

FINANCING CRITICAL MINERALS BUT FAILING CRITICAL SAFEGUARDS

POLICY BRIEF

November 2025





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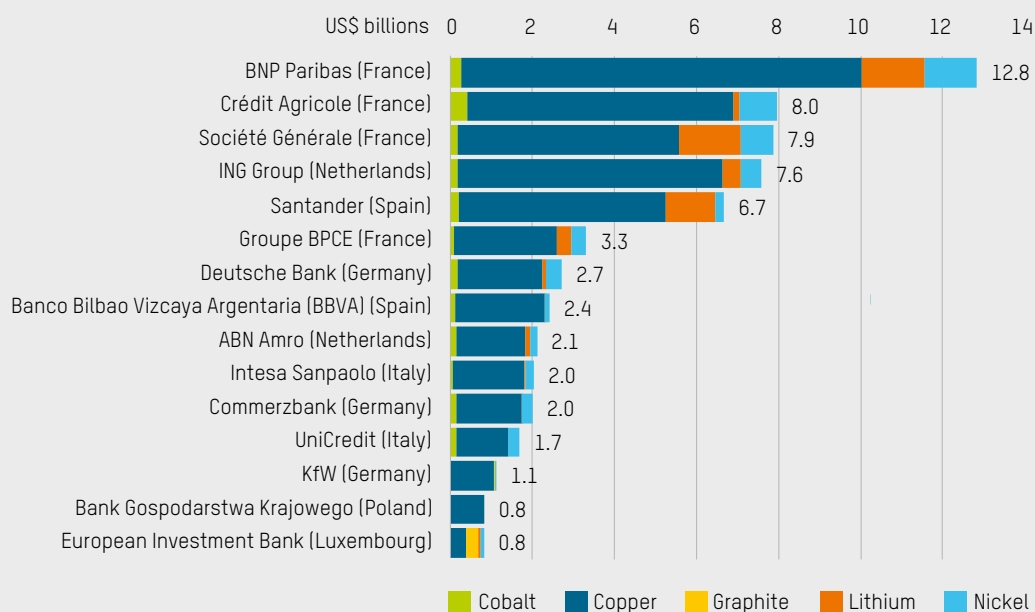
Securing critical mineral supply chains through effective EU-legislation

This policy brief presents key findings and recommendations from the Oxfam, Fair Finance International (FFI) and 11.11.11. report¹ on the role of EU-based financial institutions in critical mineral supply chains. As global demand for critical minerals soars in the clean energy transition, the EU's regulatory framework can and must ensure that this transition is just, sustainable, and does not perpetuate human rights abuses or environmental degradation.

Role of EU financial institutions in critical minerals supply chains

Between 2016 and 2024, EU-based financial institutions provided US\$69 billion in loans and underwriting services to 93 global companies involved in extracting and processing cobalt, copper, graphite, lithium, and nickel. Of this, 78% (US\$53.9 billion) was directed toward copper, followed by nickel (US\$6.4 billion) and lithium (US\$5.6 billion). French financial institutions led EU financing, with BNP Paribas contributing US\$12.8 billion, Crédit Agricole US\$8.0 billion, and Société Générale US\$7.9 billion².

TOP 15 EU LOANS & UNDERWRITING SERVICE PROVIDERS TO CRITICAL MINERAL PRODUCERS PER FINANCIAL INSTITUTION AND MINERAL (2016-2024, US\$ BILLIONS)



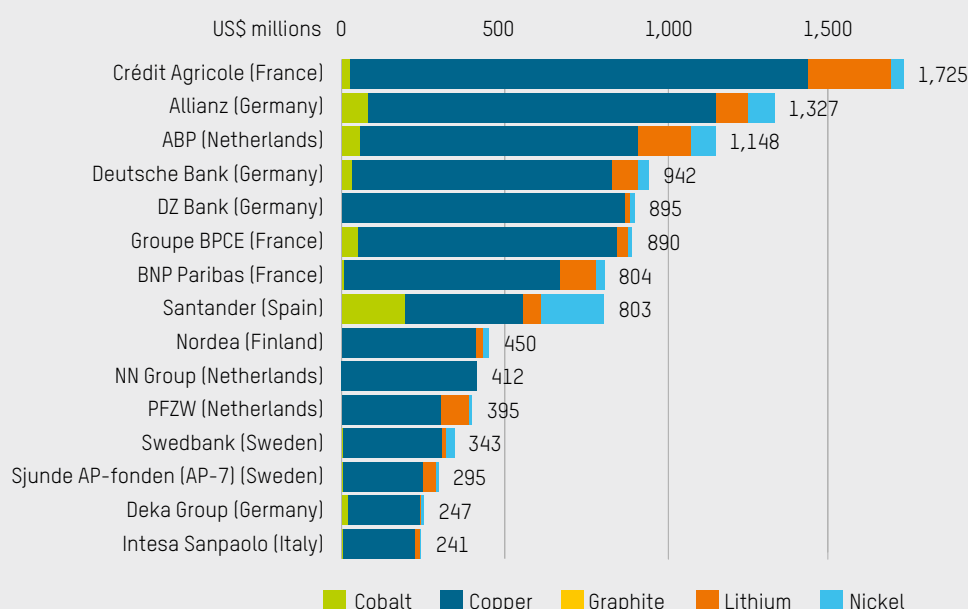


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POLICY BRIEF

As of November 2024, EU-based financial institutions held US\$16 billion in investments—through bonds and shares in companies involved in critical mineral production. The leading EU investors were Crédit Agricole (US\$1.7 billion), Allianz (US\$1.3 billion), and Dutch pension fund ABP (US\$1.1 billion), reflecting strong involvement from French, German, and Dutch institutions³.

TOP 15 EU INVESTORS IN BONDS AND SHARES IN CRITICAL MINERAL PRODUCERS PER FINANCIAL INSTITUTION AND MINERAL (2024 NOVEMBER, US\$ MILLIONS)



Source: Mining & Money

Financial institutions lack ESG-policies on critical minerals

This report assessed the ESG (Environmental, Social, and Governance) policies of eight major EU-based financial institutions involved in financing critical mineral production, using a methodology based on international sustainability standards. The findings show that these institutions fall significantly short in addressing environmental and social risks tied to mining activities. ESG scores ranged from just 2.6 to 4.0 out of 10, with no institution emerging as a frontrunner. The Dutch pension fund ABP scored highest but was still only rated a 4.0 while all others—including top investors Crédit Agricole, Allianz, and BBVA—scored below 3, especially underperforming on environmental and social criteria⁴.



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POLICY BRIEF

CONSOLIDATED POLICY ASSESSMENT SCORES (/10)



Regulatory landscape in the EU

The EU has introduced key legislation, such as the Critical Raw Materials Act (CRMA), Batteries Regulation, and the Corporate Sustainability Due Diligence Directive (CSDDD), to ensure critical mineral supply chains are secure, sustainable, and respect human rights. These laws mandate due diligence, circularity, and sustainability disclosures. However, the proposed Omnibus Package threatens to weaken these standards by scaling back due diligence for upstream supply chains, reducing transparency for financiers, and delaying implementation of key rules. These risks shift environmental and social harms to the Global South, contradicting the EU's commitment to a just transition.

Recommendations by Oxfam, Fair Finance International and 11.11.11. to the European Union

Robust regulations that are mandatory for all market actors encompassing the value chains for minerals are essential for ensuring their sustainable production, processing and recycling. To ensure that adequate regulatory frameworks are in place and properly enforced, the EU authorities should:

- 1. Stop the dilution and postponement of CSDDD, CSRD, EU Taxonomy, and other relevant due diligence and reporting legislation**, and retain their original scope, thresholds, and implementation timelines. Maintain the company threshold on 1,000 employees and €450m turnover worldwide as intended in the CSDDD. The CSDDD must make it possible to hold companies legally responsible when they cause or contribute to harm in a way that is consistent across member states, avoiding a patchwork of 27 different national systems.
- 2. Ensure that, as a minimum requirement, the review clause with respect to the provision of financial services and investment activities is reinstalled in the CSDDD⁵.** Financial institutions' downstream activities, corresponding to their core activities of providing financial services, should fall within the scope of the CSDD Directive or Omnibus regulation.
- 3. Introduce the concept of Free, Prior, and Informed Consent (FPIC)** into both the Batteries Regulation and the CRMA and ensure that FPIC is mandatory to obtain, prior to any mining operations concerning critical and strategic raw materials.



FINANCING CRITICAL MINERALS BUT FAILING CRITICAL SAFEGUARDS

POLICY BRIEF

4. **Retain all due diligence obligations under the Batteries Regulation** regardless of the outcomes of the Omnibus discussion on CSDDD. In case CSDDD simplification and lower thresholds for the in-scope companies are unfortunately approved, a list should be developed of high-risk sectors, including mining and processing.
5. **Ensure that the concept of Just Transition is integrated in all the relevant legislation.** As critical minerals are essential for climate transition, and as they contribute to cleaner energy production largely in the Global North, while most of the environmental and social externalities are affecting workers and local communities in the Global South, the concept of Just Transition should be integrated in all the relevant legislation. Currently, only CRMA has a passing reference to it, envisaging that EU-based strategic projects can benefit from the Just Transition Fund established by Regulation (EU) 2021/1056, provided such projects contribute to reducing the social and economic costs brought by the green transition. This Fund should be accompanied by a Fund for Just Transition for developing countries.
6. **Engage with critical mining producers and users to promote sustainable mineral consumption** that contributes to a just energy transition and recognise the need for reduced consumption in OECD countries.
7. **Increase the target share of recycled content under the Batteries Regulation** to make it unattractive for companies to use (currently) cheaper virgin materials over recycled content.
8. **Do not postpone the implementation of the Batteries Regulation** and keep the initial deadline; urgently develop the guidelines on the application of the battery due diligence requirements.
9. **Make mining sustainability requirements for the CRMA strategic projects more stringent.** Ensure that post-operative restoration and rehabilitation is mandatory in full, not only as much as it is 'economically feasible'.
10. **Expand the environmental and social criteria that are currently mandatory** for the strategic projects recognised under the Critical Raw Materials Act (CRMA) and make them mandatory for all companies along the critical minerals value chains, not only the projects that seek to obtain recognition.
11. **Ensure that strict environmental and social criteria for the production, processing, and trade in critical minerals are included in all EU trade agreements**, including those currently negotiated (Indonesia, India, Australia, Thailand, Tajikistan, Philippines, Thailand), and those already in force. Considering the high risk of mining operations, such requirements should go above and beyond the standard Trade and Sustainable Development (TSD) provisions.
12. **With regards to the Strategic Projects** – The EU should ensure that the selected projects are subject to robust environmental and human rights due diligence, with full transparency and meaningful participation of affected communities, including Indigenous Peoples, in line with international standards and the principle of Free, Prior and Informed Consent (FPIC). To uphold accountability, the EU must ensure full transparency around the selection of strategic projects, the criteria used, and the monitoring and evaluation processes.

Full report available here: <https://www.fairfinanceinternational.org/> www.11.be/



ENDNOTES

- 1 Oxfam, Fair Finance International, 11.11.11, Profundo, Nov 2025: Financing Critical Minerals but Failing Critical Safeguards; Are banks and investors doing enough to ensure the energy transition is fair for all? On <https://www.fairfinanceinternational.org/>
- 2 Oxfam, Fair Finance International, 11.11.11, Profundo, Nov 2025: "Financing Critical Minerals but Failing Critical Safeguards", chapter 2.2
- 3 Oxfam, Fair Finance International, 11.11.11, Profundo, Nov 2025: "Financing Critical Minerals but Failing Critical Safeguards", chapter 2.3
- 4 Oxfam, Fair Finance International, 11.11.11, Profundo, Nov 2025: "Financing Critical Minerals but Failing Critical Safeguards", chapter 4.4
- 5 <https://shareaction-api.files.svdcdn.com/production/resources/reports/Final-Joint-Letter-asking-MEPs-to-preserve-the-financial-sector-assessment-clause-in-CSDDD.pdf?dm=1756803877>

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