



ADVANCED RECHARGEABLE & LITHIUM BATTERIES ASSOCIATION

## RECHARGE recommendations for first Omnibus package on sustainability

February 2025

RECHARGE welcomes the upcoming 'Omnibus Simplification Package' (Omnibus) announced by President von der Leyen which covering the EU Corporate Sustainability Due Diligence Directive (CS3D) and the EU Corporate Sustainability Reporting Directive (CSRD) and Taxonomy, and underscores the urgency of this much-needed simplification process. The batteries industry welcomes harmonizing and streamlining the EU's sustainability reporting framework while maintaining robust environmental and social standards.

The existing corporate sustainability accountability legislations brought highly complex reporting requirements, uncertainty and costly confusion on implementation when it comes to incoherences and overlaps. RECHARGE calls on the Commission to relieve the administrative burden on companies as much as possible as part of a new plan for Europe's sustainable prosperity and competitiveness, and thereby include the Due Diligence requirements of the EU Batteries Regulation (Chapter VII) in the scope of the first Omnibus package on sustainability.

### A domestic battery value chain – a key enabler for the shift to zero-emissions & digitalisation

The development of a domestic battery value chain is a critical driver for Europe's industrialisation and economic growth. By fostering the growth of the battery ecosystem, Europe can create numerous job opportunities and stimulate economic development. Batteries are not only pivotal for the electrification of the automotive industry but are also essential for a wide array of sectors, contributing to overall industrial prosperity.

The battery industry supports decarbonised energy generation, low-emission mobility, and innovation, which align with the visionary Green Deal objectives. Batteries are a key technology for ensuring the electricity grid's resilience and reliability, expanding the share of renewables and enhance energy security in accordance with the bloc's REPowerEU goals.

Batteries also play a crucial role in Europe's digital transition by powering applications such as smartphones, tablets, and internet data centers. They are indispensable for public and industry applications, including medical devices, lighting safety in public buildings, and backup power for mission-critical industrial assets.

**Harmonising Due Diligence requirements across regulations is essential to create a unified framework that allows businesses to comply efficiently without duplication.** This harmonisation is a key factor in enhancing the competitiveness of the battery industry, further driving industrialisation and economic growth in Europe.

### **Key recommendations for the first Omnibus package on sustainability:**

- 1) To achieve efficiency gains in the various European due diligence legislation, we recommend a close examination of the reporting framework set in the CSRD and the due diligence requirements in CS3D in conjunction with the requirements from Chapter VII of the Batteries Regulation. It is essential to assess whether the EUBR Chapter VII could be fully covered under the CSRD reporting and the CS3D obligations.**

If that was not the case, we recommend **harmonizing the due diligence and reporting requirements** under the Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive (CS3D), and the EU Batteries Regulation. Overlapping and inconsistent obligations create unnecessary administrative burdens, particularly regarding value chain monitoring and stress test obligations.

- The Corporate Sustainability Due Diligence Directive (CS3D) is and needs to be used consistently as the horizontal due diligence legislation as it covers all sectors, materials, and rights to be protected. Therefore, all sector and product-specific legislation – including the Batteries Regulation’s Due Diligence Chapter should be **aligned with the CS3D’s risk-based approach, prioritization, and group-level fulfilment capabilities**.
  - The due diligence requirements in the Battery Regulation should follow the logic of those in the CS3D, following a risk-based approach and allowing for prioritization (for example, alignment on the risk management obligations and the third-party verification processes).
  - As in the CS3D, severity and likelihood of an adverse impact should be the factors used to prioritize risks. It is unclear from the Batteries Regulation, whether the same prioritisation process applies as in the CS3D. We welcome a clarification that the Batteries Regulation is aligned with the CS3D approach and that risks are to be prioritised based on severity and likelihood.
  - The Battery Regulation should provide the possibility to conduct due diligence at group level, as does the CS3D. Companies, which are set up as groups with various business entities, should be allowed to have the requirements fulfilled at group level – as is provided as an option in Article 6 of the CS3D.
- **All due diligence reporting obligations should be consolidated within the Corporate Sustainability Reporting Directive (CSRD)**. Companies subject to the CSRD should not be burdened with additional due diligence reporting, mirroring the approach of the CS3D. Regarding the Batteries Regulation, which mandates separate due diligence reporting, these requirements should be **integrated into the CSRD report**, provided that the company's CSRD report covers all materials and risk categories outlined in ANNEX X of the Battery Regulation. The third-party verified CSRD report aligns with the battery reporting requirements.
- **CS3D requires companies to establish a “notification mechanism and complaints procedure”. Is this the same as “grievance mechanism” in the Batteries Regulation?** Clarification and alignment is needed regarding these concepts to facilitate implementation.

RECHARGE would like to highlight also that the EUBR DD requirements will already apply from August 2025 and therefore:

- either the Omnibus has to be adopted in a very quick manner,
- or the EUBR DD requirements are deferred/delayed until the Omnibus process is concluded and all implementing measures/guidelines are adopted,
- and/or the expected EU Commission Guidelines on the implementation of the EUBR DD provisions would need to anticipate the Omnibus regulation and clarify the situation for the industry until its adoption or ensure a transition period with transitional provisions.

2) **The CS3D should be turned into a regulation to ensure uniform application in all EU Member States:** When transposing the CS3D into national legislation, efforts should be made to achieve maximum harmonization among Member States to prevent divergent national-level requirements for companies. RECHARGE recommends applying the ‘Single Market’ approach and ensure the same requirements applied across MS.

3) **The Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) are closely linked:** The ESRS are the specific standards that companies must follow to comply with the CSRD. These standards outline the detailed requirements for reporting on various ESG topics. ESRS E2 specifically focuses on pollution. It requires companies to disclose information about their pollution-related impacts, risks, and management strategies concerning air, water, soil, and substances of concern.

Substances of concern are used for the production of all battery technologies, and in many cases are part of the battery Bill of Material (BoM). As these substances are usually key elements of the battery active materials which provide the energy storage function of the battery, substituting or minimising the use of these substances of concern is not possible.

However, their uses are highly regulated in all stages of the battery life cycle (manufacturing, use and end of life) and therefore **do not cause adverse impacts to human health or the environment. Throughout all life stages of batteries, manufacturing, use and end of life, substances in batteries are extensively controlled.**

Batteries have been recognized in the REACH regulation as “**articles with no intended release**” meaning that, under normal and reasonably foreseeable conditions of use, neither the environment nor humans in the vicinity of this battery will be exposed to any chemical substance present in the battery.

Furthermore, Extended Producer Responsibility has been introduced as early as 2006 (and further strengthened in 2023) whereby Producers must take batteries back and send them for recycling to fully permitted facilities.

For these reasons, we do not understand in which way under the ESRS E2 Disclosure Requirements, the disclosure of “the total amounts of substances of concern that leave facilities (...) as products, or as part of products” is a proper indicator regarding pollution. **The E2-6 disclosure requirement, only based on hazard assessment and not on the true occurrence of adverse effects to human health and the environment, will inadequately flag batteries manufacturers as “polluters”.**

4) **On the Critical Raw Materials Act (CRMA)**

**Article 24 of the CRMA** requirement of large companies manufacturing strategic technologies (e.g. batteries for energy storage and e-mobility) to perform every three years an analysis of their strategic raw materials supply chains, mapping dependencies on third countries as well as a stress test (implementing a mapping and risk assessment). This is an unnecessary burden for the industry. RECHARGE recommends to **delete the Article 24 requirement on supply risk monitoring under the new Omnibus regulation.**

On company risk preparedness, RECHARGE recommends introducing the provision on a voluntary basis only. The implementation of such policies is duplicative to natural industry efforts to mitigate risk and diversify supply, both increasing costs for European producers and potentially producing an indirect market-distorting effect. Additionally, reporting obligations already exist under other EU legislative initiatives (e.g. Corporate Sustainability Due Diligence Directive) which act to address the impact of global value chains. Introducing mandatory checks in the CRMA therefore adds an incremental and unnecessary burden for firms.

## 5) On Taxonomy

RECHARGE recommends to reduce the complexity of the ‘Do-No-Significant-Harm (DNSH)’ criteria: Appendix C of the DNSH severely complicates the application and implementation of the taxonomy rules for companies, leading to legal uncertainty and confusion in the affected industries. Point f of the Appendix references both – CLP and REACH regulation. **Those requirements should be removed, significantly simplified or at least accompanied by concrete implementation guidance provided by the Commission.**

## 6) On the above Regulations mentioned, RECHARGE additionally recommends to:

- simplify requirements for companies that are not large corporations
- provide detailed templates that can be easily used
- allow enough time to implement the requirements, especially considering possible changes due to the simplification effort

RECHARGE strongly supports the European Commission’s efforts to streamline sustainability reporting regulations through the first Omnibus Simplification Package. By aligning due diligence requirements across key directives, and reducing redundancies in reporting obligations, the EU can achieve its sustainability goals while significantly contributing to delivering on its new plan for Europe’s sustainable prosperity and competitiveness.



### ABOUT RECHARGE

RECHARGE is the European industry association for advanced rechargeable and lithium batteries. Founded in 1998, it is our mission to promote advanced rechargeable batteries as a key technology that will contribute to a more empowered, sustainable and circular economy. RECHARGE’s unique membership covers all aspects of the advanced rechargeable battery value chain in Europe: from suppliers of primary and secondary raw materials, to battery, equipment and original equipment manufacturers (OEMs), to logistic partners and battery recyclers. [www.rechargebatteries.org](http://www.rechargebatteries.org)

Contact: Kinga Timaru-Kast, Director, Public Affairs & Communications, [ktimaru-kast@rechargebatteries.org](mailto:ktimaru-kast@rechargebatteries.org)

EU Transparency Reg. 673674011803-02