

**DG GROW**

**Commissioner Thierry Breton's visit to Sweden**

**Sweden, 11-12.10.21**

**BRIEFING NOTE** *(Commission Internal)*

Out of scope of request

- Meeting with Northvolt

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- Northvolt's long term ambition is to produce 25% of Europe's batteries by 2030: it announced on 7 October the investment of \$750 M for Northvolt Labs (Västerås, Sweden) to establish the world's first R&D campus covering the entire battery ecosystem.

#### Key questions to the interlocutors


- How do you see developments regarding batteries/cells technology?
- Where do you see potential dependencies regarding batteries/cells and how can they be prevented?
- How can cells produced in Europe become globally competitive?
- What are your ambitions for your involvement in the IPCEI?
- What are the main challenges you are experiencing in recruiting and retaining staff? What more can the EU do to help in this area?
- Do you see other challenges affecting your industry?

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- Northvolt has been a key driving force of the European Battery Alliance since the beginning in 2017, when few Europe's leading automotive manufacturers were convinced that there was a business case for electric cars;



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Background information

Name of Cabinet Member:

Name of the Director who has cleared the briefing:

BASIS request ID: CAB BRETON/1183

Name of main contact person:

Telephone number:

Directorate/Unit:

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## Out of scope of request

### **Northvolt**

Northvolt was founded as a start-up in 2016. It is a European supplier of sustainable, high-quality battery cells and systems. Founded to enable the European transition to a decarbonized future, the company has made swift progress on its mission to deliver the world's greenest lithium-ion battery with a minimal CO2 footprint. Among Northvolt industrial partners and customers are ABB, BMW Group, Scania, Siemens, Vattenfall, Vestas, Volkswagen Group and Volvo Cars.

The aim is for the project to drive innovations along the entire value chain, from raw material extraction, over advanced material development to battery systems and recycling. In particular, the project will offer an opportunity for European equipment and component suppliers to develop and qualify innovative solutions, which are designed to build competitiveness towards overseas competitors.



**Northvolt is part of the second IPCEI** with State Aid from the Swedish Government (€53.8 million) and from the German Government (€155.6 million). Northvolt will contribute to various projects within the work stream on battery cells to develop production techniques based upon a vertically integrated production model characterised by low CO2 footprint, process innovation and very high level of automation and digitalization.

Northvolt will have a critical role to play in the Work Stream on battery cells as it is involved in most of the projects. However, this IPCEI is in its very early stages of development (first meeting only on 17<sup>th</sup> September) and so there is no information yet on progress. The first report is expected in May 2022.

About Northvolt Lab's expansion (investment of \$750 M), the new R&D campus, [REDACTED] of Northvolt, said: *"There is today an irreversible momentum surrounding the switch to battery electric solutions. Northvolt Labs is being expanded in order to capitalize on this – to drive the transition at even greater speed towards safe, sustainable battery solutions. By establishing a campus where industrial actors can engage, surrounded by all necessary facilities, it is our belief that we can create the necessary foundation for Europe to emerge as the leading region for a technology that is at the heart of the race to decarbonize."*

In parallel to the construction of the new facility, a new 15,000 square meter office is under development to support an increase in headcount from 400 persons today to at least 1,000 persons who will work at Northvolt Labs.

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Northvolt welcomes the ambitious policy including on recycling requirements, carbon footprint and due diligence. It calls it a large step in the right direction, though asks for further improvements, mainly: chemical restrictions only in REACH, no mandatory levels for recycled content, no performance and durability requirements, earlier application of the carbon footprint, safeguard intellectual property rights in the battery passport, and more precise rules for recovery efficiency targets higher than 90%.

In the framework of the European Battery Alliance, MSs have developed two battery IPCEIs. The first one, coordinated by France, was approved in December 2019 and implementation has started. The second, coordinated by Germany, was approved on 25<sup>th</sup> January 2021.

The Battery Alliance has led directly to the launch of an Erasmus+ Blueprint Skills Programme for Batteries – ALBATTIS. It is very welcome that Northvolt is contributing this programme to identify future skill needs in the EU battery sector and strategies to help universities, training institutes, regional authorities and industry meet these needs. Your frontline experience will make, I am sure, a very valuable contribution. It is supplemented by an automotive partnership, under the Pact for Skills, launched in January 2021

The Commission has established a Screening and Monitoring Mechanism to ensure that all industrial alliances are open, inclusive, transparent, and comply with EU competition rules.

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## Raw materials

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List of CVs

Starting from here: Redaction of personal data  
(article 4(b) of Regulation (EC) No 1049/2001





























