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Position Paper: Sustainable batteries – calculation and verification of recycled content in batteries

Business & Science Poland

This position paper is submitted on behalf of Business & Science Poland (BSP) in relation to the draft Delegated Act establishing the methodology for the calculation and verification of cobalt, nickel, lithium and lead recycled content in certain batteries, and the format for the documentation of such recycled content".

BSP Position

Business & Science Poland (BSP) welcomes the European Commission's objective of increasing the use of secondary raw materials in batteries and strengthening the resilience of the European battery value chain. **The methodology should combine environmental integrity, industrial feasibility and effective incentives for investment in European recycling and recovery capacity.**

BSP supports the proposed correction factor of 1.3 for lithium, nickel and cobalt recovered through recycling carried out in the EU. By requiring every stage of a multi-stage recycling process to take place in the Union, the mechanism encourages not only collection and the production of black mass, but also the localisation of subsequent refining and metal-recovery stages in Europe. This is important for security of supply and for building a complete, auditable battery ecosystem in the EU.

At the same time, the European battery recycling market is still developing. High transport, dismantling and processing costs, uncertain feedstock volumes and the long service life of electric-vehicle batteries create a time lag between growing recycled-content obligations and the availability of secondary battery materials at competitive scale**. A fixed expiry of the 1.3 factor on 31 December 2036 could therefore withdraw support before the market has reached sufficient maturity.**

BSP recommends extending the factor beyond 2036, subject to a periodic, evidence-based market review. The review should consider EU feedstock availability, utilisation of recycling capacity, supply of secondary lithium, nickel and cobalt, and the ability of European recyclers to operate on an economically sustainable basis. Once those conditions are met, the factor should be reduced gradually – for example from 1.3 to 1.2, 1.1 and ultimately 1.0 – to avoid a sudden regulatory cliff and preserve investment predictability.

The methodology should also recognise the circular contribution of industrial by-products and process residues that demonstrably replace primary raw materials, even where they do not first acquire waste status. In integrated non-ferrous metallurgy, such materials can be reused directly or indirectly in other production processes, delivering resource efficiency and

waste prevention. A dedicated accounting route should quantify the amount of primary feedstock effectively substituted and allocate the corresponding circular-content credit.

Clear boundaries are essential. Internal circulation of intermediates, residues and by-products within one integrated production system should not be counted repeatedly as new input. By contrast, where a by-product is transferred to another production process and verifiably substitutes primary feedstock, its circular contribution should be recognised. The delegated act should establish robust identification, allocation and traceability rules to prevent double counting.

A waste-only approach should not create incentives to classify useful industrial materials as waste merely to obtain recycled-content status. Such an outcome would run counter to the waste hierarchy and the principle of prevention, while disadvantaging European metallurgical producers whose circular models rely on direct recovery and reuse. Regulatory treatment should reward effective substitution of primary materials, not an avoidable change in legal status.

Specific guidance is also needed for nickel- and lead-bearing materials from integrated metallurgical processes. These streams may be recovered, transformed, internally circulated or transferred between production stages. Consistent rules for their identification, accounting, traceability and allocation should reflect those operational realities while remaining fully auditable.

Business & Science Poland therefore recommends a balanced methodology that:

- **maintains meaningful transitional support for EU-based recycling;**
- **links the duration and phase-out of the 1.3 factor to market maturity;**
- **recognises industrial by-products and process residues when they genuinely substitute primary feedstock;**
- **distinguishes internal circulation from measurable substitution;**
- **avoids incentives to generate waste;**
- **ensures end-to-end traceability with safeguards against double counting.**

Together, these measures would strengthen circularity, regulatory credibility and the competitiveness and resilience of the European battery and non-ferrous metals value chains.

About BSP

Business & Science Poland (BSP) is the largest Brussels-based association representing Polish companies from various sectors in discussions with EU institutions. It bridges the experience of leading Polish enterprises with the EU agenda. BSP represents the expertise and interests of Polish companies employing over 280,000 people in Poland, across the EU, and globally. The main objective of BSP is to strengthen the representation of Polish economic interests and ensure that EU legislation takes into account the specific circumstances and needs of the Polish economy.

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