

Windsor Framework Democratic Scrutiny Committee

OFFICIAL REPORT (Hansard)

Regulation (EU) 2025/1561 Amending Regulation (EU) 2023/1542 as regards Obligations of Economic Operators concerning Battery Due Diligence Policies:

Department of Agriculture, Environment and Rural Affairs

7 August 2025

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mrs Ciara Ferguson (Chairperson)
Mr David Brooks (Deputy Chairperson)
Mr Jonathan Buckley
Mr Peter Martin
Ms Emma Sheerin

Witnesses:

Mr Tommy McNamara Department of Agriculture, Environment and Rural Affairs Ms Catherine O'Hara Department of Agriculture, Environment and Rural Affairs

The Deputy Chairperson (Mr Brooks): I welcome Tommy McNamara, the policy lead for end-of-life vehicles (ELVs) at DAERA, and Catherine O'Hara, who is a policy adviser for DAERA. Thanks for attending today. I will hand over to you to brief the Committee.

Mr Tommy McNamara (Department of Agriculture, Environment and Rural Affairs): Good morning, everyone. Thank you for the opportunity to brief the Committee on regulation (EU) 2025/1561, which amends regulation 2023/1542, commonly referred to as "the EU batteries regulation", as regards the obligations of economic operators concerning battery due diligence policies. I understand that the Committee has received a copy of DAERA's assessment of the impact of the regulation, which includes a link to the explanatory memorandum prepared by the Department for Environment, Food and Rural Affairs (DEFRA).

The EU's batteries regulation provides the regulatory framework for batteries and replaces the EU batteries directive 2006/66/EC, which is listed in annex 2 of the Windsor framework. Under the terms of the Windsor framework, the EU's batteries regulation has applied in Northern Ireland since 18 February 2024, with a series of staggered implementation dates, replacing articles of the old EU batteries directive over time. Regulation 2025/1561 was published on 30 July and came into force the following day. It amends article 48 of the EU's batteries regulation concerning due diligence obligations for economic operators placing batteries on the market or putting them into service, which is a policy area that is reserved to the UK Government.

The EU's batteries regulation requires economic operators over the turnover threshold to adopt a due diligence policy that has been verified by a notified third-party body. In order to address social and environmental risks, the policies require operators to map supply chains, identify risks and take mitigation action in respect of the extraction, processing and trading of certain raw materials and secondary raw materials used for battery manufacturing.

Due diligence obligations were initially to be applied from 18 August 2025, but battery raw material supply chains are affected by a shift in geopolitical landscape, leaving the battery industry with many challenges related to the sourcing of raw materials. In addition, due diligence obligations include requirements for verification by notified bodies in each member state. However, approximately only half of member states have appointed their notifying authority, meaning that the EU Commission has been unable to determine a standard for the accreditation of notified bodies for due diligence obligations.

The regulation delays the implementation of due diligence obligations 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. That ensures that the current regulatory status quo is maintained for a further two years, providing businesses with more time to ensure that their due diligence processes are in line with legislative requirements. In addition, it provides time to resolve difficulties with member states appointing notifying authorities and setting a standard for the accreditation of notified bodies.

DAERA's assessment is that it is likely that the regulation will not have a significant impact that is specific to the everyday life of communities in Northern Ireland in a way that is liable to persist. The relevant due diligence provisions concern placing batteries on the market and are therefore reserved to the UK Government, who stated in their explanatory memorandum that the two-year delay will provide businesses with more time to develop their due diligence processes.

It is also DAERA's assessment that non-application of the regulation will not have a significant impact specific to the everyday life of communities in Northern Ireland in a way that is liable to persist. Should the regulation not apply in Northern Ireland but apply in EU member states, businesses in Northern Ireland would legally have to apply the due diligence obligations in advance of any EU country and would, therefore, be at a disadvantage. Although there may be some impact on businesses, it would not be deemed to be significant, particularly as the Commission has yet to determine a standard for the accreditation of notified bodies, nor would it be liable to persist, given that the regulation will apply fully across the EU within two years.

No formal stakeholder engagement has taken place at this stage. The European Commission did not conduct a public consultation or an impact assessment on the proposed amendments before it published the regulation. As noted, the change is specific to the challenges related to sourcing raw materials and establishing notifying authorities.

I am conscious that, in setting out the background, I have referenced the existing batteries regulations and their associated requirements. It is important to emphasise that the regulation being considered today relates solely to due diligence requirements, specifically amending timelines to allow more time for compliance.

That concludes the DAERA presentation. We are happy to take any questions that the Committee has.

The Deputy Chairperson (Mr Brooks): Thank you very much. I am thankful that you provided that clarity at the end, as my question was about restating that this is not about the substantive regulation but about the short delay. Whatever people's views on the substantive regulation, that is not what is up for discussion today.

The only query that I have is that you said that, if we were to act unilaterally, there might be some impact on businesses. Is that just a case of you saying that, in any case, there may always be circumstances that we have not thought about, or are there specific impacts that you are aware of that you might wish to speak to?

Mr McNamara: That is a difficult one, because, legally, they are required to do it, but there is no way of enforcing it. The Commission is not expecting them to do it, but some businesses may think that they have to. It would be beneficial if they were to consider it. Some businesses may think that it would place them at a disadvantage, but we do not have any specific instances of what those disadvantages would be.

The Deputy Chairperson (Mr Brooks): If it is delayed according to that timeline, our businesses will not be required by the EU to take those steps.

Mr McNamara: No, not at all. There would be no disadvantage to them whatever.

The Deputy Chairperson (Mr Brooks): Thank you very much.

There are no other questions. Thank you for your time this morning.

Mr McNamara: Thank you.