

ALBATTTS Newsletter

Policy update

I. Policy measures

II.1 Proposal for Regulation on Batteries and Waste Batteries

On 28 May 2020, the European Commission (EC) published its [Inception Impact Assessment \(IIA\)](#) to modernize the EU's batteries legislation, in particular Directive 2006/66/EC of 6 September 2006. The Initiative aims to establish new obligations upon manufacturers, importers, and distributors (including electrical equipment products incorporating batteries), as well as consumers, and will set up green technical standards on a wider range of products.

On 10 December 2020, the European Commission presented a [Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL concerning batteries and waste batteries, repealing Directive 2006/66/EC and amending Regulation \(EU\) No 2019/1020](#), and its [annexes](#). This is an initiative aimed at modernising EU legislation on batteries, implementing the first of the actions announced in the [new Action Plan for the Circular Economy](#).

To achieve the objectives of the [European Green Deal](#), including the zero pollution ambition set out in it, more sustainable batteries are needed throughout their life cycle. Batteries are a key technology in the transition to climate neutrality and towards a more circular economy. **Therefore, they are essential for sustainable mobility and for ensuring that the planned use of batteries on a large scale does not undermine efforts towards the climate transition. They are especially needed for environmentally friendly transport and clean energy.**

The availability of better and more efficient batteries will make a **key contribution to electrifying road transport, significantly reducing its emissions, increasing the uptake of electric vehicles and promoting a greater share of renewable sources in the EU's energy mix.**

The proposed new Regulation creates a comprehensive framework covering all types of batteries (industrial, portable, automotive and electric vehicles), setting requirements applicable from the design, production process, as well as re-focusing, recycling and incorporation of recycled content in new batteries.

The proposed Regulation aims to ensure that batteries placed on the EU market are sustainable, moveable, perform well and safe throughout their entire life cycle and that they are collected, reoriented and recycled, becoming a real source of valuable raw materials. To this end, the proposal sets specific requirements for each stage of the battery value chain.

The Commission targets three main challenges: **firstly**, the lack of incentives to invest in the production of green batteries; **secondly**, the low recycling rate of materials used in battery production and the risk associated with the supply of raw materials; – **thirdly**, social and environmental risks, which are currently not covered by Community environmental law.

These problems arise, in particular, due to: – the lack of transparency in the supply of raw materials; failures in handling hazardous substances; the potential for offsetting the environmental impacts of battery life cycles, which remains untapped in the eyes of the institution.

Thus, the Regulation provides **(in its Article 39 and Annex X)** that due diligence policies shall be established for industrial rechargeable batteries and batteries for electric vehicles sold in the single market. In particular, it establishes this principle with regard to the monitoring of the battery supply chain, which would be placed under the aegis of the European Commission **(Article 72)**.

In addition, the institution sets recycling rates for batteries **(Article 57 and Annex XII)** with a progressive rate by 2030. **Thus, the European Commission plans to recycle 75% of lead batteries and 65% of lithium batteries by 1 January 2025 and 80% and 70% by 1 January 2030, respectively.**

Vice-President Maroš Šefčovič hopes to have this Regulation adopted at the latest in the course of 2022. This is a question of ensuring European autonomy by 2025 and extracting it from its dependence on Asian (in this case, Chinese) production. According to the Vice-

President, in view of the progress made in the framework of the Battery Alliance, the European Union would be able to meet up to 80% of its needs within 5 years.

A number of measures are included in the proposed Regulation:

- ⇒ **Sustainability:** The Commission proposes to establish mandatory requirements for all batteries (industrial, portable, automotive and electric vehicles) placed on the EU market. **Setting requirements such as the use of materials of responsible origin, with restricted use of hazardous substances, a minimum content of recycled materials, a minimum carbon footprint, performance, durability and labelling, as well as collection and recycling targets is essential to develop a more sustainable and competitive battery industry in Europe and the rest of the world;**

- ⇒ **Raw materials:** In order to close the loop and keep the valuable materials used in batteries in the European economy for as long as possible, **the Commission proposes to set new requirements and targets for the recycled material content as well as for the collection, treatment and recycling of end-of-life batteries.** This will ensure that industrial, automotive and electric vehicle batteries and accumulators do not leave the economic circuit at the end of their useful life;

- ⇒ **Collection and recycling:** To significantly increase the collection and recycling of portable batteries, **the current collection rate of 45 % is expected to reach to 65 % in 2025 and 70 % in 2030, so that the battery materials we use in everyday life are not lost to the economy.** Batteries of other types - industrial, automotive or electric vehicle - must be systematically collected. All collected batteries have to be recycled and high levels of recovery have to be achieved, especially of valuable materials such as cobalt, lithium, nickel and lead.

- ⇒ **Circular savings:** The regulation **defines a framework that will facilitate the reorientation of batteries in electric vehicles so that they can have a second life** - for example, as stationary energy storage systems, or integrated in electric networks, in the form of energy resources.

Also of importance, the European Commission introduces (in Article 7 and Annex II) a limitation of the carbon footprint of battery production. **Electric vehicle batteries and rechargeable industrial batteries with internal storage capacity greater than 2 kWh will thus have to be accompanied by technical documentation containing a carbon footprint statement drawn up in accordance with a delegated act of the European Commission. The declaration would apply from 1 July 2024. The Commission will set by delegated act (which gives more power to the Parliament than an implementing act) a maximum carbon threshold for the production of batteries on 1 July 2027.** This relatively distant date allows the Commission time to collect sufficient data to be able to determine these thresholds.

Finally, the establishment of all these requirements will avoid fragmentation of the internal market resulting from any divergent approaches taken by Member States to several key aspects, such as the responsible supply of raw materials.

II. Following the previous Newsletter

⇒ Sustainable and smart mobility

On 9 December, the Commission published the [Communication Sustainable and Smart Mobility Strategy - putting European transport on track for the future](#), which seeks to outline a clear path to achieve a 90% reduction in transport-related emissions by 2050. In this sense, there is a strong focus in the strategy on measures that impact on reducing emissions and drastically reducing the use of traditional fuels, and a focus on new technologies to enable the decarbonisation of a sector that contributes a quarter of the EU's CO₂ emissions. In this way, digitisation will become an indispensable driver for the modernisation of the whole system, making it more efficient and contributing significantly to the reduction of these emissions.

The Communication deals with all types of transport (road, rail, maritime and air) and should be accompanied by the creation of a comprehensive network of recharging and refuelling infrastructure. Much emphasis is placed on alternative, renewable and low CO₂ emission fuels as all means of transport will have to become more sustainable in the coming years if the objective of carbon neutrality by 2050 is to be achieved. The strategy recognises that the biggest

challenge lies in air and maritime transport, as there are as yet no solutions in the market to achieve the zero emission target.

The [annex](#) of the published communication includes an Action plan with 82 initiatives

III. Looking Ahead

⇒ Review of the Industrial Strategy

In her State of the Union speech, the President of the European Commission announced that the industry strategy will be updated in the first half of 2021

IV. Skilling and Re-skilling

IV.1 Policy measures

On 30 November, the Ministers in charge of vocational education and training (VET) of the Member States, the EU Candidate Countries and the EEA-EFTA countries, the Commission and the European social partners endorsed the [“Osnaabrück 2020 Declaration on vocational education and training as an enabler of recovery and just transitions to digital and green economies”](#)

The Declaration outlines four key objectives that are accompanied by concrete measures for action at EU and national level:

- 1) fostering resilience and excellence through quality, inclusive and flexible VET;
- 2) establishing a new lifelong learning culture adapting to digitalisation;
- 3) including sustainability and greening in VET;
- 4) strengthening the international dimension of VET and a European education and training area. The Declaration is supported by EU training associations and learners' organisations. More information on EU action in the field of VET can be found [here](#), including the recently adopted [Commission proposal for a Council Recommendation on VET](#) and the [Communication on a European Skills Agenda](#). The celebration of the best approaches to VET was also at the heart of the [European Vocational Skills Week](#), which took place last month and involved over 1,100 events in 39 partner countries, reaching over 3.7 million people.

IV.2 Following the previous newsletter

- ⇒ [Communication “European Skills Agenda for sustainable competitiveness, social fairness and resilience”](#)- In the Parliament, EMPL is the responsible committee.

- ⇒ **Also with relevance for the sector is the Just Transition Fund, which, according to the [Sustainable Europe Investment Plan, part of the European Green Deal Investment Plan](#), will support the reskilling of workers in view of equipping them with the necessary skills to take on new jobs** – The JTF was already approved by all the institutions, after the interinstitutional negotiations – **The fund will have an amount of 17,5 billion euros**

- ⇒ [Communication: Shaping Europe’s digital future](#) - Improving education and skills is a key part of the overall vision for digital transformation in Europe.

IV.3 Public Consultation

[Improving adults' basic skills \(“Upskilling pathways recommendation”\) – evaluation](#)

Roadmap - 12 January 2020 - 9 February 2021

Public Consultation – Second Quarter of 2021

The evaluation concerns the [19 December 2016 Council Recommendation on Upskilling Pathways: New Opportunities for Adults](#) . The Upskilling Pathways target adults with a low level of skills, knowledge and competences and provide them with flexible opportunities to improve their literacy, numeracy and digital skills and the competences to progress towards qualifications relevant for the labour market and for active participation in society. The Upskilling Pathways Recommendation targets the upskilling of this group, which amounts to over 50 million adults aged 25 to 64 in EU27. It contributes to the implementation of the [European Pillar for Social Rights](#), namely principle 1 on Education, training and life-long learning and principle 4 on Active Support to Employment. It contributes to achieving the goals of the [European Agenda for Adult learning](#) and the [2016 New Skills Agenda for Europe](#) , related to basic skills including improving numeracy, literacy and basic digital skills, to enable individuals to access good jobs and participate fully in society. [The 2020 European Skills Agenda](#) calls for more actions to support people to acquire these skills, and to reinforce Upskilling Pathways for adults,

in particular for those with lower levels of skills and qualifications. The Upskilling Pathways Recommendation is linked to other initiatives, namely to the Council Recommendation on [validation of non-formal and informal learning](#) , to the Council Recommendation on vocational education and training for sustainable competitiveness, social fairness and resilience, the work of the National Coordinators for the Implementation of the European Agenda for Adult learning and supported by EPAL, Mutual learning activities and EU funding, such as the European Social Fund (ESF).

The Recommendation invites the Member States, in accordance with national legislation, circumstances and available resources, and in close cooperation with social partners and education and training providers, to offer adults with a low level of skills, knowledge and competences, for example, those who have left initial education or training without completing upper secondary education or equivalent, access to upskilling pathways which will provide them with the opportunity, according to their individual needs, to:

- ⇒ acquire a minimum level of literacy, numeracy and digital competence; and/or
- ⇒ acquire a wider set of skills, knowledge and competences, relevant for the labour market and active participation in society, building on Recommendation 2006/962/EC on key competences for lifelong learning , by making progress towards a qualification at EQF level 3 or 410 depending on national circumstances.

Where appropriate, the design of the Upskilling Pathways should be based on three steps:

- 1) skills assessment;
- 2) provision of a tailored, flexible and quality learning offer;
- 3) validation and recognition of skills acquired. Those steps could be facilitated by guidance and support measures and by making best use of the potential of digital technologies, if appropriate. The Recommendation indicates that the Commission shall provide within five years from the date of its adoption, a report to the Council on progress made towards its implementation and in particular on progress made towards raising the levels of literacy, numeracy and digital competence amongst low-qualified adults, experience gained and implications for the future.

IV.5 Looking Ahead

- ⇒ **CULT'S Own Initiative Report** - [The European Education Area: a shared holistic approach to education, skills and competences](#) (*Awaiting committee decision*)