

»» Corporate Responsibility Overview



The Issue

To be successful today, the automotive industry and its supply chain partners must contend with heightened expectations from a range of stakeholders on complex corporate responsibility issues:

- A plethora of governmental regulations, in the United States and globally, affect the use and management of chemicals in the production process.
- Legislation requires companies to disclose the use of “conflict minerals,” and determine if they originated from mines under the control of armed groups in Central Africa.
- A growing number of regions, countries, and non-governmental organizations throughout the world require companies to report greenhouse gas emissions, which also factor into financial firms’ assessments, stockholder decisions and customer perceptions.
- The increased globalization of automotive production makes understanding and managing the impact of working conditions on business a greater challenge.

What We Do

We bring our members together and work collaboratively to develop solutions to these and other common corporate responsibility (CR) challenges they face, from improving global working conditions and reducing greenhouse gas emissions, to sourcing materials throughout the supply chain in a way that respects human rights..

AIAG understands the range of CR issues affecting the automotive and related industries, and we stay on top of changing conditions and expectations. Using this intelligence, and our unique position at the nexus of multiple industries and companies, we develop the insights, trainings and tools our members need to operate responsibly—and profitably.

How We Do It

Our corporate responsibility work is guided by a CR Steering Committee, which is facilitated by AIAG and comprised of senior staff volunteers from our member companies, including Chrysler, Delphi, Ford, General Motors, Honda, Nissan, Toyota, TRW and Volvo Car. The Committee, along with its Advisory and Working Groups of members and subject matter experts:

- Promotes responsible business practices throughout the automotive industry, including the complex supply chain;
- Serves as a resource for domestic and international CR issues and expectations;
- Develops innovative solutions and tools, through collaboration between OEMs and suppliers, that enhance corporate responsibility stewardship, education, efficiency and effectiveness; and
- Conducts awareness symposiums and conferences, as well as technical training and workshops.

AIAG’s corporate responsibility initiatives include:

Developing a Responsible Supply Chain for Conflict Minerals

The term “conflict minerals” describes certain minerals such as gold, wolframite, cassiterite, columbite-tantalite and their derivative metals (which include tin, tungsten, tantalum and other compounds) sourced from mines under the control of violent forces in the Democratic Republic of Congo or the surrounding countries. Tantalum, tin, tungsten, gold and their compounds are used in numerous automotive components with various applications.

New U.S. legislation requires all publicly traded manufacturing companies to report annually to the SEC whether they use conflict minerals. The intention is to cut the funding to armed groups that commit violent human rights violations.

The automotive industry fully supports the intent of this legislation and is investigating ways to ensure that the parts and assemblies in vehicles and products, regardless of where they are assembled or sold, do not contain conflict minerals.

A new tool, developed by and for automotive companies, can help you source responsibly and comply with conflict minerals reporting requirements. For more information, please visit www.ipoint-systems.com/en.

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Managing Chemicals in Products and Production

We keep member companies abreast of existing and emerging regulations on the use and management of chemicals in the production process and provide an assessment of their impact. And by joining with other industry groups to develop common processes and tools that allow for greater proactivity and increase the efficiency of regulatory compliance, we minimize the cost to all member companies.

Improving Working Conditions

Understanding and managing the working conditions impacts of business has become a greater challenge with the increased globalization of automotive production, and developing responsible working conditions begins with having a shared understanding of the key issues up and down the supply chain. Working with Chrysler, Ford, General Motors, Honda and Toyota, AIAG created a joint statement to provide guidance on key working conditions issues: child labor, forced labor, freedom of association, harassment and discrimination, health and safety, wages and benefits, and working hours.

Driving Greenhouse Gas Reduction

This is an important first step in environmental sustainability. To help the industry and its supply chain work collaboratively to meet voluntary reporting expectations for greenhouse gas (GHG) emissions, AIAG is working with its member companies to develop a common GHG emissions calculating and reporting process. This system will allow OEMs and suppliers to calculate and report emissions from the supply base in a consistent and accurate manner, eliminating duplicative reporting requirements, and creating cost savings for member companies. The lessons learned and processes implemented for GHGs will set a foundation for other elements of environmental sustainability (i.e., water, wastes).

Environmental Sustainability

AIAG's Environmental Sustainability Initiative was created to establish standards and definitions for reduction strategies in GHG, Energy, Water, Waste and Air Emissions. The development of comprehensive environmental metrics will support the basis for competitive industry benchmarking data.

Members Currently Involved

- Chrysler Group LLC
- Daimler AG Deloitte & Touche LLP
- Ford Motor Company
- General Motors Company
- Nissan North America
- TRW, Inc.
- Visteon Corporation
- Volkswagen Aktiengesellschaft
- Volvo Car Corporation

Collaborations

- AIM-Progress
- EICC-GeSI
- Global Reporting Initiative (GRI) Organizational Stakeholder

Get Involved

Benefits of engaging with AIAG on CR initiatives include:

- Stay abreast of existing and emerging regulations.
- Collaborate with other effected industries to develop solutions.
- Increase the efficiency, and reduce the cost, of regulatory compliance.
- Get clear direction and expectations for you and your supply chain.
- Learn best practices—and acquire management, monitoring, and reporting tools—to improve supply chain compliance on a range of issues.
- Maintain your reputation as a good corporate citizen by joining leading companies that are taking a proactive approach to CR issues.

3.3 million
total jobs dependent on
suppliers

Contact Us

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