

Scottish Mortgage Stock Stories – Redwood Materials

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Claire Shaw

Battery recycling is key to electric vehicle use and tackling climate change, so we're investing in the companies rising to the challenge

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Clare Shaw: The world is now firmly on a path to electrify all transportation. But achieving government targets is dependent on having plentiful supplies of the raw materials needed to make the batteries in electric vehicles.

Demand for the 'key ingredients' in batteries – such as lithium, cobalt, nickel – has risen exponentially in the last decade. These materials are now in short supply so there's a growing realisation that in order to fuel electrification, battery recycling is key.

Redwood Materials is one such battery recycling company who believe that to make electric vehicles truly sustainable, end of life batteries need to be collected, recycled and remanufactured into new battery materials. Increasing the amount of recycled materials used in EV production is the only way to create a circular supply chain in the future.

Led by one of the original co-founders of Tesla, Redwood's mission is to improve the environmental footprint of the lithium-ion batteries which in turn will decrease costs and further increase the adoption of electric vehicles.

Today, Redwood is focused on collecting end-of-life consumer electronics, from the devices we relegate to the messy drawer, to the early electric vehicles models that are already out of use.

About 15 million tons of lithium-ion batteries are expected to retire by 2030, the deadline most car manufacturers have set for phasing out gas-engine vehicles. The list of these manufacturers who have chosen to partner with Redwood illustrates the desire to work with the company who is leading the charge in this field.

The progress made in the next 10 years will determine the impact electrification can have in our efforts to combat climate change. Redwood believe they can make a difference and they are better placed than most to assist with the challenge.

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