

Press release

#TheRoadAhead: Auto supply industry's sustainability ambition requires innovation-friendly regulations

Brussels, 25 February 2025 – CLEPA, the European association of automotive suppliers, has unveiled its <u>Sustainability Manifesto</u>, a comprehensive roadmap how industry and policy makers could together enable industry's transition toward <u>climate neutrality</u>, <u>circularity</u>, <u>responsible and resilient sourcing</u>, as well as ensuring a just transition for workers and communities.

As the backbone of the automotive sector, suppliers are pivotal in driving sustainable innovation, reducing emissions, and ensuring responsible supply chains. CLEPA's Sustainability Manifesto outlines four key pillars that will shape the European industry's future: Climate Action, Circular Economy, Responsible Supply Chain, and Just Transition. The Manifesto also sets important pursuits, including:

- Climate Action: Striving towards climate neutrality in European operations by 2040 (Scope 1 & 2 emissions)
- **Circular Economy:** Working towards increasingly circular components, building on the sector's success with remanufacturing to support the EU's objective of sourcing 25% of critical raw materials through recycling and towards zero-waste to landfill.
- **Responsible Supply Chain**: Striving to reduce sourcing dependencies and collaborate to minimise adverse impacts on human rights and environment in our supply chains.
- Just Transition: Having 5% of workers participate in up- or re-skilling annually by 2030

European automotive suppliers have already made progress. The 29 largest suppliers have collectively reduced CO₂ emissions by 8.4% (Scope 1 & 2) between 2022 and 2023 and increased recycling and recovery of production waste to 85.8 % in 2022. This showcases the sector's unwavering commitment to sustainability.

However, the sector will need urgent action from policymakers to shore up competitiveness and recalibrate the policy approach regarding sustainability. Policymakers will need to stimulate innovation by ensuring a technology-neutral regulatory framework that balances environmental responsibility, social equity, and economic growth. Furthermore, the European ESG (Environmental, Social, and Governance) regulatory frameworks should be adjusted to incentivise innovation and enable companies to drive progress towards the delivery of sustainability objectives rather than drowning companies in reporting requirements.

Benjamin Krieger, Secretary General of CLEPA, emphasises the importance of this vision: "In an era defined by unprecedented challenges, Europe's automotive suppliers continue to lead the way in sustainable transformation. Our industry operates in a highly interconnected, global value chain. To



maintain this momentum, we need competitive investment conditions and technology neutrality. The Sustainability Manifesto provides a clear, actionable path towards climate neutrality, resource efficiency, and workforce transformation — ensuring Europe remains a global leader in green innovation."

About CLEPA

CLEPA, the European Association of Automotive Suppliers based in Brussels, represents over 3,000 companies, from multi-nationals to SMEs, supplying state-of-the-art components and innovative technology for safe, smart and sustainable mobility, investing over €30 billion yearly in research and development. Automotive suppliers in Europe directly employ 1.7 million people in the EU.

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