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Battery value chain industry associations answer to the consultation on postponement of the battery due diligence obligations under the Batteries Regulation

<u>RECHARGE</u>, the voice of the advanced rechargeable and lithium batteries value chain in Europe, and <u>EUROBAT</u>, the association for European automotive and industrial battery manufacturers, together with <u>Eurometaux</u>, the voice of non-ferrous metals producers and recyclers in Europe, would like to support to the European Commission proposal for a regulation (COM(2025)258) postponing the due diligence obligations under the Batteries Regulation and contribute with some further recommendations.

To ensure a coherent, effective, and enforceable due diligence framework for the battery sector, we recommend the following:

- 1. Alignment of due diligence rules across the EU Battery Regulation, Corporate Sustainability Due Diligence Directive (CS3D) and Corporate Sustainability Reporting Directive (CSRD) files.
- 2. Swift publication of the Battery Due Diligence Guidelines giving economic operators sufficient time to adapt to the future obligations.
- 3. Timely establishment of the national verification bodies.

Support for postponement and implementation readiness

Postponing the application of due diligence requirements under the Battery Regulation is necessary in the context of the still pending Commission guidelines as well as the still missing list of notified bodies, which shall carry out third-party verification of battery due diligence obligations.

The economic operators need time to interpret the legal obligations and to develop internal compliance processes. Regulatory uncertainty is a pressing challenge, and companies need predictability against the complex compliance obligations and the global market pressure. Hence, an early publication of the guidelines and the timely establishment of the national verification bodies is key.

Need for alignment with the CS3D and CSRD

The EU Battery Regulation introduces sector-specific due diligence rules that overlap with horizontal obligations under the CS3D and reporting duties under the CSRD. To avoid duplication or even inconsistent requirements, we recommend the following:

- **Risk-based approach**: The Batteries Regulation should align with the CS3D's logic, applying a riskbased methodology that allows companies to prioritize efforts based on the severity and likelihood of adverse impacts, consistent with OECD Due Diligence Guidance.
- **Group-level due diligence**: As permitted under the CS3D, it should be possible for companies to apply due diligence obligations at the group level, streamlining compliance across corporate structures.
- **Reporting**: All due diligence reporting requirements under the Batteries Regulation should be consolidated into the CSRD framework. Entities subject to CSRD should not be required to submit a separate due diligence report under the Battery Regulation if their CSRD report already covers all relevant materials and risk categories (as listed in ANNEX X of the Batteries Regulation).
- **Terminology alignment**: Clarification is needed on whether the "grievance mechanism" required by the Batteries Regulation equates to the "notification mechanism and complaints procedure" under CS3D.

Any further amendments to the content of battery due diligence rules to align them with the horizontal CS3D and CSRD should be done preferably in the context of the proposal for a Regulation on simplification measures for SMCs or the proposal for a Regulation on digitalisation. Both proposals are part of Omnibus IV and address the Batteries Regulation and would represent an opportunity to align due diligence rules reducing the currently high legal uncertainty for the industry.

ABOUT EUROBAT

EUROBAT is the leading association for European automotive and industrial battery manufacturers, covering all battery technologies, and has more than 40 members. The members and staff work with all policymakers, industry stakeholders, NGOs and media to highlight the important role batteries play for decarbonised mobility and energy systems as well as numerous other applications.

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ABOUT EUROMETAUX

Eurometaux is the voice of non-ferrous metals producers and recyclers in Europe. We are an umbrella association representing the interests of the combined non-ferrous metals industry towards EU policy makers. In total the industry employs directly 500,000 people and indirectly more than 3 million across over 900 production facilities, with an annual turnover of €120bn.

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ABOUT RECHARGE

RECHARGE is the European industry association for advanced rechargeable and lithium batteries. Founded in 1998, it is our mission to promote advanced rechargeable batteries as a key technology that will contribute to a more empowered, sustainable and circular economy. RECHARGE's unique membership covers all aspects of the advanced rechargeable battery value chain in Europe: from suppliers of primary and secondary raw materials, to battery, equipment and original equipment manufacturers (OEMs), to logistic partners and battery recyclers. EU Transparency Reg. 673674011803-02 <u>Contact</u>: Kinga Timaru-Kast, Director, Public Affairs & Communications, <u>ktimaru-Kast@rechargebatteries.org</u>