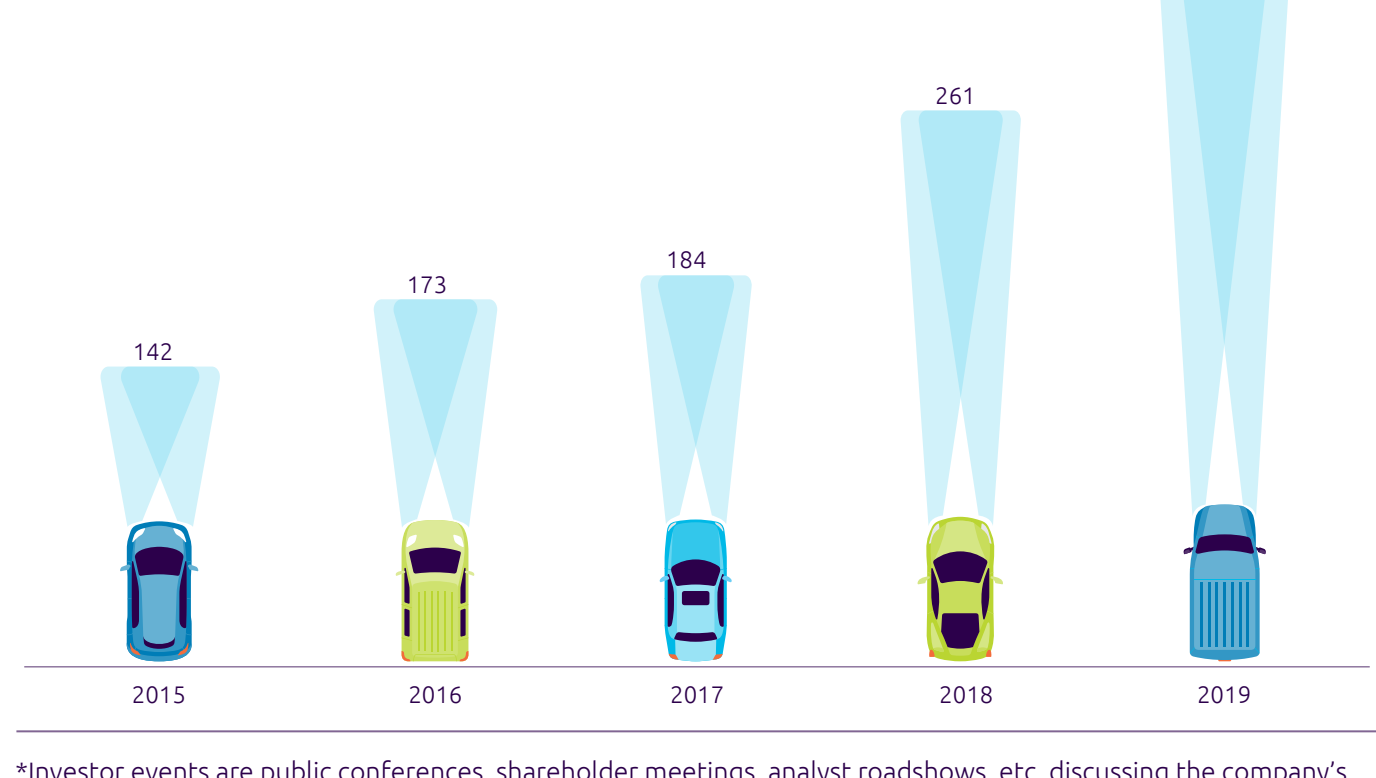


The Automotive Industry in the Era of Sustainability



Sustainability has become a strategic priority for the automotive industry

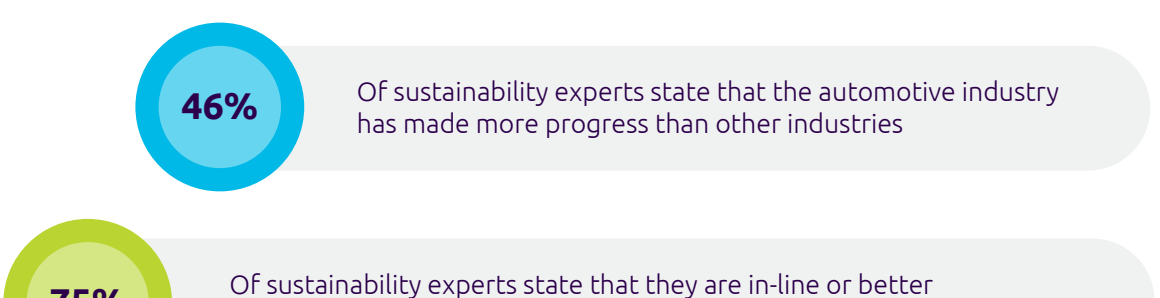
The number of investor events discussing sustainability has more than doubled in the last five years



*Investor events are public conferences, shareholder meetings, analyst roadshows, etc. discussing the company's strategy/earnings/valuation, etc.

Source: Capgemini Research Institute analysis.

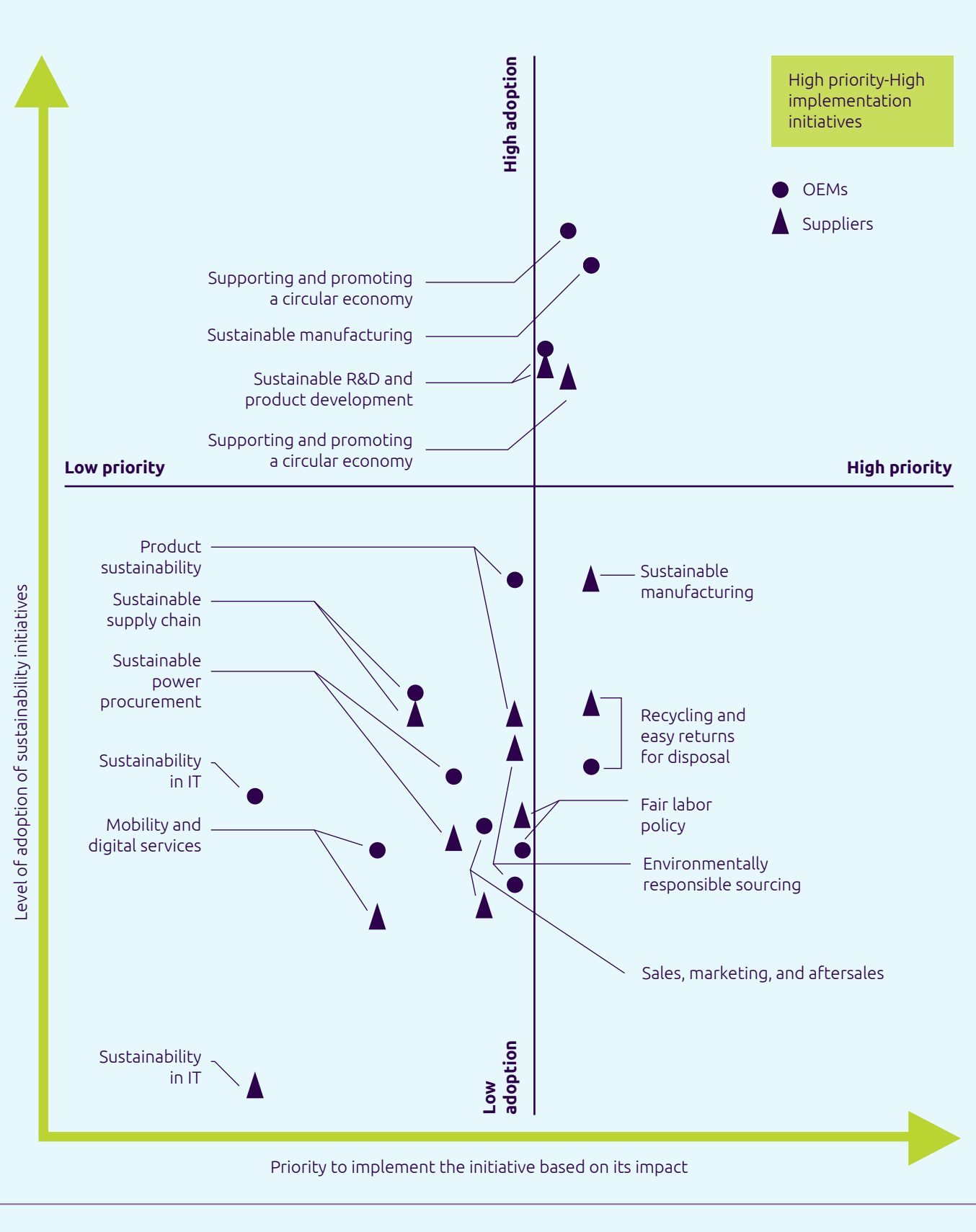
Sustainability experts believe that the automotive industry has made better progress in sustainability relative to other industries and regulation



Source: Capgemini Research Institute survey of sustainability experts (N=317)

However, the implementation of sustainability initiatives is fragmented

The value-chain is not entirely covered while suppliers lag OEMs in adoption.



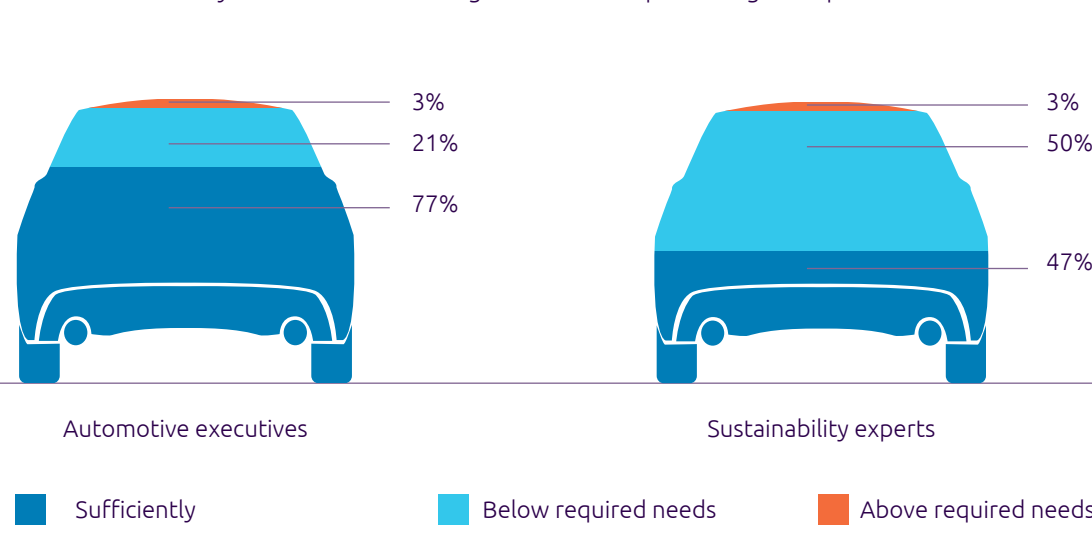
Level of adoption is the percentage of OEMs/suppliers mandating and deploying a sustainability initiative. Priority to implement based on impact represents the percentage of experts who define an initiative as one among the top three priorities for automotive organizations.

Source: Capgemini Research Institute survey of automotive executives (N=503) and automotive experts (N=317), November–December 2019.

An additional USD \$50 billion is required to meet sustainability commitments

The automotive industry needs to invest more in sustainability

Sustainability investment - Percentage denotes the split among of respondent answers*

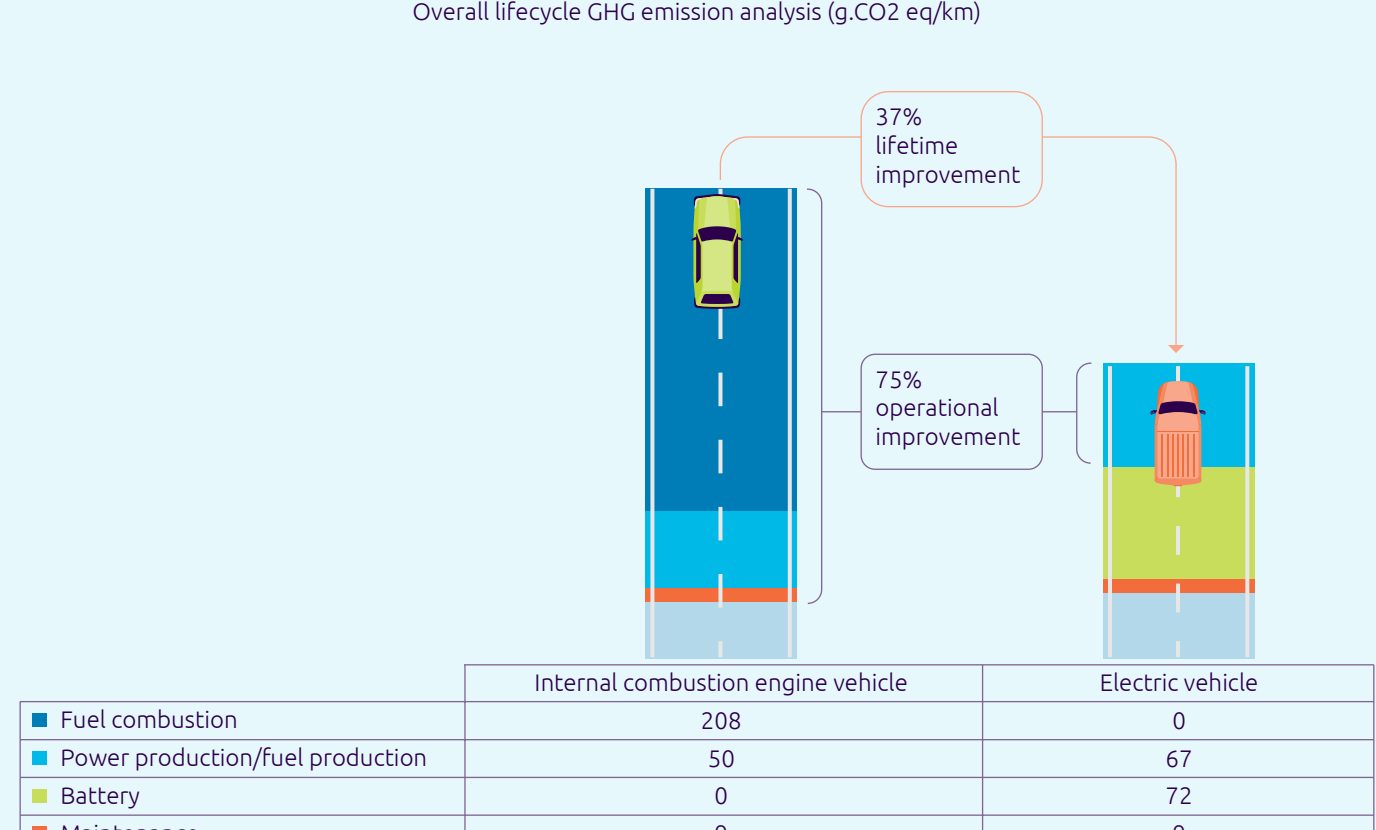


Source: Capgemini Research Institute survey of automotive executives (N=503) and automotive experts (N=317), November–December 2019.

The automotive industry needs to realize the true sustainability potential of electric vehicles and circular economy

Electric vehicles can significantly reduce lifetime GHG emissions when powered by renewable sources

Overall lifecycle GHG emission analysis (g.CO2 eq/km)



*Assuming a total lifetime distance of 150,000 Kms, EVs powered by the EU-27+UK grid. The chart shows a comparison of average GHG emissions between five EVs and five ICES. Electric cars are Tesla Model 3 standard range (2020), VW ID.3 standard range, Polestar 2, Tesla Model 3 standard 50kWh (2018). ICE cars in consideration are Toyota Corolla Verso 177 (2013), VW Golf S2W TDI (2016), Volvo C30 2.0 and Ford Fiesta 1.25 (2017).

Source: Luxembourg Institute of Technology - Climobile Model for EV, 2019; Capgemini Research Institute analysis.

The circular economy also touches upon sustainability initiatives across the value chain, from product sustainability to end-of-life disposals:



¹S.S. Yang et al., The impact of automotive product remanufacturing on environmental performance. Elsevier B.V. 2015.
²The society of motor manufacturers and traders, "2018 UK Automotive Sustainability Report," 2018.
³European commission, "Annual report the End-of-Life Vehicle sector observatory - 2017 data," February 2019.

How can the automotive industry accelerate sustainability?

How can the automotive industry accelerate sustainability?

