

Drive Sustainability Strategy

Definitions

Definition A: Circularity

A circular economy aims to redefine growth, focusing on positive society-wide benefits. It entails gradually decoupling economic activity from the consumption of finite resources and designing waste out of the system.

It is based on three principles:

- Design out waste and pollution
- Keep products and materials in use
- Regenerate natural systems

The automotive industry contributes to a circular economy by investing in the use of sustainable materials, by improving resource efficiency and by increasing product service life. The utilisation of secondary resources, investing in recycling technologies and increasing the use of recycled material through remanufacturing and reconditioning have been found essential in furthering circularity in the automotive industry.

Source:

- <https://www.ellenmacarthurfoundation.org/circular-economy/concept>, last accessed on: 12.03.2020
- <https://www.ellenmacarthurfoundation.org/news/the-circular-economy-applied-to-the-automotive-industry-2>, last accessed on 12.03.2020
- <https://www.acea.be/industry-topics/tag/category/circular-economy>, last accessed on 12.03.2020

Definition B: Priority and top raw materials

The term **priority raw materials** refers to 18 priority materials identified in the Material Change Report (page 48). Material Change, was commissioned by Drive Sustainability and the Responsible Minerals Initiative representing the electronics industry. The ongoing study started with an initial screening of 50 materials in 2017, which were then narrowed to 37 **top materials commonly found in automotive and electronics products (page 23 Material Change Report)**. The report analyses these commonly used materials based on two sets of criteria that establish 1) a material's importance to industry, and 2) its associated environmental, social and governance issues. Consequently, 18 priority materials were identified for both the automotive and electronics industry, for which the study identified, reviewed and rated opportunities for collective action to address adverse environmental and social impacts or to advance positive change in communities affected by material production. The report was completed by The Dragonfly Initiative (TDI). The Material Change Report is a living document.

Source:

Material Change Report, last accessed on 12.03.2020



Drive Sustainability Strategy

Definitions

Definition C: Greenhouse Gas Emissions

Gases that trap heat in the atmosphere are called greenhouse gases.

- **Carbon dioxide (CO₂):** Carbon dioxide enters the atmosphere through burning fossil fuels (coal, natural gas, and oil), solid waste, trees and wood products, and also as a result of certain chemical reactions (e.g., manufacture of cement). Carbon dioxide is removed from the atmosphere (or "sequestered") when it is absorbed by plants as part of the biological carbon cycle.
- **Methane (CH₄):** Methane is emitted during the production and transport of coal, natural gas, and oil. Methane emissions also result from livestock and other agricultural practices and by the decay of organic waste in municipal solid waste landfills.
- **Nitrous oxide (N₂O):** Nitrous oxide is emitted during agricultural and industrial activities, as well as during combustion of fossil fuels and solid waste.
- **Fluorinated gases:** Hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and nitrogen trifluoride are synthetic, powerful greenhouse gases that are emitted from a variety of industrial processes. Fluorinated gases are sometimes used as substitutes for stratospheric ozone-depleting substances (e.g., chlorofluorocarbons, hydrochlorofluorocarbons, and halons). These gases are typically emitted in smaller quantities, but because they are potent greenhouse gases, they are sometimes referred to as High Global Warming Potential gases ("High GWP gases").

Source:

<https://www.epa.gov/ghgemissions/overview-greenhouse-gases>



Drive Sustainability Strategy

Definitions

Definition D: Sustainability

based on based on Business for Social Responsibility (BSR) and United Nations 'Our Common Future' Report, 1987

Sustainability conveys greater ambition than responsibility because it focuses on what we need to achieve, rather than where we are today. The original definition of sustainable development, from the United Nations 'Our Common Future' report, focused on "meeting the needs of the present without compromising the ability of future generations to meet their own needs." Sustainability is a holistic concept that encompasses the full range of environmental, social, and economic issues. Sustainability represents a concept that is more easily integrated into the core purpose of business than "responsibility," which is often perceived as a check or counter-balance to business-as-usual activity and narrowed to social issues. In short, "sustainability" reflects the ambition, reach, and inspiration required to achieve our mission of working with business to create a just and sustainable world.

Source:

- <https://www.bsr.org/en/our-insights/blog-view/sustainability-and-csr-a-word-about-terms>, last accessed on 12.03.2020
- <https://www.sustainabledevelopment2015.org/AdvocacyToolkit/index.php/earth-summit-history/historical-documents/92-our-common-future>, last accessed on 12.03.2020
- <https://digitallibrary.un.org/record/139811>, last accessed on 12.03.2020



Drive Sustainability Strategy

Definitions

Definition E: Transparency and Traceability

Transparency allows a business to map its entire supply chain, gaining better visibility of all the economic operators along that supply chain. Transparency refers to the capture and transference of 'high-level' information along the supply chain. The captured data is specific and accurate, relating to a product's components, the names of suppliers, the location of facilities, associated certificates, and so on. The management system captures specific information relating to each supplier – for example, facility certification, certifying bodies, expiration dates, and even a copy of the certificate. Better visibility also means a brand or retailer can check each operator is compliant with safety, sustainability and social responsibility requirements. Transparency is the basis for traceability. Without transparency it is not practical to implement traceability. Whereas transparency focuses on mapping the whole supply chain, traceability looks at individual batches of components or purchase orders as they progress through the supply chain. The information captured during traceability is more granular, relating to individual ingredients or components; this might be batch-lot data (catch/harvest date, field data, etc.), purchase order (PO) data, and other operational information.

Source:

- <https://www.sgs.com/en/news/2018/08/understanding-transparency-and-traceability-in-the-supply-chain>, last accessed on 12.03.2020

Definition F: Sustainable Sourcing

“[...] the consideration of environmental, social, ethical and economic issues in the management of the organization's external resources in such a way that the supply of all goods, services, capabilities and knowledge that are necessary for running, maintaining and managing the organization's primary and support activities provide value not only to the organization but also to society and the economy.”

Source:

Miemyczyk, J., Johnsen, T.E., Macquet, M., 2012. Sustainable purchasing and supply management: a structured literature review of definitions and measures at the dyad, chain and network levels. *Supply Chain Management: An International Journal* 17 (5) 478-496.

