

The logo for ACEA (Association of European Car Manufacturers) features the word "acea" in a lowercase, blue, sans-serif font. The letter "a" has a stylized blue and red dot above it, and the "e" has a blue dot above it.The logo for AVERE (The European Association for Electromobility) consists of the word "AVERE" in a bold, white, sans-serif font inside a blue rectangular box. Below the box, the text "The European Association for Electromobility" is written in a smaller, blue, sans-serif font.The logo for CEFIC (Chemical Industry Federation) features a stylized blue and green hexagonal flower-like symbol to the left of the word "cefic" in a lowercase, blue, sans-serif font.The logo for EGEC (European Geothermal Energy Council) features a stylized red and blue checkmark-like symbol to the left of the text "EGEC" in a bold, blue, sans-serif font, with "GEOTHERMAL" in a smaller, blue, sans-serif font below it.The logo for EPBA (European Portable Battery Association) features the letters "EPBA" in a bold, green, sans-serif font with a stylized green and blue graphic element to the left. Below it, the text "EUROPEAN PORTABLE BATTERY ASSOCIATION" is written in a smaller, blue, sans-serif font.The logo for EUROBAT (Association of European Automotive and Industrial Battery Manufacturers) features the word "EUROBAT" in a bold, black, sans-serif font, with a stylized blue and white battery symbol to the right. Below it, the text "ASSOCIATION OF EUROPEAN AUTOMOTIVE AND INDUSTRIAL BATTERY MANUFACTURERS" is written in a smaller, blue, sans-serif font.The logo for RECHARGE (Advanced Rechargeable & Lithium Batteries Association) features the word "RECHARGE" in a bold, multi-colored (red, orange, yellow, green) sans-serif font. Below it, the text "ADVANCED RECHARGEABLE & LITHIUM BATTERIES ASSOCIATION" is written in a smaller, blue, sans-serif font.The logo for euromines features a stylized blue mountain range graphic above the word "euromines" in a lowercase, blue, sans-serif font.The logo for the International Lithium Association features a stylized green leaf and a lithium symbol (Li) inside a green circle, with the text "INTERNATIONAL LITHIUM ASSOCIATION" in a blue, sans-serif font below it.The logo for Eurometaux features the letters "EM" in a bold, green, sans-serif font.

**Eurometaux**  
European Association of Metals

**To: Frans Timmermans, EU Executive Vice-President for Green New Deal; Maroš Šefčovič, Vice President for Strategic Foresight; Virginijus Sinkevičius, Commissioner for Environment; Thierry Breton, Commissioner for Internal Market**

Dear Executive Vice President Frans Timmermans, Vice President Maroš Šefčovič; Commissioner Virginijus Sinkevičius; Commissioner Thierry Breton,

We write you to remark the negative impact on the EU's security of supply of lithium of the proposed lithium salts classification that was discussed in the EU's CARACAL expert group in July, in follow-up to the letter sent by our battery supply chain organisations in June. Thank you for the reply received to that letter by Diederik Samson on 2 September.

We believe it is important to reflect further on the positions expressed by Argentina, Australia and United States in their recent feedback to CARACAL. The representatives of these countries openly disagreed on the proposed classification of lithium salts. In particular, the scientific opinion of the Australian competent authorities is that "an appropriate hazard classification for the three named lithium salts is, 'at worst', category 2". These opinions demonstrate that there is no global scientific agreement on the classification, and that other countries are unlikely to adopt the same classification, with possible repercussions on trade relations and access to lithium.

This threatens to create serious problems of security of supply for the EU battery value chain: announcing the Critical Raw Materials Act, President Von Der Leyen remarked that today 60% of lithium is processed in China, and that the EU must avoid becoming dependent again, as with oil and gas. Commissioner Breton mentioned a possible target for EU refined lithium covering 30% of 2030 demand. The EU demand for lithium is set to grow considerably in the coming years to support the EU green deal objectives in respect

to e-mobility and electrification of society: European projects on mining, refining and recycling will be fundamental for the success of the EU battery industry, and in this sense, we look forward to the publication of the Critical Raw Materials Act.

Unfortunately, the classification of lithium risks making EU Member States less attractive compared to other countries for lithium mining and refining projects, while other countries aim to enable investments in the lithium value chain: for example, the US just passed the Inflation Reduction Act, which provides significant investment and production tax credits as well as a \$7,500 consumer credit to stimulate EV supply chain investment in the United States. In light of the potential classification of the lithium salts, opening a lithium mining or refining plant in the EU would be more burdensome and more expensive compared to other countries. In addition, any investment would have a high degree of uncertainty, due to the unclear risk management measures that could be proposed in the coming years due to the classification.

The capacity to refine lithium in the EU will also be crucial to recycle lithium in waste batteries to the ambitious degree mandated by the Batteries Regulation. Decisions on investments in lithium capacity are needed within the next three years to be ready for 2030 when global supply constraints are forecasted. Projects need sufficient time to actually deliver raw materials to the market, hence Europe needs to provide a clear signal to the market to invest in Europe now.

A further concern is also related to the possible listing as Substance of Very High Concern (SVHC) and the consequent stigmatization of lithium, which would result in additional difficulties related to community acceptance for mining and industrial projects. In addition, products containing lithium might be disadvantaged compared to other products because of the supposed hazardous properties of lithium.

Considering the serious scientific doubts expressed by international stakeholders and the industry, and the new evidence emerged recently, we believe it would be beneficial to ask RAC to re-assess its opinion, including a reconsideration of all available studies in a robust weight of evidence exercise. This re-assessment should lead to a more robust scientific opinion, agreeable also at international level.

In this sense, we would be pleased to discuss with you and a delegation of experts from leading companies in Europe's battery supply chain the scientific weaknesses of the lithium classification case and the impact on the EU's security of supply.

Yours sincerely,

Eric-Mark Huitema, Director General, ACEA

Philippe Vangeel, Secretary General, AVERE

Marco Mensink Director General, CEFIC

Philippe Dumas, Secretary General, EGEC

Hans Craen, Secretary General, EPBA

René Schroeder, Executive Director, Eurobat

Guy Thiran, Director General, Eurometaux

Rolf Kuby, Director General, Euromines

Roland Chavasse, Secretary General, International Lithium Association

Claude Chanson, General Manager, Recharge