



Vice-President Maroš Šefčovič
European Commission
Rue de la Loi / Wetstraat 200
1049 Brussels

Subject: EU mineral raw materials – the basis for the future of the EU

Brussels, 5 October 2020

Dear Vice-President Maroš Šefčovič,

Dear Commissioners Thierry Breton and Virginijus Sinkevičius,

The European associations **Cerame-Unie, Eurogypsum, Euromines, Euroroc, EUSALT, EXCA European Expanded Clay Association, IMA-Europe, UEPG** welcome the Commission Communication “Critical Raw Materials Resilience: Charting a Path towards greater Security and Sustainability”. This document confirms the principles of the Raw Materials Initiative, launched in 2008 with the main objective of assure a sustainable and safe supply of mineral raw materials to the European industry and society, through 3 balanced pillars. We also wholeheartedly welcome the launch of the European Raw Materials Alliance (ERMA) which aims to make Europe economically more resilient by diversifying its supply chains, creating jobs, attracting investments to the raw materials value chain, fostering

innovation, training young talents and contributing to the best enabling framework for raw materials and the Circular Economy worldwide.

We must realize that the global population is expected to reach 9 billion by 2030, including 3 billion new middle-class consumers. All of these have the right to secure their livelihoods and, if possible, increase their standards of living, as always in human civilization. This will increase demand for products and their related raw materials. In order to meet this challenge and to accomplish it with sustainably sourced raw materials, a shift towards more resource efficient production, increased recovery and reprocessing along the value chains and the end of life of products will be also important. Mineral raw materials will be decisive for a transition to a Low-Carbon society.

Increased need of all raw materials

A new report from the World Bank reveals significant forecasts for the European mineral raw materials industry. The report clearly demonstrates considerable increases in the production of minerals needed for clean energy technologies. Anticipated growth for minerals such as graphite, lithium and cobalt are as high as 500% by 2050. It also explains the absolute need for a wide range of minerals and metals for implementing renewable energy strategies and their related infrastructure, providing also an enlightened explanation about why recycling and reuse will not sufficiently meet demand, even when their rates are dramatically enlarged. The report reveals that some minerals, like copper and molybdenum, will be used in a range of technologies, whereas others, such as graphite and lithium, may be needed for just one technology: battery storage. This means that any changes in clean energy technology deployments could have significant consequences on the demand scenario for certain minerals.

Furthermore, the COVID-19 health crisis has underlined the crucial role of the chemical and pharma sectors which rely heavily on raw materials.

It is also worth mentioning that the economic importance of the raw materials sector goes far beyond the sector's own economic activities. Whilst engaging about 350.000 jobs within the EU, there are more than 24.6 million jobs in downstream manufacturing industries depend on the secure supply of raw materials. Raw materials depending industries in the EU provided 206 billion EUR of added value.¹

Circular Economy as one of the top priorities

The European mineral raw materials industry has made Circular Economy one of its top priorities, working to reduce and reuse waste, transforming waste into resources, improving both the efficiency of raw materials usage and the recyclability of products made from primary minerals and metals. Eco-efficient processes and products will also continue to be a fundamental driver for the sector, improving energy, water and material efficiency.

Leading innovation

European companies are global leaders in innovation and the suppliers of raw materials used for infrastructure development and a wide range of downstream industries. The sector is constantly developing stronger, more durable and more efficient materials/procedures/machineries for these

¹ Raw Materials Scoreboard, European Innovation Partnership on Raw Materials, European Union, 2018

purposes. European innovation and high-tech development also contribute to significant positive impacts both in the EU and globally.

Understanding communities

It is impossible to relocate any mineral deposit. This fact determines the corporate citizenship profile of many mining and minerals companies everywhere in the world. From the very start of a project, companies in Europe work with local communities that will be directly affected by the endeavour and strive to work together with community members to develop strategies for long-term sustainability. The goal is always to foster suitable levels of trust and a fruitful working relationship that is mutually beneficial for both the people who live in the area and the company producing raw materials.

Social responsibility has been and is part of any sustainable operation program of all our member companies. Today, companies have an active role and heavily invest in improvements of the environment and the quality of life, preserving traditions as well as rendering assistance in cases of natural disasters. In some regions of the EU, they are the only source of employment and wealth. The professionals who manage these projects are the company's ambassadors in these local communities.

Sustainable Communities

The industry contributes to sustainable cities by supporting development of infrastructure, involving all stakeholders in land use planning, reclaiming affected land, for example into green spaces or heritage sites, and by producing innovative products such as concrete with higher CO₂ capture or more durable steel. As in the past, it is impossible today and, in the future, to have sustainable cities and wealthy communities without mineral raw materials.

Highest environmental and social standards

The EU mineral raw materials industry is committed to continuously improving its performance, following the highest environmental and social standards. The European mineral raw materials industry sector is working to improve operations so that land is disrupted as little as possible.

Legally, before any mine or quarry is opened in the EU, the operator must have a plan for restoration of the land impacted by its operations. Many such plans include offsetting or even more-than-compensating any residual losses of biodiversity. Rehabilitation strategies are centred on transforming the area back to its original state or into completely new opportunities. The innovative uses of old mines and quarries across Europe occur in amazing variety and with a vast range of purposes. Many sites deliver multiple functions in their new designs, delivering on new business models for land circularity and multi-functionality (e.g. Eden Project in Cornwall, UK; artificial lakes with floating solar panels that generate green energy (multiple projects across EU)).

Primary production of mineral raw materials is a temporary use of land and only uses 0.5% of the EU land area. Yet the sectors' benefits are far reaching for society. Apart from legacies of history, every European country has stories of post-closure biodiversity regeneration that include eco-tourism, recreational facilities, and a variety of small business enterprises.

Safe and healthy working conditions are a top priority of the European raw material supply industries. Companies also frequently extend workforce health and wellbeing programmes to local communities

and contractors, ensuring positive effects on people in the surrounding areas. Mineral raw materials have always contributed decisively to human evolution and wellbeing and will continue to do so in the future.

The European mineral raw materials industry enabling SDGs

The European mineral raw materials industry contributes to sustainable development by integrating economic growth with environmental protection, social progress and effective governance. The European mineral raw materials industry supports the 17 goals laid out by the United Nations in its sustainable development agenda to end poverty, protect the planet and ensure prosperity for all, and is committed to their fulfilment.

The European mineral raw materials industry sector is among the most sophisticated of partners in addressing a range of sustainable development challenges. Mining companies are working to share their experiences more broadly and encourage further engagement in partnerships to achieve collaborative progress on the SDGs.

The European mineral raw materials industry contributes to **ECONOMIC SUSTAINABILITY** by:

- Staying financially strong and being an innovative and responsible sector contributing to prosperity.
- Maintaining high returns on equity.
- Having a healthy net debt/equity ratio.
- Consistently reporting results.
- Maintaining high ordinary dividends.

The European mineral raw materials industry contributes to **SOCIAL SUSTAINABILITY** by:

- Maintaining secure and attractive workplaces and exerting positive influences on our business partners and our immediate environment.
- Reducing accidents.
- Working to improve gender equality.
- Working to increase diversity.

The European mineral raw materials industry contributes to **ENVIRONMENTAL SUSTAINABILITY** by:

- Being resource-efficient and environmentally efficient.
- Reducing carbon emissions.
- Reducing energy intensity.
- Reducing discharges to water.
- Reducing emissions to air.

These are the reasons and real arguments that lead us to welcome the Commission's recent Communication and, as always, put ourselves at its disposal to support the development of the respective Action Plan within the scope of our competences.

Your sincerely,



Renaud Batier, Cerame-Unie



Tristan Suffys, Eurogypsum



Dr. Corina Hebestriet, Euromines



Gerd Merke, Euroroc



Adriana Nosewicz, EUSALT



Dr. Roger Groome, IMA Europe



Mara Caboara, EXCA European Expanded Clay Association



Dirk Fincke, UEPG