



Commission for Environmental Cooperation (CEC) Sponsored Meeting
*Improving the Economic and Environmental Performance
of the North American Automotive Industry Supply Chain*

Alianza Verde Automotriz (AVA)

Third Session
Hosted by GM Mexico
September 5, 2012

MEETING REPORT

Mr. Arnulfo Berlanga, GM Mexico, Mr. Luis Lara, Ford Mexico and Ms. Delia Rivas, Chrysler Mexico, welcomed the attendees (Annex II) to the meeting at 9:30AM CDT. The remainder of the meeting was according to the agenda previously provided (Annex I).

Mr. Benjamin Teitelbaum, CEC, provided the background on the CEC project that was designed to develop a platform for companies in the North American automotive supply chain to share best practices and work together to improve the economic and environmental performance of the North American supply chain. He discussed the success the project has had in 2011-2012 in engaging stakeholders and building a foundation in the North American automotive supply chain, and the objective to transition the project in 2013 to a business driven self-sustaining program.

Mr. Tom Murray, U.S. EPA who serves as the Chair, Auto Suppliers Partnership Ad Hoc Governmental Advisory Group, welcomed the participants in the meeting and provided a background on the relationship that U.S. EPA currently has with [Suppliers Partnership for the Environment \(SP\)](#) in the United States. He discussed the opportunity to work with Semarnat and Environment Canada through this project to identify and share tools / resources available for manufacturers. He noted that CEC recently hosted a webinar on EPA's [Design for the Environment](#) and [Green Suppliers Network / E3](#) programs and a recording of the webinar is available on the [CEC website](#). He also discussed new [Sustainable Manufacturing Curriculum](#) available online through the US federal government's [E3 initiative](#).

Mr. Alejandro Sosa, Navista Inc., a contractor to the CEC for this project, provided an overview of the meeting agenda and background on recent AVA discussions. Mr. Sosa then introduced Mr. Steve Hellem, Navista, Inc., who provided an overview of SP in the United States and its Work Group activities.

Ms. Delia Rivas, Chrysler, led a strategic discussion of the AVA Waste Management and Resource Creation Work Group. She reviewed the Work Group objectives that had been agreed to at the May 24, 2012 meeting of AVA which include:

- 1 Identifying a list of wastes that we collectively want to "disappear."
- 2 Challenging ourselves to find better solutions and uses for materials that can provide economic value for our companies.
- 3 Inviting other stakeholders to work with and collaborate with us toward a common vision committed to creating economic opportunity out of what has been historically considered wastes.

Ms. Rivas reviewed the results and action items from the Work Group's August 3, 2012 conference call. She then led the participants in discussion and analysis of the list of waste streams that had been identified by the group for collective action. It was agreed that additional companies would be invited to contribute to the list and share their solutions to these challenges, and in the future the list should be updated to provide description/analysis of each waste and classification as hazardous/non-hazardous.

It was agreed that the waste streams the group would focus their efforts on would include: oily / paint sludge; foundry sands; styrofoam; and, fluorescent lamps. It was recommended that the Work Group schedule a follow up meeting dedicated to the topic of sludge and foundry sands. Proposals for consideration included collaborating with Semarnat and the US EPA to establish a technical foundation that would support increased recycling and reuse of foundry sands; and, working together to find a solution to sludge challenges by leveraging the large volumes of the sector collectively.

Mr. Hellem provided an overview of the Global Environmental Management Initiative (GEMI) Local Water Tool (LWT), a free tool for companies and organizations to evaluate the external impacts, business risks, opportunities and management plans related to water use and discharge at a specific site or operation. The tool is available for free online at <http://www.gemi.org/localwatertool/>

Mr. Luis Lara, Ford, led a strategic discussion of the AVA Water Efficiency Work Group. He reviewed the Work Group objectives that had been agreed to at the May 24, 2012 meeting of AVA which include:

- 1 Establishing a vision for the Work Group that will focus on collecting and sharing information among all participants that will enhance the ability of companies in the automobile supply chain in Mexico to improve their use and potential re-use of water in their manufacturing activities.
- 2 Focusing on measurement of water as a diagnostic tool, in order to control its use recognizing that continuous improvement can be used to improve water efficiency.
- 3 Finding a way to utilize voluntary audit verifications to affirm progress made on identified Key Performance Indicators (KPIs).

Mr. Lara then reviewed the results and action items of the Work Group's August 10, 2012 conference call. Mr. Sosa shared the vision proposed for the Work Group: "Ser el grupo de trabajo que en la cadena de valor automotriz en México, realice acciones que permitan preservar la cantidad y calidad del agua de los mantos acuíferos, su uso eficiente y reutilización".

Mr. Raul Rodriguez, VW, shared information on VW Mexico's actions to improve its water efficiency, and noted that VW's operations in Mexico are the benchmark for the company globally in terms of water.

It was agreed that Mr. Lara would develop a template for a matrix of water efficiency processes / opportunities, supply sources and current uses / reuses that would be shared among the participating companies.

Mr. Arnulfo Berlanga, GM, then led a strategic discussion of the AVA Energy Efficiency Work Group. He reviewed the objectives that had been agreed to at the May 24, 2012 meeting of AVA which include:

- 1 Creating a process for suppliers to better understand where they are in relation to energy efficiency and its corresponding impact on the environment.
- 2 Creating a tool or identify existing tools that can be utilized and scaled for various sizes of suppliers that will help those suppliers address energy efficiency opportunities that will improve the environment and economic opportunities for their companies.
- 3 Establishing clear goals and objectives relating to improved, quantifiable success relating to energy efficiency activities and projects, recognizing the difference between goals and objectives.

Mr. Berlanga then reviewed the results and action items of the Work Group's August 22, 2012 conference call. Mr. Raul Rodriguez, VW, provided a report on VW's global energy reduction objectives and the measures it is taking to work towards this goal. Mr. Sosa then provided a report on the carbon bond system in Mexico. There was a discussion of energy saving opportunities and it was recommended that a flow chart be developed for energy savings to share knowledge and experience with others in the group.

Mr. Tom Murray, US EPA, announced that the CEC has proposed to host a North American Summit on technology & innovation in the automotive supply chain in 2013. The objective of the Summit would be to identify barriers to innovation, which could exist in the regulatory environment or in the marketplace for example, and to seek solutions to these barriers. Regional webinars would be planned in advance of the Summit to identify key issues of importance for each country. The Summit would be designed to bring together OEMs, suppliers, investment, government and invited NGOs from North America.

Mr. Hellem thanked the CEC for their ongoing support of the AVA efforts in 2012 and discussed the goal to transition the project to a business driven self-sustaining program. He reviewed a proposal under consideration to create a North American Work Group of SP that could establish a single platform for collaboration between the three countries. Under this proposal, the AVA and SP Canada programs could operate as projects of the SP Work Group. Under the plan the current SP membership dues rate remain unchanged for companies participating across North America, and it was noted that it would be critical to engage new companies in SP membership to actively support the new programs as proposed.

It was noted that companies who are not yet members of SP would be receiving an invitation to join SP, and continue working together to improve the environment and the economy of the North American automotive supply chain. In addition, it was agreed that each AVA member would invite 2-3 of their peers to participate in the organization.

Mr. Berlanga, Mr. Lara and Ms. Rivas thanked the participants for their participation in the meeting and the AVA Work Group efforts, and re-stated the value of the AVA activities.

Mr. Teitelbaum thanked GM, Ford and Chrysler for their leadership of the AVA Work Group efforts. He then thanked all of the participants for their engagement and collaboration, and commended the progress that has been made in developing a firm foundation for AVA.

The meeting concluded at 2:00PM (CDT).

Respectfully Submitted,

Kellen Mahoney
Navista

ANNEX I

Alianza Verde Automotriz (AVA)

Improving Environmental and Economic Performance in the Auto Supply Chain

September 5, 2012

Auditorio de General Motors de Mexico
Ejército Nacional núm. 843, Colonia Granada
Ciudad de México, México.
9:00 a.m. - 2:00 p.m. CDT

Meeting Agenda

Opening Comments and Welcome - AVA

Arnulfo Berlanga, General Motors de Mexico
Luis Lara, Ford Motor Company SA de CV
Delia Rivas, Chrysler de Mexico SA de CV

Opening Comments - Commission for Environmental Cooperation (CEC)

Benjamin Teitelbaum, Program Manager, CEC
Tom Murray (US EPA), Chair, Auto Suppliers Partnership Ad Hoc Advisory Group

Meeting Facilitators Introduction

Alejandro Sosa, Navista Inc., México and Steve Hellem, Navista Inc.

Materials & Waste Management and Resource Creation Work Group - Chair: Delia Rivas, Chrysler

- Review of Objectives Set at May 24 AVA Meeting
- Update on Work Group Activities
- Roundtable Discussion and Next Steps

Water Efficiency Work Group - Chair: Luis Lara and Dionisio Menchero, Ford

- Review of Objectives Set at May 24 AVA Meeting
- Update on Work Group Activities
- Roundtable Discussion and Next Steps

Energy Efficiency Work Group Report - Chair: Arnulfo Berlanga, GM

- Review of Objectives Set at May 24 AVA Meeting
- Update on Work Group Activities
- Roundtable Discussion and Next Steps

Suppliers Partnership (SP) North American Activities – Alejandro Sosa and Steve Hellem, Navista Inc.

- AVA Membership Development
- CEC North American Auto Supply Chain Innovation Summit

Next Steps / Action Items

Alejandro Sosa and Steve Hellem, Navista Inc.

Closing Comments

Arnulfo Berlanga, General Motors de Mexico
Luis Lara, Ford Motor Company SA de CV
Delia Rivas, Chrysler de Mexico SA de CV

Lunch

All Participants

ANNEX II

Alianza Verde Automotriz (AVA)

Improving Environmental and Economic Performance in the Auto Supply Chain

September 5, 2012

Auditorio de General Motors de Mexico
Ejército Nacional núm. 843, Colonia Granada
Ciudad de México, México.
9:00 a.m. - 2:00 p.m. CDT

ATTENDEES LIST

Mauricio García Velasco, CCA
Don Harris, ChemicoMays de México
Delia Rivas, Chrysler de Mexico SA de CV
Francisco Alonso, Faurecia Exhaust Systems
Maritza Beltrán, Faurecia Exhaust Systems
Luis Lara, Ford Motor Company SA de CV
Arnulfo Berlanga, General Motors de Mexico
Graciela Canales, General Motors de Mexico
Ben Cano, Heritage Interactive Systems
J. Héctor Vargas Rios, Johnson Controls - Power Solutions
Jose Luis Salazar, Lear
Steve Hellem, Navista Inc.
Kellen Mahoney, Navista Inc.
Alejandro Sosa, Navista Inc., México
Pedro Zuviri, Nematik
Osvaldo Belmont Reyes, SEMARNAT
Tom Murray, US Environmental Protection Agency (EPA)
Zuzana Villafaña Limón, Volkswagen de México, S.A. de C.V.
Raúl Rodríguez Sánchez, Volkswagen de México, S.A. de C.V.

Claudia Aguilar, Boadella English Services
Paola Sodi, Boadella English Service