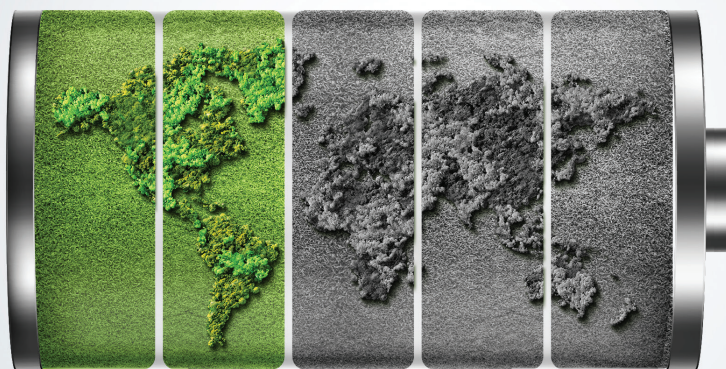


Towards a sustainable batteries industry in the EU

Position paper – May 2021¹



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Introduction

Batteries are a key tool in the transition to climate neutrality and to a more circular economy. With the growing electrification of transport and the greater use of renewable energy sources, the demand for batteries will continue to rise dramatically, making this technology ever-more strategically important at the global level². The increase in demand for the raw materials needed to produce batteries will also have a significant environmental impact.

In view of the strategic importance of batteries and in order to minimise their adverse environmental effects, in 2020, the European Commission published a proposal for a new regulatory framework for batteries and waste batteries, aiming to establish minimum sustainability requirements for all batteries placed on the EU internal market.

Common set of rules throughout the battery value chain

The new proposals seek to increase the resilience of the EU battery supply chain by promoting the circular economy, and to reduce environmental and social impacts at all stages of the battery life cycle. The proposals are closely linked to actions set out in the [new Circular Economy Action Plan](#), the [European Green Deal](#) and the new EU [Industrial Strategy](#).

The EESC supports the measures proposed by the Commission, as they will strengthen the functioning of the internal market through a common set of rules on many key sustainability aspects, such as the responsible sourcing of raw materials, the content of recycled materials, carbon footprint and labelling. These measures would make it possible to achieve climate neutrality by 2050 and to establish a blueprint for further sustainable product initiatives. The EESC calls, however, for more precise and workable governance instruments to implement the new regulation, with the involvement of all stakeholders.

To improve investment in production capacity for sustainable batteries, in view of the social and environmental risks, it is necessary to bring projects related to batteries in line with the EU's taxonomy for sustainable activities, taking the InvestEU programme into account.

Industrial policies and raw materials

For industry, the key challenges are linked to battery value chains and the implementation of competitive industrial processes. The EU Strategic Action Plan on Batteries³ aims to break Europe's

1. All the views expressed in this paper are based on adopted EESC opinions.

2. Global demand for batteries is set to increase 14-fold by 2030 and the EU could account for 17% of that demand.

dependence on non-EU countries and develop a significant battery industry in the EU. The [European Battery Alliance](#) brings together key industrial stakeholders, Member States and the European Investment Bank to develop an innovative, competitive and sustainable battery value chain in Europe.

In its 2019 [opinion](#) on the EU Strategic Action Plan, the EESC called for more efforts to achieve the necessary level of technological expertise in the EU and to secure the supply of raw materials from resource-rich countries outside the EU and facilitate access to European sources. In line with the EU's strategic autonomy, the EESC [calls for](#) the swift implementation of the newly proposed legislative measures in order to reduce dependence on Asian or American raw material and battery producers, and to avoid the relocation of European car plants to third countries close to battery production sites, which has negative economic, social and environmental consequences.

Enhancing and exploiting the potential of EU primary and secondary battery raw materials and their efficient and sustainable production is essential. The EESC has also [expressed support](#) for legal requirements to boost the market for secondary raw materials in the batteries industry.

Eco-design supporting the recycling, refurbishing and re-use of batteries

In line with the EU's 2050 carbon neutrality commitments (with the intermediate target of a 55% reduction in GHG by 2030), the EESC proposes rapidly introducing maximum carbon footprint thresholds for battery manufacturing and upstream material supply logistics and increasing the resources allocated by the Commission to rapidly develop and implement the tools for assessing and monitoring the carbon footprint of the battery industry.

Recycling, refurbishing and re-using batteries make it possible to secure the upstream value chain, and the EESC considers it essential to support research and development in eco-design. This should take the form of an "important project of common European interest" (IPCEI).

The promotion of eco-design is linked to the need to establish appropriate producer liability, and to separate the end of life of batteries from the end of life of the devices that use them. The EESC proposes the concept of "end-of-use", in addition to "end-of-life", in order to encourage the re-use, refurbishment or second life and recycling of batteries.

Focus on jobs, skills and social impacts

A sustainable European battery industry requires attention to be paid to the jobs and skills requirements and availability of trained workers.

The EESC considers that the Commission's **Pact for Skills** initiative and the European **ALBATS**, **DRIVES** and **COSME** projects should prioritise training projects for eco-design and battery recycling. These should be provided with sufficient financial resources to ensure their success, and carried out with the active involvement of the social partners and in cooperation with relevant national schemes.

In terms of reducing environmental and social impacts, the EESC believes the regulation should contribute to responsible sourcing, to promoting the efficient use of raw materials and recycled materials, to reducing risks to human health and the quality of the environment and to improving the social conditions of the communities concerned.

Concerning the application of the duty of due diligence for monitoring the battery supply chain and for an independent audit, monitoring and control system under the auspices of the European Commission, in line with the rules laid down in the OECD's guidelines on this subject³, the EESC calls for full transparency in the implementation of this monitoring system.

Improving battery safety

On issues related to health, safety and working conditions in the production process, and to the recycling and repurposing of batteries, the EESC proposes strengthening the role of the European Agency for Safety and Health at Work (EU-OSHA). The role and resources of the European Chemicals Agency (ECHA) should also be further enhanced to include the registration, assessment, monitoring and control of the new standards and rules regarding battery sustainability.

Lastly, the EESC believes that the provisions of the draft regulation concerning labelling should include an obligation to inform people better about the potential risks of hazardous substances and other safety risks to allow for informed choices and the better use of batteries.

Further information

[EESC opinion on the Strategic Action Plan on Batteries \(report\)](#)

[EESC opinion on Critical Raw Materials Resilience: Charting a Path towards greater Security and Sustainability](#)

[EESC opinion on the New Circular Economy Action Plan](#)

[EESC opinion on the Industrial strategy](#)

[EESC opinion on The EU mobility strategy and EU industrial value chains: automotive eco-systems approach](#)

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3. The Strategic Action Plan on Batteries was launched as an annex to the Communication entitled [Europe on the Move](#) in 2018.

4. OECD, 2018, OECD Due Diligence Guidance for Responsible Business Conduct.