

To:

Environment Ministers of the European Union

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Ms **Simona Bonafè** MEP, Rapporteur for the EU Battery Regulation (ENVI Committee)

Ms **Jessica Polfjard** MEP, Shadow rapporteur for the EU Battery Regulation (ENVI Committee)

Ms **Karin Karlsbro** MEP, Shadow rapporteur for the EU Battery Regulation (ENVI Committee)

Mr **Sven Giegold** MEP, Shadow rapporteur for the EU Battery Regulation (ENVI Committee)

Ms **Silvia Modig** MEP, Shadow rapporteur for the EU Battery Regulation (ENVI Committee)

Mr **Alexandr Vondra** MEP, Shadow rapporteur for the EU Battery Regulation (ENVI Committee)

Ms **Sylvia Limmer** MEP, Shadow rapporteur of the EU Battery Regulation (ENVI Committee)

Mr **Mattia Pellegrini**, Head of Unit, Waste Management and Secondary Materials, DG Environment

Mr **Stefano Soro**, Head of Unit, Green and Circular Economy, DG Internal Market, Industry, Entrepreneurship and SMEs

Brussels, 15th December 2021

European companies warn against unnecessary and counterproductive delays to new EU battery regulation

Dear Environment Minister,

In 2019, EU leaders endorsed the objective of reaching climate neutrality by 2050. As the EU transitions to net zero, batteries will play a crucial enabling role in the decarbonisation of the transport and energy sectors.

The transition to renewable energy and mass-market production of electric vehicles will inevitably drive global battery production: in Europe alone, at least 38 gigafactories¹ are planned or announced, with a total estimated capacity of 462 GWh in 2025 alone, enough to power around 8 million battery electric cars. This will put Europe firmly on the global battery map, accounting for one fifth of global cell production by the mid-2020s, second only to China. These gigafactories are therefore of crucial importance to EU industrial competitiveness and sovereignty: by the European Commission's own

¹ <https://www.transportenvironment.org/wp-content/uploads/2021/08/Battery-brief-1.pdf>

calculations, the European battery value chain will be worth over €250 billion by 2025². This is why many are calling batteries the ‘new gold’.

In light of this, in December 2020 the European Commission (EC) proposed a new sustainable battery law - the first of its kind - aiming at creating a resilient, sustainable and competitive battery industry. The proposal is an opportunity to introduce smart regulations that can underpin the rapid development of a world-leading battery supply chain in Europe by putting in place future-proof rules to ensure batteries both made in and coming into Europe are green and ethical.

With the proposed Regulation currently being discussed by EU Member States and in the European Parliament, we, the signatories, are writing to ask for your urgent support in ensuring the provisions in the proposed regulation are adopted and implemented as swiftly as possible and make sure Europe’s new battery industry is born sustainable from the get go.

We are concerned, therefore, to see a recent Council text³ proposing delays of up to 66 months (4 years compared to the EC proposal) for the introduction of rules aiming at reducing batteries’ carbon footprint (a key competitive advantage for Europe), and a delay of 36 months (2 years compared to EC proposal) for the phase-in of mandatory supply chain checks for environmental and human rights abuses.

Europe’s battery value chain is being set up now, not in three or four year’s time. With speed the critical element in this fast growing industry, any further delays in implementing the regulation will be too late to give European newcomers a head start over larger incumbent players in the race to dominate this key strategic technology.

European companies have a strong history of corporate social responsibility practices when compared with competitors from outside the EU, and are already leading on most of the requirements set out in the draft text. By supporting such delays governments would be showing that they do not want clean and ethical batteries, putting the entire zero emissions transition in jeopardy. They would also be missing a golden opportunity to support a new strategic European industry, particularly as the level playing field required to incentivise the development of a competitive European industry will be delayed.

On behalf of the below signatories, we urge Member States to reject calls for needless and counterproductive delays and support at the very least those timelines proposed by the European Commission, thereby ensuring the European Green Deal is built on a truly sustainable platform. We remain at your disposal for any questions.

Yours sincerely,

² https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_20_2202

³ Presidency compromise text, 13135/21

