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EU proposal for a battery regulation: Fortum sees the ambitious targets as a prerequisite for a sustainable batteries value chain

Fortum welcomes the European Commission's proposal COM(2020) 798 for a regulation concerning batteries and waste batteries, which sets minimum sustainability requirements for batteries in the entire value chain. Europe has a great opportunity to capture a large share of the global market for batteries manufacturing. In this paper, we give our opinion on the proposal with particular focus on industrial and electric vehicle batteries of the Li-ion type. Batteries are likely to be a key enabler for sustainable mobility and for the integration of renewable electricity generation in the grids. **Having a strong battery value chain is of strategic value and importance for Europe as well as for our industry.**

Fortum is actively involved in several parts of the batteries value chain

We use batteries for energy storage, we provide charging stations for Electric Vehicles (EV), and we are currently developing a larger scale recycling solution for Li-ion batteries. The aim is to be a major supplier of secondary raw materials in batteries manufacturing.

We use a non-thermal hydrometallurgical and low-carbon emission recovery process to recover valuable materials from Li-ion batteries. The non-thermal recovery process makes it possible for Fortum to reduce CO2 emissions and have higher recovery yields compared to traditional thermal methods.

The European Union has so far attempted various policy developments supporting the establishment of battery manufacturing in the EU and in securing the supply of critical raw materials. With this proposal for a regulation, attention has been put to the entire battery value chain from cradle to cradle. The information exchange from producer to recyclers has been improved by the proposal, however, attention to safe logistics and the safe recycling of worn-out batteries should receive more attention.

Key messages

- We welcome the targets on recycled content in industrial batteries, electric vehicle batteries and automotive batteries. This is a key measure to increase the demand of recycled raw materials and speed up investments in battery recycling. We urge the EU to also consider setting targets for the uptake of recycled raw materials in the manufacturing of portable Li-Ion batteries.
- To create a level-playing-field within the internal market and in competition with non-EU countries, it is important to ensure that all batteries entering the EU meet the new, high sustainability standards set by the new EU regulation.
- We welcome the modulation requirements of the financial contributions paid by the producers to the producer responsibility organisations. Extended Producer Responsibility (EPR) schemes should reward the use of recycled materials.
- We welcome the high recycling targets and want to point out that collection targets are equally important and should apply to both portable and non-portable batteries.
- The delegated acts on carbon footprint could support the use of recycled materials with a low carbon footprint and should be developed considering the entire batteries value chain, including recycling.
- The EU should take measures to prevent used batteries from leaking out from the EU by setting up an effective control mechanism for the exports of used batteries in order to secure the future supply of critical raw materials.
- The proposal for an electronic exchange system sharing information necessary for safe recycling and repurposing serves the objectives of the regulation to improve material resource efficiency in the batteries value chain. It may also improve the safety of the workers in waste management. We find it essential to secure the compatibility of the electronic information requirements introduced in the proposal.
- The inconsistencies in the classification of waste batteries in the EU Waste Directive, the Battery Directive and the Waste Shipment Regulation cause different interpretations and practices within the internal market. When reviewing the list of waste 2000/532/EC, we stress the importance of including waste codes for the types of batteries that are foreseen to arise and waste codes for residues from treatment of waste batteries. With the current procedure to assign waste codes, waste batteries could arise in most chapters (activities), and it is relevant to assess if waste batteries should exist in all relevant chapters, or if the waste batteries should be dedicated to a separate chapter including waste materials occurring from the treatment of battery waste.

Don't hesitate to contact us for more information about our views.

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