

15 July 2020

Response to public consultation on the Renewed Sustainable Finance Strategy

The Critical Raw Materials Alliance (CRM-A) represents primary producers, traders and associations of raw materials that the Commission has determined to be critical to the EU economy (CRMs). Members of our alliance are directly impacted by the EU's sustainable finance regulations and have first-hand experience in implementing the increasing sustainability requirements.

The CRM-A welcomes the European Commission's Renewed Sustainable Finance Strategy and its efforts to promote private investments in sustainable projects to achieve the different targets set out in the European Green Deal. The CRM-A also welcomes the Commission's aim to manage and integrate climate and environmental risks into our financial system. We are, however, afraid that certain initiatives within the strategy, such as the EU Taxonomy, might negatively impact the critical raw materials industry, which is a key sector to enable the EU's green transition.

Many critical raw materials and their derivatives are key components in different green technologies and are essential for the development of renewable energy sources, like wind turbines, solar panels, or sustainable batteries. CRMs positively influence the performance and durability of these products and their components. Considering production activities related to these technologies as harmful for the environment would prove counterproductive to the EU's green transition.

The Taxonomy tool and other proposed measures do not consider CRM manufacturing activities as key contributors to the EU's green ambitions and might drive investment away from them. The CRM-A would therefore like to call on the Commission to recognize the importance of CRMs for the EU's climate goals and to consider the long-term sustainability effect of our sector.

Additionally, the CRM-A would like to ask the Commission to ensure regulatory coherence between the different policy initiatives related to sustainable finance and to avoid overlap. Classification methods and definitions within the taxonomy tool and other initiatives such as the EU Green Bond Standard should be consistent. The European Commission should also ensure a transparent and clear communication process, while also considering the current challenges related to COVID-19 in implementing these pieces of legislation.
