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Contact:

Mark Garrison

VP of Marketing & Communications

734-662-1287 (Office)

mgarrison@cargroup.org

Center for Automotive Research and Fresh Coast Climate Solutions Collaborate to Address Auto Supply Chain Sustainability in the Face of Climate Change

Ann Arbor, MI - August 31, 2023 - The Center for Automotive Research (CAR), in collaboration with Fresh Coast Climate Solutions, announces the release of an industry research paper titled, "Escalating Need for Auto Supply Chain Action to Align with Paris and Limit Warming to 1.5°C." This comprehensive study delves into the critical intersection of automotive supply chains, climate change, and sustainability initiatives. As the world grapples with the urgent need to address climate change, this research highlights the imperative for the automotive industry to align with the Paris Agreement and limit global warming to 1.5°C.

Sustainability has emerged as a central concern in the automotive sector, particularly as the industry navigates unprecedented challenges such as supply chain disruptions due to the pandemic and ongoing parts and semiconductor shortages. Despite these obstacles, automakers and suppliers are increasingly prioritizing sustainability practices throughout their operations, driven by both internal motivations and external pressures.

The research paper underscores the growing prominence of environmental, social, and governance (ESG) initiatives in the industry. With a focus on reducing greenhouse gas emissions in line with the Paris Agreement's ambitious targets, automakers are taking steps to integrate sustainability into all facets of their operations. Organizations such as the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) are providing guidance to achieve global net-zero emissions by 2050. Many vehicle manufacturers have already established carbon neutrality targets, publicly sharing their sustainability efforts and goals through annual sustainability reports, but significant implementation progress is needed to achieve them.

The research also highlights the need for more consistent and measurable data in reporting across the industry. While numerous companies are making commendable progress, it is inconsistent across the industry and disparities exist in the way sustainability initiatives are



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communicated to stakeholders and investors. To address these challenges, a unified and coordinated effort is crucial to achieve meaningful sustainability goals and mitigate the environmental and social impact of automotive operations.

CAR researchers undertook an in-depth exploration of the industry's sustainability landscape through supplier roundtable sessions, vehicle manufacturer interviews, and analysis of publicly available information. The cornerstone of this research lies in the comprehensive interviews conducted with vehicle manufacturers, covering six key areas: Corporate Goals and Commitments, Carbon Reduction, Social Responsibility, Sourcing and Supplier Relations, Product and Material Sustainability, and Future Directions.

From these insights, the research paper offers a series of recommendations including establishing deeper supply chain communications, placing value on supplier climate activity, standardizing targets and measurements, and expanding the workforce knowledge base, all aimed at fostering greater collaboration within the industry. By identifying areas where focused action can be taken, the automotive sector can accelerate its progress toward the 1.5°C target and contribute significantly to global climate change mitigation efforts.

"The automotive industry stands at a critical juncture where sustainability isn't just an option but a business, product, and service design necessity. Our research underscores the importance of cohesive efforts to align with climate goals and drive impactful change across supply chains," said Dr. K. Venkatesh Prasad, Senior Vice President of Research at CAR.

This research paper offers an independent insight into the ongoing dialogue on sustainability in the automotive sector. As the industry moves forward, collaboration, commitment, and innovation will be essential in achieving the ambitious targets set by the Paris Agreement and ensuring a sustainable future for generations to come.

Please join us for a [virtual Fireside Chat](#) discussion on Thursday, September 7th as we release the research paper. For more information about the research paper, virtual Fireside Chat session and the Center for Automotive Research, please visit [CAR's official website](#).

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The Center for Automotive Research is a nonprofit organization; its mission is to inform and advise, through independent research, education, and dialogue, enabling a more viable and sustainable automotive ecosystem.