#EUROBATMANIFESTO

EUROBAT
ASSOCIATION OF EUROPEAN AUTOMOTIVE AND INDUSTRIAL BATTERY MANUFACTURERS

Making the European battery sector more sustainable and resilient: a five-year plan

Policy key asks and recommendations: 2024–2029

Executive summary

The European battery sector **is central to** achieving the EU's decarbonisation goals and delivering on the objectives of the **Green Deal**. Over the past five years, battery manufacturing in Europe has underpinned exponential growth in e-mobility. Electric vehicles have evolved from being a niche product and are now on the verge of becoming mainstream. At the same time, battery technology continues to be vital in supporting the increased integration of renewable energy systems. Batteries also power our daily lives, providing a clean energy source for industrial vehicles and equipment.

It is of critical importance to boost innovation **in all battery technologies** (lead, lithium, nickel, and sodium) to support the transition to a circular economy. The strategy involves providing funding for research and innovation to enhance the circularity of raw and secondary materials in batteries, contributing to Europe's strategic autonomy. Initiatives like the Net-Zero Industry Act and REPowerEU are indispensable to accelerate the adoption of battery technologies in mobility, motive power, and energy storage. Additionally, the use of **standards** is emphasised to implement the **Batteries Regulation** and ensure inclusiveness of mainstream and emerging technologies.

A **thriving European battery sector** offers numerous **advantages** for the EU. As well as **economic opportunities**, which include supporting skilled jobs in a dynamic high-tech sector, there are far-reaching **environmental benefits**. These encompass a significant **reduction in carbon emissions,** improved **air quality**, combined with the storage and distribution of clean, **renewable energy**. The battery sector also has an unwavering commitment to environmental responsibility, in terms of **circularity and sustainability**.

Nonetheless, Europe's battery sector remains **vulnerable** to external influences. The supply chain challenges experienced during the COVID-19 pandemic emphasised the essential requirement for reliable access to critical raw materials, stressing our persistent **dependence** on third countries. Furthermore, in the last five years, competition from non-EU sources has increased, highlighting the importance of establishing **a global level playing field** between batteries produced within the EU and those imported. The distorting impact of subsidies provided to manufacturers in foreign markets is a major concern.

Hence, the appointment of a **commissioner for strategic autonomy** becomes of paramount importance in addressing these challenges. Moreover, to fortify Europe's battery sector, there is a pressing need to provide **financial support** through appropriate funding mechanisms such as the Innovation Fund or new Important Projects of Common European Interest (IPCEIs). Streamlining the process to access these funds will be crucial in expediting research, innovation, and the development of domestic capabilities. This approach ensures the **competitiveness and resilience** of the EU battery industry by fostering a more agile funding infrastructure.

In the past 18 months, the sector has faced a serious challenge with the surge in energy prices, leading to increased manufacturing costs. At the same time, battery technology – which is central to the renewables sector – plays a pivotal role in managing and reducing energy costs over the short, medium, and long-term.

In view of these threats, Europe's battery manufacturers are working to make the sector more **robust,** while recognising the challenges in the legislative landscape.

This manifesto outlines **policies recommendations** to support Europe's battery sector and ensure its maximum contribution to the continent's green transition. The recommendations and key asks to policy-makers are based on the following three pillars: **innovation, a global level playing field, and circularity.**

www.eurobat.org
eurobat@eurobat.org

Policy key asks and recommendations

Pillar 1
Innovation

1. To recognise that further innovation in **all mainstream battery technologies** (lead, lithium, nickel and sodium) is vital to help meet the Green Deal decarbonisation goals and the transition to a circular economy.
2. To expedite **research and innovation** in **all battery technologies**, it is essential to unlock funding channels specifically directed at addressing the existing challenges related to strategic autonomy. This involves a focused effort on **enhancing the circularity of both secondary** and **raw materials** used in batteries.
3. To **strengthen initiatives that boost market uptake of battery technologies** in mobility, motive power and energy storage, such as the Net-Zero Industry Act and REPowerEU for BESS.
4. To focus the EU's industrial policies on measures to further **stimulate electrification in all other sectors to ramp up battery production** in order to strengthen both Europe's energy security and clean energy production.
5. **To maximise the use of standards** to implement the secondary legislation of the **Batteries Regulation** and ensure inclusiveness of all mainstream and upcoming emerging technologies.

Pillar 2
A global level playing field

1. To appoint a **commissioner for strategic autonomy**. This role should play a crucial part in implementing measures to enhance the **European Union's autonomy** in critical aspects of the battery industry, fostering a secure and self-sustaining ecosystem.
2. To **develop** and **strengthen strategic partnerships** encompassing the acquisition, processing, and recycling of minerals that could **reduce dependency** on other markets.
3. To provide **financial support** via appropriate **funding mechanisms,** aiming to cultivate more resilient and independent battery value chains.
4. To ensure there is a **global level playing field,** enabling the European battery sector to meet the expected demand in the coming years.
5. **To provide legal certainty and reduce red tape** Policy measures that provide legal certainty and reduce red tape are essential for the continued development of the battery value chain in Europe. EUROBAT calls on policymakers to **introduce a coherent and stable legal framework to support the sector**. Specifically, all legislation that affects the EU's green transition ambitions must have policy objectives that are aligned and that are supported by appropriate coordination between the different directorates within the Commission.

Pillar 3
Circularity

1. To provide **consistency across different pieces of legislation**, with the **Batteries Regulation** recognised as the **principal piece of legislation** regulating the complete life-cycle of batteries.
2. To avoid overlaps between different pieces of EU battery legislation, ensuring that restrictions of substances in **automotive** and **industrial batteries** are handled in the **Batteries Regulation** only.
3. Upcoming **secondary legislation** should prudently acknowledge the industry's expertise by endorsing the establishment of a comprehensive, standardised method for calculating the carbon footprint that considers all chemistries. Moreover, it should ensure the protection of confidential information within the **Battery Passport** and streamline administrative processes.
4. To speed up **permitting** for new projects, and closely work with industry in developing of best available techniques for mining and battery manufacturing.
5. To streamline **shipments of waste batteries** establishing a single waste code for waste lithium-ion batteries and another for manufacturing wastes to facilitate recycling supply chains.