



Department of Industry, Science & Resources
National Battery Strategy

By email: batteries@industry.gov.au

01 May 2023

Dear National Battery Strategy Team,

Addendum: Submission in response to National Battery Strategy Issues Paper I EU Battery Passport

We refer to our Submission of 24 March 2023. Since that submission we have been alerted by our European Union Network Partners to recent developments in the EU which are relevant to the Department's consultation on this Strategy.

The [Battery Passport Content Guidance](#) (Battery Pass), provides comprehensive guidance on the reporting requirements for the EU Battery Regulation and beyond. This guidance offers an in-depth perspective on the content requirements for the battery passport, which is a critical component of the sustainable and circular battery value chain. This is the first publicly available comprehensive aggregation and interpretation of the content requirements, allowing companies and other battery value chain players to prepare for the Battery Passport implementation.

The guidance also includes additional information on [Carbon Footprint Rules](#), which provides accounting rules to calculate company-specific carbon footprints of the battery Distribution and End-of-life and Recycling life cycle stages.

Additionally, the [Battery Passport Data Longlist](#) includes all data attributes required and suggested for the battery passport alongside definitions and further relevant data dimensions.

We believe that this guidance will be valuable in supporting the development of the Australian proposed National Battery Strategy, which aims to promote the sustainable and circular production and recycling of batteries.

We have attached our assessment of each of these developments below.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Andrew Petersen", with a horizontal line extending to the right.

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The first publicly available guidance on the European Union's Battery Passport has been released by the consortium tasked with supporting the flagship sustainability and transparency effort.

Part of the European Union (EU) directive on batteries which the bloc is introducing in phases in the coming years, the passport would make all components and materials used in batteries tracked and traceable in a central ledger. The ledger will include information about the devices' carbon footprint, safety certification and supply chain due diligence, among other metrics.

While the wider directive includes requirements for batteries to include an increasing proportion of recycled content and stringent carbon emissions reporting, the passport is perhaps the most radical of the directive's proposed regulations. It would be Europe's first-ever digital product passport (DPP) of any kind. The Battery Pass Consortium, convened to support the implementation of the Battery Passport, officially handed over its new guidance to German parliamentary state secretary Michael Kellner of the Ministry for Economic Affairs and Climate Action (BMWK) at the Hannover Messe industry fair.

Led by technology and information systems design company SystemIQ with 11 German industry partners including Audi, BMW Group and (BCSD Australia Member) BASF, the consortium was formed in 2022 with a three-year remit that encompassed creating a demonstrator passport and creating content and technical standards. It may also be a sound foundation for the evolution of digital product passports in general which will be rolled out in other sectors in the future.

What is the Battery Passport?

It applies to batteries used in light transport applications, industrial batteries of over 2kWh capacity (including stationary battery energy storage systems (BESS) as a sub-category), and electric vehicle (EV) batteries, with the passport to be required from 42 months after the EU's battery regulation comes into force.

Responsibility for having one will be put in the hands of the "economic operator" who placed the battery on the market. This is an interesting point because previous EU language around the passport implied manufacturers would be responsible.

The EU battery trade group RECHARGE had argued in favour of the "economic operator" rule. RECHARGE said it would be difficult for EU manufacturers to effectively trace and take back all end-of-life materials.

The EU regulation will also cover flow batteries, with fellow trade group Flow Batteries Europe (FBE) announcing their support earlier this year. They had been omitted from early draft proposals, as the rules covered lithium-ion and other types of electrochemical batteries but the EU had limited its definition to batteries with internal storage.

In short, batteries will need to be tracked in terms of:

- general product and manufacturer information
- carbon footprint
- supply chain due diligence
- materials and composition circularity and
- resource efficiency performance and durability

The guidance issued also includes a long list of attributes that data should be provided for, most of which is mandatory but some also voluntary. For instance, stationary BESS batteries must provide data on the number of deep discharge events, but for most other types of battery, that would be voluntary data.

Implications for the Australian Government and business

We believe that the guidance provided by the Battery Pass Consortium on the European Union's Battery Passport is significant for Australia's upcoming National Battery Strategy. The strategy aims to position Australia as a world leader in sustainable and innovative battery production, use, and recycling. The strategy recognizes the growing demand for batteries in emerging industries such as renewable energy and electric vehicles, and the potential for Australia to become a leading player in the global battery market.

The Battery Passport, which is a component of the EU's directive on batteries, is part of a larger effort to promote sustainability and transparency in the battery value chain. The passport aims to track and trace all materials and components used in batteries in a central ledger, which includes information on carbon footprint, safety certification, and supply chain due diligence. As the EU implements increasingly stringent regulations on batteries, Australian businesses seeking to invest, innovate, and operate in the global battery industrial value chain will need to adapt and comply with new standards to remain competitive in the global market.

The guidance provided by the Battery Pass Consortium presents both challenges and opportunities for Australian businesses.

On the one hand, the new regulations will increase the cost of compliance and potentially reduce the profitability of businesses that fail to meet new standards.

On the other hand, the guidance also provides opportunities for businesses to differentiate themselves by focusing on sustainability and circularity, and to take advantage of emerging opportunities in the growing global battery market. By embracing sustainability and circularity in their operations, Australian businesses can not only comply with new regulations but also position themselves as leaders in the global market and attract environmentally conscious consumers.

In conclusion, the guidance provided by the Battery Pass Consortium on the European Union's Battery Passport is a significant development for Australia's upcoming National Battery Strategy. The strategy recognizes the growing demand for batteries and aims to position Australia as a leading player in the global battery market.

While the new regulations will present challenges for businesses seeking to invest, innovate, and operate in the global battery industrial value chain, the guidance also presents opportunities for businesses to differentiate themselves through sustainability and circularity and to take advantage of emerging opportunities in the growing global battery market.

To maximize the potential of Australia's battery industry, it would be beneficial to develop a sectoral sustainability roadmap as part of the National Battery Strategy. Such a roadmap could be a long-term strategic plan that identifies key opportunities and challenges for a specific sector and outlines a pathway to achieve specific goals, particularly in alignment with the Sustainable Development Goals.

The World Business Council for Sustainable Development (WBCSD) has successfully used sector roadmaps to drive sustainability initiatives in other sectors such as the cement industry. Developing a sector roadmap for the battery industry would enable Australian businesses to better understand the evolving regulatory environment and emerging opportunities in the global battery market. By outlining a clear pathway to achieve specific goals, a sector roadmap would enable Australian businesses to make informed investment and innovation decisions, positioning them as leaders in the global battery industry.

Summary

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WBCSD / SBA / BCSDA action on the issue

[Information sourced from the WBCSD website, information from the WBCSD and / or google search]

Responses to specific questions

[List the specific questions on the left hands side of a 2 column table format to enable specific answers to be developed for approval by the members]