

GREEN TRANS FORMA TION

**IN THE AUTOMOBILE INDUSTRY
2021**

A study by Staufen AG

STAUFEN.

CONTENT





1. EDITORIAL





Dear Readers,

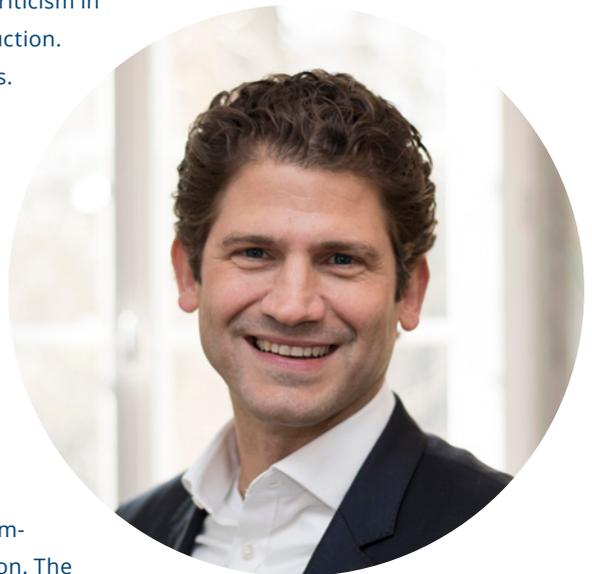
“Vorsprung durch Technik.” [advantage through technology] This former claim of a well-known Bavarian automobile manufacturer even became part of pop culture. Popular groups such as U2 and Blur adopted the motto; it was even used in TV shows. At the same time, the claim rubbed off on the industry; it became the motto for an industry that stood for quality, efficiency, progress, and quality around the world.

In recent years, German automobile manufacturers have lost some of their shine. For while the competition from Asia and the USA was focusing increasingly on green topics and emissions-free driving, German manufacturers continued to rely on combustion engines and a lot of power. This industry, which was once an example, lost its way. It seemed like a dinosaur that couldn't find any response to the requirements of the world of modern mobility.

Hardly any other industry has had to absorb such criticism in recent years, both for its products and for its production. But the pressure from outside has produced results. Our green transformation study shows that the automobile industry has not done all of its homework, but it's on the right path now.

Companies are looking at more than their own production; they're also examining their suppliers. This is good, for this way there aren't just green "island solutions"; instead, there will be an industry-wide reconsideration.

On the path to low-emissions and CO2-neutral production, the industry has to focus on its core competencies: engineering spirit, courage and motivation. The successes achieved have put people in an optimistic mood, and this study shows that companies are self-critical enough to openly address their existing weak points. And this study is especially important because the industry is blazing new paths in many respects. For now, what counts is “Vorsprung durch Wissen” [advantage through knowledge].



Yours,
Thilo Greshake
Partner Automotive, STAUFEN.AG



2. BACK- GROUND AND FRAMEWORK OF THE STUDY

The study “Green Transformation in the Automobile Industry” maps the German automobile industry in its depth and breadth very well.

The consulting company Staufen surveyed industry experts from a total of **239 automobile companies** in July 2021. 78% of study participants work in leading positions; approximately every fifth one is a manager. For the study, mostly large companies were examined. 61% generated annual sales of more than EUR 600 million; 64% employ more than 3,000 people.

3. MANAGEMENT SUMMARY

The green transformation is now unstoppable; this insight has reached the industry. As compared to other industries, the companies even see themselves as pioneers.

And despite many successes, it is clear: **the automobile industry will not evolve into an exemplary green industry overnight** – this is a long and, in some cases, also painful – process. But the increasing requirements and growing social pressure are putting a process in motion that is accelerating.

1.

The green avant-garde

In comparison to the previous year, it's clear: the German automobile industry is paying more attention to environmental protection than people in other industries. The main driver of the green transformation at the automobile manufacturers is still coming from outside, however: laws, regulations and politics are primarily responsible for this. But competitive advantages, pressure from customers, and social responsibility are causing the company decision-makers to consider the ecological consequences of their work more and more.

2.

The business climate is changing

Customers are no longer won over by high-performance engines and meticulously tuned gap dimensions alone. Comparative figures from 2020 to 2021 show clearly that buyers and investors equally are increasing the pressure and advancing the green transformation in the industry. Noteworthy is that the media are not paying more attention to this topic. This indicates that environmental awareness is no longer a fad; it is increasingly being regarded as a matter of course.

3.

Driving with the parking brake on

Despite indisputable successes, there is still a lot of unexploited potential: nine of ten companies believe they still have green potential that is not being utilized. This is also because the progress in implementing ecological improvement measures at companies is frequently only halting.



4.

An industry on an energy diet

CO2 footprints are occupying an ever more important role for automobile manufacturers. General energy savings and a CO2-neutral energy supply are the most important ecological goals. And here, the main concern is production in-house. The comparison to the previous year shows that emissions from the upstream supply chain and services purchased are also being examined.

5.

Environmental protection is not free

The goal conflict between ecology and economics has not yet been resolved in the industry. Thus, more than half the companies are not yet ready to bear the added costs of ecologically sustainable procurement. And seven of ten companies believe that the biggest hurdle for the green transformation at their companies is lacking economic profitability of ecological measures.

6.

Room to improve in the supply chain

For many companies, the supply chain is still a roadblock on the path to more environmentally friendly production. Therefore, the environmental progress of ecological improvement measures in the supply chain is still regarded critically in the industry. Producers especially want more cooperation when it comes to packaging strategies, and they want to reduce delivery intervals and sizes to make them more flexible. So it's no wonder that sustainability is gaining significance with regard to the selection of suppliers.

4. THE RESULTS

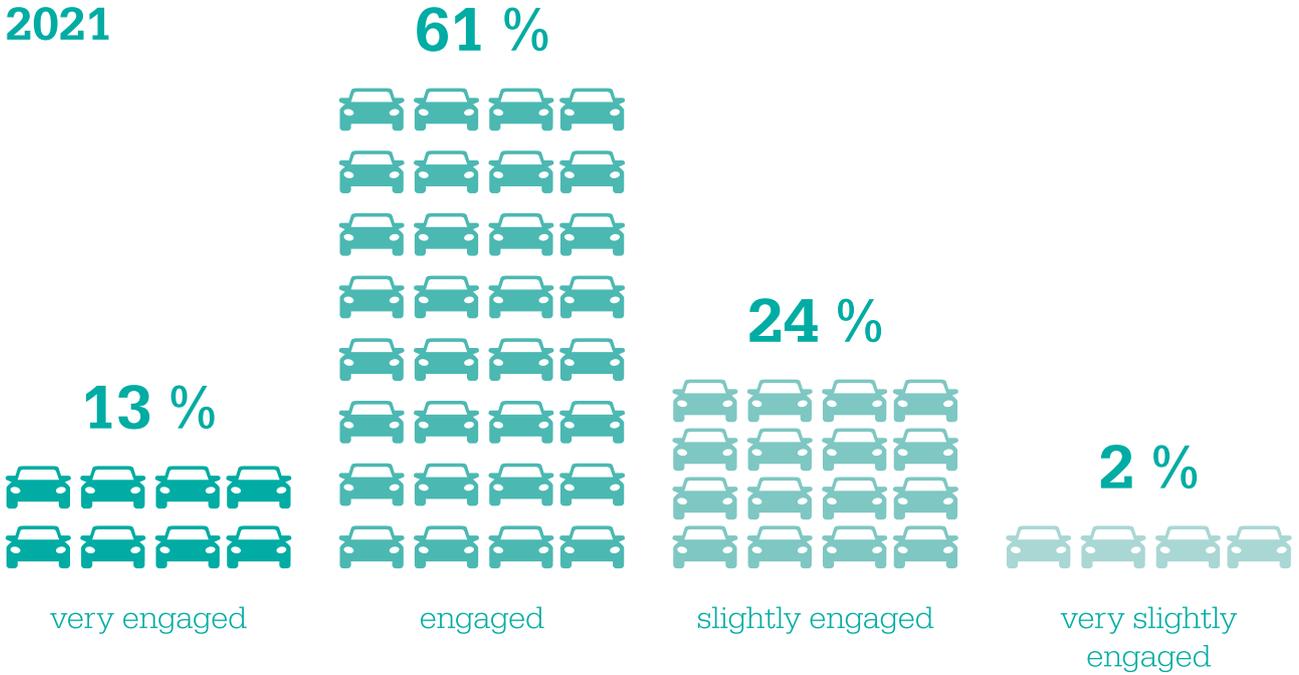
Every study is a snapshot. The informative value of such a survey greatly increases if it is repeated regularly. The Staufen study “Green Transformation in the Automobile Industry” precisely follows this principle. Consequently, the study presented here not only describes the current status quo but also shows the most important developments over time.



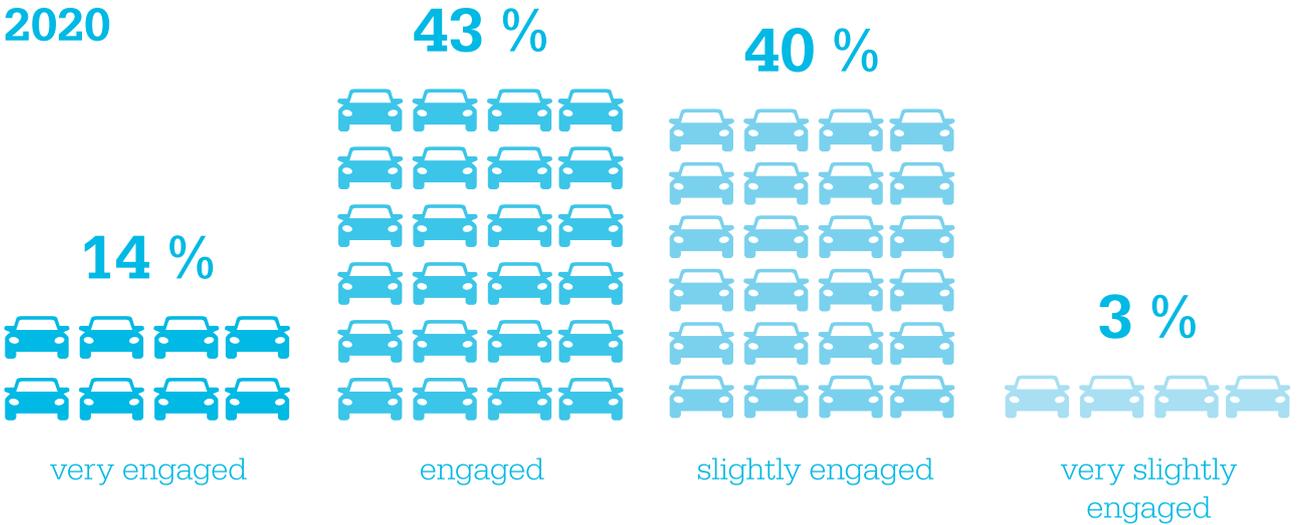


In your opinion, how engaged in the green transformation are companies in the automobile industry in Germany as compared to other industries?

2021

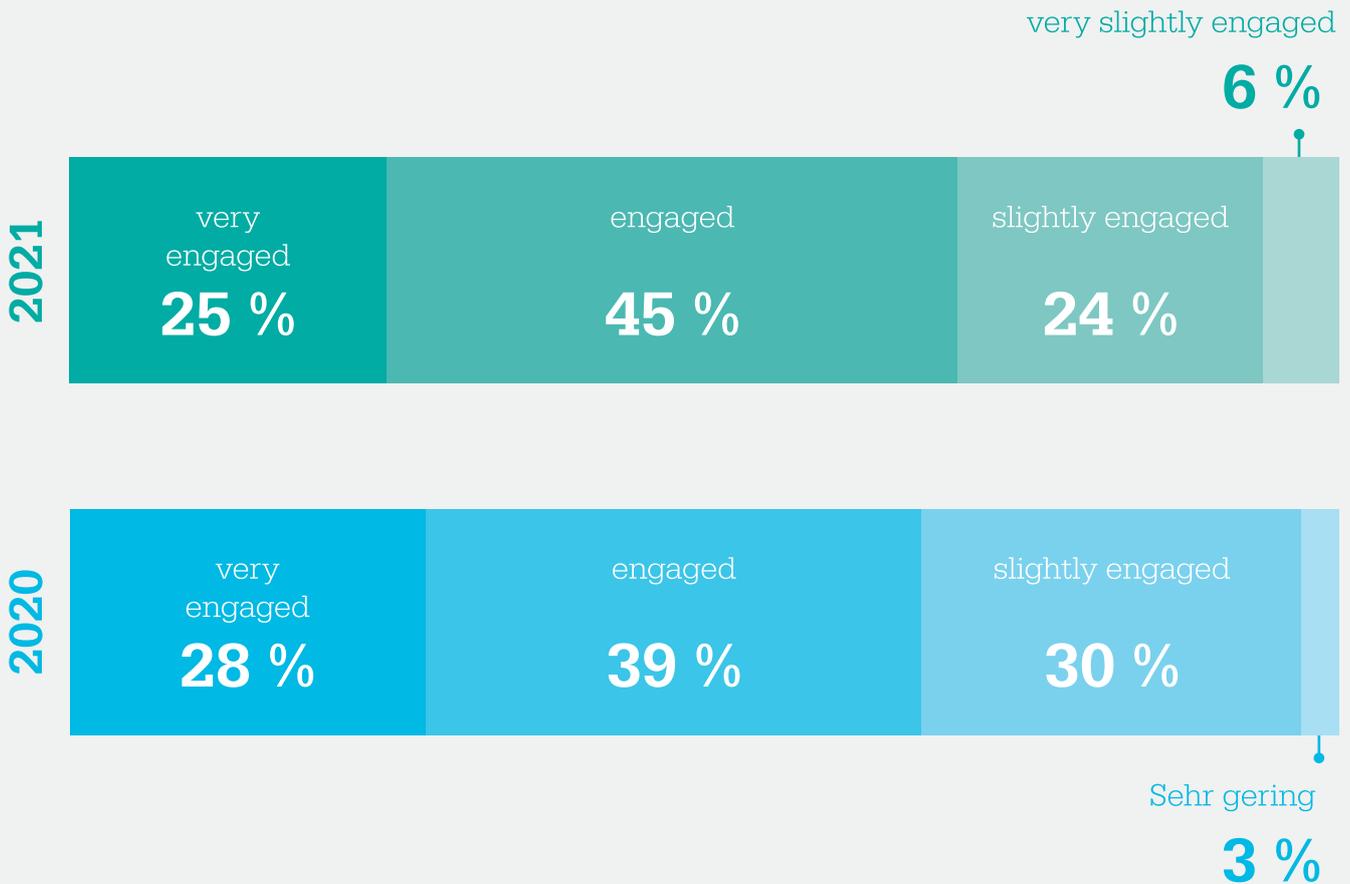


2020



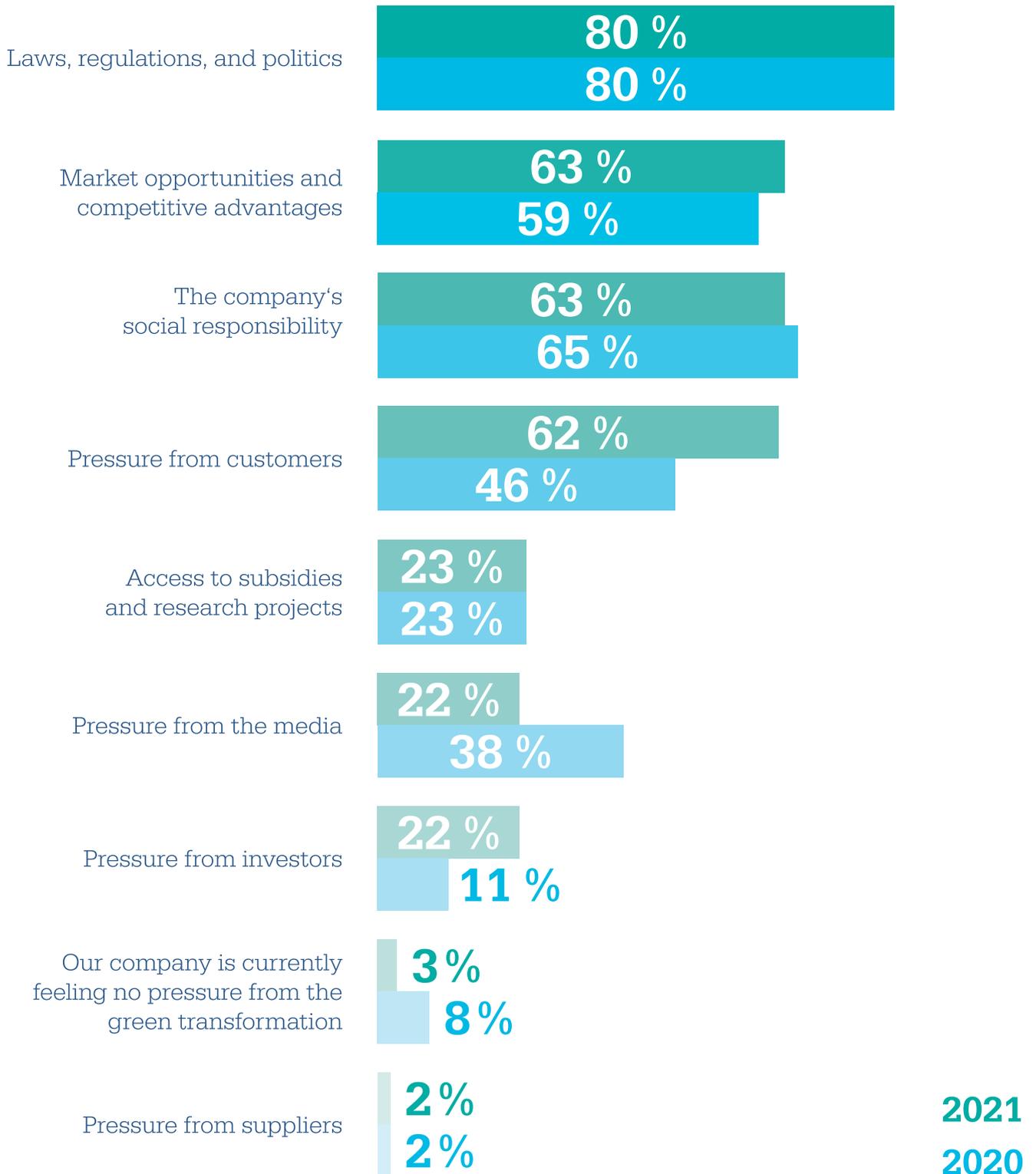
Green avant-garde: three of four automobile companies regard their own industry as way out in front when it comes to environmental protection.

How engaged is your company in the green transformation?



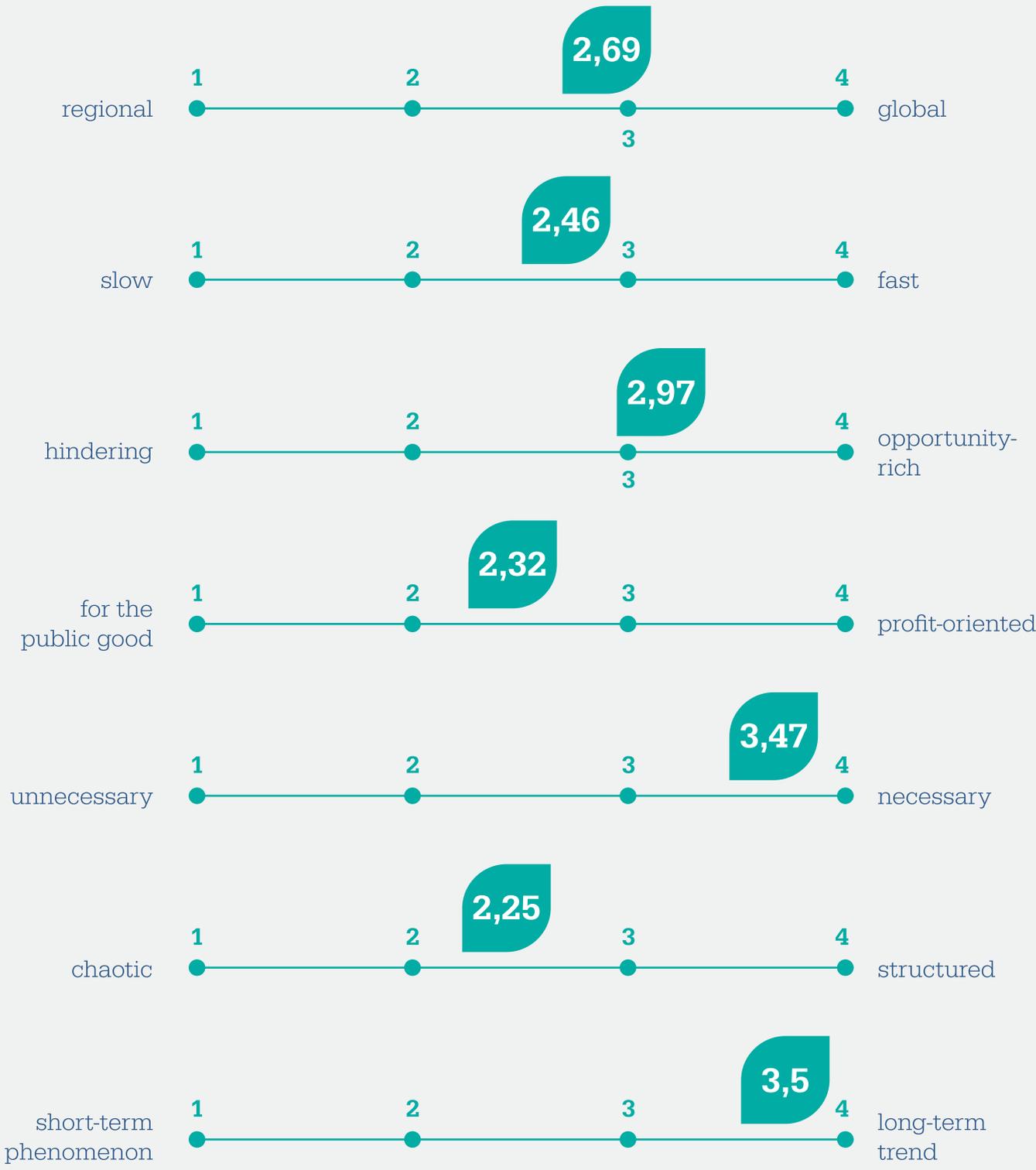
On the corporate level, the increased claim to be a green pioneer is not yet reflected.

Which factors are the main drivers of the green transformation?



In comparison to the previous year, customers and investors are requiring the green transformation much more now.

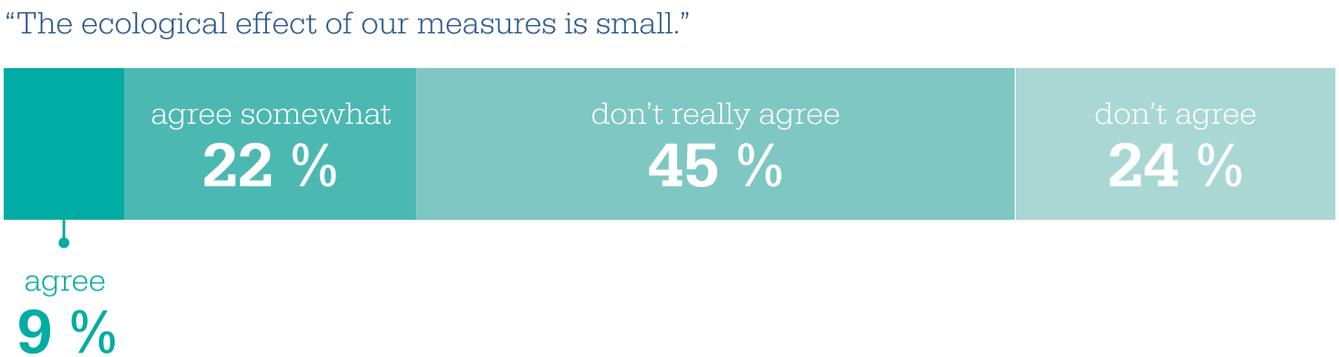
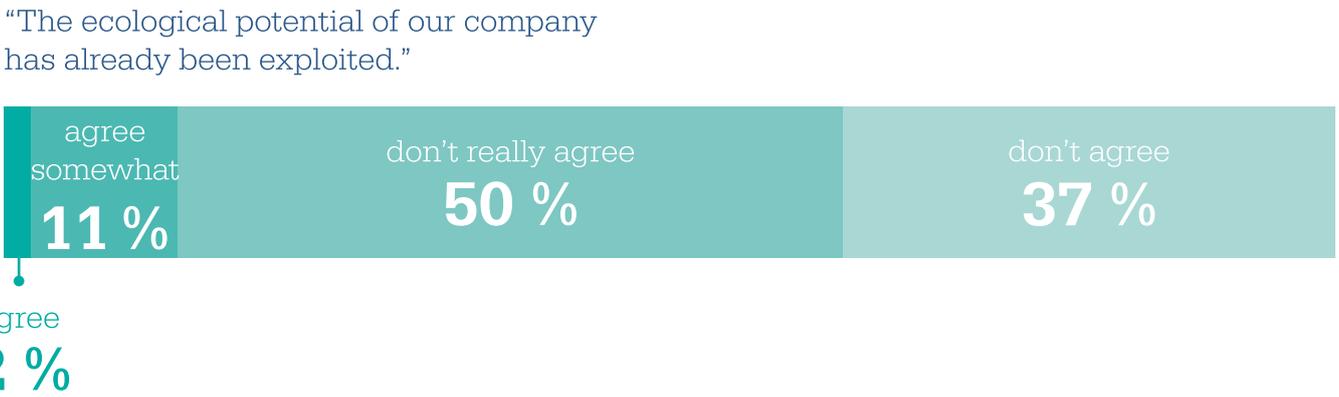
Which of the following terms do you associate with the topic “green transformation“?



The mindset of the automobile industry is not yet really green.



How do you evaluate the following statements?



And there's still room: nine of ten companies see there is unused green potential.

Has your area implemented an ecological improvement measure in the last three months?



A lot can be done: the green transformation is part of everyday life in the automobile industry.

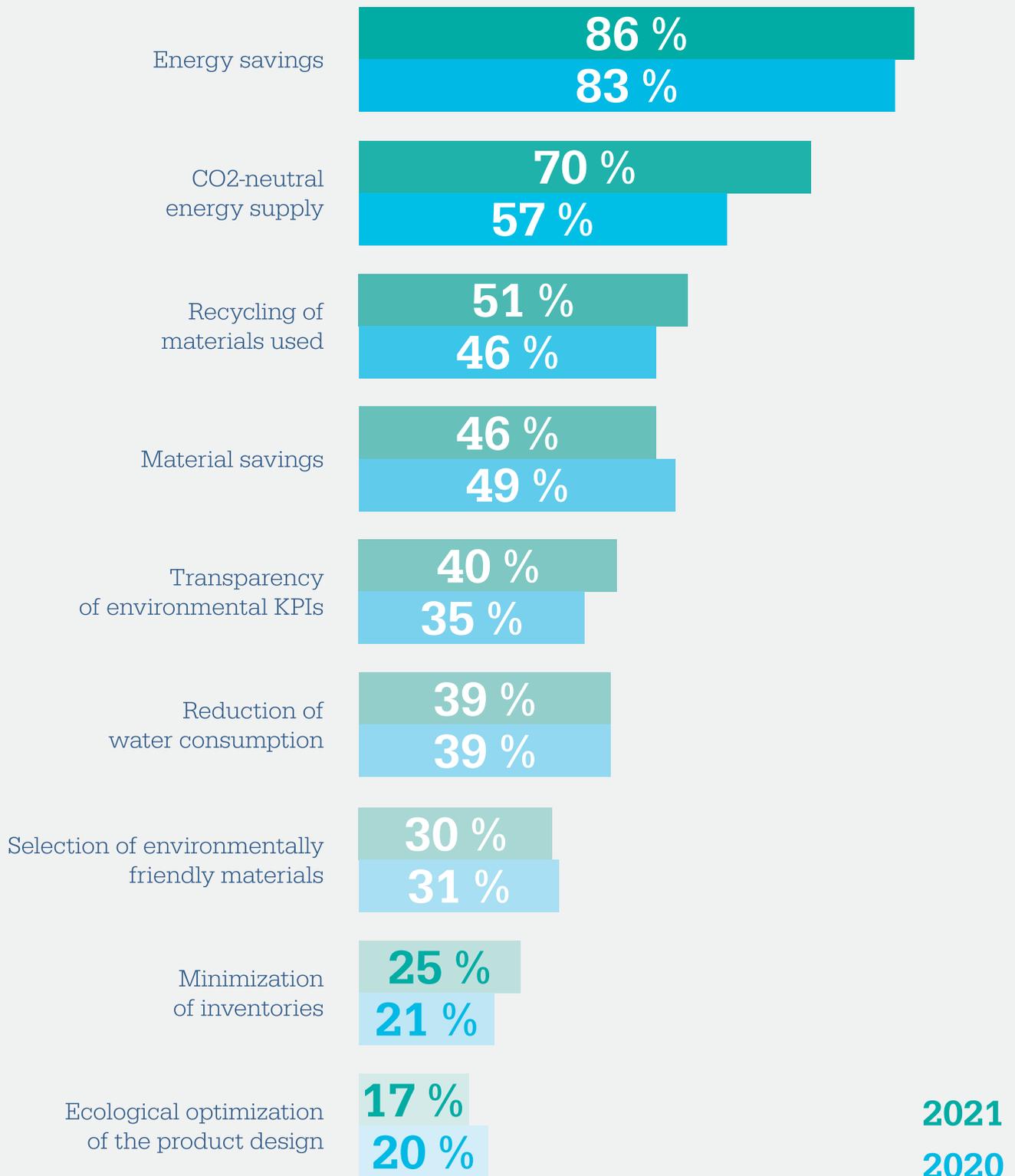


How do you generally evaluate progress with regard to implementing improvement measures at your company?



Things could move faster: currently, people are stepping on the gas and brake at the same time.

Which of the following ecological goals does your company pursue with regard to the use of resources?



The CO2-neutral energy supply has gained a lot of significance as compared to the previous year.



How do you generally evaluate progress with regard to implementing the following ecological measures at your company?



Implementation of environmental trainings



Analysis of the resources and energy efficiency



Visualization of environmentally-related KPIs



Prevention of scrap

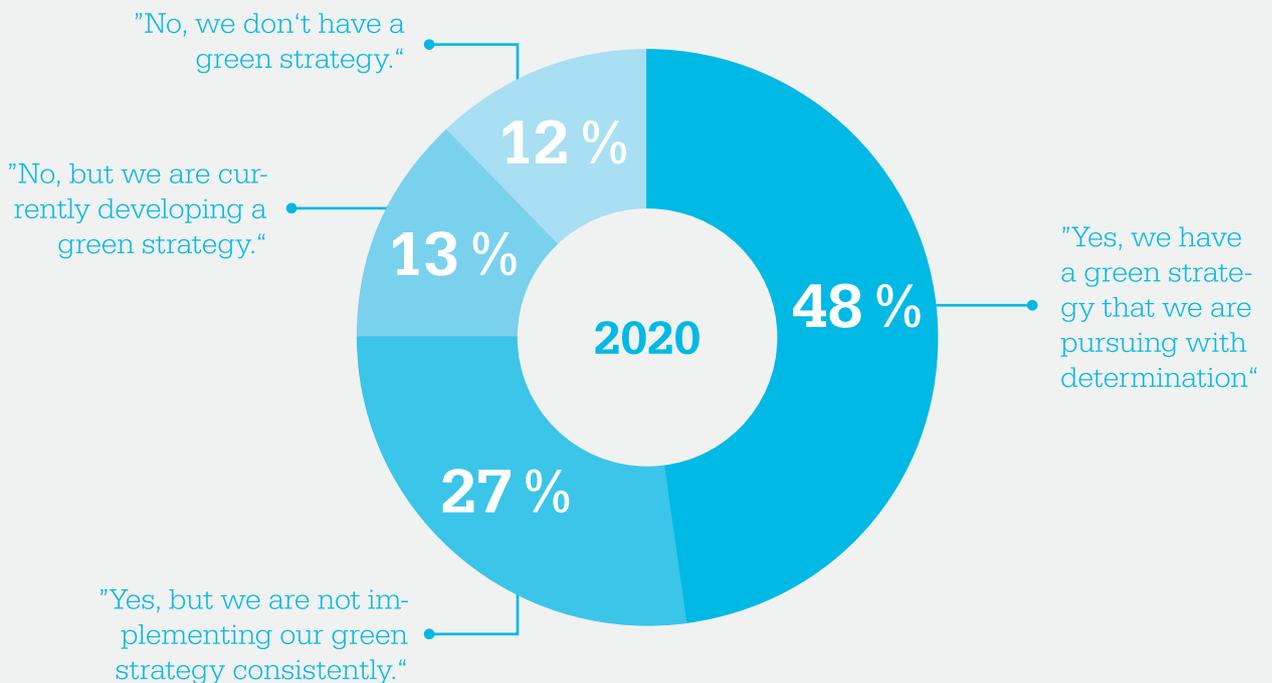
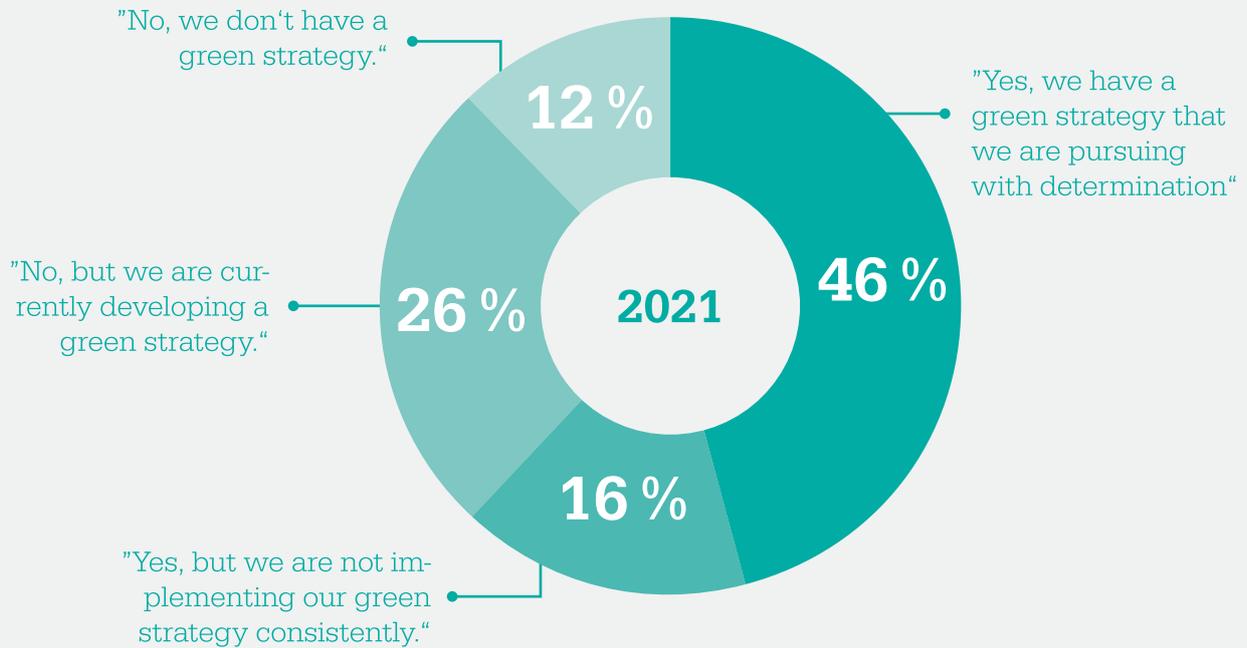


Development of recycling strategies

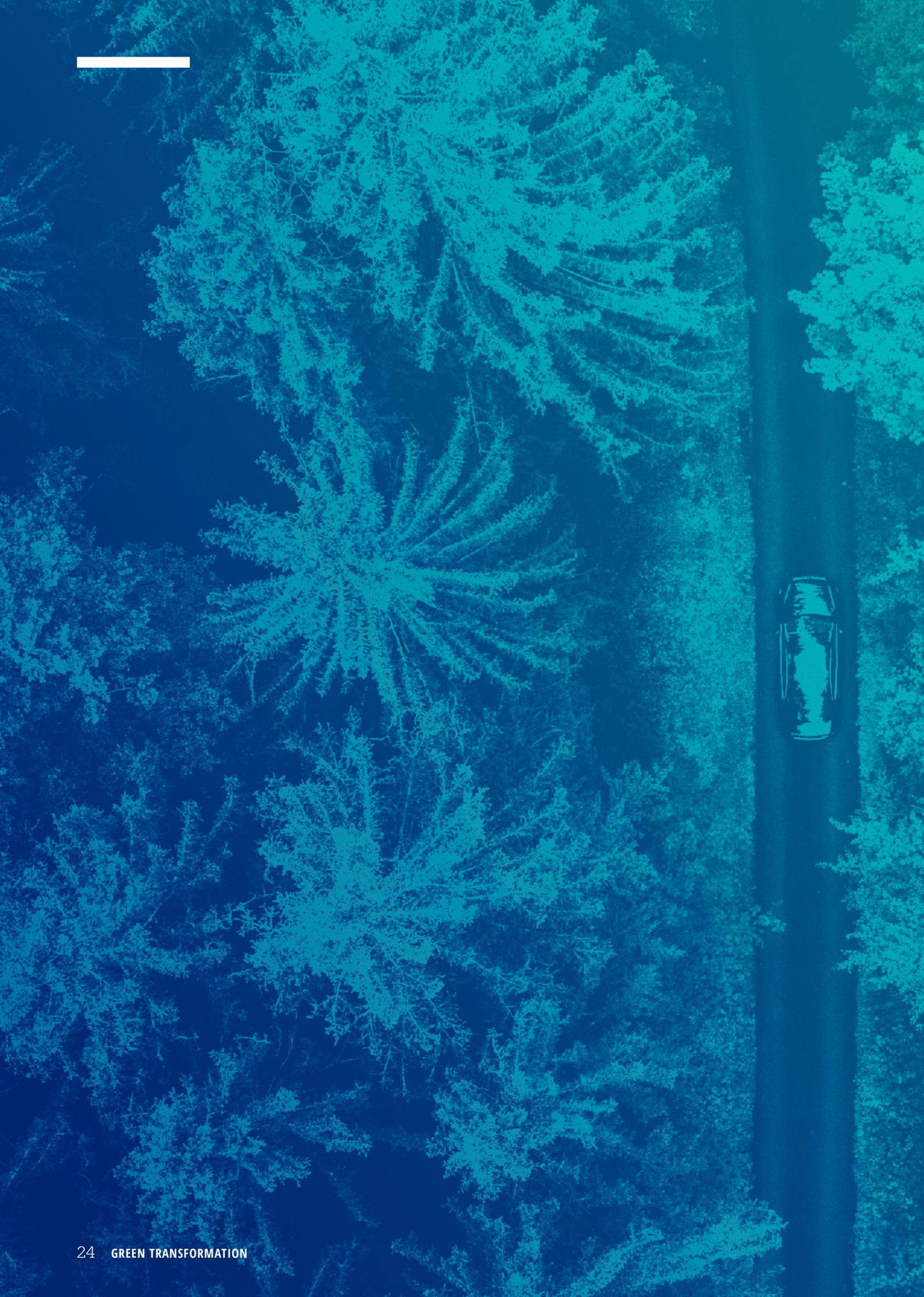


The industry still struggles with environmental trainings and the visualization of environmentally-related KPIs.

Does your company have a strategy for the path to the green transformation?



Now as before, there is a lack of consistent implementation of ecological strategies.





The suppliers are surprised how quickly this topic is being advanced and how quickly they are supposed to compensate for the CO₂ they produce. Of course, many of them are not prepared for this, partly because there were previously no clear standards, so that apples and oranges are not compared with each other. And it has to be clearly regulated who has to provide what data.

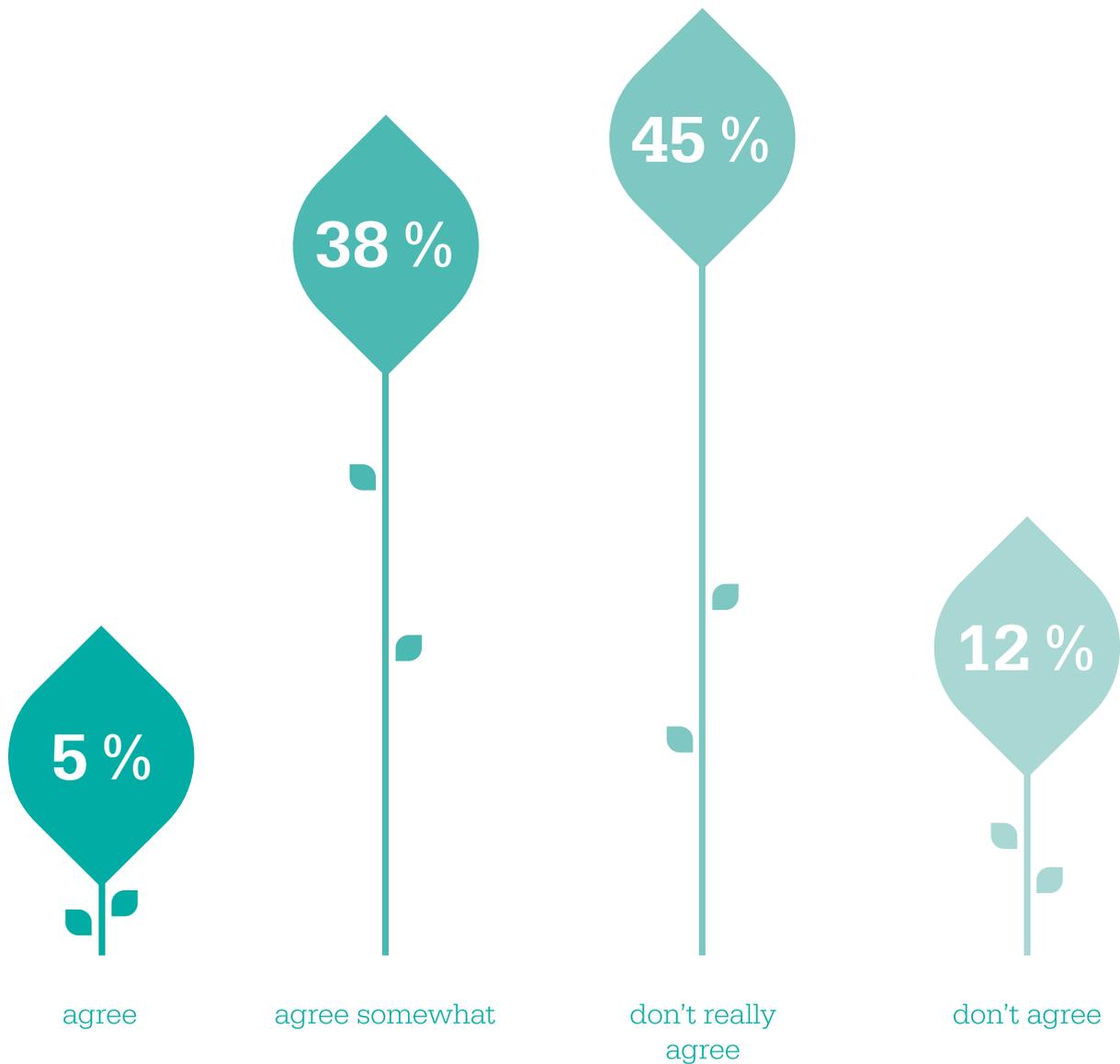
Prof. Dr.-Ing. Gisela Lanza, Karlsruhe Institute of Technology (KIT)





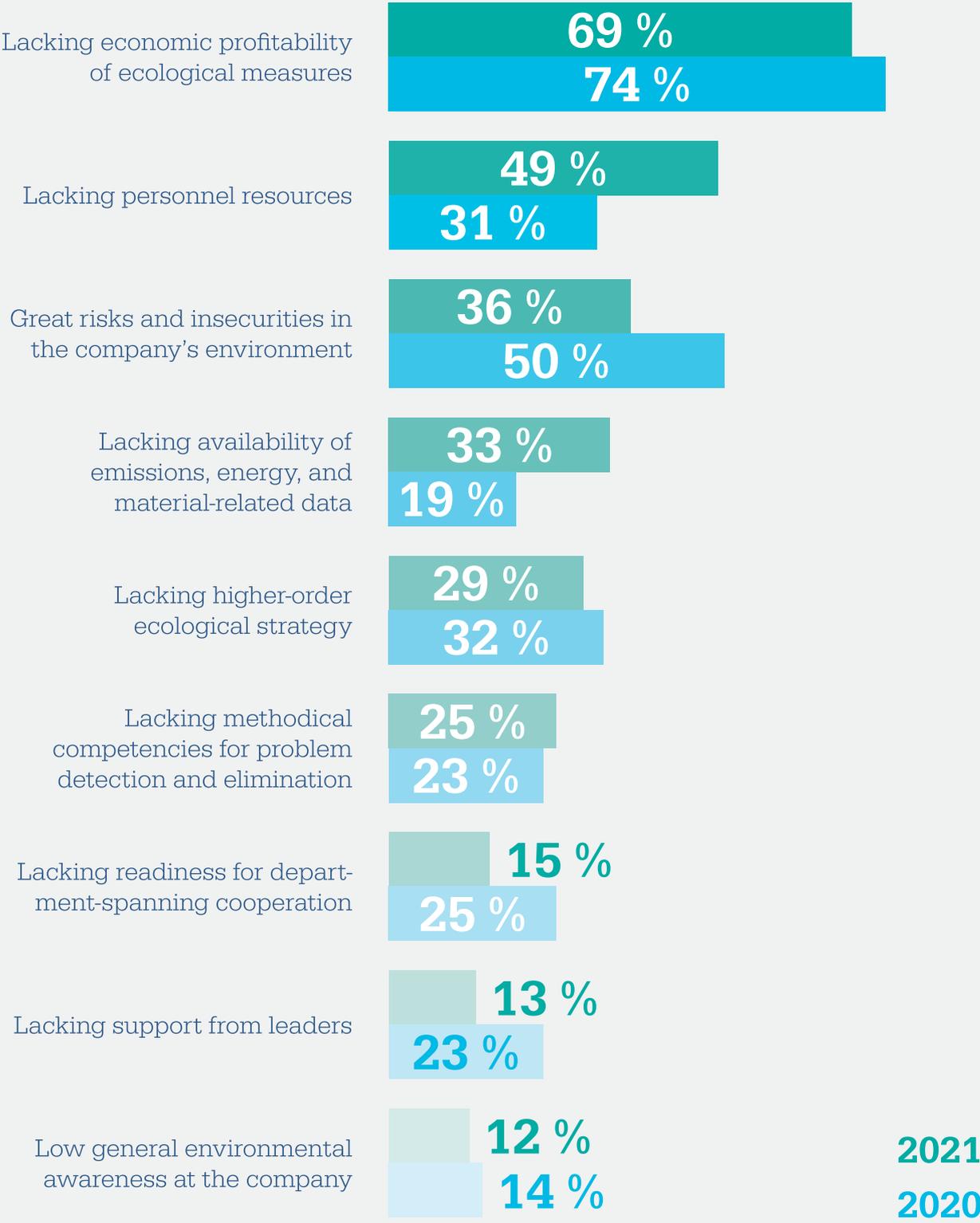
How do you evaluate the following statement?

“Our company accepts the additional costs of environmentally sustainable procurement.”



The majority of companies are not prepared to bear the additional costs of environmentally sustainable procurement.

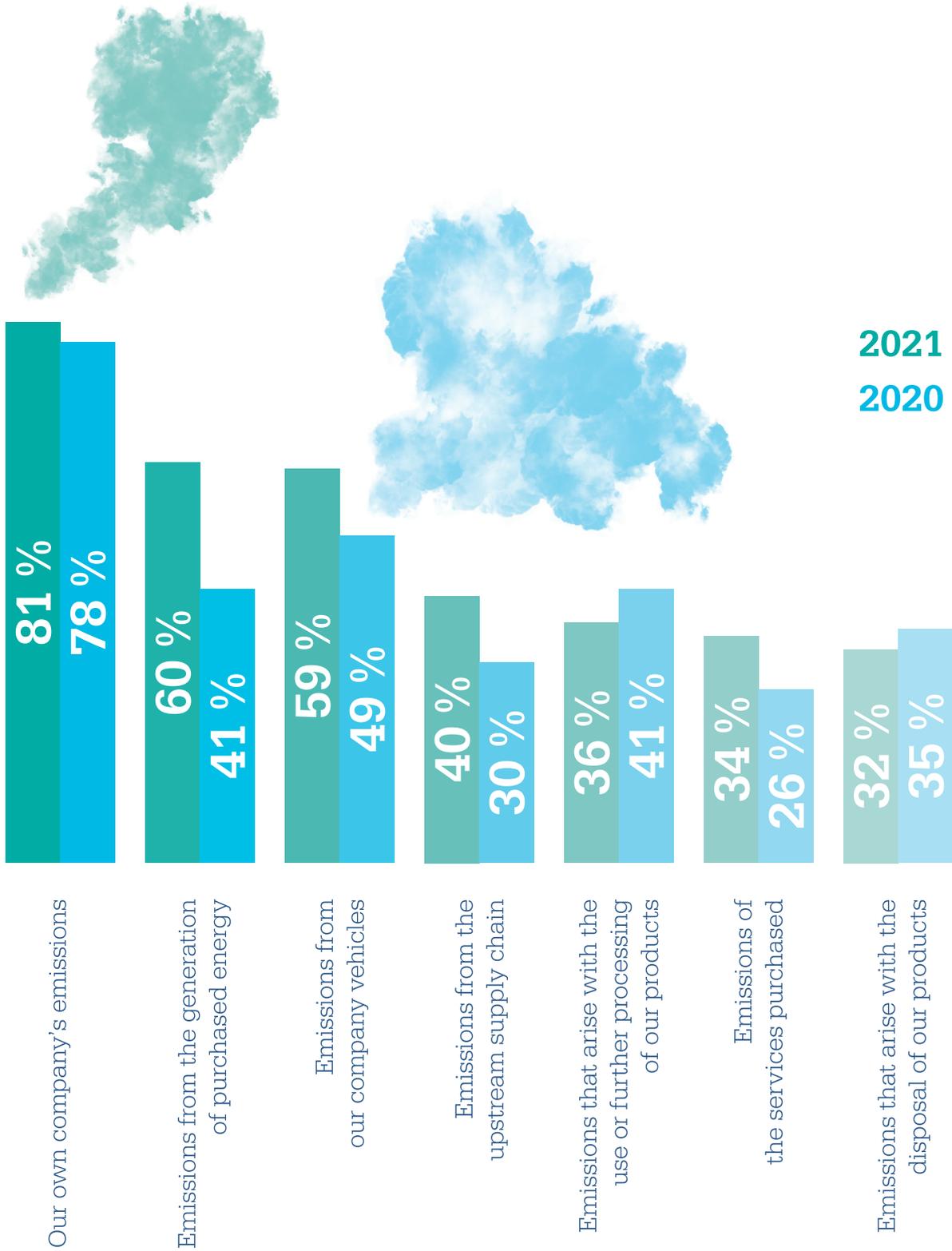
Where do you see the greatest obstacles to a green transformation at your company?



Lack of specialized employees meets climate change: lacking personnel becomes a roadblock.



Which of the following emissions does your company consider when evaluating ecological loads?



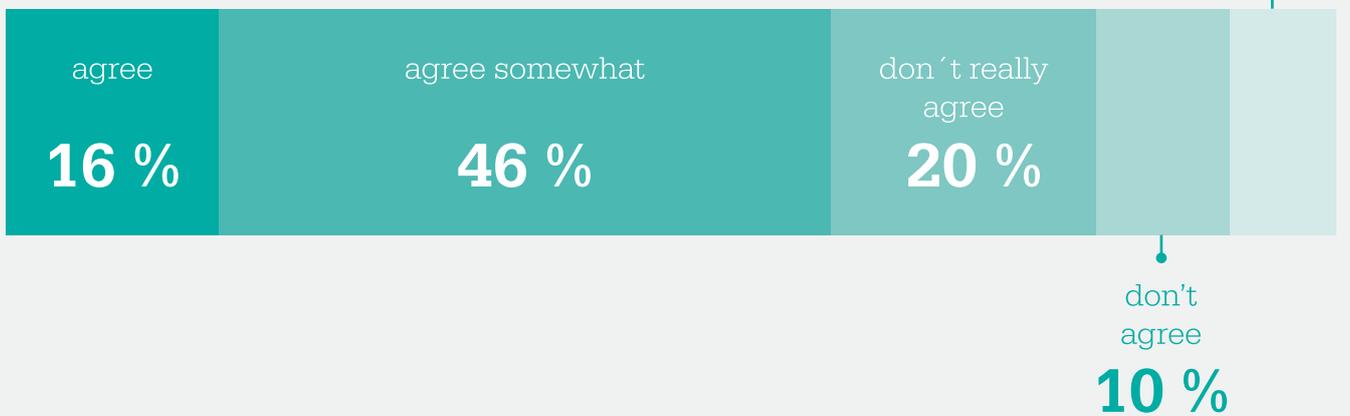
Upstream emissions are being examined more closely than in the previous year.

How do you evaluate the following statements?

“Our suppliers actively cooperate with us for a green transformation”



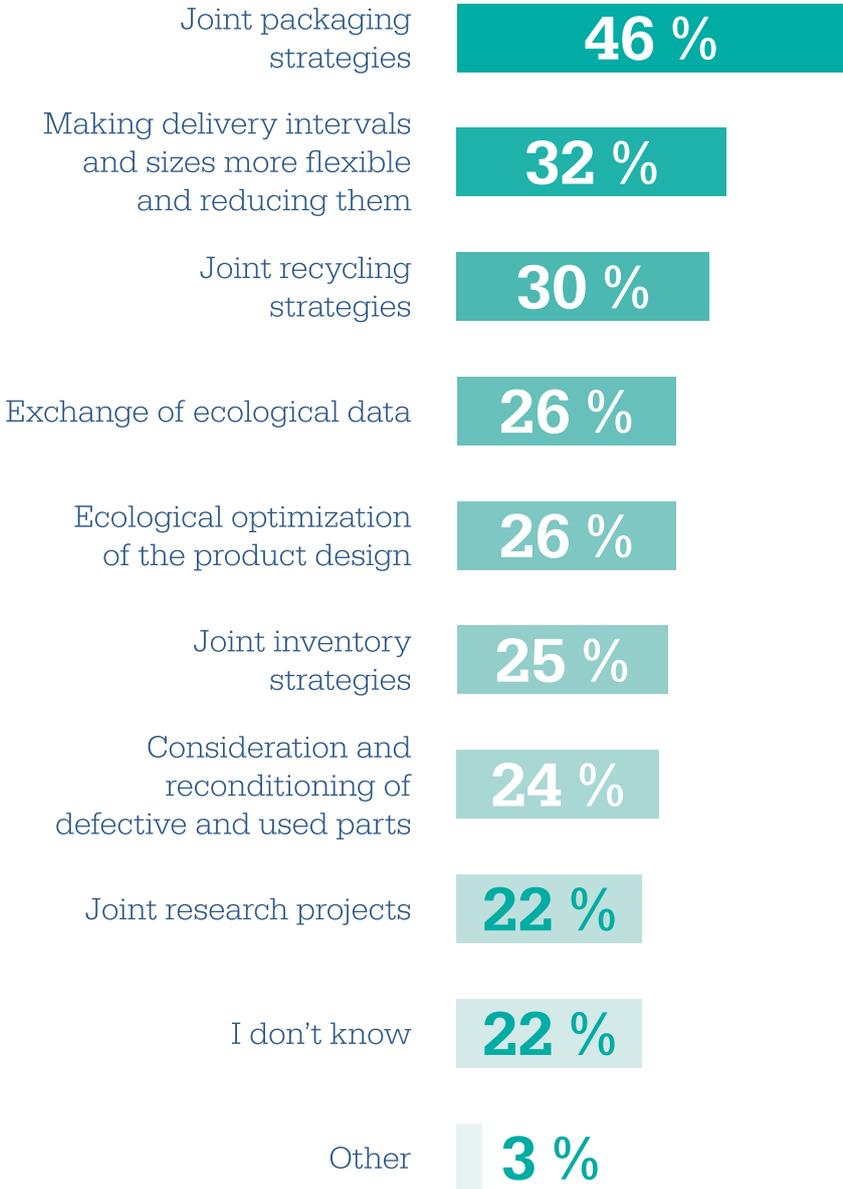
“Our customers actively cooperate with us for a green transformation”



The customers are doing much more with regard to the topic of ecology than the suppliers.

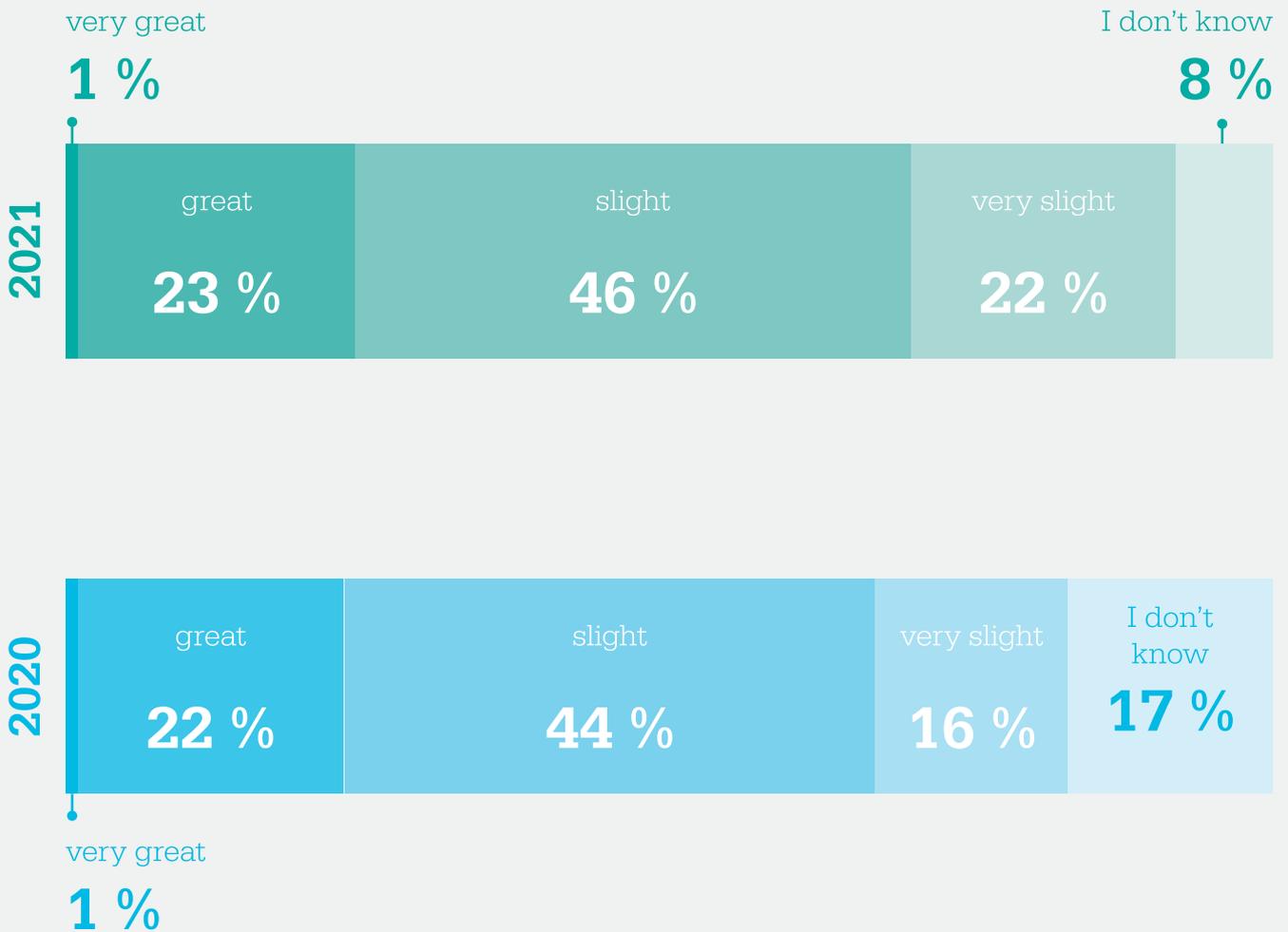


What measures are you taking together with other participants in the supply chain with regard to the green transformation?



The green cooperation within the supply chain can still do a lot more.

How do you generally evaluate progress with regard to implementing improvement measures in your supply chain?



Now as before, many companies are not initiating the green transformation in the supply chain.



How do you evaluate the following statements?

“The exchange of ecological data is of great importance for a sustainable supply chain.”



“Increasingly, suppliers have to provide their customers with ecological data.”



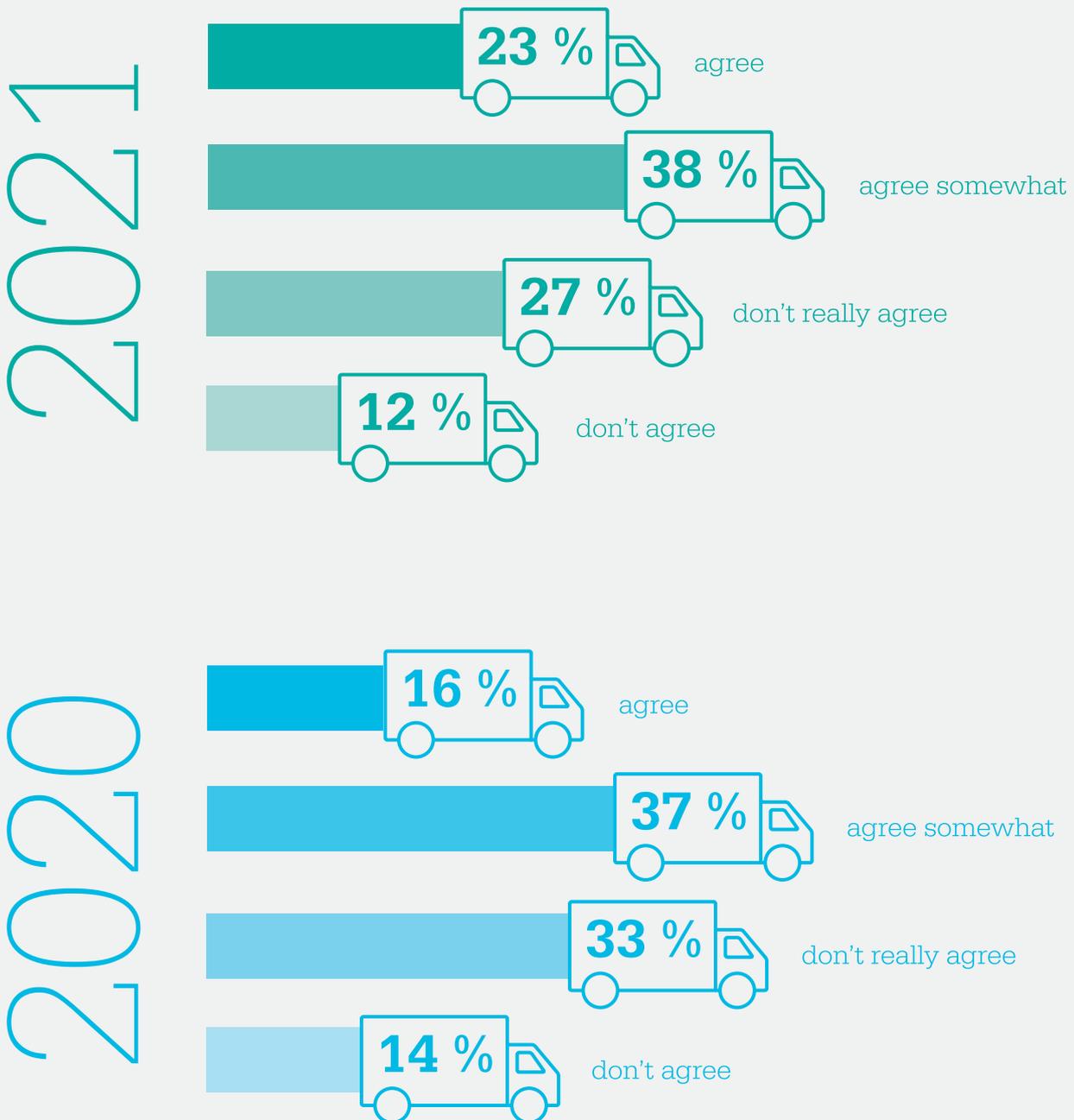
“The sustainability concept is already an awarding criterion for supplier selection.”



Without data, nothing happens with regard to the topic of ecology.

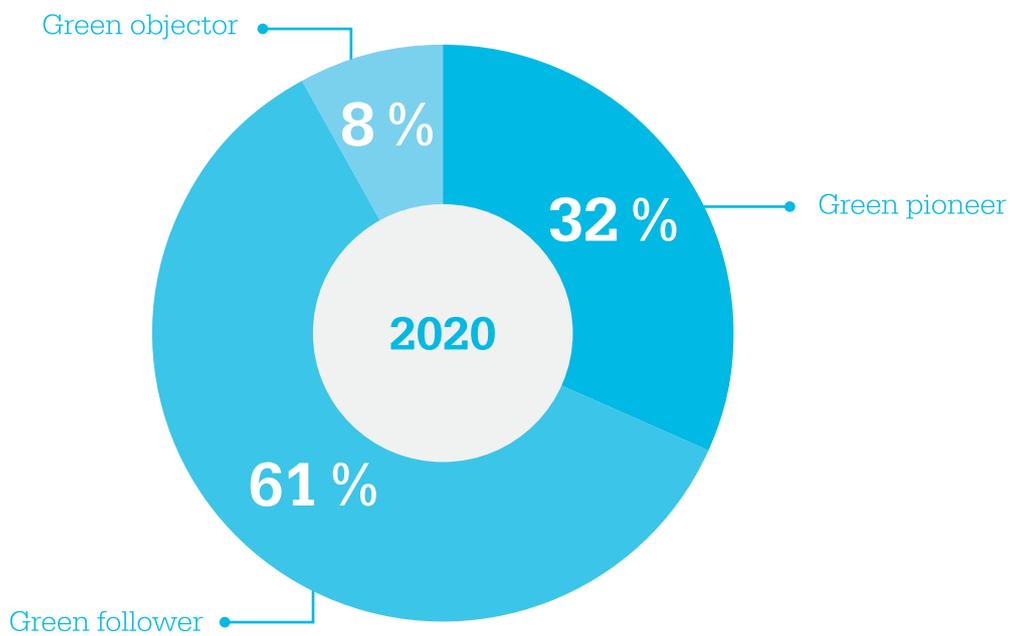
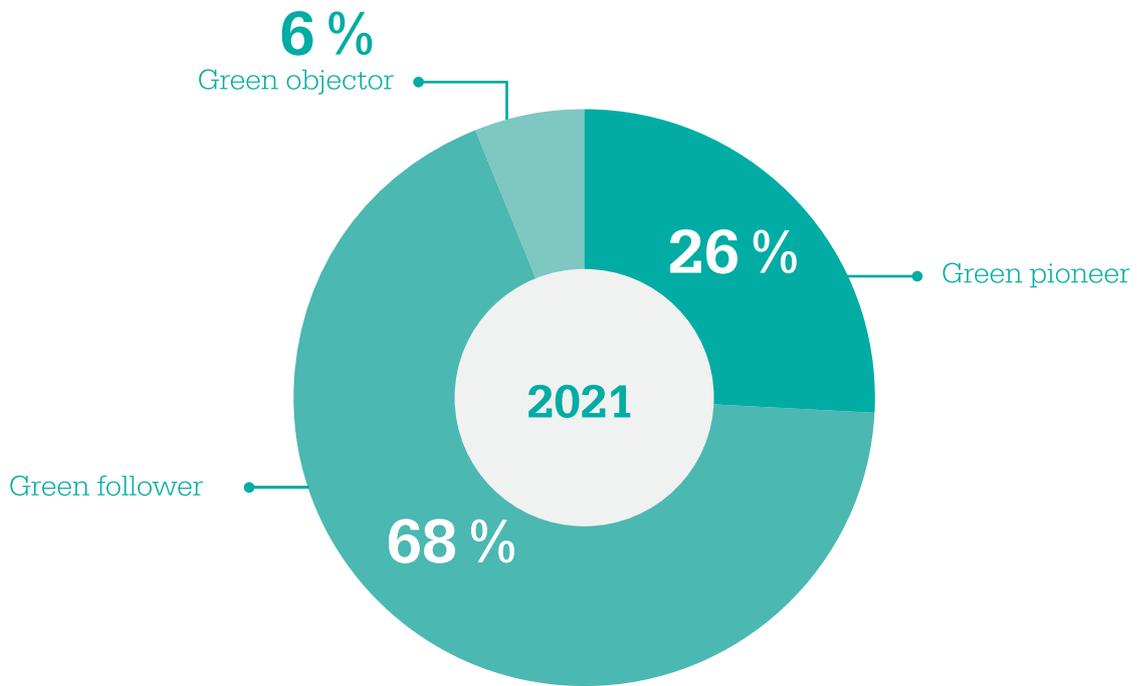
How do you evaluate the following statements?

“The sustainability concept is already an awarding criterion for supplier selection.”



Sustainability is gaining significance with regard to the selection of suppliers.

How would you assess your company on the path to the green transformation?



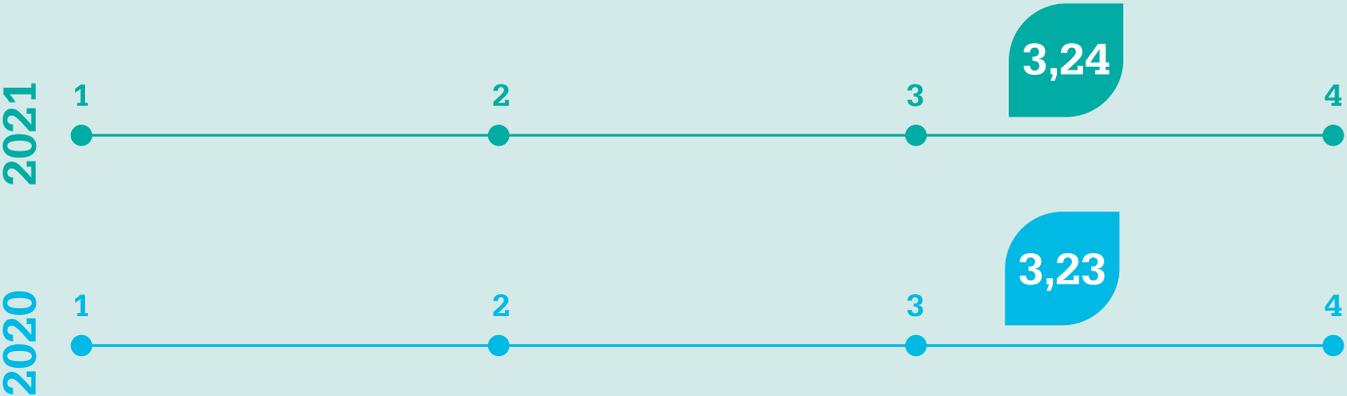
Only every fourth automotive company regards itself as a green pioneer.



GREEN AWARENESS INDEX

Green transformation in two figures. Green Awareness Index and Green Maturity Index clearly show how awareness of this topic has developed in the automotive industry and what level of maturity companies have reached in this field.

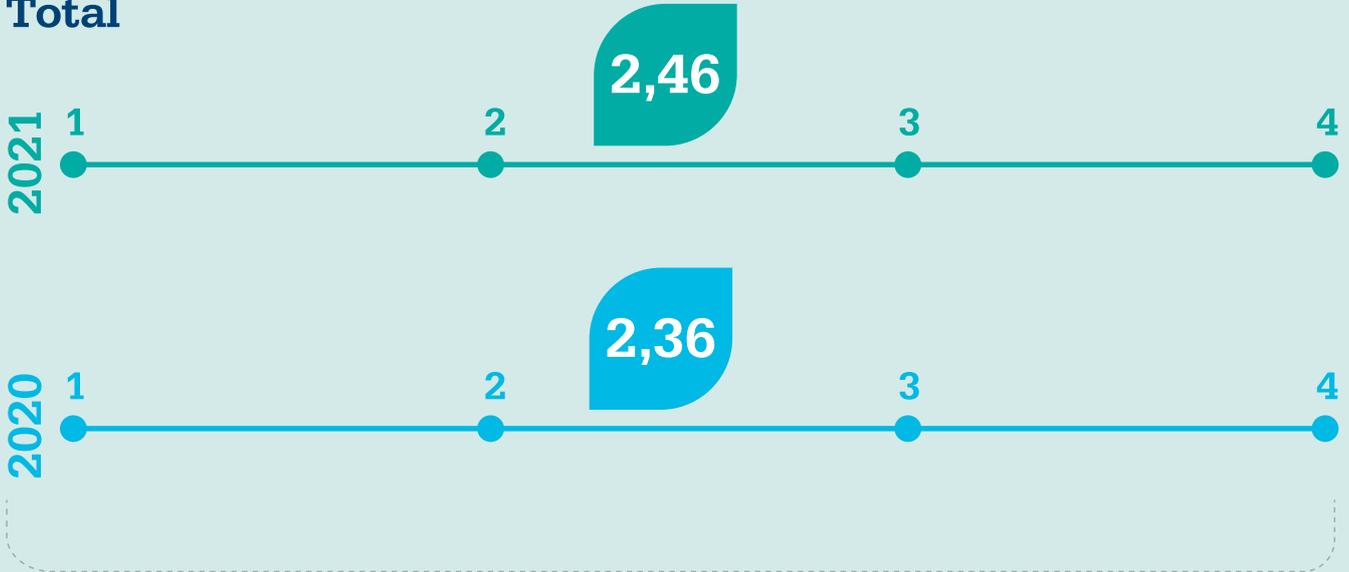
Responses to the question – to what extent have the individual companies recognized sustainability and ecology as challenges and which factors are driving the implementation



GREEN MATURITY INDEX:

Degree of maturity of individual companies' sustainability measures

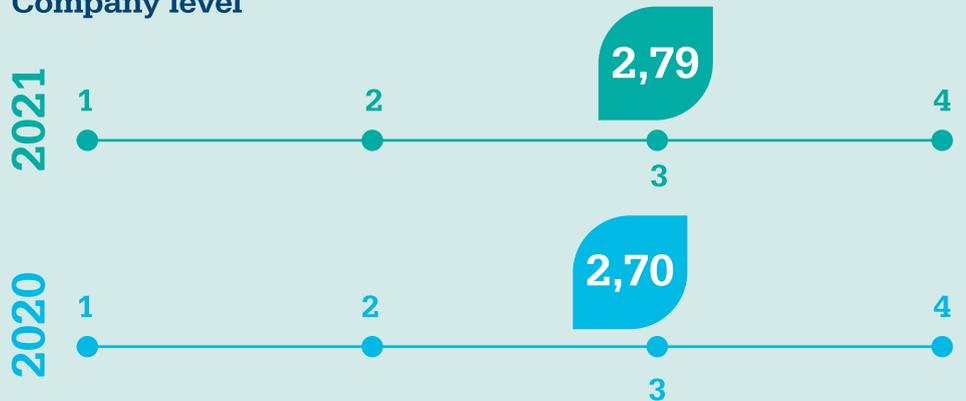
Total



Supply chain level



Company level



The green transformation of the automobile industry will require a lot of time.



CONCLUSION

Given the progress achieved in the industry, it seems inconsistent that only every fourth automotive company regards itself as a green pioneer. Last year, the figure was every third company. However, this is a sign that the “ecological competition” is getting stronger.

Symbolic projects and lip service are no longer sufficient to demonstrate environmental awareness.

Anyone who wants to anchor green consciousness in corporate strategy has to take specific measures and be able to show off successful projects.

This is also reflected in the “Green Awareness Index” and the “Green Maturity Index” each of which increased slightly as compared to the previous year. This means that companies and suppliers are paying more attention to the ecological consequences of their actions. But because the entire industry is becoming greener, it is also becoming more difficult to set oneself apart from the competition. This is a step forward – even if the road before us is still a long one.

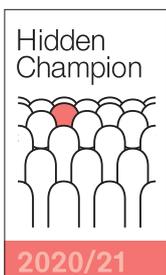
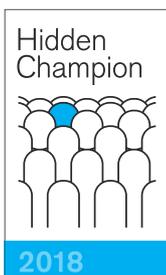
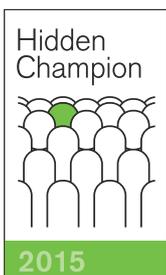


ABOUT US

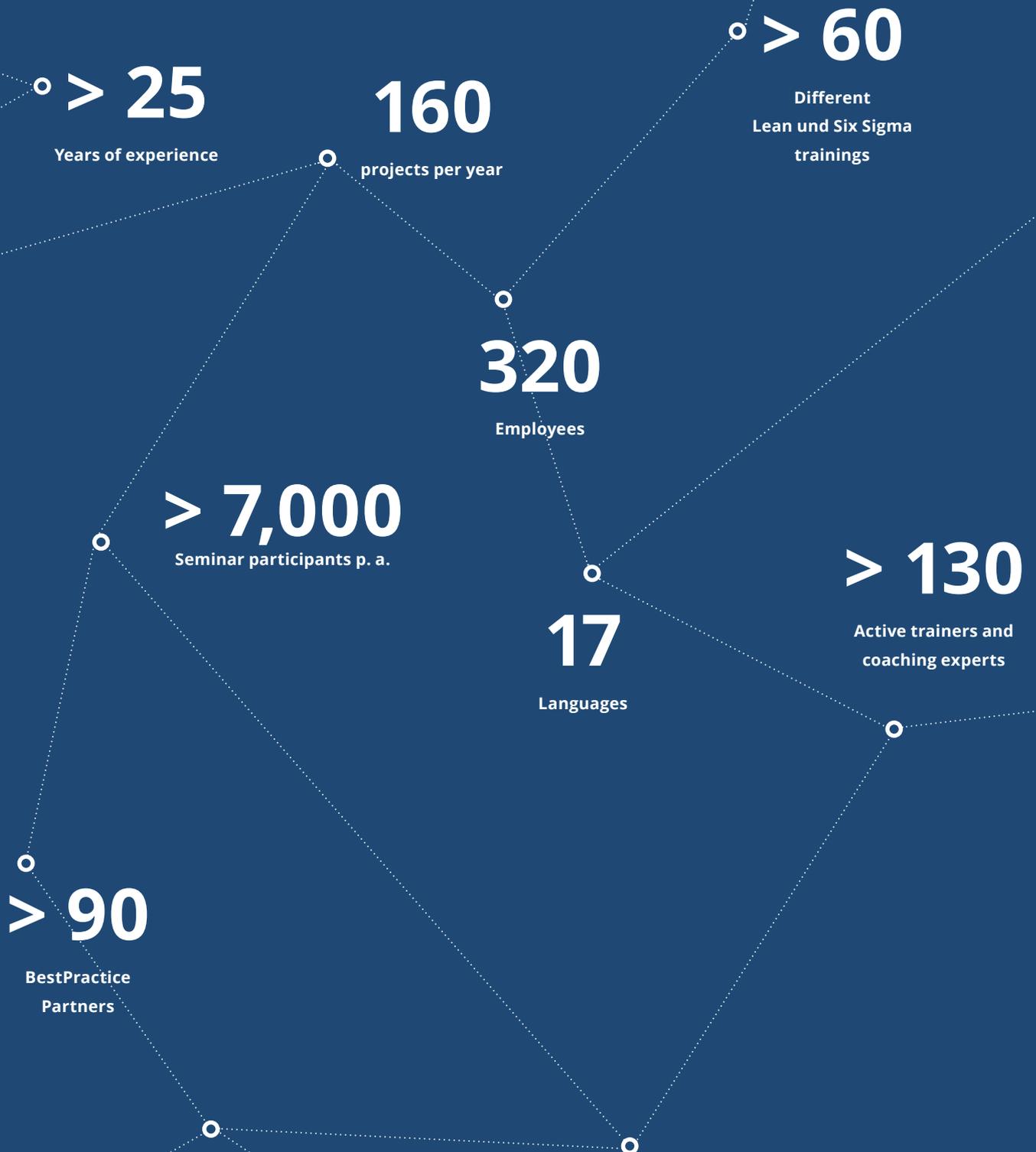
We believe that inside every company, there is an even better one.

Staufen AG is a lean management consulting firm and academy. We have been advising and qualifying companies and employees for over 25 years. Worldwide.

Our goal is to make every company better and to advance our customers. Our special approach focuses on quickly setting the right changes in motion and establishing a sustainable culture of change.



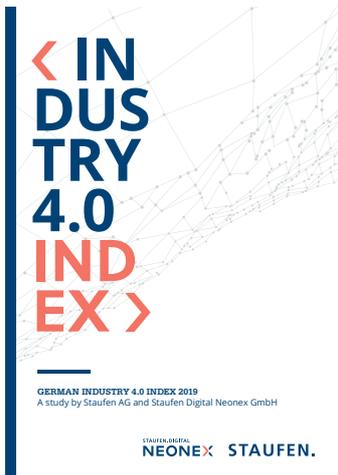
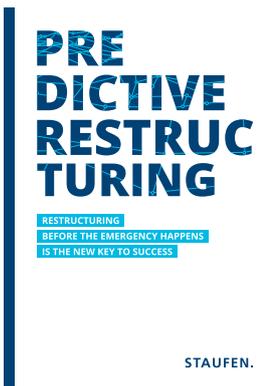
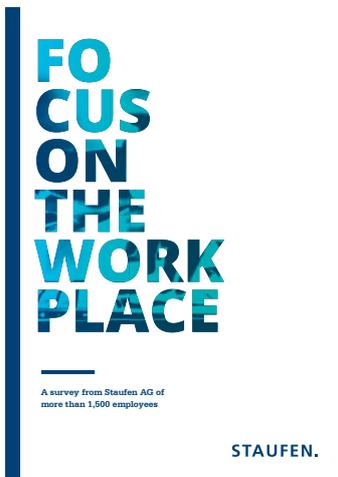
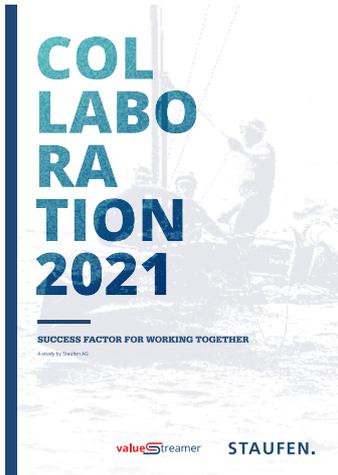
Figures. Data. Facts.



STUDIES AND WHITEPAPER

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