

# Collaboration to increase transparency for sustainable and resilient automotive ecosystems



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The rising geopolitical tensions and series of unprecedented crises coupled with supply chain disruptions have far-reaching implications for the mobility sector. A semiconductor shortage resulted in 11 million vehicles cut from worldwide production in 2021 alone. The battery supply chain disruptions could be the next, where the battery demand is expected to grow by around 30% annually until 2030. As a result, leading automotive industry players seek to increase their resilience through greater collaboration.

At the same time, the industry has put sustainability high on its agenda, and many car manufacturers pledged to achieve net-zero emissions by 2050. At least one in two cars sold in 2030 is expected to be electric, rising global demand for scarce materials and components that warrant a global collaboration and cooperation.

Non-competitive information exchange and collaboration between private and public entities will be critical for the transition to more sustainable and resilient ecosystems. In turn, a transparent view of supply chain will increase ecosystem resiliency and shorten adaptability time to disruptions.

Representing global automotive and mobility ecosystem enterprises, we are looking forward to join forces and have launched an initiative to increase transparency across the value chain.

To that end, over the coming year we will co-develop a sustainability footprint compass serving as a navigation tool and a toolkit to increase value chain transparency. We will first map noticeable efforts and identify areas to amplify and scale on the one hand, and to close existing gaps in knowledge and collaboration on the other.

We will also engage in public-private dialogues to inform governance that is supportive of a global resilient and sustainable growth of the road mobility ecosystem.

**Sustainability footprint compass** The automotive industry currently lacks a common view on sustainability assets. This causes confusion and hampers the transformation to a sustainable industry.

Therefore, we will create a map of mobility-relevant standards, regulation, tools and collaborations on sustainability globally. This compass will allow us to identify whitespaces, opportunities for collaborations in non-competitive situations and enables us to set priority areas for the industry.

**Toolkit to increase value chain transparency** Trends identified above increase the importance of transparency for key automotive value chains such as semiconductors and batteries. Therefore, we will create a toolkit that provides transparency in terms of demand/supply balance as well as regional consolidation and highlights strategic recommendations to address key industry risk. This toolkit will help mobility players to identify potential risks and pursue non-competitive collaborations to address them.

With facilitation by the World Economic Forum and support from McKinsey & Co., we intend to foster greater transparency and be able to address resiliency challenges ahead while achieving our sustainability goals.

**We welcome organizations to join us in this mission.** Only by working together can we build a truly resilient and sustainable mobility sector.

## Community participants



BHARAT FORGE



SIEMENS

