

The background of the report cover features a photograph of an excavator's arm and bucket silhouetted against a bright, low sun, creating a warm, golden glow. The image is partially obscured by a large teal-colored rectangular overlay that contains the text.

REPORT

**ANALYSIS OF REGULATION (EU)
2024/1252 TO ENSURE A SECURE
AND SUSTAINABLE SUPPLY OF RAW
MATERIALS**

An analysis of: **CIC
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REGULATION (EU) 2024/1252

Regulation (EU) 2024/1252, adopted on April 11, 2024, has its origin in the [Critical Raw Materials Act](#) that we analyzed a few months ago and whose main objective is to improve the functioning of the internal market, by establishing a **framework to ensure the Union's access to a secure, resilient and sustainable supply of critical raw materials**. Importantly, this regulation advocates **efficiency and circularity** throughout the value chain of these raw materials.

To this end, it sets out three objectives.

1) Reduce the supply risk of key raw materials by supporting strategic projects and improving efficiency in the use of resources.

2) Improve the Union's capacity to monitor and reduce risks related to the supply of these raw materials.

3) To guarantee the free circulation of these materials and products in the EU market, ensuring environmental protection and sustainability.

To do so, the regulation defines two fundamental lists: the **list of strategic raw materials** and the **list of critical raw materials**.



STRATEGIC RAW MATERIALS

They are those of great importance for the functioning of the EU internal market, necessary at the beginning of many industrial value chains and difficult to increase in production, due to the long lead times for the execution of new projects.



CRITICAL RAW MATERIALS

They include all strategic raw materials and any others of major importance to the Union's economy with a high risk of supply disruption.

These two lists will be **drawn up and updated** on the basis of clear methodologies to be communicated by the Commission in an open and transparent manner, which will serve to **guide and coordinate the efforts of the Member States to meet the objectives of this regulation**.



NICKEL

NATURAL GRAPHITE

HELIUM

NIOBIO

GALIUM

MANGANESE

TITANIUM METAL

PLATINUM GROUP METALS

HEAVY RARE EARTHS

GERMANIUM

ANTIMONY

PHOSPHORUS

FELDSPAR

SILICON METAL

COBALT

ARSENIC

ALUMINIUM /BAUXITE

COKING COAL

FLUORSPAR

PHOSPHORITE

MAGNESIUM METAL

ESCANDIUM

LITHIUM

LIGHT RARE EARTHS

TANTALO

VANADIUM

WOLFRAM

HAFNIUM

STRONTIUM

BARITE

BISMUTE

BORO/BORATO

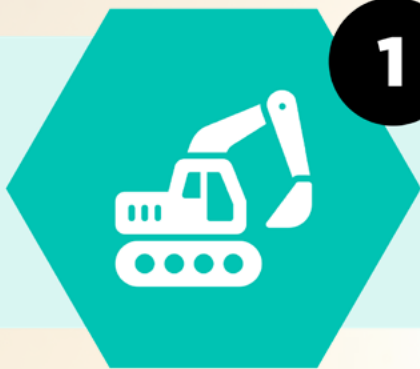
BERYLLIUM

COPPER

Article 3, corresponding to the [List of Strategic Raw Materials](#), defines that this list will include those **raw materials that score highest in terms of strategic importance, expected growth in demand and difficulty in increasing production**. And as an important point for the energy storage sector, the Commission will determine whether synthetic graphite should remain on the list of strategic raw materials or not.

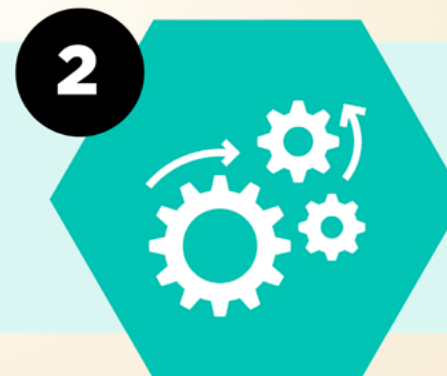
Likewise, **Article 4**, corresponding to the [List of Critical Raw Materials](#), defines that this list will include **all strategic raw materials**, as well as any **other raw material that reaches or exceeds the threshold of 1 in risk to supply and 2.8 in economic importance**.

One of the most important articles from our point of view is Article 5, which defines the four reference parameters of this regulation.



EXTRACTION

At least 10% of the EU's annual consumption for extraction



PROCESSING

At least 40% of the EU's annual consumption for processing



RECYCLING

At least 25% of the EU's annual consumption for recycling



EXTERNAL SOURCES

No more than 65% of key raw material consumption in EU may come from a 3rd country.

The measures set forth in this article undoubtedly seek to **strengthen economic security, promote domestic industry, guarantee the sustainability of value chains, encourage the circular economy and protect against political and market risks**, ensuring a stable and sustainable supply of essential resources.

Strategic projects



Another key point of this regulation is the recognition of strategic projects. Article 6 establishes the **conditions that projects generated in the Union must meet in order to be considered strategic**. Some of the most important conditions are:

- The project contributes significantly to the **security of supply** of strategic raw materials of the Union.
- That it is or will be **technically feasible within a reasonable timeframe** and that the expected production volume of the project can be estimated with a sufficient level of confidence.
- It is **implemented in a sustainable manner**, in particular with regard to **monitoring, prevention and minimization of environmental impacts**, prevention and minimization of socially adverse impacts through the use of **socially responsible practices** and the potential for the creation of **quality employment**; the use of transparent business practices with **appropriate compliance policies** to prevent and minimize the risks of adverse impacts on the **proper functioning of public administration**, including corruption and bribery.

- In the case of projects in the Union, the establishment, operation or production of the project has **cross-border benefits beyond the Member State concerned.**
- In the case of projects in third countries which are emerging markets or developing economies, the project is **mutually beneficial to the Union and the third country** concerned by providing added value in that third country.

Due to the relevance of this type of projects to achieve the objectives set, this regulation determines, as stated in **Article 15**, that all member states shall **accelerate the implementation of strategic projects and that the Commission shall carry out activities**, where appropriate in cooperation with the member states, to attract private investment for them. Such activities may include the provision of coordinated support to strategic projects facing difficulties in accessing finance.

It also defines that the Member State whose territory is affected by a strategic project shall take **measures to facilitate its timely and effective implementation**. Such measures may include assistance to ensure compliance with applicable administrative and reporting obligations and/or enhancing the capacity of project promoters to ensure the meaningful involvement and participation of the communities affected by the strategic project.

“The European Commission shall adopt measures to facilitate the implementation of strategic projects of the Member States.”

As mentioned at the beginning of the document, this regulation seeks to **increase the sustainability of the different value chains of the sectors considered strategic**, through a series of measures, among which are the national measures on circularity, included in **Article 26**:

- **Encourage technological progress and resource efficiency** in order to moderate the expected increase in the consumption of key raw materials in the EU.
- **Promote waste prevention and increase the reuse and repair of products and components** with adequate potential for recovery of critical raw materials.
- **Increase the collection, sorting and treatment of key raw material waste with adequate recovery potential**, including scrap metal, **and ensure its introduction into the appropriate recycling system**, with a view to maximizing the availability and quality of recyclable material as input to key raw material recycling facilities.

- **Increase the use of secondary key raw materials**, including through measures such as consideration of recycled content in award criteria related to public procurement or financial incentives for the use of secondary key raw materials.
- **Increase the maturity of key raw material recycling technologies and promote circular design, material efficiency and substitution of key raw materials in products and applications**, by including support actions within the framework of research and innovation programs.
- Ensure that measures are in place to **equip the workforce with the necessary skills to support circularity in the value chain of key raw materials**.
- Support, where appropriate, the **use of Union quality standards for the recycling processes of waste streams containing critical raw materials**.

Support the use of **Union quality standards for recycling processes.**

Encouraging **technological progress and efficiency** in the use of resources

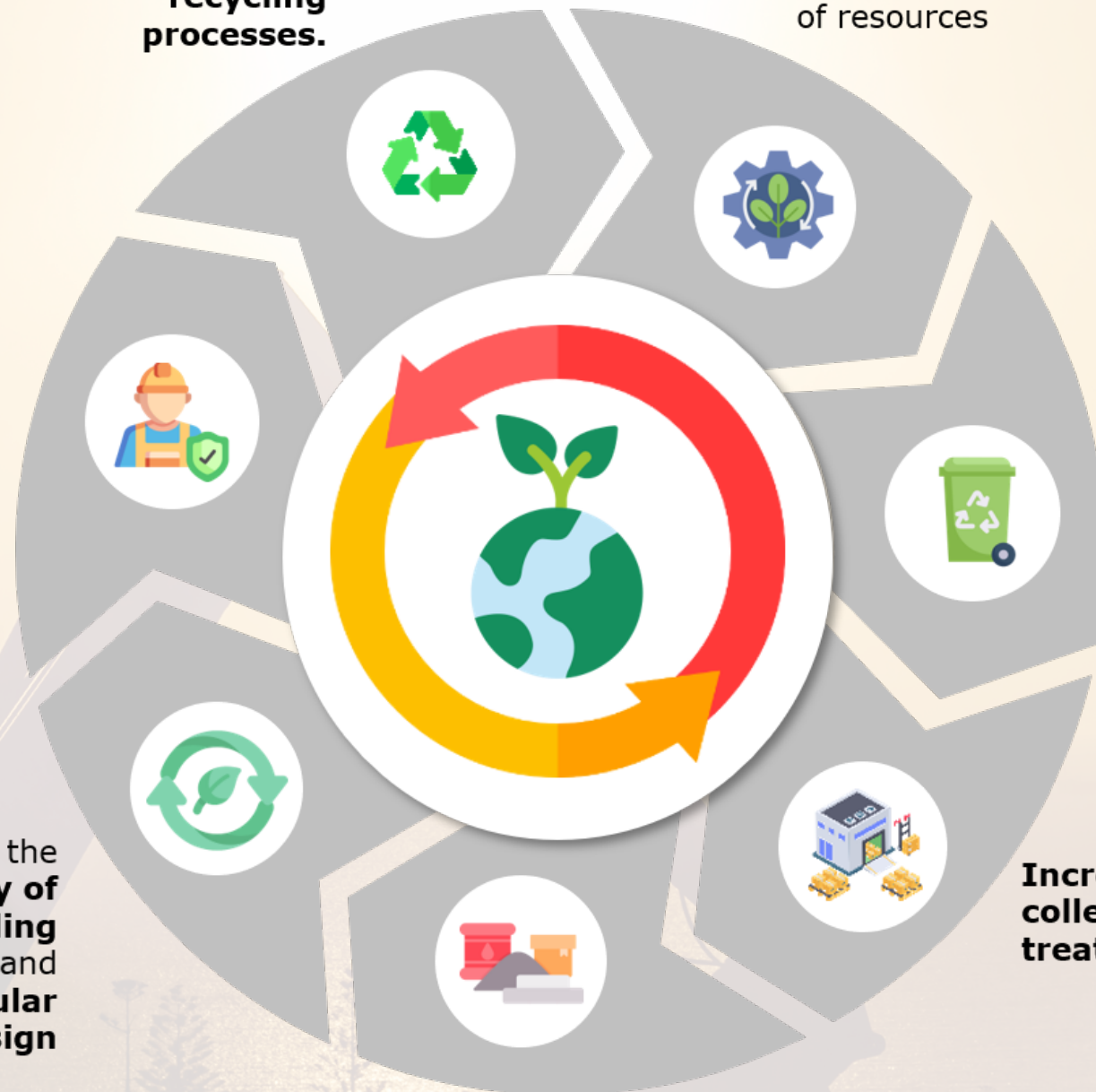
Equipping the workforce with the skills needed to support circularity

Promoting **waste prevention and increasing reuse and repair**

Increase the **maturity of recycling technologies** and promote **circular design**

Increasing waste collection, sorting and treatment

Increasing the use of critical secondary raw materials



Environmental footprint statement



Another important issue addressed in this regulation is the **environmental footprint statement**. **Article 31** defines that the Commission shall establish, through delegated acts, **rules for the calculation and verification of the environmental footprint of the different key raw materials**, taking into account scientifically sound assessment methods and relevant international standards.

These calculation and verification rules shall identify at least the **three environmental impact categories that are most relevant** and represent the largest part of the overall environmental footprint. One of the environmental impact categories will be **greenhouse gas emissions**.

The regulation defines that by November 24, 2026, the Commission shall submit to the European Parliament and the Council a **report specifying the critical raw materials to be prioritized when assessing whether the obligation to declare the environmental footprint** of a critical raw material is necessary and proportionate.

The annexes to this regulation are very relevant, as they not only define the critical raw materials, but also establish, among others, the **parameters for calculating the Environmental Footprint**.

In **Annex V**, specifically, one of the most important points refers to the **Declared Unit**. In this case, it stipulates that it shall be **1 kg of the relevant critical raw material type**. All quantitative input and output data collected by the manufacturer to **quantify the carbon footprint shall be calculated in relation to this declared unit**.

On the other hand, it defines that, within the system **boundaries, extraction, concentration and refining** will be the **three life cycle stages** to be included in the primary feedstock system boundaries. Some of the processes to be taken into account are (considering the following processes):

- **Mining of ores** for the production of raw materials.
- **Production and supply, including transportation**, of chemical products.
- **Auxiliary processes** - the production and supply, including transport - of **fuels**
- **Production and supply of electricity and transport** of materials
- **Transport of ores, concentrates and raw materials**
- **Storage of ores, concentrates and raw materials**
- **Grinding and cleaning of ores**, among others.

MINING OF ORES



**PRODUCTION
AND SUPPLY**



TRANSPORT



GRINDING



STORAGE



Finally, in this annex, the regulation establishes **performance classes, depending on the distribution of the values reported in the environmental footprint declarations** introduced in the internal market. A considerable number of performance classes will be determined to allow differentiation of products on the market, starting **from category A, which is the best class with the lowest life cycle impact.**

“This is a significant effort by the European Union to secure a stable and sustainable supply of critical raw materials.”

All this allows us to conclude that this regulation once again ratifies the significant **effort of the European Union to ensure a stable and sustainable supply of critical raw materials essential for several strategic industries.** Effective implementation of this regulation will be crucial for economic resilience and independence.



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