

## Leclanché Statement Regarding the EU Commission Delegated Act Draft: Establishing a Method to Calculate and Verify the Efficiency of Battery Recycling and Material Recovery

YVERDON-LES-BAINS, Switzerland & WILLSTÄTT, Germany, 4<sup>th</sup> December 2024

### 1. Introduction and Background

Leclanché SA is a leading European manufacturer of lithium-ion (Li-ion) batteries, specialising in the production of cells, modules and complete systems tailored for stationary storage, specialty applications and heavy mobility sectors. With a steadfast commitment to sustainability, Leclanché SA upholds the highest environmental and operational standards, dedicated to advancing the European Union's green transition expressed in the European Green Deal, and supporting the future of clean energy solutions across industries.

In recent years, the European Union has intensified efforts to regulate the battery sector as part of its broader commitment to achieve climate-neutrality and net-zero GHG emissions by 2050. On the 20<sup>th</sup> of September 2024, the European Commission published a draft for a Delegated Act under regulation 2023/1542 concerning batteries and waste batteries, setting forth provisions on recycling efficiency calculations that will impact the battery industry landscape across Europe.

### 2. Overview of the Delegated Act Draft

This Delegated Act Draft proposes a methodology for calculating and verifying recycling efficiency and material recovery rates from waste batteries, in line with the targets established in article 71 of the EU Regulation 2023/1542. This represents a notable evolution from previous legal framework under EU Regulation 493/2012, making a step forward in adapting regulations to latest battery technologies and sustainable production and management of the entire lifecycle.

In Annex, paragraph 2 (5), the draft specifies that *"Oxygen, carbon from carbon sources at cell level, iron from iron sources at cell level, phosphorus, chlorine, and sulfur may be taken into account in calculating recycling efficiency..."*. This revision which notably adds iron and phosphorus to the text, means that these six materials are now facultative – allowed in recycling efficiency calculations but are excluded from mandatory recycling and recovery targets.



### 3. Reactions from Industry Associations and Stakeholders

The inclusion of Iron (Fe) and Phosphorus (P) in paragraph 2 (5) of the draft Delegated Act has sparked mixed reactions from various stakeholders, industry associations and interest groups.

Several battery industry associations and companies have expressed satisfaction with this addition to the list, emphasising socio-economic considerations. They argue as one of the main reasons, that the limited availability of scalable technologies for the efficient recycling and recovery of iron and phosphorus justifies their selective treatment within the regulation.

However, others - particularly from the recycling industry, waste management associations, environmental protection associations and certain recycling companies have voiced concerns. These groups argue that the draft Delegated Act creates an undue preference for LFP (lithium iron phosphate) batteries over other lithium-ion chemistries. They point out that some companies have already developed recycling technologies for LFP batteries and argue that the proposed selective treatment may undermine the Batteries Regulation's ambition for environmental protection and circular economy by creating an uneven regulatory playing field.

### 4. Leclanché's position

Leclanché welcomes the draft Delegated Act as a positive step toward a more sustainable battery industry, with targeted measures for Lithium-ion technologies. Whilst it recognises the need to scale efficient and cost-effective recycling technologies for LFP batteries within Europe, Leclanché is concerned about the unequal treatment of materials across different Lithium-ion chemistries. It highlights the absence of a clear timeline horizon or phased recycling targets for iron and phosphorus, which are proposed to have, in the medium-term, the same recycling and recovery obligations as other materials such as cobalt, copper, aluminum, nickel, or manganese among others.

At Leclanché, the company is committed to upholding the highest sustainability standards within the battery industry, aligned with its mission and vision. This commitment is evidenced by its PFAS-free electrode and future cell manufacturing capabilities and the high durability and cycle life of Leclanché batteries, which reflect the ongoing dedication to environmental responsibility and longevity in energy storage solutions.

