

# What to expect from the EU Battery Regulation?

Emily Ritchey, Supply Chain Policy Manager, T&E



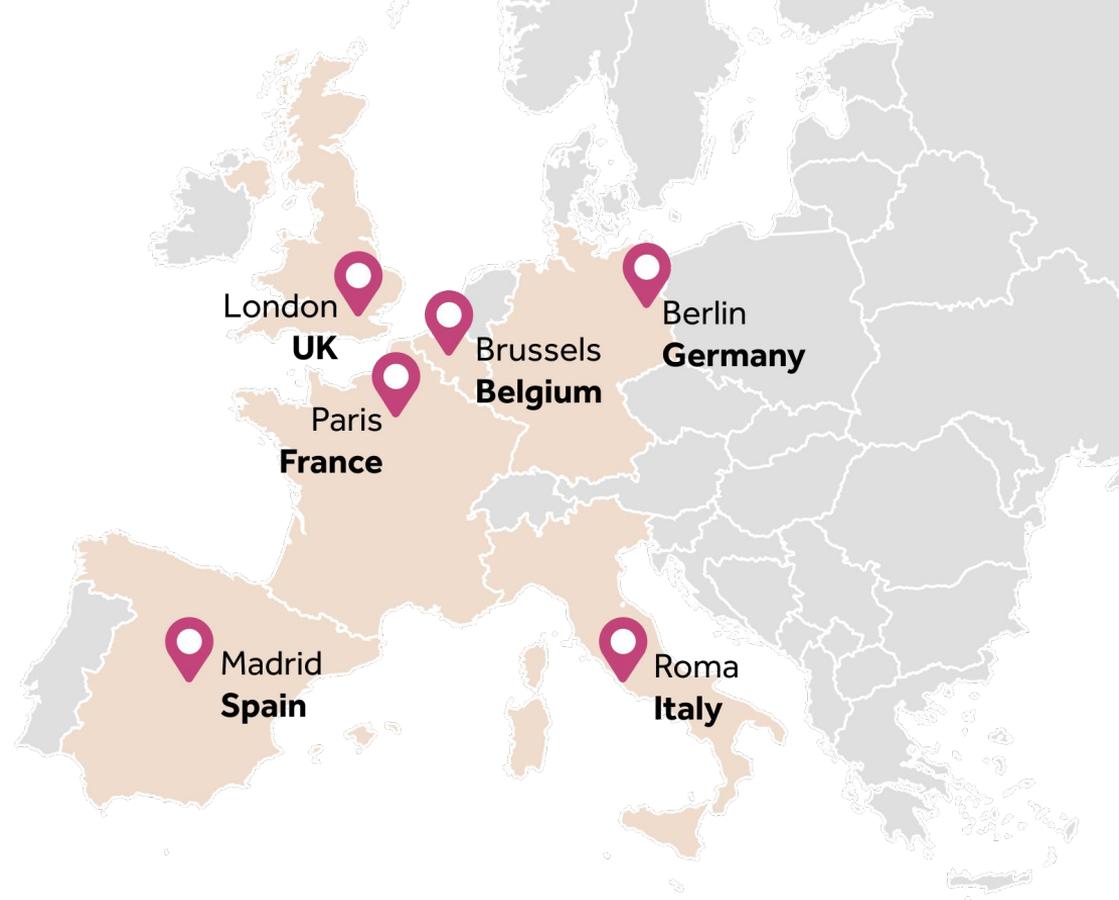
# T&E

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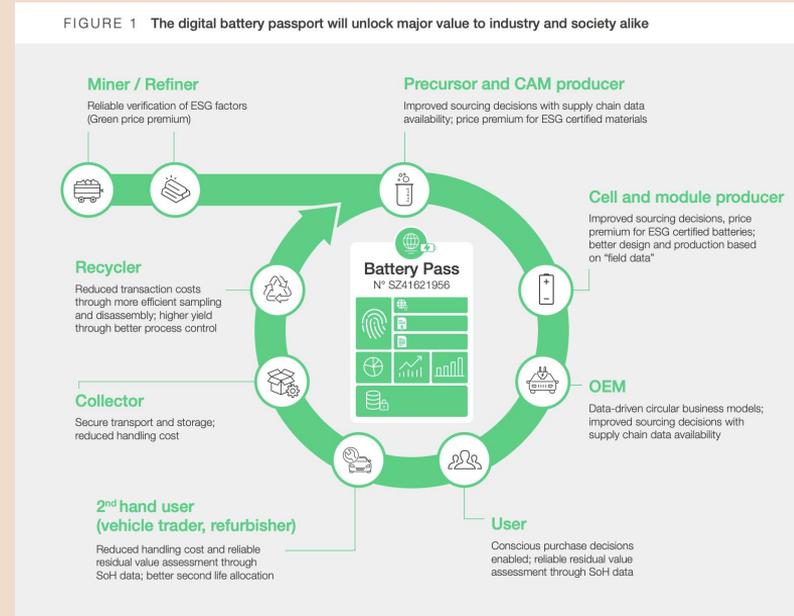


# EU Batteries Regulation: first law covering entire battery life cycle

- Covers all **batteries > 2kWh** placed on EU market (no matter where produced) across 4 categories: portable, automotive, EV & industrial
- Requires battery **carbon footprint** to be measured, reported and - later - reduced
- Introduces “**Battery Passport**” with key performance, environmental & supply chain data
- **Recovery targets** for Li, Ni, Co & Cu metals + **recycled content** targets for new batteries (e.g. 6% for Li & Ni by 2031)
- Introduces **mandatory due diligence** across environmental & social risks for Li, Ni, Co & graphite

# EU Batteries Regulation: Battery Passport

- Identification of the battery in the form of a unique identifier.
- Basic characteristics of the battery including type and model.
- Statistics on performance and durability must be updated over the battery lifecycle by parties conducting repair or repurposing of the battery.
- Carbon footprint specific to the manufacturing site and batch of batteries.
- Materials sourcing
- Percentages of recycled materials used and guidelines for repurposing and recycling

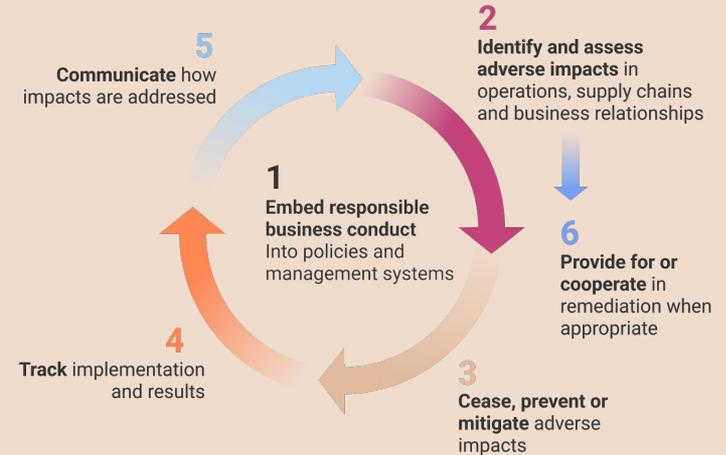


# EU Batteries Regulation: Due Diligence

## Companies must:

- Adopt and communicate a company battery due diligence policy aligned with international standards
- Implement a system of transparency and controls, traceability system all the way to the mine
- Establish grievance and remedy mechanisms
- Identify and assess risks along the battery supply chain
- Design and implement a strategy to respond to identified risks working with suppliers
- Have their battery materials due diligence systems verified by an independent third party

## Due diligence process



# Implementation of due diligence rules

- Progress is being made. OEMs have started rolling out supply chain policies and transparency measure.
- Ensuring full implementation, teamed with robust guidelines, will be key.

	 Are risks properly identified and assessed?	 Are raw materials traced all the way back to the mine?	 How are environmental risks managed?		 Are they a member of IRMA?
			Disclosure of GHG emissions	Commitment to no-deforestation	
Mercedes	✓	✓	Scope 3	Not time-bound	✓
Geely	Some	Limited information	Scope 1 and 2	Not time-bound	✗
Volkswagen	✓	✓	Scope 3	Not time-bound	✓
BYD	Some	Some	Scope 1 and 2	Not time-bound	✗
Stellantis	Some	✓	Scope 3	Not time-bound	✗
SAIC	✗	✗	Scope 1 and 2	✗	✗
Volvo	Some	✓	Scope 3	Not time-bound	No but some mine audits against IRMA
BMW	✓	✓	Scope 3	✓	✓
Tesla	✓	✓	Scope 3	✗	✓

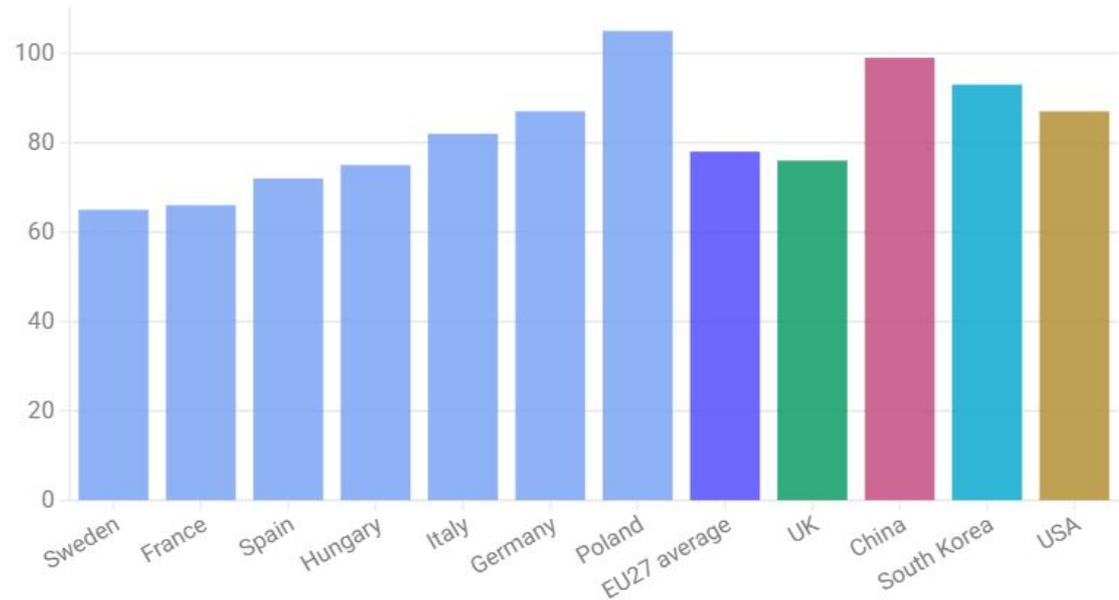
Source: Lead the Charge Leaderboard and T&E analysis of public documents

# Carbon footprint: rewarding made in EU batteries

- Companies need to **measure, report and - later - reduce** carbon footprint
- Goal to **benefit local manufacturing &** companies setting in **low carbon grid** countries
- Need for simple and easy methodology

Battery carbon footprint per country

Battery carbon footprint (kgCO<sub>2</sub>/kWh)



Source: T&E analysis based on the average carbon intensity of the grid in 2023

# Boosting recycling and circularity

	Recycling targets for material recovery	
	Co, Ni, Cu	Li
2027	90%	50%
2031	95%	80%

	Recycled content targets for new batteries placed on EU market		
	Cobalt	Lithium	Nickel
2031	16%	6%	6%
2036	26%	12%	15%

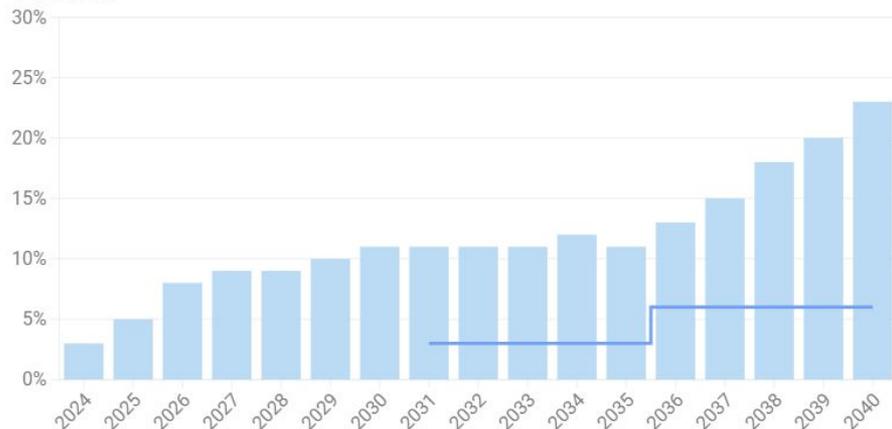
# Battery regulation recycled content targets can be met locally

## Recycled materials: targets vs. forecast

### Lithium

■ Minimum recycled content required by the Battery Regulation ■ Lithium recovered from recycling

% of demand



Source: T&E analysis

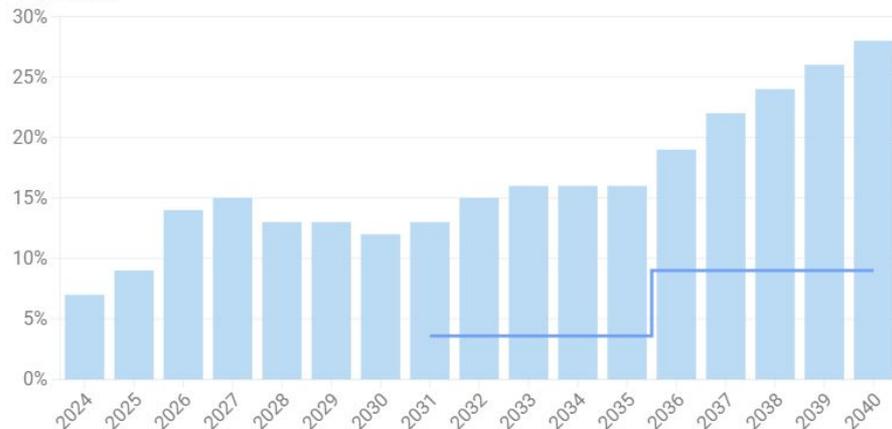


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# Thank you

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