
2022 SUSTAINABILITY REVIEW

Automotive Industry

REPORTING IN

A Letter from the President of Foresight

Foresight Management exists to champion energy management, accelerate sustainability, and increase profitability for our clients. We believe an educated, empowered, and proactive supply chain is the key to achieving any meaningful sustainability goal or initiative.

For this automotive industry report, our team of experts aggregated sustainability initiatives, goals, and data from major automotive brands, so suppliers can better align with OEMs' trajectory.

Publicly traded companies and consumer-facing brands are under ever-increasing pressure from consumers, investors, employees, and regulators to demonstrate how they care for the humans and the environment impacted by their business. In response to this pressure, these companies (rightfully) set aggressive environmental, social, and governance goals.

These aspirational goals are not simply about the brands that set them, but encompass all organizations within their supply chain as well. And when it comes to environmental goals associated with carbon, the supply chain often represents a large majority of the emissions. Furthermore, all of these global brands set different goals on different timelines, thus emphasizing different approaches to sustainability.

This market dynamic has created tremendous pressure and confusion for companies who supply parts, pieces, software and services to OEM's. For suppliers, simply taking the time to respond to a dizzying variety of customer requests is a significant undertaking in and of itself, not to mention the effort required to establish their own baselines, set their own goals, and implement a plan to achieve those goals.

Like most challenges, if embraced, can be re-framed into an opportunity. By corralling all of the stated goals, trends, and timelines within an industry into one place, we aim to educate and empower companies in the supply chain to take a more proactive approach to sustainability and a more aligned approach with their customers.

For a supplier, embracing this work will give you an edge in the marketplace, improve the environment, and improve the lives of the people impacted by your business. Flourishing people, flourishing planet, and flourishing profit. Our hope is this report accelerates, even just a little, your sustainability journey.

Please feel free to use and share this report as a reliable resource for your environmental efforts. Plan for it to be updated annually. And if you ever find yourself or your company in need of a partner to champion your sustainability efforts, Foresight would love to step in and help.

Thank you,



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GHG Emissions

Growing market and consumer pressure have led to the prioritization of disclosing carbon emissions produced throughout the entire supply chain of a company. This has led to the creation of the CDP, a global organization standardizing environmental reporting and disclosure. 83% of OEMs researched for this report have submitted their emissions to the CDP and—in 2021—13,126 companies have reported their impact on climate change, a nearly 40% increase from the previous year.

Companies are not only reporting on their emissions, but signing commitments to decrease emissions. Nearly all of the companies researched have committed to the Paris Climate Agreement in some way, and/or are members of the UN Global Compact, which includes the Business Ambition for 1.5°C. These commitments have translated into measurable goals of decreasing Green House Gas Emissions from operations, facilities, and within the entire life cycle of the products from all companies (with the exception of Tesla). Most have agreed upon 2050 to achieve "carbon neutrality," meaning the emissions produced are either zero or minimal enough to cancel carbon offsets purchased.

Emissions challenges are unique to the automotive industry in that the very products manufactured create emissions themselves—making scope 3 emissions a long-tail responsibility. Therefore we understand the adoption of electric and hydrogen-powered vehicles offering a greater emissions reduction over the lifecycle of the product.

Electrification of End-products

Electrification, or the replacing of ICEs with electric motors, is an important aspect of the automotive industry. A large portion of the emissions produced within the industry is the use-cycle of the products, specifically the fossil fuels being burned in the process of driving vehicles.

All of the companies researched for this report have at least one main line vehicle model that is either a HEV, FCEV, or BEV.

They also have measurable goals of increasing the ratio of electric to ICE vehicles sold in the next 30 years (with the exception of Tesla).

Goals & Commitments for Percent of Global Electric Vehicle Sales

	2020	2025	2030	2035	2040	2050
BMW	0%	30%	50%			
Ford	0%		50%			
GM	0%			100%		
Honda	0%		40%	80%	100%	
Hyundai	0%	15%	35%		100%	
Mercedes	0%	50%	100%			
Mitsubishi	0%		50%			
Nissan	0%		100%			
Stellantis	All electric vehicle goals set by Stellantis are specified to major markets and specific vehicle types.					
Subaru	0%		40%			
Tesla	100%					
Toyota	0%			40%		
Volkswagen	0%		50%			
Volvo	0%		35%			

Top Ten Materiality Categories

The top five self-reported, sustainability-related materiality topics were taken from all companies reviewed in this report. The results were aggregated, and the top ten categories are displayed below to represent the relative value companies put on each.

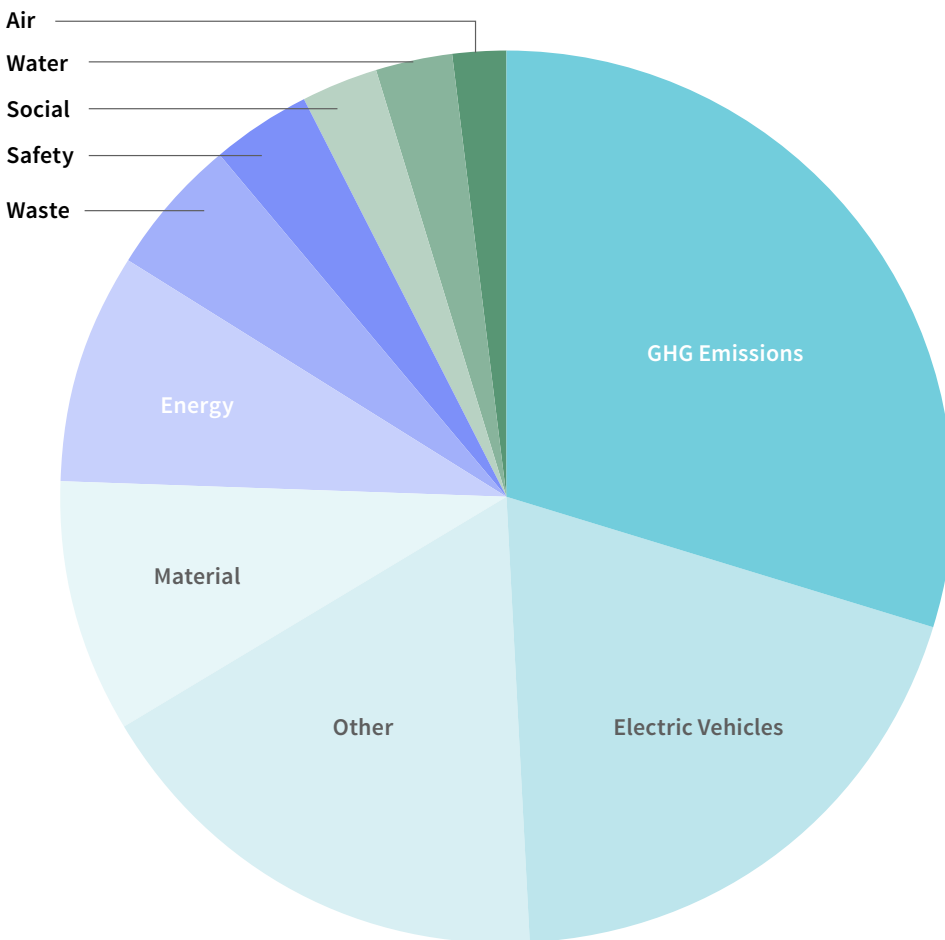
Categories

- | | |
|----------------------|-------------|
| 1. GHG Emissions | 6. Waste |
| 2. Electric Vehicles | 7. Safety |
| 3. Other* | 8. Social** |
| 4. Material | 9. Water |
| 5. Energy | 10. Air |

* "Other" relates to topics concerning the supply chain, as well as other sustainability topics like risk management.
 ** "Social" includes human rights, including anti-slavery, DEI, and fair treatment of employees.

Key Takeaways

- Majority of companies have measurable goals of achieving carbon neutrality.
- Majority of companies have measurable goals of increasing share of electric vehicles.
- All companies have continued to set stricter guidelines and regulations for their suppliers.



Looking for more insights?

The full report takes a comprehensive look at each industry trend, with a deep dive into supplier requirements, goals, initiatives and timelines for each of the leading automotive OEMs and aftermarket retailers.

[GET THE FULL REPORT](#)



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