

2022

# SP PROGRESS REPORT





## Introduction

Since 2002, Suppliers Partnership for the Environment (SP) has been the leading forum for global automotive manufacturers, their large and small suppliers, the US EPA, and other government entities from around the world to work together to improve the environmental sustainability and business value of the global automotive supply chain.

SP's members represent organizations from across the automotive value chain, including leading global automakers, such as Ford Motor Company, General Motors, Honda, Stellantis, and Toyota Motor.

As members of SP, these industry leaders are coming together to work toward a shared vision of an automotive industry with positive environmental impact.

#### **Our Members**



Thank you to the new members that joined us in 2022, including: 6K, ActionWood 360, AGC Automotive Americas, American Axle & Manufacturing, American Battery Technology Company, Blue Whale Materials, Burns & McDonnell, CarbonMeta, Circulor, Clean Earth, Cornerstone, Cortec, Currents Market, Electramet, FigBytes, Foresight Management, Frankal Innovations, Glencore, GZA GeoEnvironmental, H Quest Vanguard, Impossible Mining, iPak, Labelmaster, Lithion, Membrane Specialists, Michelin AOE NA, Mustang Innovation, ORBIS Corporation, P2Packaging, Pasha Automotive Services, Pratt Industries, Princeton NuEnergy, Pure Cycle Technologies, RecycleMax, RSJ Technical Consulting, Rumford Industrial Group, Saurwin, SGS North America, Sphera, Superior Environmental Solutions, The Royal Group. Unison Energy, United Catalyst Corporation, Worldwide Foam.

View our member list.



#### Introduction

# Our vision is an automotive industry with positive environmental impact.

SP provides a forum for members to work together toward a shared vision of an automotive industry with positive environmental impact by advancing leading practices and projects in three key areas.

#### **Our Strategic Focus**



#### **SUSTAINABLE OPERATIONS**

Striving to transform automotive manufacturing operations to achieve positive environmental impact through minimizing resource use, optimizing efficiency and advancing innovation.



#### **SUSTAINABLE MATERIALS**

Striving to eliminate waste and optimize use of sustainable materials in automotive operations and products.



#### **SUSTAINABLE SUPPLIERS**

Striving to help automotive suppliers minimize their environmental impact and advance sustainable innovations at scale through sharing of environmental best practices, tools and resources.



## Introduction

SP is led by a Board of Directors of industry leaders which are integral in shaping the organization's goals and strategy to make a meaningful impact in contributing to the automotive industry's shared environmental sustainability aspirations.

#### **2022 Board of Directors**



Kevin Butt Toyota Motor NA Chair



Alissa Yakali Honda NA Vice Chair



Rae Howard General Motors Finance Chair



Vickie Lewis VMX International Work Group Chair



Andy Hobbs Ford Motor Company At-Large



Al Johnston Stellantis At-Large



Denise Carlson DENSO At-Large



Doug Andrews Lear Corp. At-Large



## **Workstreams**



CARBON NEUTRALITY



CHEMICAL COMPLIANCE PROCESS MANAGEMENT



**EHS & ESG LEADERSHIP** 



NATURE BASED SOLUTIONS



SUSTAINABLE MATERIALS & PACKAGING



RESPONSIBLE BATTERIES



TECHNOLOGY & INNOVATION



WATER STEWARDSHIP

SP member companies from across the automotive industry are leading action on the next generation of ambitious environmental sustainability goals aspiring to advance positive environmental, economic and community impacts through their operations and value chains.

SP's member-driven working groups facilitate best practice sharing and support increased industry collaboration related to short-term environmental sustainability needs and priorities, while promoting further alignment and action in support of long-term industry goals.

Learn more.

Facilitating best practice sharing & pre-competitive collaboration around long-term industry environmental goals.



### **Workstreams**

- CARBON NEUTRALITY. Co-led by distinct OEM and Tier 1 supplier teams, this work group is supporting industry dialogue and action on common definitions, tools, and resources for measuring and advancing carbon reduction efforts across the value chain on the path toward carbon neutrality.
- <u>ESG LEADERSHIP</u>. Co-led by Bosch & GM, this work group is supporting SP members in better understanding the rapidly changing ESG landscape and proactively preparing their organizations to address current and emerging ESG expectations.
- GLOBAL PRODUCT CHEMICAL COMPLIANCE PROCESS MANAGEMENT. Chaired by Honda, this work group is supporting OEM / supplier dialogue and education on emerging global product chemical compliance process management challenges and opportunities.
- NATURE BASED SOLUTIONS. Co-led by Toyota Motor & WM, this work group is working on identifying, developing and advancing nature-based solutions as effective tools to improve climate resilience and pollution prevention, as well as provide human well-being and biodiversity benefits.
- <u>SUSTAINABLE MATERIALS</u>. Chaired by GM, this work group is working to move the automotive industry towards a circular materials economy by promoting collaboration amongst automotive manufacturers and suppliers to incorporate sustainable practices, processes, and materials in the production and content of vehicles.
- <u>SUSTAINABLE PACKAGING</u>. Co-led by Magna & Toyota Motor, this work group is working to identify voluntary opportunities and best practices to minimize packaging waste and promote consideration of sustainable packaging materials.
- RESPONSIBLE BATTERIES. This work group is promoting information exchange on key challenges and opportunities related to end-of-life management of advanced EV batteries and identifying opportunities for strategic pre-competitive collaboration across the value chain to advance best practice in responsible management of such batteries in North America and beyond.
- <u>TECHNOLOGY & INNOVATION</u>. Co-led by GWT Insight & VMX International, this work group is providing a structured process to assist companies of all sizes within the SP network to share innovative ideas and solutions that can address our member companies' significant environmental sustainability challenges and needs.
- WATER STEWARDSHIP. Co-led by Ford & Toyota Motor, this work group is developing a sectorwide water stewardship program that is centered on a decision matrix and action plan that helps member organizations achieve excellence in their water stewardship performance.



## **New Resources**

As environmental expectations and priorities continue to evolve and expand, SP has established itself as a leading platform to facilitate industry dialogue and action on common definitions, tools, and resources for measuring and advancing progress on automotive environmental sustainability ambitions.

Several new industry resources were developed by member-led working groups and shared publicly in 2022 to support the supply chain in further improving environmental performance.



Measuring Renewable Content of Automotive Products

Outlines a common industry-supported definition and

straightforward approach for measuring renewable content of

straightforward approach for measuring renewable content of automotive products. Developed in collaboration with AIAG. Published February 2022.



## Regulations Governing Shipment of EV Batteries

An educational resource highlighting some of the noteworthy regulations and current requirements that stakeholders handling an EV battery at the end of its useful life will need to understand.

Developed in collaboration with Call2Recycle. Published May 2022.



## Carbon Neutrality Terms & Definitions

Provides guidance on terms and definitions related to the topic of carbon neutrality to support the supply chain in implementing carbon reduction and reporting programs aligned with common industry expectations. <u>Published May 2022.</u>



## **New Resources**



## **Evaluating the Carbon Intensity of Materials**

Introduces the concept of carbon intensity and outlines a straightforward and consistent approach for evaluating carbon intensity information for materials used in automotive products. Developed in collaboration with AIAG. <u>Published May 2022</u>.



## **Automotive Sustainable Packaging Guidance**

Provides straightforward industry-supported guidance to help automakers and their suppliers source sustainable packaging designs for use in automotive manufacturing operation. Version 2.0., Published June 2022.



## Product Chemical Compliance Process Management

Provides consistent quality improvement guidelines for the reporting of vehicle assembly, component, material, and substance content vertically within the automotive supply base. <u>Published June 2022</u>.



## Water Stewardship Action Matrix

Outlines recommended actions so that suitable data, information and risk assessment processes are in place if and when companies choose to directly mitigate water-related risks and report those actions and outcomes to key external stakeholder. Developed in collaboration with The Water Council. <u>Published September 2022</u>.

Learn more about these and other available SP resources.



# **Annual Awards**

SP's Technology & Innovation Advisory Council manages an annual SP Awards Program to recognize and raise awareness of environmental sustainability successes in the automotive value chain, while promoting knowledge sharing and transfer of proven solutions across the automotive industry.

The 2022 Awards were presented in four categories including: Community Impact; Creativity in Implementing Sustainable Practices; Demonstrating Environmental Innovation in the Manufacturing Process; and, the Shining Star.

A selection committee of volunteer environmental sustainability leaders from Ford, General Motors, Honda, Stellantis and Toyota Motor reviewed qualified applications received by SP and scored this year's winning entries.



SP Awards Presentation on October 27, 2022 in Lexington, Kentucky



## **Annual Awards**



## **Community Impact**

The 2022 SP Community Impact Award was presented to Lavergne for its ocean-bound plastic recycling project, designed to support impoverished communities in Haiti and to help divert plastic waste from reaching our oceans.



### Creativity in Implementing Sustainable Practices

The 2022 SP Creativity in Implementing Sustainable Practices Award was presented to Solvay for its Sustainable Manufacturing of a Bio-Based Polymer program, including work to reduce its carbon footprint.



## Environmental Innovation in the Mfg. Process

The 2022 SP Demonstrating Environmental Innovation in the Manufacturing Process Award was presented to Henkel for its Next Generation Metal Pretreatment Process, including its its conversion of Toyota's San Antonio, TX facility to its PALLUMINA Thin Film process for metal pretreatment.



#### **Shining Star**

Bridget Grewal of Magna International was recognized with a 2022 SP Shining Star Award for her vision and leadership in promoting industry collaboration to minimize automotive packaging waste and identify new opportunities to increase recyclability of packaging materials in the design phase.



SP hosts quarterly membership meetings to provide an opportunity for members to connect and share environmental sustainability best practices and strategies with industry peers and government partners, learn about emerging issues impacting the environment and their business operations, and identify new opportunities for collaborative action.

After holding a virtual event in the 1st Quarter of 2022, each of SP's remaining quarterly meetings returned to an in-person format. Through participation in SP events, SP members had the opportunity to discuss environmental sustainability challenges, opportunities, and leading practices with a wide range of fellow industry leaders as well as non-profit and government partners.

Across the four quarterly meetings, SP directly engaged more than 525 unique individuals representing more than 175 distinct organizations, including representatives of automakers, tiered suppliers, environmental service providers, governmental agencies, environmental NGOs, industry trade associations and academic institutions.

Alongside regular interactive virtual meetings of member work groups, SP organized several webinars throughout the year to provide a broader audience the opportunity to learn about current and emerging environmental sustainability topics relevant to the industry.





#### 1st Quarter

SP's Q1 Membership Meeting was held as a virtual event over January 25-27, 2022. The meeting included in-depth discussions on topics such as ESG leadership, renewable energy implementation, supply chain carbon reduction methods, and EV battery lifecycle management. The meeting also featured special guest speakers from the US EPA, as well as reports on SP work group activities.

#### Learn more.



#### 2nd Quarter

SP's Q2 Membership Meeting was held on April 14, 2022 at the Talladega Superspeedway in Alabama, in collaboration with the Alabama Automotive Manufacturers Association (AAMA). The meeting included presentations from a range of speakers on topics such as EV battery recycling, zero waste to landfill, energy and carbon reduction, and pollution prevention.

A pre-meeting workshop was also co-hosted by SP and the Wildlife Habitat Council (WHC) on April 13 focused on identifying opportunities to advance Nature-Based Solutions for Pollution Prevention in the Automotive Supply Chain.



#### 3rd Quarter - Innovation Summit

Hosted in collaboration with The Ohio State University on its campus in Columbus, Ohio over July 27-28, the 2022 SP Innovation Summit brought together nearly 300 representatives from automakers, tiered suppliers, service providers, government and academia.

The Summit focused on building understanding of critical barriers impacting the sustainability of the automotive industry and working toward practical solutions to accelerate innovation in support of long term industry sustainability priorities. The agenda focused in particular details on innovation challenges and needs related to topics such as carbon neutrality, EV battery management, sustainable materials, and waste minimization.





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#### 4th Quarter

SP's 4th Quarter Membership Meeting was hosted by Toyota Motor North America on October 26-27 in Lexington, Kentucky. The quarterly event included visits to Toyota Tsusho America's Georgetown operations and the Kentucky Horse Park, together with interactive working sessions on sustainable packaging and ESG leadership strategies, and presentations on a wide range of industry environmental sustainability best practices and trends.

The event also featured a recognition and celebration of the winners of SP's 2022 Awards.





## Communications

SP strives to help automotive companies to minimize their environmental impacts through the sharing of environmental best practices, tools and resources. In 2022, we were pleased to see more then 5000 unique users download recent guidance documents via SP's website.

We have also been honored to see SP's resources highlighted by media outlets, academic institutions, and other industry associations – some of which are listed below – as well as to have several of our member companies cascade SP's resources through their organizations and supply chains, continuing to expand the reach and impact of our collective activities.

**Automotive News** 

































Pictured (right): SP Panel at the 2022 Honda Supplier Sustainability Symposium, featuring Magna, Lear Pictured (left): SP Keynote at 2022 Automotive Packaging Summit



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# Conclusion

We look forward to continuing to build on the successful collaborative efforts within each of our workstreams and to further driving continuous improvement through the supply chain in support of industry environmental sustainability priorities.

















Facilitating best practice sharing & pre-competitive collaboration around long-term industry environmental goals.



Providing a forum for automakers & suppliers to connect, learn & advance environmental sustainability best practice.



Developing common industry definitions, tools & resources for measuring & advancing progress.

As we continue moving forward in our mission, we welcome additional automakers and their suppliers to join us in working to improve the environmental sustainability and competitiveness of the automotive supply chain.

# Acknowledgements

### 2022 SP Leadership Team

Chair: Kevin Butt, Toyota Motor North America

Vice Chair: Alissa Yakali, Honda Development & Manufacturing of America

**Finance Chair:** Reeshemah Howard, General Motors **Work Group Chair:** Vickie Lewis, VMX International

At-Large: Al Johnston, Stellantis

At-Large: Andy Hobbs, Ford Motor Company

At-Large: Denise Carlson, DENSO
At-Large: Doug Andrews, Lear Corp.
Legal Advisor: Grant Gilezan, Dykema
Executive Director: Steve Hellem, SP

Director: Kellen Mahoney, SP

Program Manager, AASA: Don Harris, SP

Manager, Member Services: Shannon Hellem, SP

Thank you for your continued engagement and support of SP's mission!



<u>Learn More About</u> <u>SP Membership</u>

## Contact

Suppliers Partnership for the Environment

1200 G Street, NW, Suite 350

Washington, DC 20005

www.supplierspartnership.org

info@supplierspartnership.org

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