

## EU Critical Raw Materials Act: Streamlining the supply of essential resources for the European Green Deal

### Eurogypsum's position on the proposed EU Critical Raw Materials Act

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### *Materials for the European Green Deal*

The European Green Deal has been a major compass of the European political leadership since 2019. Europe's commitment to climate neutrality by 2050 has made it indispensable for the EU to readjust its legislation and propose more ambitious targets to reduce greenhouse gas emissions and improve energy efficiency. In parallel to more stringent standards for new buildings under the revised Energy Performance of Buildings Directive, the European Commission rightly identified the **renovation of Europe's existing buildings** as a major priority for action, with the ambition of doubling renovation rates over the decade<sup>1</sup>.

The Russian aggression to Ukraine has been a powerful reminder of the vital necessity to secure Europe's energy supply. It is of paramount importance to **avoid energy losses**, notably through the renovation of buildings, as they still accounted for an estimated 35% of Europe's energy-related greenhouse gas emissions in 2020.

Speeding up building renovation while minimising the carbon footprint of existing and new buildings **requires low embodied carbon solutions for construction and renovation**. Raw materials such as gypsum, which are sourced domestically in Europe, are a major component of lightweight, low-carbon and energy efficient building solutions.

Eurogypsum, the association representing the interests of the European gypsum supply and gypsum product manufacturing industry, is committed to the objective of supplying essential raw materials to European societies in the most sustainable way and substantially contributing to the objectives of the European Green Deal.

We welcome the presentation of a Critical Raw Materials Act (CRMA) as a clear momentum for the EU to consider the **importance of raw materials supply** to secure its most strategic objectives. The concept of "strategic" raw materials, added to the existing category of "critical" raw materials, shows the growing importance of strategic concerns when dealing with the security of raw materials supply.

Measures considered in the CRMA, such as **support for access to finance** or **permitting timeframes** for strategic projects, have long been demanded by Europe's extractive sector, and should be extremely helpful to reinforce Europe's agility to face challenges caused by climate change and the geopolitical situation. While extractive permit conditions are rightly set up at national level, we believe that a harmonised approach to streamlined timeframes or other facilitating measures would be extremely helpful. The issue of **public acceptance** for raw materials supply should in our view also feature high in the CRMA.

However, we regret that the definition of strategic materials and the scope assigned to strategic projects remain too narrow. As indicated above, the renovation of Europe's

<sup>1</sup> European Commission: "A Renovation Wave for Europe", COM(2020)662: <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1603122220757&uri=CELEX:52020DC0662>

buildings has rightly been defined as a major priority for the EU to achieve its climate neutrality objective. In this light, we strongly believe that this **objective should feature high in the strategic considerations** when it comes to defining raw materials for which the supply should be facilitated.

We duly recognise that raw materials needed for batteries are critical for Europe to accompany the electrification of the energy mix. However, the current list of critical raw materials and the definition of strategic raw materials fail to consider minerals which will be decisive to **perform the energy renovation** of the building stock.

Furthermore, we believe that focussing all efforts on critical and strategic raw materials as defined in the proposal will result in detrimental consequences as regards the processing of permits and the overall supply conditions of other materials, which are nevertheless **essential** to achieve the European Union’s policy goals.

We are therefore calling upon EU institutions to amend the CRMA proposal in order for such materials to be considered as **strategic**, or to introduce a new category of “**essential**” raw materials also benefiting from streamlined permitting and access to finance, as demanded by the Essential Raw Materials Coalition<sup>2</sup>.

In the case of gypsum, Europe is abundant in gypsum deposits and should in principle be able to remain self-sufficient. Our industry has also been pioneering circular practices in the construction sector, with closed-loop recycling systems in place for plasterboard in various European countries, and a steady increase in recycling figures over the past years<sup>3</sup>.

However, increasing difficulties in the access to extractive permits, combined with the foreseen reduction of alternative gypsum sources from the flue gas desulphurisation of coal power plants in the energy transition, are raising serious concerns about the future supply of this mineral essential for the construction and renovation of buildings.

Therefore, the **recognition of the strategic nature of minerals** necessary to the renovation of Europe’s building stock, including gypsum, as well as appropriate permitting timeframes, would be particularly useful to secure the long-term supply of domestic gypsum resources, sourced locally and sustainably, as evidenced by our sector’s good track record in biodiversity management and nature restoration in quarries<sup>4</sup>.

Instead, a failure to acknowledge the strategic nature of raw materials used for the European Green Deal would likely induce an **automatic prioritisation of other projects**, such as for critical raw materials, which is in our view detrimental and contradictory to the European Union’s commitment to building renovation.

We encourage European institutions to consider the aspects presented in this paper and look forward to contributing to the debates on this major subject for Europe’s raw materials supply.

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***Eurogypsum** is a European federation of national associations of producers of gypsum products (i.e. plaster and plasterboard). It is one of the few fully integrated industries (from cradle to cradle) within the construction*

<sup>2</sup> The Essential Raw Materials Coalition Position, 3 May 2023, is supported by more than 40 European, national and regional industry associations, including Eurogypsum. It is available at <https://t.co/KW21DSCyZq>.

<sup>3</sup> Recovered gypsum volumes used in the manufacturing of gypsum products (coming both from construction/demolition waste and from internally reprocessed production waste) represented 1,442,095 tonnes in 2021, with more than 30% increase from 2019.

<sup>4</sup> Find out more about the European gypsum industry’s actions on biodiversity, including concrete case studies and the European code of conduct on species protection in the extractive sector here:

<https://eurogypsum.org/biodiversity/>

*products field. The companies which mine gypsum also process it and manufacture the value-added products and systems used extensively in construction and other industries. With a turnover of EUR 7 billion, the European gypsum and anhydrite industry operates some 160 factories and 154 quarries and generates employment directly to 28,000 persons and indirectly for 300,000 persons. The gypsum industry provides jobs to 1,100,000 plasterers and plasterboard installers. It trains around 25,000 persons per year across Europe.*

**Contact:**

Tristan Suffys, Secretary General - [t.suffys@eurogypsum.org](mailto:t.suffys@eurogypsum.org)

Jean-Luc Marchand, Raw Material Committee Chair - [jean-luc.marchand@saint-gobain.com](mailto:jean-luc.marchand@saint-gobain.com)