

EXPLANATORY MEMORANDUM FOR EUROPEAN UNION LEGISLATION WITHIN THE SCOPE OF THE UK/EU WITHDRAWAL AGREEMENT AND THE WINDSOR FRAMEWORK

COM(2025) 258 final

PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING REGULATION (EU) 2023/1542 AS REGARDS OBLIGATIONS OF ECONOMIC OPERATORS CONCERNING BATTERY DUE DILIGENCE POLICIES

Submitted by the Department for Environment, Food and Rural Affairs on 17 June 2025

SUBJECT MATTER

1. The proposed Regulation delays the implementation date for due diligence measures within Regulation (EU) 2023/1542 by two years. These measures relate to due diligence obligations for economic operators placing batteries on the market or putting them into service. These obligations were initially to be applied from 18 August 2025, but this proposal aims to delay their implementation by two years, to 18 August 2027, as well as amending the date the Commission is to publish guidelines on due diligence requirements from February 2025 to July 2026. Given the proposed Regulation extends the application timings of specific measures of Regulation (EU) 2023/1542, it merely maintains the current regulatory status quo by a further 2 years. Therefore, it is not considered to have any substantive impacts, other than to provide for a longer transition period for economic operators.
2. Regulation (EU) 2023/1542 (the ‘European Batteries Regulation’) sets the regulatory framework for batteries and replaces the EU Batteries Directive (2006/66/EC) which is listed in Annex 2 of the Windsor Framework and therefore this amendment will apply in Northern Ireland (NI), subject to the democratic scrutiny mechanisms set out in Article 13(3a) of the Windsor Framework and Schedule 6B of the Northern Ireland Act 1998. Under the terms of the Windsor Framework, Regulation (EU) 2023/1542 has applied in NI since 18 February 2024 with a series of staggered implementation dates, which are replacing articles of the old EU Batteries Directive (2006/66/EC) over time.
3. EUBR requires economic operators over the turnover threshold to have a due diligence policy that has been verified by a notified third party body and that these policies are periodically audited. Due diligence policies should, in order to address the social and environmental risks, cover the extraction, processing and trading of certain raw materials and secondary raw materials used for the purposes of battery manufacturing.

4. The proposal amends Regulation (EU) 2023/1542 as regards to delaying the implementation date for obligations of economic operators concerning battery due diligence policies. The European Batteries Regulation Due Diligence requirements impose obligations on economic operators placing batteries on the market or putting them into service. The obligations require companies to map their supply chains, identify risks and take action to mitigate these.
5. Battery raw material supply chains are affected by a shifting geopolitical landscape, leaving the battery industry with many challenges related to sourcing raw materials. Due diligence schemes being developed by industry associations and groupings of interested organisations are expected to play an important role in the implementation of the battery due diligence obligations and management of the battery waste stream.
6. Article 94(4) of Regulation (EU) 2023/1542, EUBR, requires the Commission to assess, one year after the Directive (EU) 2024/1760 on corporate sustainability due diligence was adopted, whether amendments to the battery due diligence obligations are necessary in light of the adoption of that Directive. The proposal notes that consistency in implementation could be achieved if guidelines for both the Directive and EUBR were developed hand in hand.

SCRUTINY HISTORY

7. The parliamentary scrutiny history relevant to this Explanatory Memorandum is contained in the attached Annex A.

MINISTERIAL RESPONSIBILITY

8. Responsibility lies with the Secretary of State for Environment, Food and Rural Affairs.

INTEREST OF THE DEVOLVED ADMINISTRATIONS

9. The regulation of Batteries with regards to 'Placing on the Market' is a reserved matter under the devolution settlements.
10. This proposal will affect Northern Ireland and therefore we will continue to engage and discuss with devolved counterparts as needed.

LEGAL AND PROCEDURAL ISSUES

11.
 - I. **EU Legal Base:** The proposal is based on Article 114 and Article 294, of the Treaty on the Functioning of the European Union (TFEU).

- II. **Voting Procedure:** This legislation is being adopted via the ordinary legislative procedure. Therefore, the Council of the European Union will vote by qualified majority.
- III. **Timetable for adoption and implementation:** The legislative proposal was adopted by the European Commission on 21 May 2025, and the First Reading was completed by the Council of the European Union on 23 May 2025. The next step will be consideration by the European Parliament.

POLICY AND LEGAL IMPLICATIONS

- 12. The delayed implementation will give economic operators an additional two years to meet due diligence obligations, in August 2027, rather than August 2025.
- 13. The proposal acknowledges that only about half of EU Member States have so far appointed notifying authorities in charge of the assessment, notification and monitoring of for conformity assessment bodies. The proposal also acknowledges the delay in guidance expected in February 2025 (now expected July 2026) by the European Commission. This delay could hinder the implementation of third-party verification requirements for batteries policies, which are set to apply and come into force from 18 August 2025. Therefore, the two-year delay in implementation set out in this proposed Regulation would ensure additional time to allow time to resolve difficulties with the appointing notifying authorities and the availability of notified bodies in charge of third-party verification.
- 14. Under the EUBR, the Commission is mandated to reassess the obligations of economic operators as regards due diligence policies following the adoption of Directive (EU) 2024/1760 on corporate sustainability due diligence. This built-in review mechanism allows for adaptive policymaking based on evolving industry practices and regulatory landscapes. The Commission have declared it is too early for an assessment to be made at the time of publishing this Explanatory Memorandum, however UKG will continue to assess any future amendments and assessments made by the Commission in this policy area.

Business Impact

- 15. Battery due diligence obligations require economic operators' battery due diligence policies to be verified by a notified body ('third-party verification'). Conformity assessment bodies become notified bodies by applying for notification to a notifying authority. Only about half of the Member States have appointed their notifying authority in charge of the assessment, notification and monitoring of conformity assessment bodies.


16. Businesses will have more time to ensure their due diligence processes are in line with the regulations due to the later implementation date proposed here.

CONSULTATION

17. Defra has close working relationships with the Northern Ireland Civil Service and regularly engages with the Northern Ireland Department for Agriculture, Environment and Rural Affairs on batteries regulation. Defra will continue to engage with them on the proposed amendments to ensure a smooth transition.
18. There has been no specific consultation to date with external stakeholders. For the implementation of the Placing on the Market aspects of the EU Batteries Regulations in NI, Defra will be laying an SI which we will be engaging with industry on in the future before doing so.

FINANCIAL IMPLICATIONS

19. The European Commission has suggested that the proposed changes will have no budgetary implications. The proposal was not accompanied by a dedicated impact assessment because the proposal only amends the date of application of the due diligence obligations of Regulation (EU) 2023/1542.
20. For Government: This specific proposal which delays the due diligence obligations will not impact the costs for UK government or DAERA and will allow more time for external stakeholders, such as businesses supplying NI with batteries, to adjust their internal due diligence practices.

A handwritten signature in black ink, appearing to read 'Mary Creagh', is centered on the page. The signature is fluid and cursive, with a large loop for the 'M' and a long, sweeping tail for the 'h'.

MARY CREAGH CBE MP
PARLIAMENTARY UNDER-SECRETARY OF STATE (MINISTER FOR NATURE)
DEPARTMENT FOR ENVIRONMENT, FOOD AND RURAL AFFAIRS

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EM 13944/20 + ADD 1-5: PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL CONCERNING BATTERIES AND WASTE BATTERIES, REPEALING DIRECTIVE 2006/66/EC AND AMENDING REGULATION (EU) NO 2019/1020

COMMISSION STAFF WORKING DOCUMENT EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT REPORT ACCOMPANYING THE DOCUMENT PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL CONCERNING BATTERIES AND WASTE BATTERIES, REPEALING DIRECTIVE 2006/66/EC AND AMENDING REGULATION (EU) 2019/1020

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DATE EM SIGNED: 29/12/2020

SCRUTINY COMMITTEES' RECOMMENDATIONS:

COMMONS	LORDS
SCRUTINY NOT COMPLETED (OUTCOME AGENDA 39 12/7/23) SCRUTINY NOT COMPLETED (ESC AGENDA 42 14/4/2021) SCRUTINY NOT COMPLETED. FURTHER INFORMATION REQUIRED. (AGENDA 33 20/1/2021)	SIFTED FOR SCRUTINY (EU ENVIRONMENT SUB COM) AT CHAIR'S SIFT 39 8/1/2021