Green Deal: EU agrees new law on more sustainable and circular batteries to support EU’s energy transition and competitive industry

Brussels, 9 December 2022

The Commission welcomes the provisional political agreement reached between the European Parliament and the Council aiming to make all batteries placed on the EU market more sustainable, circular and safe. The agreement builds on the Commission’s proposal from December 2020 and addresses the social, economic and environmental matters related to all types of batteries.

A key achievement under the European Green Deal, the new law brings forward both the circular economy and zero pollution ambitions of the EU by making batteries sustainable throughout their entire lifecycle – from the sourcing of materials to their collection, recycling and repurposing. In the current energy context, the new rules establish an essential framework to foster further development of a competitive sustainable battery industry, which will support Europe’s clean energy transition and independence from fuel imports. Batteries are also a key technology that plays a central role in advancing EU's climate neutrality by 2050.

New rules for production, recycling and repurposing of batteries

Once the new law enters into force, sustainability requirements on carbon footprint, recycled content and performance and durability will be introduced gradually from 2024 onwards. A more comprehensive regulatory framework on Extended Producer Responsibility will start applying by mid-2025, with higher collection targets being introduced over time. For portable batteries the targets will be 63% in 2027 and 73% in 2030, while for batteries from light means of transport, the target will be 51% in 2028 and 61% in 2031. All collected batteries have to be recycled and high levels of recovery have to be achieved, in particular of valuable materials such as copper, cobalt, lithium, nickel and lead.

This will guarantee that valuable materials are recovered at the end of their useful life and brought back in the economy by adopting stricter targets for recycling efficiency and material recovery over time. Material recovery targets for lithium will be 50% by 2027 and 80% by 2031.

Companies placing batteries on the EU internal market will have to demonstrate that the materials used for their manufacturing were sourced responsibly. This means that social and environmental risks associated with the extraction, processing and trading of the raw materials used for the battery manufacturing will have to be identified and mitigated.

Next steps

The European Parliament and the Council will now formally have to adopt the new Regulation before it can enter into force. The new Regulation will replace the existing Batteries Directive from 2006. This new cradle-to-grave regulatory framework for batteries will require a lot of more detailed rules (secondary legislation) to be adopted from 2024 to 2028 to be fully operational.

Background

Since 2006, batteries and waste batteries have been regulated at EU level under the Batteries Directive. The Commission proposed to revise this Directive in December 2020 due to new socioeconomic conditions, technological developments, markets, and battery uses.

Demand for batteries is increasing rapidly and is set to increase 14-fold by 2030, and the EU could account for 17% of that demand. This is mostly driven by the electrification of transport. Such 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.

In 2017, the Commission launched the European Battery Alliance to build an innovative, sustainable and globally competitive battery value chain in Europe, and ensure supply of batteries needed for decarbonising the transport and energy sectors.
For more information

**Press release (10 December 2020): Green Deal: Sustainable batteries for a circular and climate neutral economy**

**Commission proposal**

**Webpage on batteries**

Quotes:

<table>
<thead>
<tr>
<th>Batteries play an increasingly important role in our lives. Whether they power our cars, bikes, household appliances or serve other uses, batteries should be sustainable and easy to recycle. The agreement reached today sets out clear rules to support scaling up battery use and production, and ensure it is done in a safe, circular, and healthy way.</th>
<th>Frans Timmermans, Executive Vice-President for the European Green Deal - 09/12/2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thanks to the work under the European Battery Alliance, we see some 110 major industrial projects across the entire value chain – including 40 Gigafactories – being promoted across the European Union. Setting top notch, future-proof regulatory framework for batteries has been among the key priorities under the Alliance – and today, we are delivering. All industrial players in Europe will now have a clear, predictable legal environment that supports them in innovating and preparing for the expected surge in e-mobility in coming years. This is yet another milestone, as our battery industry is of strategic importance to Europe's global competitiveness.</td>
<td>Maroš Šefčovič, Vice-President for Interinstitutional Relations and Foresight - 09/12/2022</td>
</tr>
<tr>
<td>Charging the batteries to power our sustainable future – this is what the landmark agreement the EU reached today is all about. The batteries market is rapidly expanding and with the new EU rules on batteries we will be better prepared for the huge changes ahead, for the green and digital transitions our economy and society are undergoing. These rules will make us less dependent on imported oil and reduce the carbon footprint of our economy. This is very important in the context of Russia's brutal war on Ukraine and the economic and geopolitical instability that it causes. We will increase the sourcing of precious raw materials such as lithium and cobalt from waste batteries, contributing to the security of supply of resources needed for the production of new batteries in a more circular economy.</td>
<td>Virginijus Sinkevičius, Commissioner for Environment, Oceans and Fisheries - 09/12/2022</td>
</tr>
<tr>
<td>Electric mobility is a new and coveted market. Global competition is fierce and demand for batteries has increased sharply. We want to ensure that we are not a mere subcontractor depending on others, and that clean mobility leads to jobs in Europe. This is even more vital since electric vehicles are less complex and labour-intensive to produce than combustion engines. We are mobilising substantial public and private investments in the battery value chain, and with the new Regulation agreed today we will ensure that batteries placed in the EU market – even if produced in a third country – are sustainable and safe throughout their entire life cycle. Because batteries are at the heart of Europe's competitiveness and resilience.</td>
<td>Thierry Breton, Commissioner for Internal Market - 09/12/2022</td>
</tr>
</tbody>
</table>

Press contacts:

- Adalbert JAHNZ (+32 2 295 31 56)
- Sonya GOSPODINOVA (+32 2 296 69 53)
- Daniela STOYCHEVA (+32 2 295 36 64)
- Federica MICCOLI (+32 2 295 83 00)

General public inquiries: Europe Direct by phone **00 800 67 89 10 11** or by email