



Sectoral Social Dialogue Committee Extractive Industry

Joint statement on the Critical Raw Materials Act

As the European Commission will deliver a Critical Raw Materials (CRM) Act in March 2023, the Social Partners of the European Sectoral Social Dialogue Committee for the Extractive Industry (SSDCEI) – industriAll European Trade Union, Aggregates Europe – UEPG, the European Potash Producers Association (APEP), the European Association for Coal and Lignite (Euracoal), the European Metals and Minerals Mining Industry Association (Euromines) and the Industrial Minerals Association Europe (IMA-Europe) – welcome the Commission’s initiative to address the paramount issue of securing the necessary raw materials supply for essential value chains and call for a strong and coherent policy framework with social dialogue at its heart.

We believe the initiative is very timely considering last year’s awakening of supply deficiencies due to the pandemic, the Russian invasion of Ukraine and the fact that other world regions and economies are strategically stepping up efforts to secure their own supply or further concentrate their market dominant position.

Raw materials are an essential enabler of multiple European industries and provide 350.000 jobs in the EU and there are more than 30 million jobs in the downstream sectors.

Under a sustainable development scenario, and compared with today, the International Energy Agency (IEA) forecasts a quadrupling of mineral requirements for clean energy technologies by 2040 or even six times for a faster transition that achieves net zero globally by 2050, based on current knowledge. In a fully electrified economy, lithium, nickel, cobalt, manganese, graphite, rare earths, copper and aluminium will all be needed in far greater quantities. Lithium sees the fastest demand growth – over 40 times by 2040 – followed by graphite, cobalt and nickel at around 20-25 times. The expansion of electricity networks means that copper demand for cables more than doubles over the same period. Coal is currently the largest source of revenue for mining companies – ten times larger than those from energy transition minerals – but this will reverse and create opportunities to redeploy coal miners at new mining projects.

Mineral and metal raw materials are today more crucial than ever in Europe. They constitute the cornerstone of EU’s both most urgent and ambitious objectives, from Green and Digital transition to the EU’s Renovation Wave. However, Europe is currently domestically unprepared and externally highly dependent on other countries for strategic and essential raw materials, questioning its autonomy but also its capacity to deliver on its promises. The social partners of the SSDCEI are convinced that social dialogue initiatives can help to secure responsible and sustainable raw materials sourced from Europe and elsewhere and that they have a role to play in the Just Transition towards a decarbonized economy. The presence of strong and independent social partners and collective bargaining will ensure sustainable extractive industries with good working conditions, a safer and healthier environment, job satisfaction, and decent wages.

With this joint statement, the social partners of the SSDCEI demand that:

- **The CRM Act must expand its scope from critical to strategic and essential raw materials and should be renamed “EU Raw Materials Act” (EU RMA) to reflect the wider scope.** The identification of strategic and essential raw materials must be wide and dynamic as the EU policies announced can only be reached with the whole range of primary and secondary raw materials, refraining from a fixed set of pre-determined minerals and metals, to react and adapt to future trends and developments of strategically important and essential raw materials. If well planned and respectful of a strong social and sustainable framework, raw material extraction could be an opportunity for the transition of coal and carbon-intensive regions. They offer the potential for diversification and opportunities for today and future skilled workers in these regions. It could be a good alternative to deindustrialization and enable diversification, and this must be promoted in a coherent way at the European level.
- The CRM Act/EU RMA must effectively secure decent work and good working conditions, protect workers’ rights, support effective social dialogue on the sector and company level, and involve all social partners in the development of the sector. The social dimension must also cover the need for improving skills, education, and training, including the support or creation of appropriate training courses and making these professions more attractive by ensuring good working conditions. Protecting workers in the extractive industries and recycling activities will require a solid commitment to occupational health and safety (identification of new H&S risks linked to CRM/RM will be needed urgently). A strong gender equality perspective will have to drive these issues.
- **The CRM Act/EU RMA must favour domestic supply.** A first legal provision must be focused on prioritising and boosting the supply of critical, strategic and essential raw materials from **European deposits and circularity**. A second, subsequent legal provision must be focused on the development of trade agreements with third parties and third countries, for those critical, strategic or essential raw materials that are not available in EU deposits, consistent with prioritising intra-EU local supply.
- **Sustainably and responsibly sourced raw materials should be based on a clear definition that includes a social pillar and a social partners’ perspective.** The cooperation of social partners and collective bargaining will ensure sustainable raw materials exploration, extraction, refining, processing, and recycling with good working conditions, a safer and healthier environment, job satisfaction, and decent wages. As stated in the EP’s resolution on CRM: **“Responsible sourcing in the EU can only be based on an effective social dialogue promoting the health and safety of workers, securing decent jobs and working conditions and protecting workers’ rights by promoting gender equality”**.
- The application of high internally applied and recognized environmental standards for domestic extraction respecting the subsidiarity principle at the European Union level provides an effective base for preserving the environment, preventing pollution, preserving biodiversity and water resources, and is in coherence with the reduction of CO2 emissions agreed at European level, resulting in **the decarbonization of the extractives industries**. Proper anticipation and planning of the phasing out of mining and quarrying activities for their rehabilitation are also crucial. Social partners should agree on job-to-job transition of the mine workers during the rehabilitation of old mining and quarrying sites. All relevant stakeholders should improve the communication and

effective dialogue around extractive industries activities in order to avoid negative effect on public opinion.

- Mapping the mineral and metal resources in the EU and EEA countries for raw materials must be addressed with a coordinated EU effort to ensure a better understanding, that is regularly updated. The EU needs an EU Raw Materials Agency/governance tasked with the coordination of up-to-date geological information, identifying specific quarrying and mining projects across Member States, defining de-risking needs, and operating as an interface between Member States' projects. Coordinated action and data exchange to channel funds into exploration projects is also a major task that such an agency needs to take up. Euro Geo Surveys (EGS) and its national member organizations should be given a strong role in building a knowledge base on the geological potential for Europe and in creating a project base for quarrying and mining in Europe.
- Lack of investment in mineral exploration and later lengthy, unforeseeable, and complex permitting procedures hinder the uptake of quarrying and mining projects in the EU. **The EU Raw Materials Act's top priority must be to provide tools to streamline permitting processes for strategic and essential raw material projects and to optimize their operating framework.** Any "streamlined and quicker permitting procedures" must focus on strengthening and improving administrative capacity, for example through the digitalisation of permitting, increased workforce or one-stop shop, and not on by-passing environmental and social standards or safeguards. The compatibility of extractive industry activities and nature has to be further promoted.

Regarding the different pillars of the forthcoming EU Raw Materials Act (EU RMA), Social Partners of the SSDCEI also emphasize the following:

- a strong focus on the circular economy will be needed to improve recycling rates. There is huge potential for the use of secondary raw materials, but challenges remain. This requires more incentives, investments, and measures for collection and sorting, eco-design and control of scrap losses. More attention should also be paid to the potential of mining waste which could be an opportunity for regions in transition. One objective should be strengthening the role of quarrying and mining in the Circular Economy. The Commission should also evaluate how to encourage the extraction of critical, strategic and essential raw materials from tailings or other mining waste.
- Europe needs to lead the way in research, development, and innovation. To reduce the need for critical raw materials in production, we need more incentives and public support for substitution, recycling, and eco-design.
- Secondary raw materials from the circular economy will not eliminate the need for primary raw materials from within and outside of Europe. The EU must therefore ensure that the procurement of these raw materials from non-European sources fully complies with EU legislation and standards on social and environmental aspects.

Social Partners of the SSDCEI are committed to assisting the European Commission in implementing actions under the CRM Act/EU RMA ensuring the secure, sustainable and affordable supply of primary and secondary resources and decent employment in these sectors.