European CRM Act - focus on increasing circularity

Proposal for a Regulation - establishing a framework for ensuring a secure and sustainable supply of critical raw materials

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European Critical Raw Materials Act

Ensuring a secure and sustainable supply of critical raw materials for the Union

- Strengthen all stages of the European CRM value chain
- Improve EU capacity to monitor and mitigate risks of disruption to CRM supply
- Diversify EU CRM imports to reduce strategic dependencies
- Enhance CRM circularity and sustainability
CRM, SRM, Benchmarks

**Defining critical and strategic raw materials**

**CRM**

Whole EU economy, based on:
- supply risk
- economic importance

**SRM**

SRM are a subset of CRM:
- Key for strategic technologies (twin transition, defence and space)
- Forecast demand risks outstripping supply

**2030 benchmarks**

**Towards more SRM supply security**

- EU’s *extraction* capacity cover at least 10% of the EU’s SRM consumption
- EU’s *processing* capacity cover at least 40% of the EU’s SRM consumption
- EU’s *recycling* capacity cover at least 15% of the EU’s SRM consumption

**Towards more diversification of supply**

- Not more than 65% of EU consumption of each SRM should come from a single third country.
Strengthening the value chain

**Strategic Projects**

Across the whole SRM value chain: extraction – processing - recycling

**Selected by the Commission with advice from the Board** based on

- Contribution to security of supply
- Sustainability
- Technical feasibility
- Cross-border benefits in EU/ Economic and social benefits in third countries

**Benefits**

- **Priority Status** in national and EU law: for administrative and judicial procedures
- **One-stop-shop approach**
- **Permitting - Legal time-frames**
  - Extraction: 24 months
  - Processing & Recycling: 12 months
- Provisions to facilitate and timely deliver **environmental assessments and authorisations without weakening environmental and social protection**

- **Enabling conditions to implement Strategic Projects**
  - The Critical Raw Materials Board provides coordination and advice to secure remaining financing
  - Provisions to facilitate the conclusion of off-take agreements

**National exploration programmes**

Member States shall draw up national programme for general exploration targeted at CRM.
Where applicable, build on UNFC (United Nations Framework Classification for Resources)
Sustainable and circular CRMs

CIRCULARITY- BENCHMARK 15% BY 2030

➢ National measures on CRMs circularity
➢ Maximising potential from extractive waste facilities
➢ Preparing the ground for massive recycling of permanent magnets

SECTORAL LEGISLATION

➢ Batteries Regulation EIF Aug 2023
➢ Proposed ELV Regulation July 2023
➢ Policy recommendations return waste mobile phones etc Oct 2023
➢ Review WEEE Directive (forthcoming)
➢ Revise European List of Waste (2024)
➢ Consider in CRM in Ecodesign/ESPR

SUSTAINABLE CHOICES

➢ Strategic projects need to be sustainable (Art. 5)
➢ Recognition of certification schemes on the sustainability of CRMs/ Requirements for compliance sustainability EU legislation and international instruments (Annex III)

➢ Empowerment to set, at a later stage, information requirements on the environmental footprint of CRMs placed in the EU market
To conclude

• Possible adoption co-legislators European Parliament and Council of the European Union before EP elections June 2024

• CRM Act Press Release
• CRM Act (Draft Regulation)
• CRM Act (Communication)
• 2023 JRC Foresight Study
• 2023 Study on CRMs for the EU
• CRM Factsheets
Raw Materials Week
13-17 November 2023
in Brussels

Save the date!

Where do we stand today?

<table>
<thead>
<tr>
<th>SRM</th>
<th>EU sourcing (t) processed stage</th>
<th>EU Extraction satisfies:</th>
<th>EU processing satisfies:</th>
<th>EU processing at specified grade satisfies:</th>
<th>End-of-Life Recycling Input Rate</th>
<th>Biggest EU supplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bismuth</td>
<td>3 858</td>
<td>-</td>
<td>26%</td>
<td>-</td>
<td>0%</td>
<td>65% China</td>
</tr>
<tr>
<td>Boron - metallurgy grade</td>
<td>76 361</td>
<td>0%</td>
<td>29%</td>
<td>N/A</td>
<td>1%</td>
<td>99% Türkiye</td>
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<tr>
<td>Cobalt</td>
<td>22 148</td>
<td>8%</td>
<td>92%</td>
<td>-</td>
<td>22%</td>
<td>63% DRC*</td>
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<tr>
<td>Copper</td>
<td>3 234 239</td>
<td>25%</td>
<td>72%</td>
<td>-</td>
<td>55%</td>
<td>19% Poland</td>
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<tr>
<td>Gallium</td>
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<td>-</td>
<td>0%</td>
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<td>0%</td>
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<tr>
<td>Germanium</td>
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<td>45% China</td>
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<td>Lithium - battery grade</td>
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<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>79% Chile</td>
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<tr>
<td>Magnesium metal</td>
<td>127 631</td>
<td>-</td>
<td>0%</td>
<td>0%</td>
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<td>97% China</td>
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<td>956 798</td>
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<td>31%</td>
<td>0%</td>
<td>9%</td>
<td>41% South Africa</td>
</tr>
<tr>
<td>Natural Graphite - battery grade</td>
<td>76 801</td>
<td>1%</td>
<td>~0%</td>
<td>~0%</td>
<td>3%</td>
<td>40% China</td>
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<tr>
<td>Nickel - battery grade</td>
<td>300 212</td>
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<td>23%</td>
<td>7%</td>
<td>16%</td>
<td>29% Russia</td>
</tr>
<tr>
<td>Platinum Group Metals</td>
<td>95</td>
<td>-</td>
<td>1%</td>
<td>-</td>
<td>12%</td>
<td>94% South Africa, Pd 40% Russia</td>
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<tr>
<td>Magnet REE*</td>
<td>34</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>1%</td>
<td>LREE 85%; HREE 100% China</td>
</tr>
<tr>
<td>Silicon metal</td>
<td>417 941</td>
<td>-</td>
<td>34%</td>
<td>-</td>
<td>1%</td>
<td>33% Norway</td>
</tr>
<tr>
<td>Titanium metal</td>
<td>4 136</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>37% Kazakhstan</td>
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<tr>
<td>Tungsten</td>
<td>10 481</td>
<td>20%</td>
<td>19%</td>
<td>-</td>
<td>42%</td>
<td>31% China</td>
</tr>
</tbody>
</table>

Benchmark                                | 10%   | 40%   | 15%   | 65%   |

*(Nd, Pr, Tb, Dy, Gd, Sm, Ce); Dependence at extraction stage in italic. Overview of both stages in: European Commission, Study on the Critical Raw Materials for the EU 2023 – Final Report
### Critical raw materials

34 raw materials defined as critical by their high
- Economic importance
- Supply risk
... based on a regular assessment of available data in an established methodology

- Antimony
- Arsenic
- Bauxite
- Baryte
- Beryllium
- Bismuth
- Boron (battery grade)
- Cobalt
- Coking Coal
- Copper
- Feldspar
- Fluorspar
- Gallium
- Germanium
- Hafnium
- Helium
- Heavy/Light Rare Earth Elements (Magnet REE)
- Lithium (battery grade)
- Magnesium (metal)
- Manganese (battery grade)
- Natural Graphite (battery grade)
- Nickel – battery grade
- Niobium
- Phosphate rock
- Phosphorus
- Platinum Group Metals
- Scandium
- Silicon metal
- Strontium
- Tantalum
- Titanium metal
- Tungsten
- Vanadium

Note: A subset of the CRMs are classified as “strategic raw materials” due to their use in strategic technologies and strong projected demand growth. Certain measures under the CRMA apply only to them.