

# Raw Materials Mining in Europe

Responsible, Necessary and  
Ready to deliver

Euromines Manifesto 2024-2030



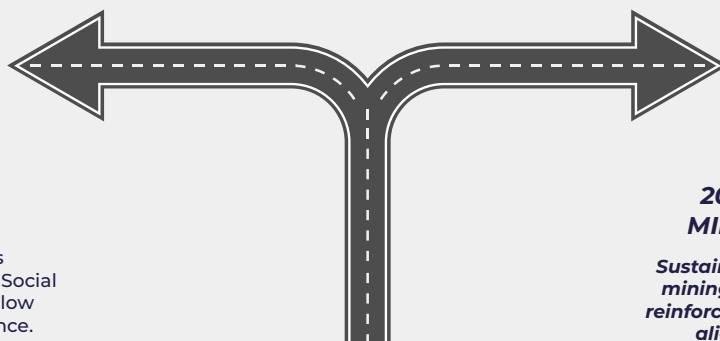
# RAW MATERIALS MINING IN EUROPE: RESPONSIBLE, NECESSARY AND READY TO DELIVER

## WHAT PATH TO RESPONSIBLE RAW MATERIALS?



### TURNING A BLIND EYE

Taking this path, EU accepts high imports, less Environmental Social Governance (ESG) compliance, low strategic autonomy and resilience.



### **MINED IN EUROPE: 20-30 NEW STRATEGIC MINE PROJECTS BY 2030**

*Sustainable and prosperous European mining industry is ready to deliver on reinforced strategic autonomy, with ESG aligned with European values.*

## 3 WAYS TO STRENGTHEN EUROPE'S RAW MATERIALS SUPPLY



### ENABLING AND MAINTAINING

#### LICENSE TO OPERATE

- Unlocking exploration potential
- Maintaining and multiplying mining operations
- Balancing regulatory permitting conditions throughout mine life cycle
- Innovating operational efficiency



### GROWING AND INVESTING

#### A COMPETITIVE FRAMEWORK

- Conditions for growth enshrined in regulatory trends in procurement and finance
- Policies focused on operational expenditures (OPEX)
- EU monitoring and reacting to international competition and fostering innovation



### BEING RESPONSIBLE

#### RECOGNISING OPERATIONAL, ESG EXCELLENCE

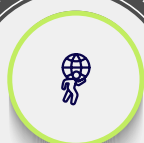
- Fostering societal dialogue and public acceptance of ESG industrial value
- Recognising EU frontrunner status and costs of importing lower ESG performance
- Amplifying market opportunities for Europe's, ESG driven industry

## 6 STEPS TO EUROPE'S RESILIENCE



### EXECUTIVE VICE-PRESIDENT

Responsible for Europe's Industrial Future from day 1



### COMPREHENSIVE INDUSTRIAL POLICY

Deliver an EU 'Industry Deal' which maintains environmental objectives



### 'THINK RAW MATERIALS' CHECK

Check all current and future EU legislation on CRMA needs via efficient impact assessments



### INDUSTRY- CENTRIC POLICY REVIEW

Conduct retroactive regulatory review to balance competing environmental priorities



### COMPETITIVE FRAMEWORK CONDITIONS

Foster an effective level playing field between EU and non-EU industries based on regulatory predictability and cost-competitiveness



### INCREASED ACCESS TO FINANCE

Enlarge the EU Taxonomy to include mining, and reform State aid provisions to unlock investment

# Raw Materials Mining in Europe: Responsible, Necessary and Ready to deliver

## Mining in Europe: A fundamental building block of the sustainable transition

Europe is at a critical junction, one with significant impacts on its ability to achieve its Critical Raw Materials Act (CRMA) targets, key enablers of the twin sustainability and digital transition.

**One path leads to dependency, meaning abandoning Europe's mining industry in favour of high imports,** less Environmental Social Governance (ESG) compliance, low strategic autonomy and diminished resilience.

**The other path leads to embracing 20-30 new strategic mining projects in Europe by 2030.**

It leads to a sustainable and prosperous European mining industry which delivers on reinforced strategic autonomy, with ESG aligned with European values.

This manifesto sets out an actionable pathway to reconcile Europe's huge and ever-growing raw materials needs with its ambition to increase strategic resilience. We outline the upcoming regulatory framework decisions and focus-points that Europe must address, and with urgency, to maintain and nurture a sustainable and prosperous European mining industry.

## Why mining, and why in Europe?

**Let's be proud:** Europe is at the forefront of sustainable and responsible mining practices with its cutting-edge technologies provided by EU suppliers for EU mines, with world leading ESG standards. EU mining delivers on the UN Rio 1992 Conference definition by meeting "the needs of the present without compromising the ability of future generations to meet their own needs"<sup>1</sup>

**And let's be realistic:** Mining at world-leading ESG performance levels in the EU has undoubted sustainability benefits over mining in jurisdictions with a lack of enforcement or genuine interest in these issues. At the same time, Europe's mining mitigates the established risk of raw materials

being weaponised to disrupt supply. This means the right choice for sustainability is opening the 20-30 new strategic mine projects in Europe we need by 2030 to deliver on the CRMA's 10% extraction target.

**But let's be honest:** If Europe chooses to continue along the previously well-trodden path of exporting pollution and importing raw materials, then poor environmental, social, and governance performance risks hindering the supply of metals and minerals needed for clean energy technologies. And a lack of availability and disruptions of these technologies will mean we fail to deliver on the CRMA targets that will enable Europe's sustainability transition.

1. <https://www.un.org/en/conferences/environment/rio1992>

**Well, growing demand for sustainable products goes hand in hand with an ever-growing demand for mined minerals and metals. Europe already has a mining industry aligned with high European ESG standards, providing good European jobs, and ready to deliver on a growing demand.**

Europe is experiencing a rapid and deep-seated transformation as it strives to deliver on EU Green Deal's ambitions. This ongoing transformation is multiplying demand for a wide range of minerals and metals: lithium, nickel, cobalt, graphite, copper, bauxite and rare earth elements, as well as industrial minerals such as magnesite and potash.

Today, Europe is strongly dependant on third country suppliers for many of its essential minerals and metals.

In the short to medium term, there will be a sharp increase in demand for many metals, driven by the Green Deal twin transition. Demand will increase not only in the EU, but also globally, meaning that the EU will have to compete to secure access to those materials across the whole value chain.

Global steel demand is expected to grow from just under 2 billion tonnes in 2021 to 2.6 billion tonnes in 2050.

Global demand for base metals like aluminium and copper is expected to almost double in the same period, while battery metals, rare earths and other technology metals face steep increases of up to 500% according to the World Bank.<sup>2</sup>

**Consequently, Europe has a clear path to follow if it's serious about better meeting this growing demand: extending existing European operations and opening new mines, processing facilities and refineries.**

This manifesto outlines how increasing mining in the EU is the necessary and responsible choice. A conscious choice to reduce our impacts globally and ensure higher strategic resilience for the transformation of our production and consumption to deliver on the EU's twin sustainability and digital ambitions.

We outline the priority areas Europe needs to strengthen, then build on these to propose a pathway of six actionable steps for policymakers to take. A necessary choice to ensure Europe not only maintains its existing mining industry and raw materials extraction base, but also nurtures it such that it can fully play its crucial, enabling role.

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## Priority areas Europe needs to strengthen for a competitive, sustainable EU mining industry

**Three clear areas where Europe needs to strengthen further**

1. **Licence to operate:** Enabling and maintaining know-how and operations in the EU
2. **Sustainable supply:** Maintaining our current supply levels from our own sources
3. **Being responsible:** Recognising operational excellence

This three-way strengthening will provide the necessary foundation for a pathway that can reconcile Europe's huge and ever-growing raw materials needs with our ambition to increase strategic resilience and deliver the twin sustainability and digital transitions.

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2. Arrobas, Daniele La Porta; Hund, Kirsten Lori; McCormick, Michael Stephen; Ningthoujam, Jagabanta; Drexhage, John Richard. The Growing Role of Minerals and Metals for a Low Carbon Future (English). Washington, D.C. : World Bank Group

# 1. Licence to Operate: Enabling and Maintaining know-how and operations in the EU

Right now, the EU is progressively losing the industrial-scale capacity to ensure sufficient supplies and so support the rapid scale-up of technology necessary to deliver on Europe's twin sustainability and digital transition.

First and foremost, we need to take stock, and both recognise and be proud of the core strength of raw materials mining in Europe - our licence to operate:

- The EU has the world's most stringent framework for Green House Gas (GHG) emissions, climate protection, pollution to air, water, and soil, as well as occupational health and safety.
- The EU mining industry fulfils the highest levels of ESG performance, not just following the requirements of law but also via its own forward-looking initiatives.
- Our model sets the standard for global partners to follow. We note with caution, however, that this driving up of standards won't be achieved by outsourcing alone. This is clearly exemplified by the previous Rare Earth Element, Magnesium, Germanium, Gallium and most recent Graphite crisis.

Existing and future new mines in the EU will bolster EU raw materials security and mitigate inequalities: reducing supply risks, driving innovation and demonstrating how to balance sustainable and responsible mining practices while keeping a globally competitive edge.

When it comes to diversifying supply we simply can't afford to stand still. Maintaining our current output and share of demand means not only keeping our existing levels, but just as importantly discovering new potential and developing new facilities.

## Exploration

We ask the European Commission for specific recognition of exploration within the framework of the Critical Raw Materials Act, together with guidance to ensure that authorities can support necessary and responsible exploration activities to help unlock Europe's much-needed mining potential.

**Why?** Exploration is a capital-intensive activity, necessary to replenish diminishing supplies. While closely

linked to mining, exploration is a distinct economic activity, with a different impact profile. Across Europe in the last decade and more, we have seen the total number of exploration permits being reduced, and when granted being subject to substantial delays.

## Recognition of capacities

We urge the European Commission to establish lead markets to support the Europe's mining sector's need for constant reinvestments to keep driving improvements in its world-leading levels of energy efficiency and sustainability.

**Why?** Europe's mining industry is the most efficient in the world. For example, in Scandinavia, copper ores are mined that in other areas of the world would simply not be viable. Europe's potash mining is the world leader in terms of efficient energy consumption. This performance is rooted in the ingenuity of Europe's mining knowledge, constantly developing innovative technologies to merge competitive business cases with the ongoing sustainability transition. And this performance and innovation requires constant and significant reinvestments and absorption of costs.

## Balancing regulatory permitting conditions throughout the mine life cycle

The European Commission needs to ensure that current and future legislation properly acknowledges that cross-media effects are inherent to sustainable mining operations, requiring necessary trade-offs inherent to the limits set by physics and chemistry.

**Why?** Cross media effects abound within mining operations. As an example, the reduction of water pollution through osmotic filters leads to skyrocketing energy consumption. These are trade-offs to consider in future regulation to ensure that limits set by physics and chemistry are adequately recognised, or at least that a mechanism exists to ensure recognition that we cannot achieve competing ambitions simultaneously. This pertains to limit values set so low that measuring devices cannot register them or cost-burdens that only the EU imposes on its mining industry.

## Regulatory certainty

We call on the European Commission to ensure a stable and well-integrated framework of environmental, energy, climate and other relevant legislation impacting permitting procedures.

**Why?** Mining is a long-term commitment with return on investments spread over decades. The EU mining industry is at the forefront of operational efficiency. This means the regulatory certainty in EU becomes decisive in maintaining current mining levels or expanding them in the future. Regulatory requirements impact both investments and running operational costs (OPEX). Uncertainty and volatility in the latter impede the attractiveness of investing in the EU mining industry.

The EU has the huge advantage of stable, trustworthy institutions, rule of law and a proper tax regulatory framework. Certainty is necessary when it comes to a well-integrated framework of environmental, energy, climate and other legislation impacting permitting procedures.

## Political recognition of socio-economic benefits

We call on the European Commission to properly recognise and fully factor into all areas of legislation the wider and long-term socio-economic benefits and opportunities of choosing more raw materials mining in Europe.

**Why?** Mining is a highly skilled activity, with companies providing both STEM and re-skilling training and capacity building. In addition, mining projects often require building new infrastructure, especially when located in remote areas e.g. power supply for operational needs, transportation networks such as roads, trains, or ports for construction and to access markets, as well as housing, businesses, and services for workers.

Infrastructure development not only creates jobs but also has the potential to independently benefit communities beyond the direct value to a mine and beyond its lifetime. Proper political recognition of these benefits and opportunities is indispensable to ensure the right level of support for and acceptance of continued and expanded mining operations in the EU.

## 2. Growing and investing: Ensuring competitiveness

The Critical Raw Materials Act is a useful and well-thought plan with its target of Europe meeting at least 10% of its annual consumption through extraction domestically by 2030.

Yet this ambition alone will not attract the necessary levels of investment, drive expansion of research and innovation, and foster the necessary skilled workforce in sufficient numbers to unlock further sustainable and responsible mining activities in Europe by 2030.

**Europe has to take a closer look at the wider framework governing mining activities beyond the Critical Raw Materials Act:**

### Regulatory focus needs to shift from governing procurement to facilitate extraction

The European Commission needs to carry out a stock-taking exercise of existing legislation that impedes the development of existing mines and tapping of

new deposits, resolving contradictory requirements and addressing cross-media effects and trade-offs.

**Why?** Given their strategic role, raw materials must be considered more than a mere procurement issue. Europe's industry needs a stocktaking exercise of existing legislation so that the EU policy framework doesn't impede the development of existing mines and tapping of new deposits.

We need to rapidly resolve contradictory requirements, address cross-media effects, and establish necessary trade-offs. Public spending needs to encourage investments into responsible and sustainable projects and legislation has to foster best performing practices for raw materials extraction. In addition, lead markets for clean tech value chains necessitates an adaptation of procurement requirements.

The EU should urgently apply such an optic in its legislative framework, starting with the Net Zero

Industry Act's value chains, funding mechanisms of the Critical Raw Materials Act, and procurement requirements for downstream users to internalise sustainability costs.

The alternative to local, ESG-driven mining is clear: Third-country sourced materials with significantly higher carbon footprints than EU-produced materials will power the EU's twin sustainability and digital transition.

### **Operational expenditures (OPEX) and capital investments (CAPEX)**

Sustainability needs to be incorporated into industrial operations, and requires resources and investment. And attracting the necessary investment to Europe is the foundation for achieving EU sustainability goals for primary raw materials. Underpinning this foundation requires a reliable and viable business case, which necessitates absorbing both sustainability and operational costs (OPEX).

Any mining business case requires a long-term model and estimation of the operational expenditures (OPEX) compared to the likely development of raw materials prices.

The EU has to address the paradox inherent to the decarbonisation agenda: energy costs, the main OPEX driver are increasingly difficult to determine due to huge demand surge. Changes are needed, especially in electricity market design. An impact assessment will determine whether the current market set-up delivers the required electricity needs. Last but not least, the EU needs to reverse its current approach of

stabilising energy prices at a very high level to mitigate uncompetitively high energy prices.

**Why?** The mining industry relies on direct and indirect electricity, the key commodity to decarbonise. Increased penetration of volatile renewables brings increased need for expensive balancing electricity, so driving OPEX costs beyond original capital investment (CAPEX) estimates.

The demand side of the equation has so far been largely ignored. On the supply side, if the demand side is not part of the picture, this lowers incentives to build production capacities, infrastructure, and grids needed to ensure a stable supply of fossil-free electricity.

### **International competition**

The EU should include the levelised cost aspect in policy decisions to incentivise global frontrunners, including the 2040 GHG-reduction target, introducing CBAM, and the convergence of the ETS-cap towards zero.

**Why?** ESG requirements and environmental protection are local cost issues. Yet, our products are sold on the global market. Increasing costs in the EU is simply not conducive to a competitive and sustainable industrial transformation in an international context. That's why we need to properly include the levelised cost aspect in the heart of Europe's policy decisions to incentivise rather than penalise our global frontrunners. Specifically, this means factoring in policy-ambitions such as the 2040 GHG-reduction target, introducing CBAM, and the convergence of the ETS-cap towards zero.

## **3. Being responsible: Recognising operational excellence**

The EU mining industry has a world-leading level of ESG performance, and we are proud of our sustainable, responsible, and clean operations.

Global frontrunners in all ESG aspects, EU mining companies need stronger recognition of their excellence moving forward to keep the lead on innovation within a globally viable business case.

Mining is a long-term commitment, with reducing a mining operation's impact and increasing its sustainability performance depending on getting things right from the beginning. Operational costs (OPEX) and costs over time need to be modelled and amortised over the often several decades of a lifetime's operation, which is often sensitive to swings in ore-concentration, technological disruptions, and cost-changes.

Therefore, excellence comes from a robust ESG basis, planned and implemented from the beginning of the operations.

Three major elements are needed:

### Social acceptance - a shared responsibility

If we want to effectively communicate to communities how responsible mining in Europe is an enabling part of the EU's sustainability transition, we have to share the responsibility between industry and policymakers.

**Why?** Social acceptance relies on scientific facts, mutual respect, and a sense of a shared purpose. Industry and policymakers need to work together to clearly show communities across Europe how the EU's long-term, sustainable transition is based on ever-larger amounts of mined minerals and metals.

And, just as importantly, that we have a choice. We can choose to mine more in Europe to help secure these with the resultant socio-economic benefits. Alternatively, we can import them from other countries with lower ESG standards, while also leaving ourselves more vulnerable to supply shocks, and what these supply shocks will mean.

### Enabling cross-media synergies

We call on the EU to evolve the existing permitting framework to actively facilitate cross-media synergies, so creating a viable business case for the investments that underpin them.

**Why?** Mining is a large-scale infrastructure operation, that can be repurposed or find an additional usage to facilitate the uptake of sustainable technologies. For example, underground buildings can serve as infrastructure for electricity grids, we can use caverns to store hydrogen or batteries and so help in balancing grids, we can use tailing heaps to install renewable energy capacities that we can then use in the mining operations themselves. Currently, however, the EU taxonomy doesn't class self-consumption and balancing as a sustainable investment.

We need an evolved permitting framework designed to actively facilitate these cross-media synergies. In this way, we make the necessary investments to realise these synergies viable, so creating the posi-

vebusiness case to really facilitate stronger uptake of sustainable technologies.

### Sustainable production and security of supply

We urge the EU to ensure an appropriate premium for raw materials and minerals mined in Europe to world-leading ESG standards.

**Why?** The IEA's 2023 report Sustainable and responsible critical mineral supply chains<sup>3</sup> demonstrates how sustainability risks increase the fragility of supply chains and how high ESG performance increases supply security. Therefore, given this central, strategic role of raw materials and minerals, we simply can't keep considering them as merely a procurement issue.

However, the current prevailing approach in Europe is one of procuring raw materials at the cheapest price and just in time. If we're serious about strengthening our supply security, this clearly needs to change.

Europe has to introduce a clear premium for raw materials and minerals mined in Europe to world-leading ESG standards, especially given that recent years have seen Europe suffering raw material supply crises at ever-shorter intervals. Security of supply and sustainability do have a cost, and so also a price that markets need to absorb, and consumers are willing to pay.

### Efficiency gains through sustainable production techniques

We urge the EU to accelerate electrification, expedite permitting for related infrastructure, and ensure electricity prices reflect real production costs.

**Why?** Electrification increases operational efficiency and speed. For example, trolley-powered electric trucks in large-scale open-pit mines can run twice as fast as their fossil-powered counterparts. Such electrification helps create a very compelling, viable business case for mining more of the raw materials we need in Europe to world-leading ESG standards. Europe can enable this via a threefold approach of accelerating electrification, expediting permitting for related infrastructure, and ensuring electricity prices reflect real production costs.

3. <https://www.iea.org/reports/sustainable-and-responsible-critical-mineral-supply-chains>



# Raw materials mining in Europe: 6 actionable steps

## Reconciling our ever-growing raw materials needs with increasing strategic resilience and ensuring ESG compliance

We see six clear steps European policymakers have to take, and with real urgency, to not only maintain but also nurture a sustainable and prosperous European mining industry, a sector central to helping achieve Europe's twin sustainability and digital transitions.

Six clear steps to take within 100 days of the new European Commission taking office.

Six clear steps that represent an active choice of championing a responsible and necessary sector, ready and waiting to deliver more. A sector central to helping reconcile the EU's huge and ever-growing raw materials needs with the ambition of increased strategic resilience.

### Step 1: Getting things done - an Executive Vice President for Europe's industrial transition and investments

**Create a specific portfolio of Commission Executive Vice President for industrial transition and investments, responsible and accountable for fostering industrial competitiveness across all related Green Deal policy areas.**

Their mandate needs to first and foremost focus on complementing the Green Deal with a similarly ambitious Industrial Deal package and an omnibus-legislation reviewing the competitiveness-framework.

In parallel, they will also have the dual task of ensuring the coherence and consistency of legislation to avoid contradictory or mutually exclusive objectives. Specifically, this means enhancing both vertical and horizontal coherence: raising consistency between EU and national legislation, as well harmonisation across entire industrial sectors and value chains.

### Step 2: Establishing the base - An EU 'Industry Deal'

**Put in place a comprehensive EU industrial policy: an 'Industrial Deal' of sufficient ambition that it creates a truly competitive business case, while maintaining environmental objectives. Simply put, the EU raw materials mining industry refuses to compete on low environmental ambitions.**

Given that the EU does not yet have an industrial policy mandate, it is both necessary and urgent to carve this out from the list of competences.

The EU industry policy mandate has to ensure a strongly integrated approach, balancing competing imperatives in environmental protection, climate, circularity, chemicals, and critical materials legislation. This mandate also has to directly address cross-media effects and limitations.

An effective EU industrial policy will ensure predictability, coherence, and consistency in all relevant EU legislation, with a focus on enforcement of existing legislation before introducing any new measures.

The EU needs to prioritise industrial competitiveness in all its policies, so putting in place the right framework conditions to make delivering on the EU's own 2030 and 2050 Green Deal targets an achievable reality.

### Step 3: 'Think raw materials' - check EU legislation on CRMA needs via efficient impact assessments

**Ensure a rigorous, coherent approach to conducting raw materials-related impact assessments for all primary and secondary legislation that influences investment, permitting, operational costs, and skills for EU extractive industries, as well as access to responsible raw materials.**

A true 'Think raw materials' approach requires adaptation of the EU's Better regulation agenda to ensure evidence-based and transparent EU law-making that considers the feasibility and sustainability of the source materials for EU-based production.

If the European Commission chooses not to take the path of applying a true 'Think raw materials' approach in screening primary and secondary legislation, the outcome is clear. Inevitably increased regulatory unpredictability, critically lowered investment certainty, a missed opportunity to unlock sustainable investments into EU industries and weakened EU strategic autonomy and value chain resilience.

#### **Step 4: An industry-centric climate and environmental review to balance competing priorities**

##### **The new EU industry policy mandate needs a retro-active review of existing regulatory requirements.**

Such a review has to address the unavoidable trade-offs between the impact of mining and the multi-faceted, positive contribution of industrial activities. Issues such as climate change, water scarcity, and biodiversity loss cannot be considered in isolation.

The European Commission has to focus on effective and consistent enforcement of existing environmental legislation. Implementation is key to ensure that the Green Deal package delivers on its objectives and ensures future competitiveness.

The European Commission has to carry out a review in the form of an overarching, omnibus legislation. It has to step up and solve competing imperatives that hamper investments, distort markets, and subdue competitiveness. It has to be wide-ranging, covering all connected requirements ranging from State aid to effective implementation of environmental legislation.

#### **Step 5: Competitive framework conditions and targeted State aid to bridge the gap and build the infrastructure for industrial transition**

##### **Ensure access to competitive input materials such as affordable, abundant, fossil-free energy,**

##### **as well as predictable regulatory obligations and permitting requirements.**

These framework conditions are key for sustainable European raw materials mining to successfully run operations and model the business case for investments. Such conditions need to foster an effective level playing field between EU and non-EU industries based on regulatory predictability and cost-competitiveness.

The EU needs to look at all policy instruments to ensure a real level playing field for EU industries. This should include carbon leakage protection, as well as State aid and trade rules. Alongside these, we also need an assessment of whether increasing compliance costs leads to better technologies or simply reduces competitiveness and displaces production.

#### **Step 6: Funding and access to finance – €350bn per year up to 2030 needed for the climate transition<sup>4</sup>**

##### **The European Commission has to enlarge the EU Taxonomy to include mining, and reform State aid provisions to unlock investment. In parallel, we need simplified rules on EU and national funding to make this support more predictable.**

Mobilising investment into sustainable and responsible mining operations in Europe means matching the level of ambition shown by the US Inflation Reduction Act.

Our industries need major support for investments through increased funding to decarbonise, including for operational costs. The climate transition needs €350 billion of investment each year until 2030 to build the infrastructure, ensure access to and scale up the technologies needed, as well as funding for new processes on the pilot and demonstration scale.

The EU should focus on stimulating both private and public investments. We urgently need a significantly higher degree of certainty that these investments can be viable, minimising the risk of them ending up as stranded assets.

4. [https://ec.europa.eu/commission/presscorner/detail/en/qanda\\_20\\_1598](https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_1598)