

Europe's Strategic Transformation in Critical Raw Material Management

written by Tracy Hughes | November 26, 2023

The [recent provisional agreement](#) by the Council and the European Parliament to bolster the supply of critical raw materials with the proposed Critical Raw Materials Act heralds a pivotal advancement in Europe's raw material strategy. Awaiting formal adoption, this agreement is a testament to the European Union's commitment to transforming its raw material dependency into a pillar of continental strength.

[Teresa Ribera Rodríguez](#), the acting Spanish third vice-president, underscores the significance of this initiative within Europe's broader ecological and demographic ambitions. The regulation ambitiously aims to enhance the EU's role in the extraction, processing, and recycling of 34 critical raw materials, with a special focus on 16 considered strategic. A key aspect of this agreement is the inclusion of aluminum in the strategic list and the emphasis on recycling, with benchmarks set to reach at least 25% of the EU's annual raw material consumption.

This paradigm shift towards sustainable raw material management extends beyond environmental objectives, aiming to fortify economic resilience. The regulation seeks to diversify critical raw material imports, capping the EU's reliance on any single third country to a maximum of 65% for each strategic raw material. This strategy is poised to spur innovation, as evidenced by the temporary classification of synthetic graphite as strategic and the provision for member states to veto projects within their jurisdiction.

Swiss mining giant Glencore PLC (LSE: GLEN | OTC: GLCNF | HK: 805) has aligned with these trends, announcing a pilot [electric vehicle \(EV\) battery recycling plant](#). Initially eyeing Sardinia, the company is now scouting other locations across Europe and North America. This move mirrors the wider shift in the decarbonization and EV sector towards recycling, a strategic response to market fluctuations and environmental considerations.

Melissa Sanderson, Director of the [Critical Minerals Institute](#) (CMI), highlights that these developments are indicative of an overarching trend. The EU's legislative emphasis on recycling over primary mining resonates with the decarbonization and electric vehicle sectors' trajectory. Glencore's strategic pivot to recycling efforts is a response to these evolving market and legislative landscapes.

The new EU regulations may also significantly impact Glencore's broader initiatives. Should Italy ratify the proposed law, it could streamline the authorization process for Glencore's larger recycling project, potentially relocating it to mainland Italy due to opposition in Sardinia. Sanderson notes that the industry's exploration of alternative materials, beyond current focuses like lithium, signals a dynamic and evolving sector.

In conclusion, these developments indicate a major shift in the management of critical raw materials, steering towards a future where sustainability, economic resilience, and innovation are central to the EU's industrial strategy. The anticipated Critical Raw Materials Act, integral to the Green Deal Industrial Plan, may not yet be formally adopted, but its influence on industry and environmental policy is already evident. As corporations like Glencore adapt to these changes, we can anticipate a continued evolution in the landscape of raw material management and recycling.