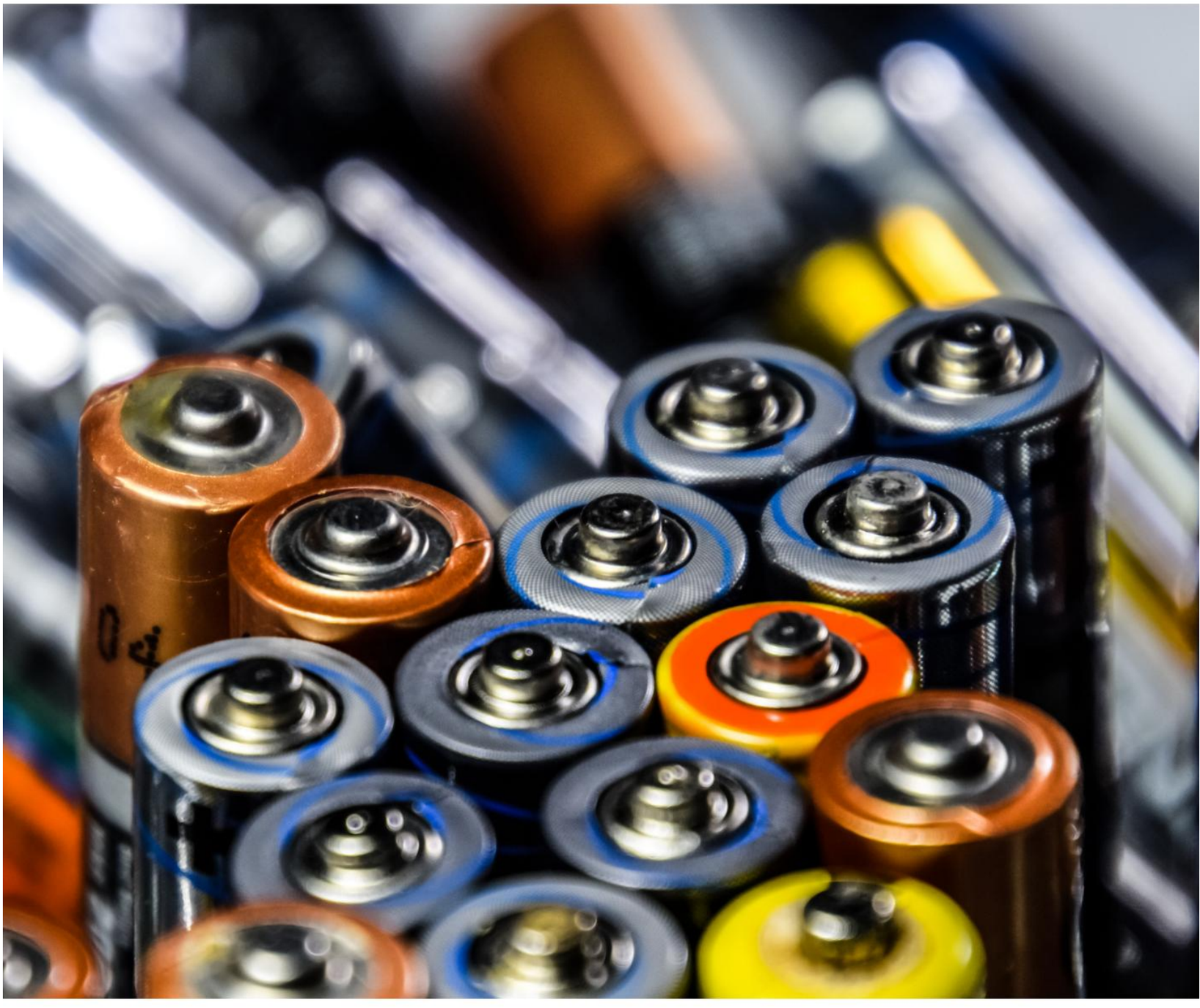
Recycling Europe

RESPONSE TO PUBLIC CONSULTATION: Calculation and verification of recycled content in batteries



CONSULTATION FEEDBACK | SEPTEMBER 2026

EU Recyclers' views on the calculation and verification of recycled content in batteries

9 September 2026

Executive Summary

The rules for the calculation and verification of recycled content in batteries can play in important role in stimulating demand for recycled materials sourced within the EU, and strengthening the EU market for recycled materials, while enabling brands to make credible recycled content claims. In this context, Recycling Europe welcomes the draft Delegated Act's use of efficient and proportionate provisions, and highlights that its implementation should be monitored regularly to assess its effectiveness. However, several elements require clarification and improvement as they could risk turning recycling from a material-based business model towards a service model, thus having devastating consequences for the recycling industry. The final rules should ensure that they support investment in European recycling capacity, preserve the value of recycled materials and effectively contribute to a competitive and circular battery value chain.

1. Mass balance with credit allocation: recycling cannot become a service

Recycling Europe is satisfied with the choice of mass balance as the custody model. It is implementable and manageable, with a proportionate administrative burden for recyclers.

However, Recycling Europe opposes provisions that standardise contractual relationships in a way that effectively treats recycling as a service, which undermines both recyclers and circularity. The recycling business model is based on materials' value. Transforming it into a service would undervalue and potentially fix the price of recycled materials, preventing recyclers from adapting their products' prices to external parameters impacting their business, such as energy costs. Recyclers would also not receive a share of the value created through recycling, including material yields, traceability, compliance and the provision of verifiable recycled content data. This could ultimately restrain recyclers from investing in new technologies and recycling capacities.

The Delegated Act, by proposing credit allocation for battery producers engaged in "*toll-treatment mechanisms*", could lead to unbalanced commercial practices. The text would incentivise battery producers to engage in such agreements

and could allow them to use their market power and oligopolistic position[1] to compel recyclers to sign these contracts. Smaller recycling companies refusing to sign these agreements risk being excluded from the market and ultimately, going out of business. Larger recycling groups could also see their benefits wane and lose competitiveness compared with global players able to continue selling their products at competitive prices.

Treating recycling as a service undermines the economic foundations off the battery recycling industry, leading to its collapse and ultimately shrinking the battery collection and recycling market. Europe could continue to lag behind international competitors, while battery waste could be sent to third countries for recycling at an alarming rate. This provision would go against the very objective it's trying to achieve, meaning to strengthen European recycling capacity.

Moreover, the draft also raises the question of feasibility for tolling systems. While it may in theory be possible to keep "tolling" and "non-tolling" flows separated within facilities, the administrative burden increases with each additional tolling stream added to a plant. The European Commission should therefore consider conditioning tolling systems to minimum annual volumes, ensuring that administrative burden for companies is counterbalanced by the benefits of processing substantial volumes of material.

Finally, the draft emphasises the need for more harmonisation of Extended Producer Responsibility (EPR) schemes across Europe. Differences in Member States interpretation, combined with different Producer Responsibility Organisations' (PROs) business models, could lead to the production of black mass with various qualities across the Single Market. Battery manufacturers may consequently struggle to reach market parity, and could pass additional costs on to consumers. In the automotive sector, this could increase the cost of electric vehicles and slow the transition to zero-emissions mobility.

2. The correction factor: a new tool with potential

The European Commission's proposal for a correction factor for materials sourced from the EU is a positive signal, but its effects should be thoroughly monitored. The European Commission should regularly evaluate its impact on EU recycling capacity and adjust its value and scope where necessary, based on the results.

Moreover, the draft Delegated Act also lacks clarity on the application of the correction factor to black mass recycling. The draft specifies that the correction factor applies to black mass only if *"all recycling steps are being carried out in installations operating in the Union"*, without defining what constitutes *"recycling steps"*. This opens the door to different interpretations across Member States. We therefore recommend clearly defining:

[1] *The transformation of the automotive industry toward electrification and its impact on global value chains: Inter-plant competition, employment, and supply chains*, Ramos and Ruiz-Galvez, European Research on Management and Business Economics, 2024

(i) the scope of this measure,

(ii) when a material is considered to have exited the recycling stage; and

(iii) the verification methodology applicable to this provision.

3. Calculation and verification rules: a few blind spots to address

While the proposed calculation method is reasonable and achievable, it fails to address some key aspects of the recycling value chain.

Specifically, the traceability requirements imposed by the Delegated Act could place significant pressure on the existing IT systems across the value chain. Currently, IT systems can trace order numbers, suppliers, weight, date, and battery chemistry at an overarching level, and can measure traceability from shredding to the downstream recipient. The requirements in the draft methodology go beyond these data points, meaning that many actors would need to adapt their IT systems to enable end-to-end traceability across the value chain. This would require significant effort, investment and coordination across multiple actors, while it could also create challenges for Notified Bodies, as not all recyclers currently are equipped to manage this level of documentation and traceability. The requirements should therefore be proportionate to the objective pursued and take into account the existing capabilities of operators.

Moreover, the Delegated Act does not distinguish between Nickel, Manganese, Cobalt (NMC and other Nickel/Cobalt based chemistries) batteries, and Lithium, Iron, Phosphate (LFP and other non-Nickel/Cobalt based chemistries) batteries. These batteries have different yields and operating conditions, and the methodologies should account for these changes to avoid penalising recyclers as the battery mix changes.

Conclusion

The Delegated Act is an important step towards creating a credible and effective framework for recycled content in batteries. Recycling Europe supports the overall approach, including the use of mass balance and the proposed correction factor, but the final rules must ensure that they strengthen, rather than undermine, the European recycling industry. Clear, proportionate and workable calculation and verification rules are essential to preserve the value of recycled materials, support investment in European recycling capacity and ensure a level playing field across the Single Market. The Commission should therefore address the concerns outlined above, in particular those related to toll-treatment mechanisms, traceability, the correction factor and differences between battery chemistries, to ensure that the framework delivers its intended environmental and industrial benefits.

Note to editor: Recycling Europe (formerly EuRIC) is the voice of Europe's recycling industry, including 84 national federations and companies across 24 EU & EFTA countries, plus the UK. From metals and paper to plastics, textiles, tyres, ships, construction & demolition waste, WEEE and ELVs, our members transform waste into resources—powering Europe's circular economy, ensuring resource autonomy, and boosting

competitiveness and sustainable industrialisation across the continent. For press-related enquiries, please contact Zoi Didili, Recycling Europe's Senior Public Affairs & Communications Advisor, by email at zdidili@recyclingeurope.org or by phone at +32 (0) 489 09 46 02.