



European Metals' comments on the draft Delegated Act on calculation methodologies for recycled content in batteries

Introduction

European Metals reiterates that recycled content (ReCo) requirements are not the best tool to boost demand for recycled metals. While ReCo requirements aim to increase demand for secondary raw materials, demand for most recycled CRMs and other valuable metals is already high without mandatory targets. EU policy should therefore focus on maximising the collection, sorting, and recycling efficiency of non-ferrous metal-containing waste. Moreover, ReCo targets depend strictly on the availability of secondary raw materials. If sufficient secondary resources are unavailable, the EU risks relying on imports from third countries without minimum ReCo targets, creating new strategic dependencies and increasing CO₂ emissions.

However, in the context of the proposed measures, European Metals considers the proposed delegated act and annex on the methodology for the calculation of ReCo in batteries strikes a correct balance between physical plausibility, traceability and practical implementation. This represents a key step to ensure the proper implementation of the ReCo requirements outlined in Article 8(2) and (3) of the EU Batteries Regulation (EUBR). In particular, the introduction of a chain of custody model entailing plant-level mass balance, volume reconciliation, and a contractual allocation system forms a solid basis for a concretely implementable set of formulas. Although ReCo requirements impose a significant administrative burden on operators across the non-ferrous metals value chain, the proposed methodologies provide a feasible framework for implementing these requirements across complex battery value chains.

Nonetheless, European Metals considers that a number of sections within the draft annex could benefit from some further clarification or rephrasing to ensure enhanced legal certainty, streamlined implementation by operators, and that the proposed methodologies support the objectives of the EUBR.



Our high-level recommendations

- Ensure that ReCo requirements remain chemistry-neutral and do not lead to a competitive disadvantage for certain battery chemistries.
- Clarify the definition of “post-consumer waste”.
- Provide further clarification on the scope of “geographical boundaries”.
- Ensure that ReCo allocated under eligible contractual agreements can be carried forward until the contractual obligation is fulfilled, provided that the allocation remains documented, verifiable, and linked to the relevant material flows or contractual entitlement.
- Ensure ReCo credits remain linked to the corresponding physical unit of material and are not transferred, traded, or allocated independently of the corresponding material flow.
- Link eligibility for the 1.3 correction factor to the requirement that refining until battery-grade refining be carried out in the EU.
- Ensure a level playing field and chemistry neutrality by extending the application of the 1.3 correction factor to all battery materials covered by the EUBR.
- Clarify whether the correction factor only affects compliance with ReCo requirements or whether it also influences other regulatory requirements that refer to ReCo.
- Provide further clarity on the definition of conversion factors and on how they should be verified.
- Ensure that the proposed methodologies do not introduce excessive administrative burden for operators in the batteries value-chain.
- Recognize the business-sensitive nature of some of the proposed data points and ensure that such data is not shared by notified bodies, battery manufacturers, or other third parties that will gain access to it to demonstrate compliance with the requirements or verify compliance.



Detailed recommendations

1. Chemistry-neutrality.

While the proposed methodology aims to be technology-neutral and focuses on specific non-ferrous metals (nickel, cobalt, lithium, lead) rather than targeting specific battery chemistries, the current text risks leading to a significant competitive disadvantage for well-established battery chemistries, compared to newer chemistries mainly relying on materials for which no mandatory ReCo requirements apply.

For instance, certain existing technologies such as NMC (nickel manganese cobalt) and NCA (nickel cobalt aluminium) would need to contain a certain ReCo percentage for Nickel and Cobalt, where applicable, while for LFP (lithium iron phosphate), ReCo requirements would only apply for Lithium. This not only risks putting NMC and NCA manufacturers at a competitive disadvantage but might also lead more battery manufacturers to prioritise the production of less-recyclable options such as LFP to avoid stringent ReCo requirements. Indeed, LFP batteries have already reached a market share of 40% and are expected to increase to 60% by 2030.¹

Therefore, it is essential that the proposed ReCo requirements remain chemistry-neutral and do not lead to a competitive disadvantage for battery chemistries containing more lithium, nickel, cobalt, or lead compared to those containing lower percentages of those materials.

Our recommendations

- Ensure that ReCo requirements remain chemistry-neutral and do not lead to a competitive disadvantage for certain battery chemistries.

2. Clarifying definition of “post-consumer waste”

Point 2.1 of the draft Annex requires battery manufacturers to calculate the mass percentage share of cobalt, lithium or nickel that is present in active materials and that has been recovered from battery manufacturing waste or post-consumer waste. In this context, however, the definition of “post-consumer waste” remains unclear, as neither the Annex nor the EUBR provides a precise definition. While several pieces of EU legislation provide a definition of post-consumer waste, it is unclear which one would apply in this case.

Therefore, to provide further clarity to value-chain operators, the final Annex should provide further clarity on the definition of “post-consumer waste”.

Our recommendations

- Provide further clarification on the definition of “post-consumer waste”.

¹ Europe Pushes EV Market With LFP Batteries & Local Production, Battery Tech Network, 2025.



3. Clarifying the scope of “geographical boundaries”

In point 1(3) of the draft Annex, a plant is defined as “a location with geographical boundaries, including one or several sites at which defined activities under the control of an organisation are carried out”. In this context, the concept of “geographical boundaries” could benefit from further clarification. In particular, it is unclear whether a plant should be interpreted as an uninterrupted geographical unit – meaning that two sites within a plant separated by e.g., a public road should be counted as two separate plants – or whether a plant can encompass different sites operated as part of the same industrial activity, for example within the same country or economic area.

Our recommendations

- Provide further clarification on the scope of “geographical boundaries”.

4. Comments on the carry-over of recycled content credits

Point 2.2.2(e) of the draft Annex states that “*recycled content credits shall not be carried over to the next accounting period*”. European Metals considers that such a provision is justified in the context of the proportional allocation system, under which recycled content is calculated and allocated across all output fractions within a defined accounting period. The current proposed approach can ensure that ReCo is not accumulated indefinitely and prevent over-allocation.

However, such an approach risks leading to unwanted consequences when it comes to ReCo allocated under eligible contractual agreements as allowed under Point 2.2.2(d) of the draft Annex. For instance, under a toll-treatment arrangement, the customer supplies material containing a certain percentage of ReCo and has a contractual entitlement to receive an equivalent quantity of processed material with a corresponding ReCo percentage. However, it must be considered that industrial production, storage, and logistics can take place in periods of time that are not always aligned with the proposed accounting period limits. As a consequence, customer-owned materials or contractually allocated ReCo credits might remain in the system once an accounting period has closed. Therefore, a strict prohibition risks potentially leading to the expiring of ReCo content attributes that are still linked to identifiable material flows or contractual entitlements, resulting in a loss of ReCo within the system and reducing the value of toll-treatment arrangements.

Our recommendations

- Ensure that ReCo allocated under eligible contractual agreements can be carried forward until the contractual obligation is fulfilled, provided that the allocation remains documented, verifiable, and linked to the relevant material flows or contractual entitlement.

5. Clarification on attribution under contractual agreements

Section 2.2.2 of the draft Annex specifies that ReCo must be distributed proportionally across all plant output fractions during an accounting period, unless a toll-treatment mechanism or an eligible contractual agreement, demonstrating recycled material supply and take-back agreements, applies. Point 2.2.2(f) further underlines that “*recycled content credits shall not be transferred between different facilities of a company or between different companies*”. However, in this context, it is necessary to underline that the concept of ReCo traceability outlined in the draft



Annex is necessarily intertwined with the transfer of ReCo credits between the different actors of the value chain, together with the associated material flows.

Therefore, the proposed methodology should rather make a distinction between:

- a) The transfer of ReCo credits that remain linked to the physical material as it moves through the supply chain;
- b) The transfer of ReCo credits that are separated from the physical material or traded independently.

In this context, European Metals considers that only option b) should be banned. Conversely, the draft methodology should recognise that credits attached to a physical unit of material are inseparably linked to that material fraction. These credits remain connected to a physical unit also during storage and transport to other value chain actors. Therefore, these credits should not expire when passed to those subsequent actors, provided that applicable traceability and chain-of-custody requirements continue to be met.

Our recommendations

- **Ensure ReCo credits remain linked to the corresponding physical unit of material and are not transferred, traded, or allocated independently of the corresponding material flow.**

6. Comments on the 1.3 correction factor

Overall, the establishment of a temporary correction factor can serve as an effective tool to address the insufficient availability of secondary nickel, cobalt, and lithium in the EU. However, European Metals considers that the application of the 1.3 factor should not solely be limited to nickel, cobalt, and lithium, but should rather apply to all battery materials covered by the EUBR, including lead.

Excluding lead risks undermining technology neutrality and creating an uneven playing field by favouring lithium, nickel and cobalt over lead-based battery value chains. It also penalises the most mature and successful circular battery system in Europe, where lead recycling already achieves high levels of circularity and contributes significantly to EU strategic autonomy, resource efficiency and domestic recycling capacity. Rewarding some recycling chains while excluding a proven circular model is, therefore, inconsistent with the EU circular economy objectives and those pursued in the EUBR and risks distorting competition between battery technologies.

Moreover, European Metals considers that the proposed measure still lacks the scope needed to ensure much-needed investments in the EU's midstream refining capacity, which represents the key bottleneck in the European batteries value chain. While the draft Annex assumes that ensuring recycling takes place in the EU is sufficient to meet the objectives laid out in recital 5 of the draft DA, the battery value chain includes further intermediate steps beyond recycling to ensure that the materials are refined to battery-grade.

Therefore, considering refining to battery-grade represents the key bottleneck of European value chains, the application of the 1.3 correction factor should not be conditional on the origin of the ReCo, but should rather focus on the refining to battery-grade operations. In light of the above, European Metals recommends explicitly linking the eligibility for the 1.3 factor to the requirement



that the refining to battery-grade takes place in the EU. This would ensure a proper verification of whether the correction factor is concretely supporting the objectives set out in recital 5 of the draft DA.

Finally, it should also be clarified whether the 1.3 factor solely affects compliance with the ReCo requirements or whether it also influences other regulatory requirements that refer to RECO. As an example, under the current wording, it is unclear whether the battery carbon footprint would have to be calculated on the basis of the actual recycled content or on the basis of that content multiplied by the 1.3 correction factor.

Our suggestions

- Ensure a level playing field and chemistry neutrality by extending the application of the 1.3 correction factor to all battery materials covered by the EUBR.
- Link eligibility for the 1.3 correction factor to the requirement that refining until battery-grade refining be carried out in the EU.
- Clarify whether the correction factor only affects compliance with ReCo requirements or whether it also influences other regulatory requirements that refer to ReCo.

7. Comments on the conversion factors

Conversion factors for a given material at plant level over the accounting period (CF) are a key element of the draft formulas in Section 2.4 for determining how recycled content in input fractions is allocated to output fractions. However, the current draft does not specify how these factors should be defined across the value chain or verified. This could lead to significant interpretative issues for recycling processes involving nickel, cobalt, lithium and lead, which may entail several chemical transformations and therefore make the mass balance more complex than currently reflected in the draft formulas.

In this context, European Metals recommends providing further clarity on the definition of conversion factors and on how they should be verified.

Our recommendations

- Provide further clarity on the definition of conversion factors and on how they should be verified.

8. Comments on administrative burden and data requirements

While European Metals overall supports the introduction of a sound and workable methodology to calculate ReCo in batteries, the current proposed formulation still risks leading to significant administrative burden for value-chain operators and to a leakage of business-sensitive data. Particularly, the proposed elements concerning the chain-of-custody, reconciliation, traceability, and documentation requirements appear to be overly complex. This risks leading to significant administrative red tape, particularly for operators in complex industrial value chains involving continuous processing, mixing, refining, toll-treatment arrangements, intermediate storage, and multiple commercial transactions.



Finally, the proposed verification rules and the template for information sharing, respectively outlined in Sections 3 and 4 of the draft Annex, currently require value-chain operators to share highly sensitive business data, which might inadvertently disclose procedural efficiencies or the origins of recycled materials.

In this context, European Metals recommends a revision of the proposed methodologies from a practical implementation perspective for complex industrial value chains. Moreover, it must be ensured that the business-sensitive nature of some of the proposed data points is recognized and that such data is not shared by notified bodies, battery manufacturers, or other third parties that will gain access to it to demonstrate compliance with the requirements or verify compliance.

Our recommendations

- Ensure that the proposed methodologies do not introduce excessive administrative burden for operators in the batteries value-chain.
- Recognize the business-sensitive nature of some of the proposed data points and ensure that such data is not shared by notified bodies, battery manufacturers, or other third parties that will gain access to it to demonstrate compliance with the requirements or verify compliance.

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About European Metals

European Metals is an umbrella association representing the interests of the combined non-ferrous metals industry towards EU policy makers. We bring together the companies and associations shaping Europe's non-ferrous metals ecosystem: from upstream mining and refining to downstream use and high-quality recycling. By connecting technical expertise with policy action, we ensure that the importance of the metals sector is recognised, valued, and that our sector's future is secured. For more information, visit our website: <https://european-metals.eu>