



EUROPEAN COMMISSION

Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs

Industrial Transformation and Advanced Value Chains  
Resource Efficiency and Raw Materials

## **Raw Materials Week 2019**

20 November 2019, Le Plaza Hotel, Boulevard Adolphe Max 118-126, 1000 Brussels

### **7th annual High Level Conference of the EIP on Raw Materials**

#### ***“Resource security for value chains”***

#### **1. Nature of the meeting**

The 7<sup>th</sup> annual High Level Conference was the main event of the Raw Materials Week. The topic of the conference was “Resource security for value chains”. The conference reported on the ongoing work on the EU Masterplan for a competitive transformation of energy intensive industries enabling a climate neutral, circular economy; resource security for strategic industrial value chains was discussed; as well as the supply chain transparency.

#### **2. Points discussed**

##### **Welcome and objectives of the meeting**

Pressure on resource use will increase. The EU will face strong competition from fast-growing economies on the global raw materials market. Sustainable, responsible production and sourcing of raw materials for downstream industries will play a bigger role at the global level. The transition to a low carbon economy means that a sustainable and secure supply of non-energy raw materials will become more critical as the relative importance of fossil fuels declines.

##### **High Level Panel: What can we do to secure raw materials for strong industrial value chains in Europe?**

The panel discussion was focused on raw materials supply security as the key enablers of all value industrial chains in the EU and globally.

The Joint Research Centre (DG JRC) underlined the importance of innovative methodologies and processes, but also the need to transfer innovative ideas into practice.

EuroGeoSurveys (EGS) underlined that there is a large mineral potential on Europe’s territory that could serve a significant portion of EU value chain demands. This untapped potential is either undiscovered or it has not been explored enough and therefore it is not developed. New data on mineral potential, but also more information on mining waste facilities, are needed.

The Swedish Association of Mines, Mineral and Metal Producers highlighted the importance of raw materials in our everyday life and the role those will have in the future. They will be the new oil and gas in the geopolitical arenas. There is a need to think how the EU will have access to these raw materials, strategically, in a sustainable and secure manner. A coherent strategy from the European Union is required.

The representative from UNEP stressed that achieving raw materials supply security is about understanding the availability, accessibility, affordability and acceptability of resources in the value chain. Addressing resource security for value chains needs to recognize that while raw material value chains are global in terms of mineral demand, they are partially globalized and sometimes very local in terms of supply. All stages of the raw material supply chain are important and one impacts the other, so there is need to assess, manage and be responsive for possible supply constraints in all stages.

ERAMET, highlighted that Europe is highly dependent when it comes to critical raw materials. However, Europe has a significant potential for sourcing critical raw materials from primary and secondary sources. This potential can be transformed into value for all European stakeholders through a combination of responsible investments, smart and innovative technologies, a skilled workforce, an educated society and a clear legislative framework.

### **Session I: Draft Masterplan for a competitive transformation of EU Energy Intensive Industries enabling a climate neutral, circular economy**

The session took place in the context of the new Commission taking office, the preparation of the EU Green Deal and the next coming publication of the Industrial Transformation Master Plan for a competitive transformation of the EU energy-intensive industries enabling a climate neutral economy.

The Commission stressed upon the lot of expertise brought in the Masterplan by the experts of the High Level Group from think tanks, industries, investors, Member States, NGOs and Commission services.

The work has been developed in order to address the creation of markets for clean products and the level playing field in the global markets; the innovation challenges of large scale demonstration projects to replace fossils fuels and industrial feedstock; the resources and deployment of infrastructures to implement the industrial transition; and the cross-cutting issue of the social dimension of the transformation in terms of changing technologies and the impacts on skills and jobs.

Eurofer exposed the strategic priorities of fostering demand and competitiveness of climate-neutral and circular economy solutions through demand-side, public procurement and standards for which customers should be empowered and informed; the need for public financing to support breakthrough technologies, industrial scale demonstration and conversion of brownfields; securing the sustainable supply of clean energy and alternative feedstock at competitive prices through timely deployment of infrastructures.

The representative from the Dutch Ministry of Economic Affairs and Climate presented the Dutch perspective towards making the EU the first climate-neutral continent and reminded the importance of EU and national regulations to support new low-carbon technologies and circular economy.

A. SPIRE went through the positive outcomes of the numerous SPIRE projects with the Public Private Partnerships between the Commission and eight sectors, stressing upon the leverage effect with euros 8.5 from private companies for each public euro spent. The three main pillars for SPIRE 2050 's ambition are closing the climate technological gap, achieving circularity of resources for zero landfilling of any recyclable waste and contributing to the global competitiveness of the EU industrial sectors.

### **Session II: Raw Materials for strategic sectors**

The session highlighted raw materials supply issues for the strategic sectors, including defence and automotive, from the perspective of the downstream users and raw materials producers.

The speakers addressed the questions of the key materials and bottlenecks for the strategic sectors, investment needs and perspectives, supply security for downstream users, and how they can better work together with raw materials suppliers.

The Commission presented the results recently published study on materials dependencies for dual-use technologies, including batteries, fuel cells, robotics, drones and 3D printing. Main observations are that China is the main supplier of raw materials for all technologies, while Europe is strong in processing of materials with exception of Li-ion batteries. Supply diversification, recycling, substitution of critical materials and stockpiling were identified as key recommendations. The analysis also covered vulnerabilities at the level of components and assemblies, where Europe is stronger. Europe should introduce mitigation strategies across the whole supply chain supply, diversification and manufacturing capacities.

DERA, BGR presented the approach of low-price benchmarks for metals to act anti-cyclically along value chains. This could help industry to optimise sourcing of metals, particularly addressing the right time to buy mineral raw materials at low prices, related price and supply risks and mitigation strategies along supply chains.

Euromines gave the overview of the mining industry contribution to sourcing security for the EU value chains and «greening of» economy by reducing CO<sub>2</sub> use and «greening by» using raw materials for green energy and technologies.

SEAT shared their sustainability and criticality assessment of metals' use in cars. Main conclusions were that criticality of metals increases with electrification, while decreases with the evolution of HV-Batteries. The design & simulation of recycling processes is key and disassembly improves the recovery of minor metals. Several metals can be recovered to a large extent (> 90%).

### **Session III: Supply chain transparency**

The session on supply chain transparency highlighted the recent developments in this area. The forest based sector has a long experience and well established practices on traceability. The SNCF shared its experiences on sourcing wood from sustainable sources. Northvolt presented its approach to securing sustainability of sourcing in the battery value chain and underlined the importance of establishing a European battery value chain based on high respect for sustainability. The OECD provided an update on implementation and global outreach on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals, which is the global benchmark for due diligence based on a risk management approach. During the session, the Commission officially launched the Due Diligence Ready! multilingual portal for SMEs and other companies which provides practical advice and resources on how to implement due diligence, based on the OECD standard and informed about the Commission's actions on ethical sourcing in the battery value chain. The panellists of the session agreed that the transition to climate neutral and circular economy needs to be based on securing supply of sustainably produced and sourced raw materials to make this transition really green and efforts from all value chain actors and policymakers need to intensify in this area.