

## **Used Electric Vehicle Batteries: Building a Safe and Rapid Recycling System through Public-Private Cooperation**

- Ministry of Environment, Korea Environment Corporation, and Korea Auto Dismantlement Recycling Association sign business agreement to support distribution of used EV batteries from small scrapyards, including storage, evaluation, and sales
- Domestic circulation and utilization of used batteries containing large amounts of critical minerals expected to be promoted

The Ministry of Environment (Minister Kim Sunghwan) announced that on September 23, at the Metropolitan Future Waste Resources Base Collection Center\* (located in Siheung, Gyeonggi-do), it will sign a “Business Agreement for Supporting the Distribution of Used Batteries Not Subject to Mandatory Return” together with the Korea Environment Corporation and the Korea Auto Dismantlement Recycling Association (KADRA).

\* A facility established and operated by the Ministry of Environment and the Korea Environment Corporation to support a full-cycle resource circulation system, including the collection, storage, and sale of future waste resources such as electric vehicle batteries and solar panels (Installation and operation of the Future Waste Resources Collection Center under Article 20-4 of the Act on Resource Circulation of Electrical and Electronic Equipment and Vehicles).

Currently, the obligation to return and the processing procedures for electric vehicle batteries at the time of scrapping differ depending on the year the vehicle was purchased.

Electric vehicles that received purchase subsidies before 2021 must return

their batteries to the national or local government after use. The returned batteries are then evaluated for performance at the Future Waste Resources Base Collection Center and subsequently sold for reuse or recycling purposes.

For vehicles that received purchase subsidies after 2021, there is no obligation to return the battery. Once removed at scrapyards, the batteries are freely traded in the private market.

However, most scrapyards lack the necessary infrastructure, such as storage facilities for used electric vehicle batteries, performance evaluation equipment, and sales systems. As a result, removed batteries are often left unattended for long periods, and without the ability to independently assess their residual value, they are not being utilized as high-value resources such as for reuse.

Accordingly, through this agreement, the Ministry of Environment will promote a pilot project for the safe and efficient distribution of electric vehicle batteries not subject to mandatory return until a private autonomous distribution system for used batteries is established.

The Ministry of Environment and the Korea Environment Corporation will provide administrative and institutional support for the operation of the pilot project, and using four Future Waste Resources Base Collection Centers nationwide\*, will handle the receipt, performance evaluation, storage, and sale of batteries on behalf of stakeholders.

\* Seoul Metropolitan Area (Siheung, Gyeonggi-do), Yeongnam Region (Dalseo-gu, Daegu), Honam Region (Jeongeup, Jeollabuk-do), Chungcheong Region (Hongseong, Chungcheongnam-do)

The KADRA will be responsible for operating a cooperative platform to provide information on the generation and collection of used batteries between scrapyards and the Korea Environment Corporation.

In addition, for this year's pilot project, the Ministry of Environment and the Korea Environment Corporation will exempt scrapyards from the service fees\* they would normally have to pay to the base collection centers, in order to encourage their participation.

\* It currently costs about KRW 640,000 per used electric vehicle battery for labor, equipment, and storage required for performance evaluation.

Scrapyards will be able to reduce the burden of facility investment caused by electric vehicle dismantling and quickly distribute used batteries.

This agreement is a follow-up measure to the "Battery Recycling Promotion Plan" announced by the government on May 14 of this year. It aims to supplement the lack of distribution infrastructure at scrapyards with public facilities, thereby ensuring that used batteries not subject to mandatory return can be reused and recycled domestically.

Through this, a foundation is expected to be established for the recycling of key minerals such as lithium and nickel.

Kim Go-eung, Director General of the Resource Circulation Bureau at the Ministry of Environment, stated, "This business agreement will serve as an important starting point for establishing a stable and rapid distribution system for used batteries through public-private cooperation." He added, "We will actively promote the domestic circulation and utilization of electric vehicle batteries to secure a stable supply chain of recyclable resources."