European Commission - Press release





Green Deal: Sustainable batteries for a circular and climate neutral economy

Brussels, 10 December 2020

Today, the European Commission proposes to modernise EU legislation on batteries, delivering its first initiative among the actions announced in the new <u>Circular Economy Action Plan</u>. Batteries that are more sustainable throughout their life cycle are key for the goals of the <u>European Green Deal</u> and contribute to the zero pollution ambition set in it. They promote competitive sustainability and are necessary for green transport, clean energy and to achieve climate neutrality by 2050. The proposal addresses the social, economic and environmental issues related to all types of batteries.

Batteries placed on the EU market should become sustainable, high-performing and safe all along their entire life cycle. This means batteries that are produced with the lowest possible environmental impact, using materials obtained in full respect of human rights as well as social and ecological standards. Batteries have to be long-lasting and safe, and at the end of their life, they should be repurposed, remanufactured or recycled, feeding valuable materials back into the economy.

Promoting competitive sustainability in Europe

The Commission proposes **mandatory requirements for all batteries** (i.e. industrial, automotive, electric vehicle and portable) placed on the EU market. Requirements such as use of responsibly sourced materials with restricted use of hazardous substances, minimum content of recycled materials, carbon footprint, performance and durability and labelling, as well as meeting collection and recycling targets, are essential for the development of more sustainable and competitive battery industry across Europe and around the world.

Providing legal certainty will additionally help unlock large-scale investments and boost the production capacity for innovative and sustainable batteries in Europe and beyond to respond to the fast-growing market.

Minimising environmental impact of batteries

The measures that the Commission proposes will facilitate achieving climate neutrality by 2050. Better and more performant batteries will make a key contribution to the electrification of road transport, which will significantly reduce its emissions, increase the uptake of electric vehicles and facilitate a higher share of renewable sources in the EU energy mix.

With this proposal, the Commission also aims to boost the circular economy of the battery value chains and promote more efficient use of resources with the aim of minimising the environmental impact of batteries. From 1 July 2024, only rechargeable industrial and electric vehicles batteries for which a carbon footprint declaration has been established, can be placed on the market.

To close the loop and maintain valuable materials used in batteries for as long as possible in the European economy, the Commission proposes to establish new requirements and **targets on the content of recycled materials and collection, treatment and recycling** of batteries at the end-of-life part. This would make sure that industrial, automotive or electric vehicle batteries are not lost to the economy after their useful service life.

To significantly improve the collection and recycling of portable batteries, the current figure of 45% collection rate should rise to 65 % in 2025 and 70% in 2030 so that the materials of batteries we use at home are not lost for the economy. Other batteries – industrial, automotive or electric vehicle ones – have to be collected in full. All collected batteries have to be recycled and high levels of recovery have to be achieved, in particular of valuable materials such as cobalt, lithium, nickel and lead.

The proposed regulation defines a framework that will facilitate the **repurposing of batteries from electric vehicles** so that they can have a second life, for example as stationary energy storage systems, or integration into electricity grids as energy resources.

The use of **new IT technologies**, notably the **Battery Passport** and interlinked **data space** will be

key for safe data sharing, increasing transparency of the battery market and the traceability of large batteries throughout their life cycle. It will enable manufacturers to develop innovative products and services as part of the twin green and digital transition.

With its new battery sustainability standards, the Commission will also promote globally the green transition and establish a blueprint for further initiatives under its sustainable product policy.

Members of the College said:

Executive Vice-President for the European Green Deal Frans **Timmermans** said: "Clean energy is the key to European Green Deal, but our increasing reliance on batteries in, for example, transport should not harm the environment. The new batteries regulation will help reduce the environmental and social impact of all batteries throughout their life cycle. Today's proposal allows the EU to scale up the use and production of batteries in a safe, circular and healthy way".

Vice-President for Interinstitutional Relations Maroš **Šefčovič** said: "The Commission puts forward a new future-proof **regulatory framework on batteries** to ensure that only the greenest, best performing and safest batteries make it onto the EU market. This ambitious framework on transparent and ethical sourcing of raw materials, carbon-footprint of batteries, and recycling is an essential element to achieve open strategic autonomy in this critical sector and accelerate our work under the European Battery Alliance."

Commissioner for Environment, Oceans and Fisheries Virginijus **Sinkevičius** said: "With this innovative EU proposal on sustainable batteries we are giving the first big push to the circular economy under our new Circular Economy Action Plan. Batteries are essential for crucial sectors of our economy and society such as mobility, energy and communications. This future-oriented legislative toolbox will upgrade the sustainability of batteries in each phase of their lifecycle. Batteries are full of valuable materials and we want to ensure that no battery is lost to waste. The sustainability of batteries has to grow hand in hand with their increasing numbers on the EU market."

Commission for Internal Market Thierry **Breton** said: "Europe needs to increase its strategic capacity in new and enabling technologies, such as batteries, that are essential for our industrial competitiveness and to fulfil our green ambitions. With investment and the right policy incentives – including today's proposal for a new regulatory framework – we are helping establish the full batteries value chain in the EU: from raw materials and chemicals via electric mobility all the way to recycling."

Background

Since 2006, batteries and waste batteries have been regulated at EU level under the <u>Batteries</u> <u>Directive (2006/66/EC)</u>. A modernisation of the framework is necessary because of changed socioeconomic conditions, technological developments, markets, and battery uses.

Demand for batteries is increasing rapidly and is set to increase 14 fold by 2030. This is mostly driven by electric transport making this market an increasingly strategic one at the global level. Such global exponential growth in demand for batteries will lead to an equivalent increase in demand for raw materials, hence the need to minimise their environmental impact.

For More Information

Q&A on Sustainable Batteries proposal

<u>Factsheet</u>

Proposal for a Regulation on batteries and waste batteries

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