-to-abate), EuLA emphasizes that all ETS-covered sectors should have the opportunity to utilize permanent CDRs for compliance, not just for a narrowly defined set of residual emissions. Not only is there currently no universally agreed definition of 'residual emissions' in hard-to-abate sectors, but imposing such limits would risk unfair outcomes and loopholes, while also constraining innovation and investment in needed technologies. By contrast, a flexible ETS that recognizes removals for any sector will encourage the scale-up of all available climate solutions, as highlighted by industry experts. This flexibility will be increasingly important as climate targets become more ambitious, ensuring we do not "lock solutions into a narrow role" that discourages new technologies at scale.

Recognition of the Recarbonation of Lime

Lime's production through limestone calcination at >900°C generates unavoidable process emissions. This includes around 69% from the chemical reaction, and 31% from fuel combustion. However, lime products (re-)absorb CO_2 from the atmosphere in downstream applications through recarbonation, an irreversible mineralisation process that forms stable calcium carbonate under ambient conditions. Recognised by the IPCC as a virtually permanent storage pathway (>1000 years), recarbonation makes lime unique among industrial products. Scientific studies estimate that 25–38% of process emissions are offset during product use spontaneously within the first year. This demonstrates lime's substantial carbon sink potential, which should be fully integrated into EU climate policy frameworks.

Emission factors (EFs) are used to estimate the amount of greenhouse gases released during various industrial processes. They serve as the baseline for emissions accounting under frameworks and international reporting protocols. For lime, the emission factor represents the CO_2 emissions released per tonne of material produced (tonne CO_2/tonne lime) or expressed as default percentages. For example, the IPCC published an emission factor of 75% for CO_2 emissions from lime production.[1]

Despite scientific clarity, recarbonation remains unrecognised in existing carbon reporting protocols, such as the IPCC Inventory Guidelines, EU ETS, in national and regional inventories and trading schemes, failing to reflect lime's carbon sink function[2]. This omission distorts the true carbon profile of lime and penalises an industry striving for climate neutrality. Recognising lime carbonation with CCS as a permanent ETS-eligible CDR would mobilise investment, incentivise innovative product design, and unlock climate value for the EU.

[1] 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Chap 2, Vol 3, p 2.22.
[2] EuLA/South Pole. Carbon accounting of recarbonation in lime products, 2024.

Enabling Conditions

The proposed 2040 framework currently lacks some of the instruments needed for success: EuLA advises that an ambitious target without corresponding support measures leaves sectors without a viable business case for the investments required. Enabling conditions must therefore be put in place to translate climate ambition into on-the-ground deployment of technologies such as enhanced carbonation of lime, BioCCS, DACCS and other permanent removals.

Furthermore, if at any stage the voluntary carbon market (VCM) and the compliance market are combined, the same MRV rules must apply. Currently, the VCM applies more conservative accounting, including the deduction of scope 3 emissions from BECCS and DACCS credits. Ensuring consistency across markets will be critical to preserve environmental integrity, transparency, and trust in carbon removal claims.

Key priorities include:

- **Regulatory integration:** The 2026 ETS review must explicitly address permanent removals, including recarbonation, for 3 key reasons:
    a. Recarbonation delivers measurable climate benefits: lime products reduce emissions when capturing CO_2 before it enters the atmosphere (e.g. flue gas treatment) and achieve removals when CO_2 is absorbed and permanently stored.
    b. Current carbon accounting frameworks fail to reflect this reality, creating a gap in both ETS and voluntary market rules.
    c. Most lime applications permanently store CO_2 as calcium carbonate, directly supporting the EU's net-zero objectives. Recognising this uptake would provide a more accurate climate profile of lime and unlock its full mitigation potential.
- **Financial support:** Expand the Innovation Fund, deploy CCfDs, and launch public procurement or EU purchase programmes for certified removals.
- **Infrastructure and competitiveness:** Accelerate CO_2 transport and storage networks, streamline permitting, and foster demand for low-carbon products through procurement and product standards. Strong carbon leakage protection remains essential.

EuLA Recommendations

To align the Climate Law amendment with the needs of hard-to-abate sectors and the EU's climate neutrality trajectory, EuLA recommends the following key actions (consistent with the Commission's 2040 roadmap and industry best practices):

1. **Strengthen Flexibility & Early Inclusion of CDRs**: Allow access to international CDR credits before 2036 and above the proposed 3% threshold, with robust integrity safeguards and methodologies aligned between the voluntary carbon market and the compliance market.

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2. **Ensure Equal Access Across ETS Sectors**: Allow all ETS-covered sectors to use permanent CDRs for compliance, not just residual emissions.
3. **Recognise Lime Recarbonation as a Permanent Removal Pathway**: ETS to recognise lime product recarbonation as permanent removal with CCS.

EuLA supports an ambitious 2040 climate target and the integration of CDRs into the EU ETS as a critical pathway to climate neutrality. Recognising lime recarbonation as a permanent removal, ensuring equal access to removals, allowing early international flexibility, and delivering enabling conditions for energy intensive industries are key to achieving ambition while safeguarding industrial competitiveness.

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