



• ELECTRIC POWER CONTROL UNIT

• TRANSMISSION

• ELECTRIC MOTOR

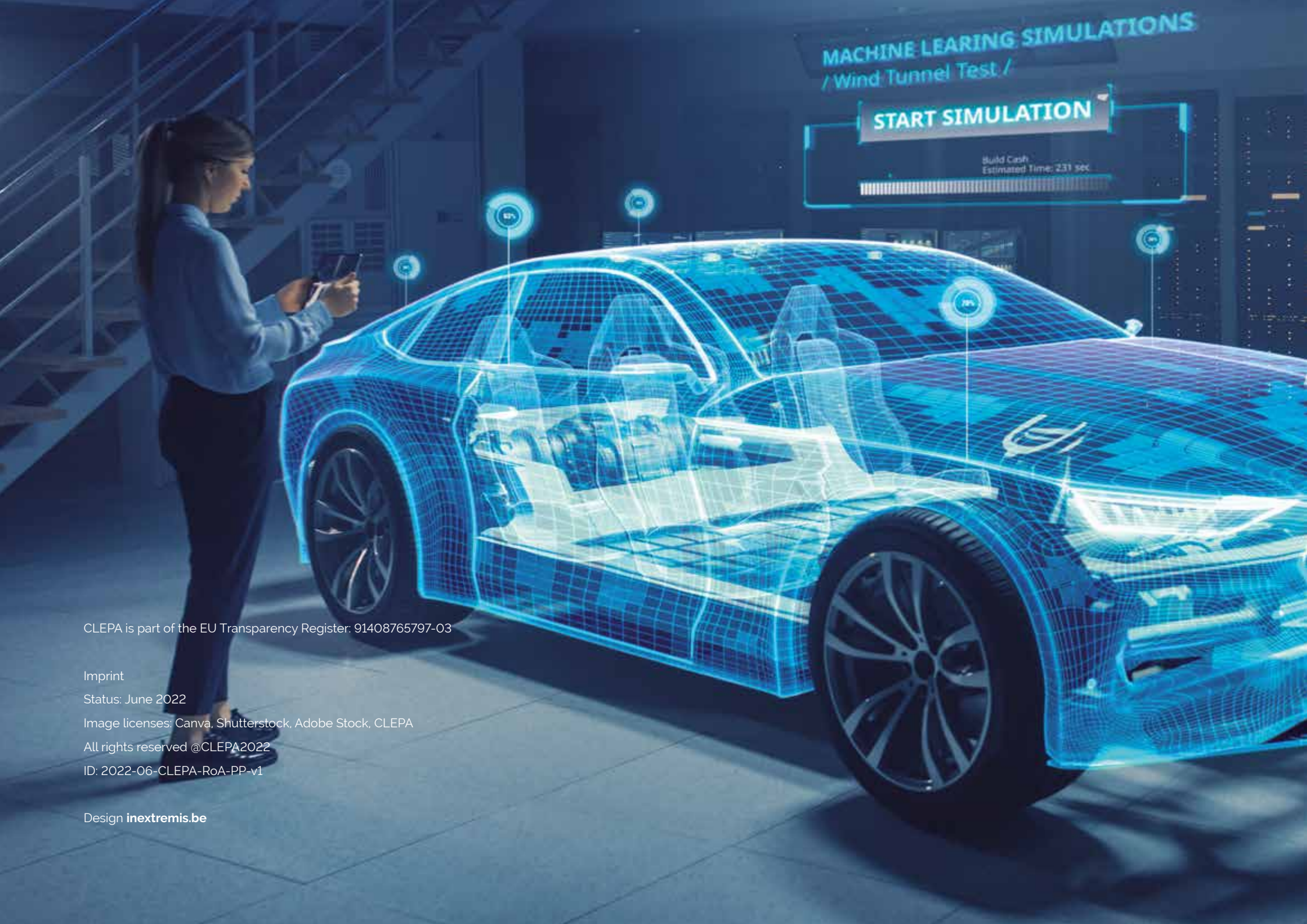
• BATTERY CONVERTER

• CHARGER

 **CLEPA**
European Association of Automotive Suppliers

Annual Report of Activities 2021-2022

www.clepa.eu



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Thorsten Muschal CLEPA President



Automotive suppliers have spent the last two years proactively responding to supply chain disruptions and chip shortages caused by the impact of COVID-19. The current inflation period with massively increased costs, especially for energy, transport and materials is intensifying an already stressed supply chain. However, we are a resilient industry and always find a way to transform and adapt to changing circumstances, but the current pressures we are facing are unprecedented.

The green and digital twin transition was at the centre of this year's policy work at CLEPA. More specifically, the "Fit for 55" package, published in July with the aim to reduce net greenhouse gas emissions (GHGs) by at least 55% by 2030, towards climate-neutrality in 2050, has been the focus for the CLEPA team and its members. At the core of this work was the legislative proposal for CO₂ standards for cars and vans.

The fog in which we find ourselves is all the more reason to push ahead towards the certainty of climate neutrality. But this will require a full commitment to innovation, coupled with a flexible regulatory framework that facilitates investment, anticipates change, and allows for the full scale of technological progress.

Now more than ever, we need a strategy that is diversified, market-based and focuses on the mutual goal of emission reductions. A mixed technology policy framework allows for innovation and flexibility. We also need to continue new investments in R&D and talent acquisition, as much as we need partnership and collaboration to build a more robust supply chain.

CLEPA has supported the position of technology openness, through a green, just and resilient transition, always promoting a market-oriented, feasible and comprehensive policy framework that avoids distortion of the single market. Automotive suppliers have strongly advocated against the de facto ban of the internal combustion engine foreseen by the European Commission's proposal, stressing the negative impact that it would have on employment for the supply industry.

To substantiate this position Clepa launched a first of its kind industry study, carried out by PwC Strategy&, assessing the impact of three different market scenarios on employment and value-add across the EU and in seven key automotive markets along the supply chain until 2040. The results showed that an EV-only approach would put over 500k jobs at risk in the Internal Combustion Engines (ICE) powertrain domain.

In parallel, another important mobility legislation, such as the EU Digital Strategy, was also moving forward. CLEPA was actively involved, advocating for an open data market in the Data Act consultation and supporting the Commission's proposal to develop a semiconductor strategy through the Chips Act. Regarding the Artificial Intelligence Act, CLEPA asked that AI-related technical requirements for automotive products need to be implemented into the existing vehicle type-approval framework, to avoid creating overlapping legislation and controls.

The mobility transition and the policy framework for the Green Deal will undoubtedly change the face of the industry, including the restructuring of production sites and the workforce. Our vision for the automotive supply industry is to be the leading provider of innovative technologies and solutions for safe, sustainable and smart mobility around the world. We aim to co-create the framework conditions for advancing a sustainable and competitive supply industry in Europe, innovating mobility and bringing prosperity and employment to society at large, and we are doing it together with a strong membership that represents over 3,000 of the most innovative organisations around the globe.

We look forward to another exciting year ahead, and to working with all of our key stakeholders to define the future of mobility!

Thorsten Muschal

Sigrid de Vries Secretary General



In a year where being in crisis mode became the 'new normal', the CLEPA secretariat consolidated its role as the proactive voice of the automotive supply industry and further solidified itself as a trusted advisor for its members.

With the COVID-19 pandemic being far from over, the shortage of semiconductors becoming a permanent feature, and pressure points on the globalised organisation of the supply chains mounting even before the war in Ukraine broke out, 2021 posed yet another set of serious challenges to the automotive industry, impacting the focus and priorities of CLEPA as well.

Building on the direction taken in 2020, the secretariat has continued to work in a highly lean and mean fashion, while strengthening competence and clout in areas of major importance.

While the main advocacy and technical regulations efforts continued to focus actively and assertively on the policy files related to the EU Green Deal, or in EU speak the 'Fit-for-55 package', and related to digitalisation, with dossiers like access to data, artificial intelligence and vehicle automation, the team also expanded its scope with topics like 'strategic autonomy' including industrial policy for semiconductors, and sustainability, including dossiers like taxonomy and due diligence.

It reaches too far to list all files covered by the CLEPA team in the space of this foreword. The report of activities, however, will leave you with a good impression and serves to invite deeper interest and exchange with both our members and stakeholders.

I am proud to say that the CLEPA team has significantly stepped up its role with a proactive voice representing the needs and legitimate interests of the supplier industry in Europe, and of being a timely and trusted advisor to its members. Both in terms of strategic communications as well as in terms of delivering key intelligence on sector trends and sector importance, CLEPA has become the reference point it needs to be.

This is visible, for example, in the topical publications, the regular on-line CLEPA Plaza sessions, the dedicated reports – of note is the study on the employment impact of electrification - and media and social media outreach. But it is illustrated also, again as an example, by the Foresight Forum which CLEPA started, to initiate timely and crucial exchange by members and with stakeholders on the key technological developments defining the future of smart, sustainable, and safe mobility.

CLEPA is set firmly on course to continue adding targeted value to members, stakeholders and the policy framework at large. In times of on-going crisis, exemplified by extraordinary pressure on the sector, a trade association's role as a stronghold and lighthouse to help navigate the choppy waters is even more essential. The team cannot do this without its dedicated, representative and engaged membership. CLEPA has welcomed again new members in its midst, including players with activities in the 'newer' mobility areas. This is part of our strategy and signifies both agility and continuity.

I take this opportunity to give a big 'thumbs up' to the CLEPA team, to thank the CLEPA membership for their continued support and to wish you interesting reading. We welcome your feedback!

Sigrid de Vries



About CLEPA

CLEPA is the voice of the European automotive supplier industry, linking the sector to policy makers.

Our **vision** is for the automotive supply industry to be the leading provider of innovative technologies and solutions for safe, sustainable and smart mobility around the world.

Our **mission** is to co-create the framework conditions for advancing a sustainable and competitive supply industry in Europe, innovating mobility and bringing prosperity and employment to society at large.

Our priorities for the mobility sector:



Clean & Sustainable



Safe



Smart



Competitive



Green Deal and Sustainability

Working together towards a climate-neutral economy

Automotive suppliers fully support the Paris Agreement and the even more challenging objective of climate neutrality in 2050. The industry is delivering technology that contributes to the protection of the environment along the whole value chain.

The Green Deal continues to dominate the legislative agenda, as policymakers search for the majorities needed to turn the European Commission's proposals into law. The transition to a more sustainable future of mobility are touching the automotive sector in different ways, from vehicle emission limits defining the future of advanced drivetrain technologies, to the use of lightweight or recycled and bio-based materials in the transition to a circular economy, just to name a few.

The transition towards climate-neutral mobility is well under way, and the European Commission's 'Fit for 55' package published in July 2021 aims to set the course for how we achieve these objectives. Among the proposals in this package, the regulation on CO₂ emission standards for cars and vans is in the spotlight. While carbon and pollutant emissions require very different rules and policies, a common proposal for Euro 7/VII pollutant emission standards, expected in mid-2022, is seen as closely linked. Two aspects are critical: the transition needs to happen at a reasonable and realistic pace and a comprehensive regulatory framework needs to be adopted. The latter should embrace ingenuity and incentivise the use of technology for an efficient and effective reduction of pollutants and carbon emissions, including direct electrification, hybrid solutions, but also the use of low and zero carbon fuels. A technology-open regulatory environment is an important factor to sustain employment and competitiveness in Europe in the automotive suppliers' industry and beyond.

Green Deal? Let's make it work!



Supportive & reliable regulatory framework



Transformation, not disruption



Focus on innovation, investment & employment



Holistic approach

CO₂ emission standards for cars and vans: Working towards a technology-open regulation

Opinions vary on whether the EU should ban the internal combustion engine in favour of direct electrification, or embrace a technology-open future where different powertrains fit different use cases. The European Commission proposal on the CO₂ standards for cars and vans calls for a 100% CO₂ reduction by 2035, leading to a de facto ban on the internal combustion engine (ICE).

The most contentious issue is whether an electric vehicle (EV)-only approach is the best way forward, with worries focusing on affordability, employment impact, grid capacity, availability of renewable energy and the supply of critical minerals.

There is a lot at stake: a study on the impact of electrification, carried out by PwC Strategy&, found that 500 thousand jobs (a third of supplier jobs in Europe) are at risk from an electric-only regulatory approach, whereas a mixed-technology approach mitigates the impact. Furthermore, shifting reliance from oil to critical materials, risks creating new unwanted dependencies.

CLEPA advocates a more holistic approach, which includes all advanced technology options as well as emissions reduction in energy and fuel production (known as well-to-wheel). In fact, any vehicle is climate neutral when running on green electricity or fuelled with renewable fuels.

A diverse approach creates safety nets, securing sustainable mobility and a competitive industry in Europe, without compromising on climate goals.



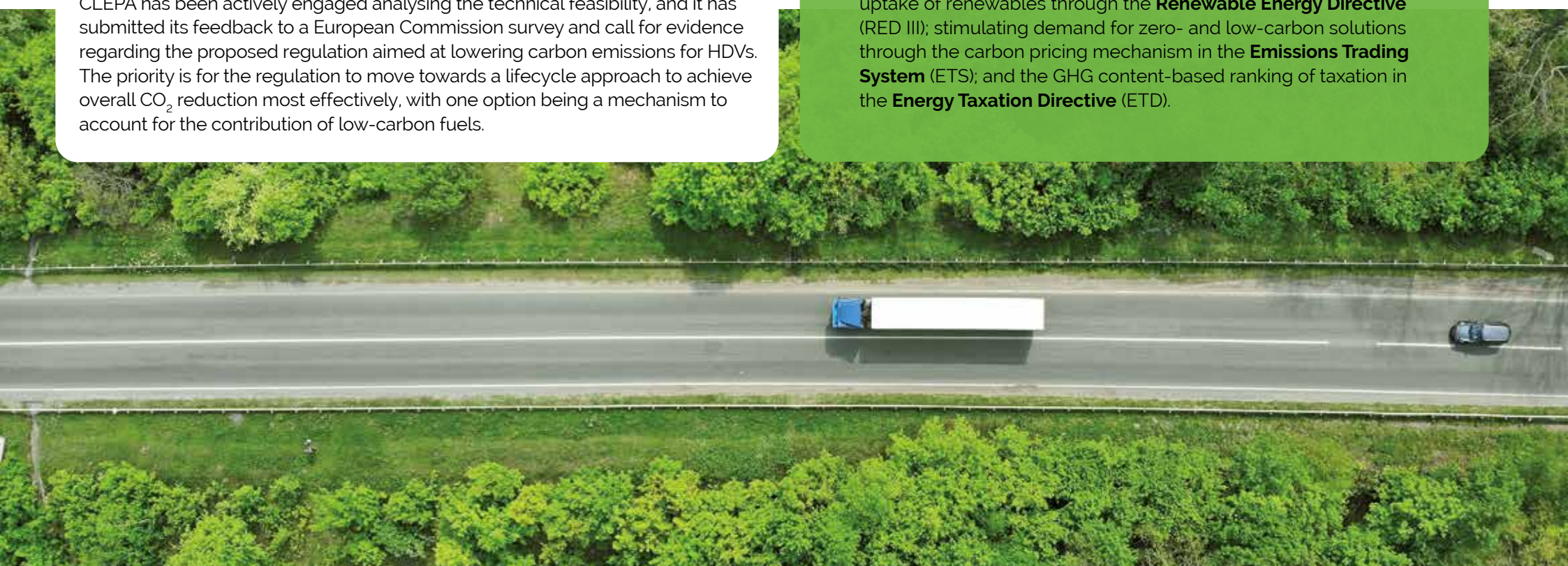
CO₂ regulations for heavy-duty vehicles: CLEPA favours life-cycle approach

The European Commission plans to propose a review of the current CO₂ emission standards for heavy-duty vehicles (HDVs) by the end of 2022. The current standards require most new trucks to reduce their emissions by 15% in 2025, and 30% in 2030. The initiative is meant to support the Commission's goal to reduce greenhouse gas (GHG) emissions by at least 55% by 2030 and achieve climate neutrality by 2050.

CLEPA has been actively engaged analysing the technical feasibility, and it has submitted its feedback to a European Commission survey and call for evidence regarding the proposed regulation aimed at lowering carbon emissions for HDVs. The priority is for the regulation to move towards a lifecycle approach to achieve overall CO₂ reduction most effectively, with one option being a mechanism to account for the contribution of low-carbon fuels.



In both cases, the CO₂ regulation is closely linked with other regulations that are also under discussion: Recharging and refuelling infrastructure through the **Alternative Fuels Infrastructure Regulation (AFIR)**; the **Energy Performance of Buildings Directive (EPBD)**; supporting the decarbonisation of transport, in particular by incentivising the uptake of renewables through the **Renewable Energy Directive (RED III)**; stimulating demand for zero- and low-carbon solutions through the carbon pricing mechanism in the **Emissions Trading System (ETS)**; and the GHG content-based ranking of taxation in the **Energy Taxation Directive (ETD)**.





ACTIVITIES



Intelligence

- December 2021 - CLEPA's Electric Vehicle Transition Impact Assessment
- June 2021 - CLEPA's Employment Footprint Portal



Joint initiatives

- Active engagement with supportive associations from the mobility, road-user, energy and engineering sectors to jointly act in the political debate
- Several open letters to political decision makers, supported by broad coalition of stakeholders
- Involvement in Green NCAP's 'Well-to-Wheel and LCA Task Force'



Events

- Participation in more than 35 external events organised by key stakeholders and media
- January 2022 - CLEPA Policy Event: 'The Sustainable Mobility Transformation – Green AND Just?'
- June 2021 - Panel debate for members 'Accelerating the transition to sustainable and smart mobility'



Advocacy

- Position paper on climate-neutral transport and CO₂ emission standards
- Active engagement with policy makers with more than 40 meetings organised
 - Briefings to members of the European Parliament and advisors, attachés and officials of governments
 - European Commission: Commissioner Valean, Cabinets of Commissioners Timmermans, Breton, Simson, Commission Think Tank IDEA and DG MOVE, DG ENER, DG CLIMA and DG GROW
 - Council: Several workshops on crediting scheme with Member States' representatives, meetings with Perm Reps, including a workshop for Ambassadors and attachés





Euro 6/VI & Euro 7/VII: An optimum balance is needed to address a range of challenges

The upcoming proposal for the Euro 7/VII regulation on vehicle emission standards is expected to be adopted by the Commission in July 2022 and, depending on stringency and timing, will have a significant impact on future vehicle manufacturer portfolios. Meanwhile, the Commission has made publicly available the updated Euro 6 version 'e' for light duty vehicles which will be implemented in three different steps, after the endorsement by the Technical Committee on Motor Vehicles (TCMV), expected later in the year.

The first analysis by CLEPA (ENER CT technical group) identified changes to Euro 6 that indicate a significant impact on the certification cost of plug-in hybrid electric vehicles (PHEVs) and the status of zero- and low- emission vehicle (ZLEV) currently given to PHEVs. In addition to this, other technical points in the new version of Euro 6 will see the conformity factor adjusted, introduction of alternative emissions strategy (AES) signalling, expansion of the boundaries of real-driving emissions (RDE) and references to an alignment with United Nations Regulation 154 - Worldwide Harmonised Light Vehicles Test Procedure (WLTP).

For Euro 7, CLEPA has been engaging in technical exchanges with a variety of stakeholders to provide input from the automotive suppliers' industry to the upcoming regulation. The technical analysis identifies all the possible scenarios with varying stringency that could be adopted in Euro 7 and the impact that the new proposal for Euro 6e, split into three stages, may have on the timeline of Euro 7. CLEPA experts have been advocating to the European Commission (DG GROW) that the regulatory scenario must find an optimum balance between contributing to improved air quality, encouraging innovative technology and affordability and the need to keep things simple whenever possible.



Both files will have a long-lasting impact on the supplier industry and the automotive sector as a whole. The pace of the transition, the flexibility of the regulatory framework and the degree to which policies will foster and embrace innovation, advanced combustion technology, renewable fuels and e-mobility will directly affect our competitiveness in the global market and the livelihood of all Europeans.

ACTIVITIES



Advocacy

- Position paper on the Euro 7/VII: For science-based standards that improve air quality
- Active engagement with technical groups organised by the European Commission



Sustainability policies

Sustainability is at the forefront of suppliers' priorities, aspiring to a minimal environmental impact from design to production. The year 2022 marks an important step for sustainability regulation at the EU level, with three legislative files reaching important milestones:



Taxonomy

Defines which economic activities can be considered **environmentally sustainable**. It applies to suppliers listed on the stock exchange since January 2022 and to most EU headquartered suppliers.



Corporate Sustainability Reporting Directive (CSRD)

It would legally require certain companies to report on a broad range of sustainability issues in a legally standardised manner under assurance from auditors. The file is currently in the final stage of the legislative process.



Corporate Sustainability Due Diligence (CSDD)

It would impose a corporate due diligence duty on in-scope large companies operating in Europe to avoid adverse impacts on the environment or human rights in their value chains. Companies will be furthermore obliged to adopt a business strategy that is compatible with a 1.5 degree global warming target. The proposal from the European Commission is currently being reviewed by co-legislators.

Automotive suppliers prioritise the acceleration of sustainability across the value chain

Together, these files will make sustainability an integral part of running a business. The proposed due diligence directive would impose legal responsibilities on companies deep into their supply chains. In addition to dedicated supervisory authorities, companies would bear civil liability if they do not comply with their due diligence duties. The CSRD and Taxonomy will deliver standardised and audited sustainability KPIs according to which a company will be measured by markets. Sustainability will co-determine competitiveness and CLEPA's voice is crucial to ensure workable outcomes for our industry.

CLEPA has warned policy makers to avoid that the taxonomy distorts the level playing field between vehicle manufacturers and suppliers by making it easier for the assembly of zero-emission vehicles to qualify as sustainable compared to zero-emission component production. As a concrete result, automotive suppliers now have two experts on the independent advising body for taxonomy legislation, the Platform for Sustainable Investment.

CLEPA is warning Member States against European Parliament amendments that would make the CSRD ineffective, such as a proposed requirement to report sustainability information at subsidiary rather than consolidated group level. Furthermore, CLEPA is assessing the proposed accounting standards that would define how companies have to report on sustainability and will provide input into the consultation where appropriate.

CLEPA will advocate significant amendments of the corporate sustainability due diligence directive to improve harmonisation, to legally embed a risk-based approach and to avoid legal requirements that go beyond what companies can influence. CLEPA plays an active role in forging cross-sector consensus in the Joint Association Roundtable on Corporate Sustainability Due Diligence.



End-of-Life Vehicles Directive: Rethinking circularity across the automotive supply chain

Since its adoption in 2020, the new Circular Economy Action Plan (CEAP) has identified vehicles as key products for circularity. One of the key actions for vehicles under the CEAP is the revision of the End-of-Life Vehicle Directive (ELVD), with a view "to promoting more circular business models by linking design issues to end-of-life treatment".

The ELVD, under revision since 2021, is a key piece of regulation for the automotive sector. It provides guidelines and standards for how to handle a vehicle at disposal stage, including targets for reuse, recycling and recovery at EU level. CLEPA has been actively contributing to the revision process, and endorses many of the identified priorities and challenges of the ELV revision. Notably, CLEPA supports specific provisions to ensure that circularity is not hampered by regulatory bottlenecks. Firstly, by having in place a standardised definition of remanufacturing as the restoration of the product performance and not a new bringing on the market. Beyond that, CLEPA supports that, while new substance restrictions should be included in REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals legislation), existing substance restrictions should remain in the ELVD. The risk-based approach should also be followed for regulated substances in End-of-Life vehicles. Important as well that target-conflicts between circularities and material compliance are avoided to the extent

possible: the "repair as produced" principle shall prevail for the sake of extended lifetime and durability of vehicles regardless of new restrictions on substances. There is the risk that actors in the value chain take business decision which block remanufacturing, refurbishment, repair and reuse businesses because of the high change-over burden related to substance bans—or that supply chains are disrupted for essential components for these spare parts.

The European Commission has announced its intention to consider rules on mandatory recycled content for certain materials used in automotive components and to improve recycling efficiency in the context of the ELVD revision. CLEPA has long supported the Commission's vision for a safe and sustainable environment, for example, by having signed the pledge from the Circular Plastics Alliance supporting an EU market for recycled plastics. In that sense, CLEPA members consider design for sustainability as a best practice, to ensure the right flexibility of choices for the industry (e.g. when trade-offs are needed on durability and resistance vs recyclability). In general, CLEPA would favour market-driven incentives for the industry, instead of defining strict quotas which do not reflect the challenges of having sufficient market availability of recycled material with the needed quality (considering e.g. the safety relevance of automotive products).



Batteries: A level-playing field is needed for a competitive European supply chain

The European Commission's Battery Regulation proposal covers the whole lifecycle of batteries with specific provisions for different types of batteries: portable, industrial, automotive and electric vehicles. CLEPA has underlined that the proposed regulation and its ambition for sustainability over the whole battery lifecycle is in line with automotive suppliers' continuous efforts to minimise the environmental impact of their products. However, CLEPA also highlighted the risks of adverse effects such as double regulation, barriers to innovation, unrealistic targets or uncertainty on duties within the supply chain.

In January CLEPA, together with other major industry stakeholders, published a joint position paper addressing the above-mentioned concerns.

CLEPA is also contributing to the Technical Secretariat of the Product Environmental Footprint Category Rules for batteries, which is performing a review of the category rules. The review should be done ahead of the Carbon Footprint declaration proposed in the Battery Regulation, which shall be compliant with the relevant category rules.





Chemicals Strategy: Intensive action plan heralds new era of chemical regulations management

The Chemical Strategy for Sustainability (CSS) is one of the European Green Deal milestones, setting new requirements for materials compliance through 56 legislative actions that directly or indirectly affect major regulations and tools for the automotive industry, including REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals), ELV (End-of-Life Vehicles), and SCIP (Substances of Concern In articles). Beyond that, the CSS brings in new concepts such as the 'essential use' criteria and will set the framework for development of product passports, a Sustainable Product Policy Initiative, and PFAS restrictions. One of the actions of the CSS is the revision of the REACH Regulation. Since REACH came into force, the automotive industry has put considerable effort into implementing the strict requirements for the use of chemicals throughout its complex supply chain, as well as alignment between suppliers and manufacturers, in the EU and abroad. CLEPA has for years acknowledged the importance of REACH for the industry and has been an active stakeholder in the ongoing REACH revision process. Notably for REACH-relevant topics such as the reform of the authorisation and restriction process, and 'essential use' concept, CLEPA has invested in alignment initiatives with other automotive industry associations, from Europe and abroad.

Similarly, on other key topics such as the safe- and sustainable-by-design concept, and the proposal on PFAS restrictions, CLEPA is working together with ACEA, the European association of the automotive manufacturers, to monitor and understand the potential impacts across the value chain.

Remanufacturing sector's contribution to circular economy targets

With a total value of €4.7 billion of remanufactured spare parts sold by suppliers in 2020, the European automotive aftermarket, the world's second-largest after the US, is already substantially contributing to the circular economy targets proposed by the European Commission's Green Deal. CLEPA, together with the consultancy Oakdene Hollins, published a study in October 2021 on the remanufacturing sector where results estimate that more than 800 kt of CO₂ were avoided in 2020, an amount equal to the annual carbon emissions of 120,000 EU citizens. The study included a sector-wide approach for qualifying the CO₂ impact. It calculated the emissions avoided by considering the material retained during the remanufacturing process.





ACTIVITIES



Intelligence

- February 2022 - Zoom-in: Dedicated communication on sustainability policy files
- January 2022 - New CLEPA groups dedicated to sustainability policy files (Corporate Sustainable Policy TF)
- November 2021 - European remanufacturing market study 2021 by Oakdene Hollins
- January 2021 - CLEPA Sector Paper: Keys to a successful implementation of the EU's sustainable financial taxonomy



Events

- June 2022 - CLEPA Sustainability Workshop with Heads of Sustainability within the membership
- May 2022 - 14th edition of the CLEPA Materials Regulations Event, including "Sustainability Day"
- November 2021 - 12th edition of the CLEPA Aftermarket Conference, dedicated to sustainability aspects in the aftermarket value chain



Joint initiatives

- November 2021 - Materials Global Automotive Stakeholders Group (GASG)
- November 2021 - Joined the Technical Secretariat for the Product Environmental Footprint Category Rules (PEFCR) for batteries, currently reviewing the category rules
- September 2021 - CLEPA joins the Advisory Board of supplier's platform Drive+
- October 2021 - CLEPA joins the Responsible Supply Chain Initiative (RSCI)
- Participation in the Circular Plastics Alliance (CPA) Steering Committee



Advocacy

- May 2022 - Letter together with ACEA to request recognition of the automotive sector in the Commission roundtable on the Chemicals Strategy for Sustainability (CSS) to the EC
- April 2022 - Participation in the REACH revision public consultation
- February 2022 - CLEPA Position Paper on Supply Chain Due Diligence
- October 2021 - Participation in the ELV revision public consultation
- July 2021 - Position paper on Batteries Regulation



Smart and New Mobility

Reshaping mobility

Today's automotive industry is defined by digital technologies that make vehicles smarter, roads safer and the transportation infrastructure more efficient. The European Commission has made a range of proposals that are crucial to laying the groundwork for future market trends and paving the way for new services in the automotive technology industry. These proposals are part of the Commission's Digital Strategy for Europe.

Data will play a key role in realising the ambitious goals and the right framework conditions will need to be in place to support the development of new business models. With these aims, the Commission will propose regulation for automotive data as well as new plans to establish a framework for introducing important artificial intelligence-based systems. It will revise its cybersecurity regulations, which will be crucial as digital automotive products and services expand. It is also expected to amend product liability rules, which require updating to include new technologies.

New type-approval rules for the certification of automated-driving technologies are now being developed and will enter into force soon. The Commission also intends to speed up the introduction of intelligent transport systems (ITS).

With demand for automotive semiconductors growing and supply shortages expected to last for another year, the Commission has published a Chips Act, which foresees investment of up to €43 billion in the sector.





Access to in-vehicle data: Advanced data-driven mobility will need a fair and open data market

The rapidly growing number of connected vehicles is expected to represent 30% of all vehicles on the road by 2025. New cars include ever more connectivity-based services such as route planning, system diagnostics and emergency assistance, and more functions are underway. Moreover, software-based automotive technologies generate data that can provide business opportunities by offering new services to consumers or improve upon existing repair and maintenance services.

Addressing this new dimension of digital solutions, the European Commission published its proposal for a Data Act, which aims to facilitate business-to-business data sharing and thus open new opportunities for innovation and competition in the digital space, and to ensure that data-based services can be offered at competitive prices in the mobility services market. The Data Act will have a direct impact on automotive suppliers by allowing users of all connected devices the right to access data generated by those devices and share such data with third parties to provide aftermarket or other data-driven innovative services.

In response to priorities conveyed by CLEPA and other stakeholders, the Commission is additionally preparing a proposal for sector-specific legislation on access to in-vehicle data by the end of 2022. The proposal should also cover access to vehicle functions and resources, the possibility for third parties to send data to the car, and complement the Data Act by addressing the specificities of automotive products and their homologation process. The Commission is currently consulting stakeholders and CLEPA is actively contributing to this process, with the aim to ensure a balanced proposal that protects fair competition in the market of car data-based services.

CLEPA continues to advocate on the urgency of putting forward a specific proposal on access to in-vehicle data and resources as early as possible so that legislative negotiations may conclude before the end of the European Parliament's term in 2024.



SOCIAL BENEFITS OF IN-VEHICLE DATA

- Traffic flow improvement**
Advising on safest route, avoiding traffic jams
- Vehicle monitoring**
Reporting on maintenance and efficiency
- Emergency assistance**
Automatically calling emergency services in case of accident
- Automatic payment**
Speeding up processes in parking or tolls
- Travel comfort**
Personalising services and entertainment for passengers

CLEPA
EUROPEAN CONFEDERATION OF LEASING AND FINANCING ASSOCIATIONS



ACTIVITIES



Intelligence

- Input provided to public consultations and workshops
- Active role of the Telematic group in the evidence gathering
- EATA: Public policy guide to connected and automated driving in Europe
- Position paper on Access to in-vehicle data



Events

- June 2022 - CLEPA Aftermarket Conference had a special focus on utilisation of in-vehicle data and the future relevance of dataplaces
- November 2021 - MOVE LONDON. Panel discussion: Advances in Autonomous – what the future holds and what it means for global mobility
- June 2021 - Workshop on Vehicle Technologies for Connected, Cooperative & Automated Mobility



Advocacy

- More than 10 meetings organised with representatives from European Commission, Parliament and Council
- Chairing of EATA, automotive and telecoms alliance
- April 2022 - Meeting with experts from the Czech Perm Rep
- February 2022 - Participation at a High-Level Meeting on Connected and Automated Driving (HLM-CAD) under the patronage of France's Council Presidency
- October 2021 - CLEPA and an alliance of stakeholders met with Industry Commissioner Thierry Breton
- July 2021 - Top executives met with Executive Vice-President of the European Commission Margrethe Vestager



Artificial intelligence: Ensuring a balanced and dedicated regulatory framework for automotive applications

Automotive suppliers play a leading role in the development of connected and automated vehicles. Artificial intelligence (AI) applications are becoming more commonly integrated in vehicles. Automated driving is the best-known example of this, but a broad range of other applications are also being introduced. These include improved vehicle safety and comfort functions, advanced driver-assistance systems, better connectivity and infotainment, predictive maintenance, and other previously unavailable benefits. To raise awareness of these applications and highlight the benefits of AI for the mobility of the future, CLEPA in 2021 launched the social media campaign #saferdrivewithAI.

Underlining its strong commitment for Europe to become a pioneer in AI legislation worldwide, the European Commission released its proposal for an AI Act in 2021. The text is now in the hands of the EU's co-legislators: the Parliament and the Council. In this context, CLEPA is in regular contact with policy makers, stressing the need for a coherent regulatory framework that considers the already extensive regulatory framework ensuring the safety of vehicles and automotive systems. CLEPA works with the co-legislators to ensure that AI-related technical requirements for automotive products be implemented into the existing vehicle type-approval framework, rather than duplicating certification, testing, and market surveillance.

In parallel, CLEPA is also active in the UNECE, where work has started to develop guidance on the definition of AI in relation to vehicles.



ACTIVITIES



Intelligence

- Position Paper on Artificial Intelligence
- Social media campaign #saferdrivewithAI



Automated vehicles: First European type-approval regulation for safety assessment

The European Commission's group on automated and connected vehicles is finalising the first type-approval regulation for the safety assessment of automated vehicles that will allow manufacturers to sell limited series of robot taxis, fully-automated shuttles, as well as urban-chauffeur services and automated valet parking.

Many of CLEPA's proposals on the safety assessment concept and verification methods have been included in the planned regulations and the aim is to adopt the new rules in mid 2022.

CLEPA has repeatedly highlighted, including in response to the recent public consultation, the need to allow more flexibility for the manufacturer in the validation of the acceptance criteria, the importance of different metrics and methods for demonstration of safety performances, the need for an option to use private test facilities, and the importance of respect for confidentiality and data security. CLEPA also calls for an increase of the limited series volumes.





ADAS: New global type-approval regulation on advanced driving assistance systems

Separately, the United Nations working group on Automated and Connected Vehicles (GRVA) is developing a new international regulation for the type-approval of advanced driving assistance systems (ADAS) that would clearly differentiate them from the AD functions that are addressed under another UN regulation. These new rules aim to cover various use cases, function variations or combinations of functions by addressing them in a consistent approach, without prejudice to existing ADAS requirements like advanced emergency braking systems (AEBS).

The new regulation will provide a safety envelope of minimum requirements for any ADAS—especially the ones currently not regulated—and combinations of ADAS, while introducing a generic approach to the ADAS performance assessment. The aim of the group is to adopt the new regulation in early 2023.

CLEPA involvement in Smart Mobility technical groups

Technical-Political

- UN WP.29
- UN WP.29/GRVA
- UN WP.29/GRSG
- UN WP.29/GRE
- UN WP.29/ITS
- UN WP.1
- UN WP.1/GEAD
- EU HLM Ethicals AV
- EU MVWG

AD

- UN GRVA FRAV
- UN GRVA VMAD
- UN GRVA VMAD SG1
- UN GRVA VMAD SG2
- UN GRVA VMAD SG3
- UN GRVA VMAD SG4
- EU MVWG ACV
- EU JRC Technical WG
- EU CCAM WG4
- OICA GEVA
- OICA CLUSTER 1
- OICA CLUSTER 3
- OICA ITS
- EuroNCAP AD *

Infrastructure

- EU CCAM WG3
- ACEA/CLEPA
- RadioRegulations WG

ADAS

- UN GRVA AEBS M1/N1
- UN GRVA AEBS HCVS
- UN GRVA ALKS R157
- UN GRVA TF ADAS
- UN GRSG VRU-Proxi
- UN GRSG FVA
- EU TRL/GSR DDAM
- EU TRL/GSR ISA
- EU TRL/GSR AEB
- EU TRL/GSR ELK
- EU MVWG GSR/TRL
- EU MVWG ACV
- OICA GEVA ABS M1/N1
- OICA GEVA AEBS HDV
- OICA R79 strategy
- OICA/CLEPA B1 hands off
- OICA/CLEPA VRU-proxi
- EuroNCAP ADAS (AFB/AES, OSM, VTA) *

Data

- UN GRSG/GRVA
- DSSAD/EDR
- UN GRVA CS/SW
- UN GRSG virtual key
- EU MVWG TF cyber/ATD
- EU CCAM WG5
- EU CCAM WG6
- OICA CLUSTER 2
- OICA CLUSTER 4
- ACEA/CLEPA CS



ITS: Updated regulation to speed up Intelligent Transport Systems services

Aiming to accelerate the deployment of Intelligent Transport Systems (ITS) services, the European Commission launched a proposal to revise the 2010 ITS Directive. In the strategy, the Commission identified the deployment of ITS as a key action in building a connected and automated multimodal mobility system, combining new developments such as Mobility as a Service (MaaS) and cooperative, connected, and automated mobility (CCAM).

CLEPA supports the Commission's intention to speed up the deployment of ITS services, but would welcome some improvements to the text, and is currently reaching out to the EU co-legislators with suggestions. In particular, CLEPA would like to guarantee that industry stakeholders are properly consulted during the drafting of delegated acts, as well as to ensure a coherent approach to the regulation of advanced driver-assistance systems and their specifications.

CLEPA is very supportive of the principles outlined by the proposal with regards to continuity of service, interoperability, and backward compatibility, which are of utmost importance because they provide legal certainty and ensure that safety-related applications can be operated over long lifecycles.

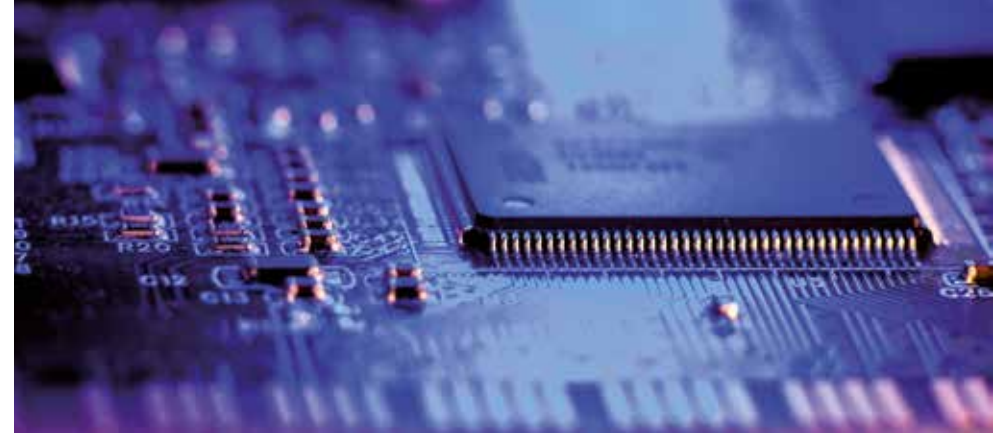


Chips: The mobility transition needs a solid strategy on semiconductors

In 2021, the shortage of chips delayed the production of as many as 10 million vehicles globally. Chips play a crucial role in the performance of today's cars and a successful European industrial strategy recognises the strategic imperative for public investment in the semiconductor ecosystem. With an increased demand on chips from automotive, there is a need for an ecosystem approach that builds on the strengths and needs of the automotive industry. The European Commission published its proposal for an EU Chips Act in early 2022, providing a framework for public and private investment of up to €43 billion earmarked for R&D, chip design and semiconductor manufacturing as well as a supply chain intervention toolbox for possible future shortages.

The European Parliament and Member States have started the political review of the proposed EU Chips Act. Despite a common sense of urgency, adoption by the first quarter of 2023, which is the target, will be challenging. CLEPA supports the investment framework, but member states will need to follow up with investment commitments and the intervention toolbox needs revision.

CLEPA will continue advocating for a swift implementation of a robust EU strategy on semiconductors, while calling for a revision of the proposed far-reaching supply chain intervention powers. CLEPA agrees with the Commission proposal that public authorities could play a role in increasing supply chain transparency in a future crisis, but warns against public authorities playing a role in allocating production capacities to certain sectors.



ACTIVITIES



Intelligence

- January 2022 - Policy guide for an EU Chips Act that strengthens supply chains and builds on automotive's global innovation leadership
- June 2021: Semiconductor manufacturing and supply chain resilience



Advocacy

- Meetings with European Commission (DG GROW)



Liability rules to be updated to reflect new digital reality

Artificial intelligence (AI) and other new technologies pose challenges to existing pieces of EU legislation. In particular, liability rules need to be adapted to better reflect the new digital realities and ensure that consumers can properly be compensated for defective products. In the second part of 2022, the Commission is expected to propose a revision of the Product Liability Directive (PLD), which sets fundamental principles for national laws on liability and damages. In addition, the Commission is also considering proposing a specific strict liability regime for artificial intelligence.

While CLEPA welcomes the much-needed revision of the PLD to better take into account changes brought to products and services by digitalisation, it urges the Commission not to fundamentally change the basic principles underpinning the Directive, which remain sound and balanced. Existing product liability rules provide a framework that allows for a robust exchange of information and data that will be crucial to the development of an EU-wide market for autonomous vehicle technology. An updated PLD should broaden the definition of "product," which would allow for product liability claims related to traditional as well as new automotive products.

On the other hand, CLEPA believes that introducing a special liability regime for AI would have negative consequences for already-highly-regulated and well-functioning sectors like automotive. AI does not present any new unique and insurmountable problems for claimants in cases relating to automated or autonomous vehicles. Adding an AI strict liability regime would make litigation more time consuming and complicated than it needs to be, causing a significant burden on judicial resources, and unclear product responsibility.

ACTIVITIES



Events

- February 2022 - Participation in a Workshop organised by the European Commission (DG GROW)
- January 2022 - Submission of the replies to EC public consultation



Advocacy

- Several meetings with the European Commission (DG GROW)



Cybersecurity: Ensuring a comprehensive but coherent regulatory framework for the automotive industry

The first EU-wide law on cybersecurity, the Network Information Systems (NIS) Directive, came into force in 2016 and helped achieve a higher, and more even level of security of network and information systems across the European Union. The rapid digital transformation of society, intensified by the COVID-19 crisis, has now expanded the threat landscape. The Commission proposal for a revised Directive ("NIS 2") expands the scope of the current NIS Directive and strengthens security requirements for companies by imposing a well-defined risk management approach. It also introduces more precise provisions on the process of incident reporting. Furthermore, the Commission proposes that individual companies be required to address cybersecurity risks in supply chains and supplier relationships. The EU's co-legislators came to an agreement on this revision in May 2022, which includes automotive suppliers in its scope as "important entities" subject to certain obligations.

The Commission is also preparing a piece of horizontal legislation, the Cyber Resilience Act, to ensure a high level of cybersecurity for digital products and related services. CLEPA supports the Commission's objective and believes that promoting the cybersecurity of products will help to mitigate potential vendor losses and have a positive effect on the economy, provided the measures are appropriate, risk-based, and flexible enough not to hinder innovation. However, the new legislation will need to take into account existing legislation for the automotive sector to avoid duplication or conflicts. CLEPA is reaching out to the Commission to explain how automotive companies and products are already covered by requirements from the NIS 2 Directive, the Radio Equipment Directive, and UN regulations on cybersecurity and software updates.



ACTIVITIES



Events

- June 2022 - Feedback to public consultation on a Cyber Resilience Act
- Joint ACEA/CLEPA group on Cybersecurity
- Participation in Motor Vehicle Working Group (MVWG)



Advocacy

- May 2022 - Priorities on NIS2 shared with relevant MEPs



Growth and Competitiveness

Striving for technology leadership

Global vehicle production in 2022 will, for the third consecutive year, stay below pre-pandemic levels but the automotive sector is investing strongly in R&D.

Automotive suppliers, recognising the need to boost their competitiveness and embrace new technologies, are Major contributors to mobility evolution. The global automotive supplier community invested more than €30 billion in research and innovation in 2021, despite strong economic headwinds, and high investment is expected to continue.

Those investments focus on the technologies that will be crucial for the mobility of the future. They include battery technology, electric vehicles, automotive semiconductors, connectivity, and sustainability solutions across all systems.

European suppliers, like their counterparts worldwide, have been affected by global supply chain shortages that were triggered by the COVID-19 pandemic and are now aggravated by the war in Ukraine.

CLEPA is actively supporting suppliers in their strategies to boost their supply chain resilience, while at the same time continuing to operate in an open, global automotive market. In Europe, upskilling and reskilling programs upgrade the competitiveness of companies transitioning to new product portfolios. Partnerships speed up innovation. And a range of projects, many spearheaded by the European Commission, foster the development of new cutting-edge automotive technologies.



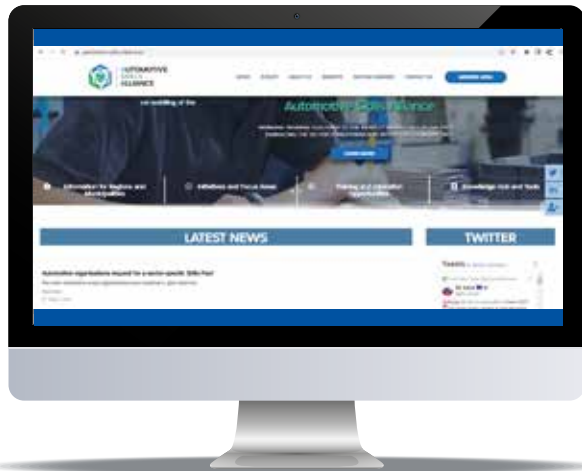
Skills: Supporting the sector's social transition

In 2020, the European Commission launched a shared engagement model for skills development, the Pact for Skills. This initiative aimed to prepare the European workforce for the momentous technology transformation now in progress.



Several organisations representing the automotive value chain, CLEPA included, joined forces and launched the Automotive Skills Alliance (ASA). This initiative, which emerged from the EU-funded project DRIVES, aims to create an up- and reskilling framework that maximises industry competitiveness, solidifies job retention and provides new job opportunities. The Alliance has been created to ensure a continuous, pragmatic and sustainable cooperation on the skills agenda in the automotive ecosystem, supporting the transformation of skills needs, while also contributing to post-COVID recovery.

The Alliance currently counts over 90 partners from regions, industry and academia that are already working on the practical implementation of up- and reskilling programmes in key regions. They do so by developing pilot projects that make use of the financial mechanisms available at the national and regional levels. CLEPA is supporting the dissemination activities, as well as securing the opportunities for suppliers.



Industry transformation: Transition pathway for the mobility ecosystem

In response to the European Commission's vision for the transition of the mobility ecosystem, several organisations representing the automotive value chain conveyed their own vision in a '10-point action plan for a resilient, innovative, sustainable and digital mobility ecosystem'. The plan envisions employees and consumers at the heart of the automotive industry transformation. Moreover, the environmental and digital implications of the Green Deal should be key pillars of the transition pathway. The vision also takes into account the recent supply chain disruptions caused by COVID-19 and the war in Ukraine. CLEPA coordinated the dissemination efforts and communication roll-out of the joint '10-point action plan'.





Improving the resilience of the European supplier sector

The competitiveness of Europe's automotive industry depends on its integration in and deployment of a global supply chain. Hence, the global economy needs to remain open for investment and trade policy should enhance access to markets for both sourcing and export.

Supply chain disruption is one of the biggest worries in the auto industry and CLEPA has been proactively advocating to support the resilience of automotive suppliers. Working closely with other stakeholders, CLEPA has identified various options to overcome the challenges, protect the economic value of the supplier sector and strengthen the overall mobility ecosystem in times of great difficulties.

Over the past period, several policy files have focused on safeguarding the supply chain, including the automotive sector transformation—viewed from the social perspective—, the global technology shift, the increase in production costs and access to materials as well as available financial mechanisms. Priority has been given to securing supplies and stock materials in the EU, the need to protect smaller companies—also in terms of price competition—and the need to develop policies that build on existing strengths and are innovation-driven. A robust industrial policy could help address global supply chain risks and counteract distortions of the level playing field in critical areas of value creation, notably semiconductor technologies.

Currently, there is an extreme need to balance cost increases and operational efficiencies with greater supply chain resilience. The sector is leaving behind decades of relative stability, which enabled an integrated supply chain, for a situation that brings high volatility, inflation and compromised models of sourcing, delivery and planning.

CLEPA has been advocating for dialogue as global supply chain uncertainties increase, calling for a partnership approach to sustain the mobility ecosystem, making it fit for purpose also in the future.

ACTIVITIES



Intelligence

- Monthly Market Outlook, reflecting on key issues
- Plaza sessions on supply chain stress
- November 2021 and February 2022 - Bi-yearly Pulse Check survey



Joint initiatives

- April 2022 - Automotive 10-point vision for the transition pathway of the mobility ecosystem
- December 2021 - Joint statement on steel and aluminium tariffs
- October 2021 - Joint statement on Magnesium
- February 2021 - Joint statement on steel safeguards
- Participation at the 4-year DRIVES EU-Project
- Funding partner and dissemination group leader within the Automotive Skills Alliance partnership



Advocacy

- May 2022 - Campaign on [#GreenJustANDResilient](#)
- February 2022 - BNR radio interview on semiconductors shortage
- June 2021 - Paper: Semiconductor manufacturing and supply chain resilience
- May 2021 - Reaction on EU Industry strategy



Trade: Supporting Europe's industrial strategy

The EU's trade policy should be a vital pillar of an industrial strategy aiming to strengthen the resilience of European industry. CLEPA's activity has focused on reminding policy makers of their commitment to an open economy and highlighting the negative role trade defence measures play in exacerbating price pressures in the steel and aluminium market. CLEPA helped bring together a coalition of twelve business associations to urge policy makers to take the needed step to ratify the Mercosur Free Trade Agreement through a public statement and meeting with policy makers. The association furthermore joined 24 business associations in March to make trade policy a priority instrument to strengthen the economic recovery.

Cost relief: CLEPA cooperates in the coalition of downstream users to advocate for the withdrawal of the 25% steel safeguard tariffs, which would represent a significant relief in times of mounting cost pressures. CLEPA furthermore pushes for exemptions to anti-dumping duties, where in the interest of our sector, and was successful in its request for a suspension of anti-dumping duties for flat-rolled aluminium used in heat exchangers, where the Commission decided in October 2021 to suspend the 25% duty for eight months. CLEPA furthermore joined trade associations to call for an official assessment of the impact of the introduction of a carbon border tax (CBAM) on downstream industries.

CBAM: A mechanism designed to prevent carbon leakage

In 2021, the European Commission proposed a measure to prevent the risk of carbon leakage, as part of wider efforts to curb global warming. Called the Carbon Border Adjustment Mechanism (CBAM), the proposal aims to support the EU's climate ambitions, while ensuring WTO compatibility. CLEPA issued a position paper highlighting the need for a more thorough assessment of the impact on downstream industries and the importance of integrating a potential levy on imports in a comprehensive green, industrial policy to help secure carbon neutral steel and aluminium for our industry. The association furthermore stressed the need to ensure compliance with World Trade Organization obligations and proactive engagement with trade partners to address retaliation and protectionism risks.

The CBAM is entering a crucial phase in the legislative process where the European Parliament will likely push to accelerate this work, to bring forward the timeline by which EU industries will be exposed to the carbon price under the emission trading system and may furthermore push to include other products in the scope of the CBAM such as hydrogen. Member states are more closely aligned with the original Commission proposal to introduce the CBAM in a gradual manner over the period 2023-2035.

ACTIVITIES



Advocacy

- November 2021 - Position paper on CBAM



Motor Vehicle Block Exemption Regulation: Supporting competition for repairers

The Motor Vehicle Block Exemption Regulation (MVBER) sets the legal frame that allows parts distributors and repair companies to provide competitive aftermarket services, in direct competition with the vehicle manufacturers' own networks.

MVBR was extended beyond May 2023 to May 2028 earlier this year, after findings showed that an update was necessary to reflect that access to in-vehicle data is likely to be a factor of competition.

CLEPA has collected evidence from members regarding existing limitations of suppliers in spare parts distribution, which were made available to the decision-makers. The association sees this as a positive step, as MVBER has proven to be an effective and appropriate regulation to ensure competition among independent and authorised repair channels.

ACTIVITIES



Advocacy

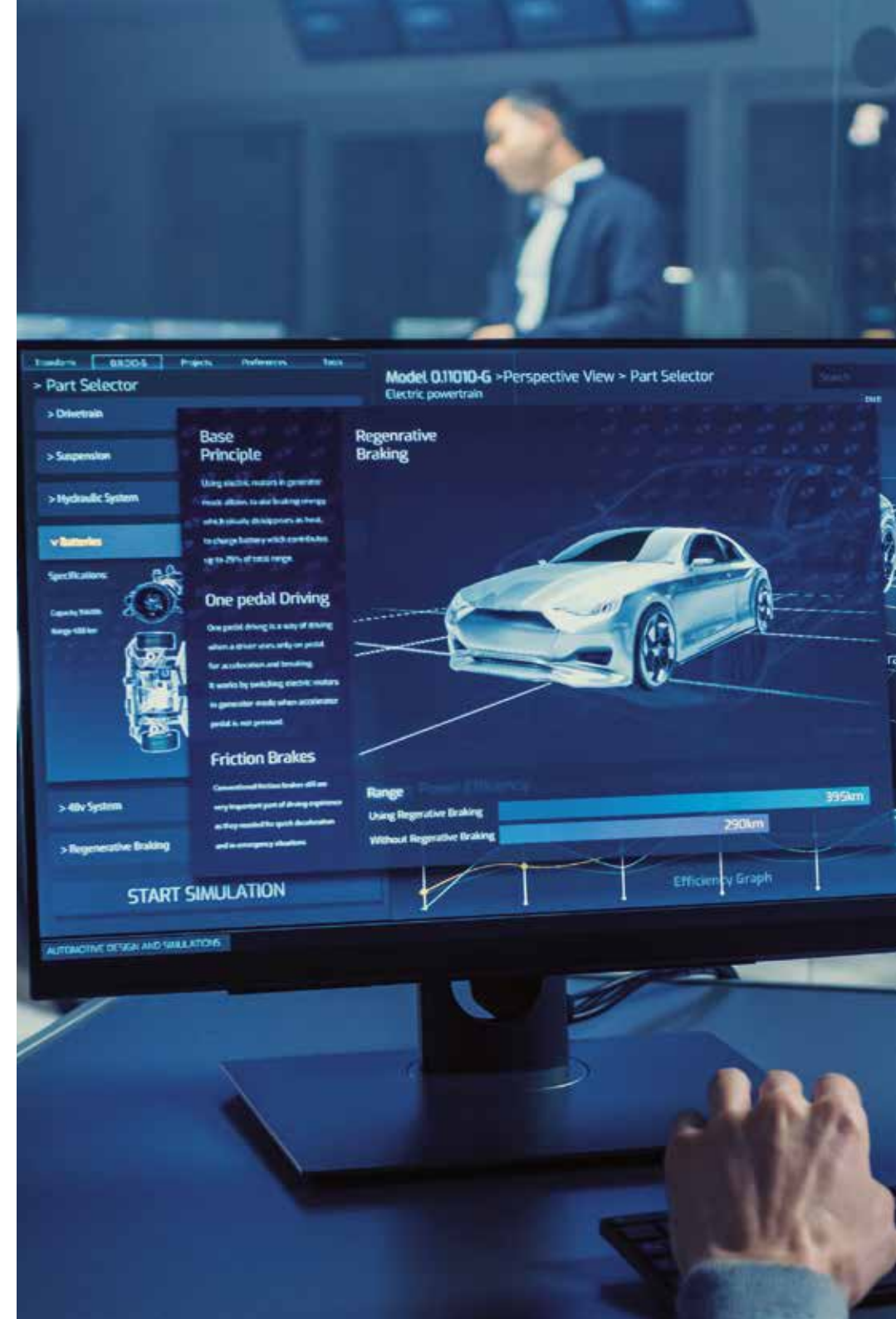
- May 2021 - Report on the restrictions imposed by vehicle manufacturers on aftermarket activities by suppliers.



Standard Essential Patents: Establishing a licensing practice

The automotive industry has accumulated a wealth of experience in patents and innovation, and, in many jurisdictions, automotive companies are the top applicants for patents. The automotive industry, including its supply chain, has long relied on the traditional IPR rules and laws to protect innovation and the ability to obtain licences for typical automotive technologies. However, CLEPA members are concerned that traditional protections for patents are being misapplied in the context of Standard Essential Patents (SEPs), to the detriment of industry, consumers, and innovation. Hence, CLEPA has submitted comments on a Draft Revised Policy Statement under consideration in the US.

CLEPA has established a dedicated task force with the aim to provide arguments and factual examples to further support the CLEPA advocacy activities at the European Commission level on SEPs. Suppliers advocate for a better balance between the interests of SEP owners and those of technology implementers as well as limits on unfair SEP licensing practices.



ACTIVITIES



Advocacy

- Active role in the Expert Group which was established by the European Commission (DG GROW)
- January 2022 - Meeting with the UK Intellectual Property Office
- November 2021 - Joint "Amicus letter" with ACEA and OICA on an expected ruling by the US Supreme Court



Partnerships: Driving research and innovation forward

The European Commission has been supporting the creation of a series of Research & Innovation (R&I) Partnerships between private and public entities to address some of Europe's most pressing challenges through concerted initiatives implemented via the EU's Horizon Europe R&I programme, hence enabling the duplication of investments and the fragmentation of efforts to be avoided.

To ensure that the R&I priorities of its members are well reflected in the respective programmes, CLEPA is deeply involved in several of these R&I Partnership including:



2e ZERO, aiming to achieve carbon neutrality in road transport by 2050



CCAM "Cooperative, Connected & Automated Mobility" targeting European leadership in safe and sustainable road transport through automation



Batt4EU, working to create a competitive and sustainable battery value chain in Europe



Made-in-Europe, driving sustainable manufacturing ecosystems in Europe towards circularity and flexibility.



European Projects: Advancing R&I priorities

CLEPA has been actively involved in a series of European R&I Projects that contribute directly to the advancement of research & innovation in different areas of priority for the automotive supply chain, including:

The **ENSEMBLE** Project, which concluded in March 2022, focused on paving the way for multi-brand truck platooning in Europe. The consortium developed and deployed, in a real environment, a platooning technology agreed between all leading European truck manufacturers. CLEPA's contribution has been fundamental to designing the two platooning levels (including use cases, specifications and requirements) and to create a communication protocol leading to the implementation of platooning functionalities in different trucks. This will help realise smarter, safer and more efficient road transportation in the future. Predictions showed that at least 15% of all trucks from the current traffic volume could potentially benefit from platooning since they are already travelling, in a less safe way, within the distance defined by the ENSEMBLE Platooning Support Function.



LIBERTY focuses on upgrading Electric Vehicle battery performance, safety and lifetime from a lifecycle and sustainability point of view. The aim is to achieve a range of at least 500 km on a fully charged battery pack while halving charging times and ensuring safety, long battery lifetime of over 300,000 km for first life, and sustainability over the battery pack's entire life cycle including the option to reuse the battery pack for second life applications.



URBANIZED is working to introduce modular and flexible solutions for urban-sized zero-emission last-mile delivery and services vehicles. The project aims to develop and demonstrate the next generation of modular vehicle architectures for urban-sized commercial electric vehicles, using the principle of right-sizing vehicles with respect to their mission to optimise their design.



Several recently approved EU projects will also be kicked-off in 2022, focusing on one hand on the eco-design and Life-Cycle Assessment of vehicles and their constituent systems and components (with a specific focus on battery systems), and on the other on supporting the development of connected, cooperative and automated mobility across the complex cross-sectorial value chain with a specific focus on logistics.

In general, the contribution of CLEPA in each project is geared towards promoting the development of common methodologies and contributing to the definition of technical specifications, while supporting the communication and dissemination activities, exchanging information with the CLEPA members whenever possible.



Road Safety

Technology as key enabler for road safety

Safety is a top priority for automotive suppliers and the sector has been a leading contributor of safety technology to the auto industry for decades. The road to zero accidents is a shared societal challenge and technology is playing a major role in delivering solutions that help mitigate human as well as environmental hazards.

Suppliers are investing heavily to deliver vehicle technology and systems that can contribute to reducing the number of accidents, through both active and passive safety systems. Vehicle safety has changed drastically over the years and today's new cars are safer than ever before, protecting not only drivers but other road users, especially the vulnerable ones.

Improvements in technology are complemented by new legislation and many of the safety features listed in the 2019 legislation are now becoming mandatory.



Suppliers' work towards Vision Zero

The revised General Safety Regulation was adopted in 2019 and, starting this year, several safety technologies are becoming mandatory in new vehicles. At a later stage, direct vision for trucks and buses and enlarged head impact zones on cars and vans will also become mandatory. The delay is because of the need for structural design changes.

Among the new technologies that will be part of new vehicles are Autonomous Emergency Braking (AEB) for passenger cars, Lane Keeping Assistance, Tyre-Pressure Monitoring System (TPMS) for commercial vehicles and Intelligent Speed Assistance (ISA).

This regulation is supporting the goals of further reducing road traffic accidents and accelerating the deployment of effective and cost-efficient safety measures that have been developed by suppliers. Partly as a result of supplier innovation, European roads are currently the safest in the world, as illustrated by the latest road safety report issued by the World Health Organization (WHO). According to European Commission figures, 2020 showed an unprecedented annual drop of 17% in the number of road fatalities in the EU compared with the previous year.

The European Commission is also working to deliver its EU Road Safety Policy Framework 2021-2030. Its goal is to halve the number of fatalities and serious injuries on European roads by 2030, as a milestone on the way to 'Vision Zero' – zero fatalities and serious injuries by 2050.

CLEPA fully embraces Vision Zero, aiming to make car-accident fatalities fall to zero in the shortest time frame possible.



European automotive suppliers are key solutions providers when it comes to meeting this ambitious target, constantly advancing and designing innovative safety systems that can save lives of road users worldwide.



Working on a global action for road safety

In September 2020 the UN General Assembly adopted a resolution proclaiming the “Decade of Action for Road Safety 2021-2030”, with the ambitious target of reducing by at least 50% the road traffic deaths and injuries by 2030. In cooperation with the World Health Organisation and other partners in the UN Road Safety Collaboration, the UN have developed a Global Plan for the Decade of Action, which was released in October 2021. This Global Plan describes what needs to be achieved to reach that goal, which includes, among other actions, to ensure safe roads, safe vehicles and safe driver behaviour; and to guarantee timely and effective emergency care. The plan should be used as a blueprint to inform and inspire national and local programmes that are tailored to local contexts, available resources and capacity.



CLEPA, representing mobility-technology suppliers, endorses this plan and has been acting over the years as a reliable partner for the UN in the advancement of road safety. The association is also member of the United Nations Road Safety Collaboration. Many of the technologies underpinning the ambitious traffic safety goals are in production and ever more sophisticated and effective safety systems are being developed. These include promising new approaches such as Human Body Models (virtual humans in a biomechanical sense) and more advanced virtual testing software and tools, as well as completely new protective technologies for driverless vehicles. Global regulations and standardisation processes are needed to ensure a safe, effective and smooth implementation of these technologies, facilitating access to new mobility concepts worldwide.

To facilitate knowledge sharing and information exchange across members, periodic webinars are being facilitated under the UN Road Safety Collaboration Platform (UNRSC), with the purpose to address broader issues that impact the collective work of the collaboration rather than specific technical topics addressed by individual members and focusing on themes related to the UN resolution on improving global road safety (74/299) including the Decade of Action for road safety 2021-2030 and its implementation. CLEPA is preparing a proposal for hosting one webinar in late 2022 to be submitted and approved by the UNRSC secretariat.

ACTIVITIES



Event

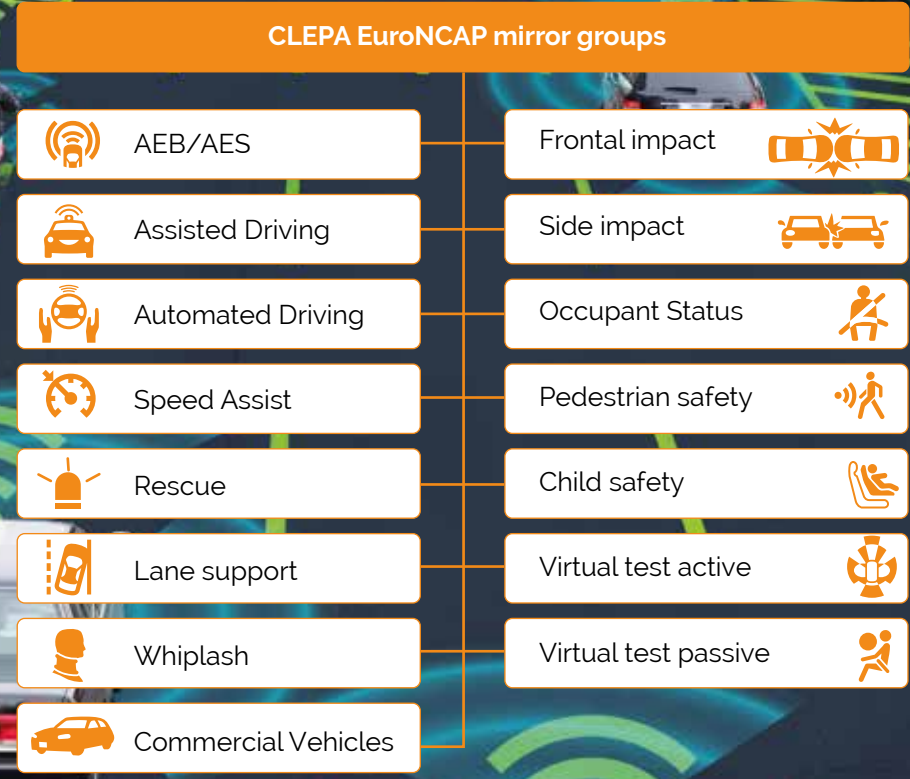
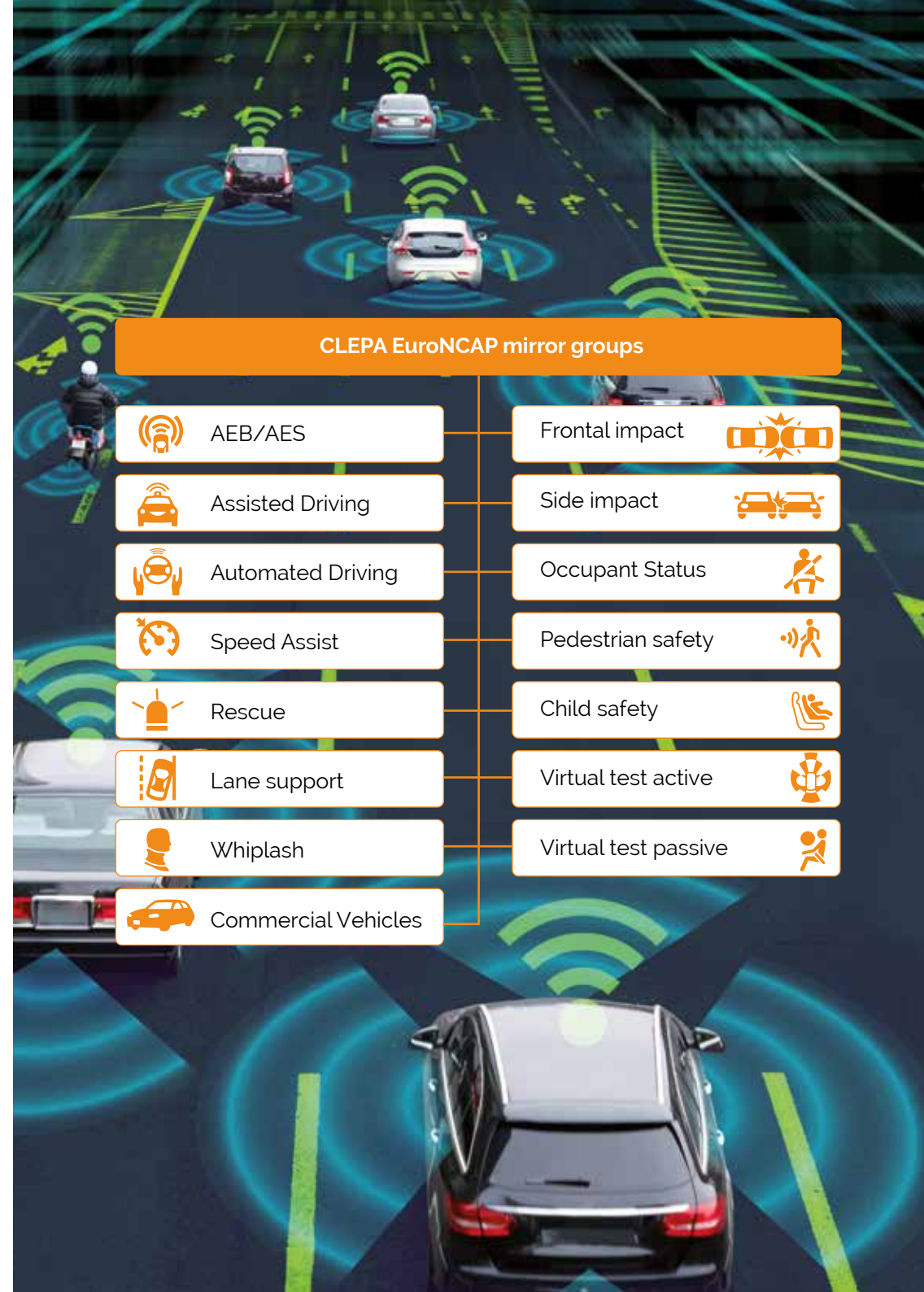
- October 2021 - CLEPA joins the United Nations Road Safety Collaboration (UNRSC)



EuroNCAP: Assessing safety performance for consumers

CLEPA cooperates closely with EuroNCAP, the European safety performance assessment programme for new cars. CLEPA, via its technical "mirror groups", reflects the EuroNCAP structure and workflow. EuroNCAP is finalising its roadmap 2030, which also encompasses assisted and automated driving. In this context, a new V2X (Vehicle to Everything) working group has been started, acknowledging the role that V2X technologies play as an enabler of existing safety functions. EuroNCAP is currently elaborating on Over-the-Air-Update, cybersecurity and data access, and industry will be involved in a later stage.

The recent work has been focused on delivering a first protocol on active safety for commercial vans that will be ready by end 2022. The new heavy-duty vehicles group will be opened to industry soon. Virtual testing, for passive and active safety, is under development and we expect its implementation in the 2025-2030 phase.





Profiling

A main part of CLEPA's mission is raising awareness about the importance of the European automotive supplier industry for the well-being of society. Supplier companies are instrumental in keeping EU economies running and delivering the technologies that will make the future of mobility smarter, safer and more sustainable.

Over the past year, CLEPA has increased its communications about the role of parts and components manufacturers as the driving force behind the green and digital mobility transition, towards policy makers, stakeholders and media. The association has also multiplied its number of connections and outreach globally.

Daily interactions between the CLEPA team and members are now complemented by exclusive membership intelligence services such as an online forum with frequent workshops, an intranet with an extensive repository and regular communications with analysis and comprehensive data for members only.



More than

12

organisations have joined CLEPA since June 2021

Several new

Task Forces

have been launched in the last months, offering members the expertise needed in several areas

Publications

Over the last period, CLEPA has significantly increased the volume of content made available for both external audiences and members of the association.

Having started providing periodic reports on the evolution of the global supply chains during the pandemic, the team regularly puts together thorough analysis on last-minute topics and urgent matters directly impacting the industry. This regular production of the Members' Bulletin, the Zoom-In, or the News Flash, among others, have consolidated the value of CLEPA's member-focussed publications, being now highly appreciated by the membership as trusted sources of information.

Externally, the voice of CLEPA is sound and recognised. The association has several periodic publications targeted at stakeholders, media, and policymakers, but also disseminates statements responding to topical developments affecting the industry. CLEPA is also more present on social media channels, where the association finds a space to comment and engage with topics that are on top of the EU's political agenda.

BOOST OF STRATEGIC PUBLICATIONS:

▶ **CLEPA Market Outlook:**

At the beginning of the year CLEPA releases a special newsletter with a data overview anticipating the trends that will define the months ahead, that is shared with media outlets. On a monthly basis, the association sends members a market update compiling the most recent figures relevant to our network.

▶ **Automotive Suppliers' Data Digest:**

With the aim to provide media with industry facts and figures regularly, CLEPA has recently launched the Data Digest, which includes intelligence gathering R&D volumes, evolution of the market, etc.

▶ **19 CLEPA Press Releases:**

CLEPA statements were often picked up by outlets such as the Financial Times, POLITICO or Euractiv.

▶ **Secretary General's Editorial:**

Every month, CLEPA's Secretary General Sigrid de Vries publishes a column reflecting on latest developments and the political landscape, from which media often picks up quotes.

▶ **CLEPA Newsletter:**

Gathering the most relevant news items under the key areas of focus of the organisation, every month the CLEPA Newsletter is distributed among a wide range of subscribers: from members and stakeholders to policy makers and media.

▶ **5 Position Papers, 2 Sector Papers:**

Complementing the advocacy work dedicated to the drafting of technical papers, some of the content is made available to a wider audience, providing further context with infographics and detailed information, being distributed with its own communications plan.

POLICY, SECTOR PUBLICATIONS AND REPORTS:

Highlights



Top tweet

With over **7,580 impressions**, our top tweet linked to the Financial Times' exclusive article on the results of the EV Employment Impact Study in December 2021



Top LinkedIn post

CLEPA's "thank you" note to participants and those who supported the organisation of the CLEPA Policy Event in January 2022 ranks as our top post on LinkedIn, with over **4,720 impressions**.



CLEPA Website

During the last's 12 months, CLEPA's website received **79,758 unique visitors**. The publication of the Electric Vehicle Transition Impact Assessment study on 7 December 2021 registered the highest daily peak, when the website recorded **1,086** visitors in a single day.

Top website content:

1. CLEPA Materials Regulations Event 2022
2. Electric Vehicle Transition Impact Assessment
3. List of CLEPA members

Top website articles:

1. An Electric Vehicle-only approach would lead to the loss of half a million jobs in the EU, study finds, published on 6 December 2021
2. Russia-Ukraine: Crisis poses great risk to global supply chain, 4 March 2021
3. CLEPA Innovation Awards – Showcasing the future of mobility, October 2021

MEDIA RELATIONS

The association actively works on media relations. Over the last period CLEPA has seen an increase in the number of media requests and has contributed to more dynamic content:



Kick-off of Media Briefings

With a first edition in December 2021 linking to the launch of our EV Employment Impact Study; Leveraging the visit of CLEPA's President to Brussels in March 2022



Regular exchanges with a network of journalists

In communication with key contacts in Financial Times, POLITICO or Euractiv



Regular invitations

By Dutch national BNR Radio and other outlets to share views of the industry



Increase of dynamic content

Participation in podcasts, video interviews, fireside chats by Automotive Management, Automotive News Europe, IHS Markit, etc

Campaign 'Driving a Sustainable Transformation for All'

Following the launch on the EV employment impact study, on December 2021, a dedicated communication campaign **#GreenANDJust** was launched. This included a media briefing focused on Brussels-based correspondents and journalists, complemented with a coordinated media effort between CLEPA and its national associations, leading to further dissemination of the study results as well as the helping to raise awareness on the employment risks and opportunities.



The study's key findings have been reflected **over 1,000 times** since its launch in different media outlets across Europe and globally, including key media outlets such as Financial Times and Politico.

Member Services

CLEPA has been increasing its efforts to provide flexible and targeted services to its members, reflecting on the current changing environment. As part of its efforts, the association has been addressing the different needs from its membership by adapting its portfolio of activities, while strengthening the relationship with dedicated efforts for membership engagement, retention and uptake.

Member area: The place to be for members

CLEPA Member Area is the go-to source of information for members, and includes information on the available publications and recordings, meeting calendar, upcoming events as well as dedicated space for each of the working groups.

Plaza: Consolidated forum for information exchange



With more than 22 sessions organised in the last year, the Plaza sessions are a consolidated forum to learn and exchange on relevant information for automotive suppliers. The sessions

covered both policy and market-related topics, including information on legislation around the green and digital priorities, market intelligence on supply chain management, production forecast and technology and energy trends, among many others.



CLEPA groups: Responding to members' needs

New groups have been created to respond to the fast-changing environment, mainly in the form of Task Forces, that are open to all CLEPA members. Several of the new groups created are focusing on sustainability priorities (EU CSR policy, Battery PEF and battery waste and Life-Cycle Assessment), market access (Standard Essential Patents, Motor Vehicle Block Exemption Regulation) and energy-related topics (hydrogen).

Artificial intelligence

Climate Neutrality in Transport

MVBER

Motor Vehicle Block Exemption Regulation

SEP

Standard Essential Patents

Battery PEF

Product Environmental Footprint

Battery Waste

LCA

Life cycle Assessment

EU CSR policy

Corporate Social Responsibility

Brake emissions

Hydrogen



CLEPA Foresight Forum: Discussing the future of mobility

This new group, that will kick off its activities in Q3 2022, will provide an open, more agile format to discuss the future of mobility and transportation and the respective key technologies and policy requirements, while also offering the opportunity to engage with other key stakeholders and external experts on topics agreed by the members.

Think-Tanks: Consolidating thought-leadership

CLEPA has been developing a new 'think-tank' format to provide a forum for open, strategic technical discussion on a series of key topics in the transport and mobility sector, with the aim of providing value-add to members through thought-leadership.

The topics discussed thus far were Hydrogen and Advance Driver Assistance System (ADAS) in the aftermarket sector, evaluating a wide range of key issues, including the development of technologies and infrastructure, the need for innovation and cooperation between different stakeholders, and the potential for market opportunities in Europe and around the world.

Intelligence and market analysis: Data-based decision making

To evaluate the risk on the mobility transition, CLEPA commissioned the 'Electric Vehicle Transition Impact Assessment' focusing on the powertrain employment dimension. The study, launched in December 2021, weighs different market scenarios to assess powertrain employment and value-add impact of electrification across the EU and individual member states along the automotive

supply chain to 2040. The study, conducted by PwC Strategy&, focuses on a mixed technology approach, the current electric vehicles-only approach proposed by the European Commission's Fit for 55 package, and a radical EV ramp-up. All three scenarios assume accelerated electrification to meet climate goals.

The study was followed by an extensive communication campaign that was reflected in European-wide media coverage.

This exercise complemented the previously launched Automotive Employment Footprint Portal, a virtual tool to present the findings from over a dozen independent studies analysing the impact of electrification on the sector, evaluating the impact on the workforce based on the market uptake of different electrification technologies across the value chain. The Portal shows the risks and opportunities that arise from the uptake of electromobility and how this correlates with the impact on the workforce.

Pulse Check survey: Consolidated industry outlook indicator

This exercise, which CLEPA organises in cooperation with McKinsey twice a year (February-September), includes dedicated questions on supply chain resilience, ongoing supply chain disruptions, semiconductor shortages and preparedness on major trends such as electrification and digitalisation. In addition, the survey includes the regular questions on business climate, profitability expectations, cash management and corporate sustainability. The first edition for 2022 focused also on sustainability initiatives, supply chain challenges and specific issues such as taxonomy and the access to skilled labour and reskilling.

Events

CLEPA actively engages with decision-makers and stakeholders by participating actively in key policy and media events. The association also creates opportunities with dedicated events for industry and related stakeholders.

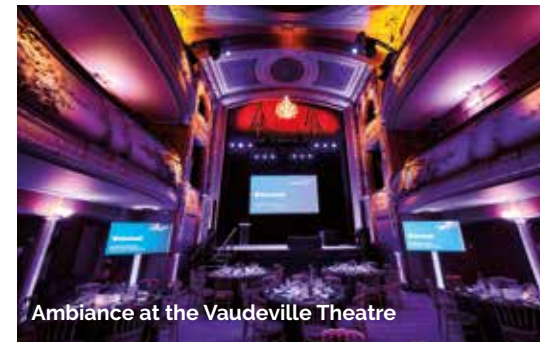
Innovation Awards: Prime competition in the automotive supply industry

With the aim to support and recognise the outstanding achievements from automotive suppliers, every year, the CLEPA Innovation Awards invite organisations from across the mobility ecosystem to share their latest and greatest efforts in innovation excellence.

With a revamped concept launched in 2022, the CLEPA Innovation Awards acknowledge great achievements in the European automotive supply industry in two mobility domains: Smart & Safe, and Clean & Sustainable. With more than 90 applications received during the 2022 call for proposals, the winners will be announced during the gala planned for the 13 October 2022 in Brussels.



Nominees and winners of the 2021 edition



Ambiance at the Vaudeville Theatre



From left to right: Harald Proff (Deloitte), Thorsten Muschal (Faurecia, CLEPA), and moderator Jennifer Baker

In the last 12 months, CLEPA has been participating in more than

40
policy-focused
events

10
media-led
conferences

15
industry and
trade events



Sigrid de Vries (CLEPA) during her opening remarks





Aftermarket Conference: Europe's leading aftermarket conference

After two successful virtual editions, Europe's leading automotive Aftermarket Conference was again celebrated in person in June 2022. With more than 200 participants, the event focused on connectivity, data places and mobility use cases, showcasing how different market players have already started creating the ecosystem for the utilisation of in-vehicle data. This will be regulated with the Data Act proposed by the EU Commission, that has provided further guidance on a potential regulatory framework for a data economy in Europe.

Materials Regulations Event: Prioritising sustainability across the value chain

The CLEPA Materials Regulations Event 2022—the leading EU conference in the field—brought to light how the topic of sustainability is currently shaping the automotive supply chain. Adapting to this dynamic space, the event included a 'Sustainability Day', dedicated to the latest policy priorities in terms of sustainable financing, investment and reporting. The 14th edition of this annual conference, held in May 2022, counted more than 250 virtual participants and focused on key legislation End of Life-Vehicles (ELV) and the Chemical Strategy for Sustainability, as well as cooperation among stakeholders that work to facilitate the global adoption of initiatives and tools related with sustainability, as well as on materials & substances policies.

Policy Event: 'The Sustainable Mobility Transformation - Green AND Just?' highlighting the social risk of technology bans

On January 2022, CLEPA organised a policy event to discuss the social dimension of a technology transformation that relies only on a full electrification approach. With more than 300 participants, the event provided a platform for a compelling exchange of views by key stakeholders, bringing together a high-level panel, with representatives from across the mobility ecosystem, to delve into the challenges and opportunities stemming from the mobility transition for European regions, businesses and citizens alike.

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- Communications
- Governmental Affairs
- Market Affairs
- Operations
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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 directly employ 1.7 million people in the EU.



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