

## Insights from ECG: steering sustainability in European automotive logistics and beyond

By Ilkhan Ozsevim | 20 October 2023

**Automotive logistics leaders prioritise action over measurement for carbon emissions at ECG conference. Regulatory support, tech diversity, collaboration, trust key for long-term success.**

The Association of European Vehicle Logistics (ECG) conference held in Copenhagen this October, saw an interesting panel discussion from key players in automotive logistics. The panel discussion, “steering sustainability,” looked into the challenges and opportunities of several major organisations including Toyota Motor Europe, Mosolf Group, Smart Freight Centre, UECC and the European Commission.

Sat before a record number of attendees, the ECG panel discussion opened with reference to the now-famous quote by UN Secretary General, António Guterres, “the era of global warming has ended; the era of global boiling has arrived.” But for automotive logistics, the situation surrounding carbon reduction projects is not quite as dire as Guterres suggests, but undeniably pressing.

If auto logistics companies believed that we had passed the tipping point, no sustainability efforts would be made to mitigate or reverse the current climate emergency. And as we know, major carbon-cutting efforts are underway, with various innovative solutions being deployed across the vehicle logistics world, effectively reshaping the way the entire sector operates.

### **The measurement problem: achieving action despite imperfect emissions data**

One of the striking commonalities among the speakers was the precedence of action, over what we will call ‘the measurement problem.’ The complexities inherent in the shifting machinery of vehicle logistics, as well as the diverse approaches to reliably measuring carbon emissions with any accuracy, could produce a fatalist approach. But the unifying theme among the experts on the panel was ‘there is no time for that,’ and that action must prevail.





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Jean-Christophe Deville, Vice President, Supply Chain, Toyota Motor Europe, emphasised this position, saying, “measurements do not have an impact; action does.”

For automotive logistics, these actions are almost invariably brought about by the deployment of sophisticated solutions, but as the logistical landscape changes, it follows that the solutions must also follow suit. Deville said, “we are going to be at the end of our current solutions soon, which means we are entering new territories. I don’t know how much we will save, or exactly what impact we will have because at Toyota Motor Europe, we focus on action over measurement.”

## **Balancing emissions data measurement against action**

Dr. Jörg Mosolf, CEO, Mosolf Group, a key service provider specialising in automotive systems within the European market, agreed, adding, “the time is here for more action and less talk. If we have the right incentives, I think we can do it.” But Dr. Mosolf qualified his statement by giving weight to sustainability action, while simultaneously underscoring the need and importance of carbon emissions measurement. “We have to arrive at the facts, so we



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have to have measurements.” The Mosolf Group [has partnered with Spectaire](#), a leading technology provider, to implement real-time vehicle emissions monitoring during their operations.

Alan Lewis, Technical Director, Smart Freight Centre, a global non-profit organisation for climate action in the freight sector, said concerning the measurement problem in steering sustainability, that the challenge often arises due to inaccurate and unfruitful comparisons that steer the industry in the wrong direction.

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As someone steeped in data and analytics, he drew on the metaphor that issues arise because “apples need to be compared to apples; and not apples to oranges or even apples to tangerines.” An important point in effective sustainability data analysis as it highlights the difficulties in reliable measurement and therefore contextualisation of the problem.

And then there is the issue of time. In automotive logistics, time is of the essence. The disconnect between measurement and action is subject to time delays, a fact that many organisations can forget when it comes to creating carbon solutions. Lewis, said concerning this problem, “I think the issue is about focusing on



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calculating reports, (which is what we did). Since 2018 we were already looking to shift into action, but it takes time for things to take effect in terms of the industry coming on board.”

## **EU Regulations and industry action in logistics**

Other potential obstructions to achieving sustainability goals can come in the form of divergent objectives, and often manifests in the relationship between regulation and industry. Szymon Oscislowski, Deputy Head of Unit, European Commission, said, “most definitely, regulation should support the industry,” adding, “but it’s important to understand that we don’t have unlimited resources.”

***“But concerning long-term thinking for collaboration - we have to take risks together.”***

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Oscislowski highlights that industry players need to be coordinated towards a singular objective. “This is where EU regulation comes in,” he says. “I see the role of the regulators as putting things on a level playing field to harmonise the industry and show the industry where to focus.”

In terms of the relationship between regulation and industry, Daniel Gent, Energy & Sustainability Manager, UECC, “we are seeing the biggest change in shipping in my lifetime. But what is driving it? demand? - no. Sadly, it’s

regulatory enforcement.

”From an OEMs point of view, I understand the question, ‘what is the point of us throwing money away if this change is coming from the shipping companies?’, but you have to identify the opportunities to see where to monetise. I personally applaud what the EU is doing. We have to ask how we commoditise this emissions generation and we do this by quantifying. You need to engage with the regulator.”

For Dr. Mosolf, the approach is different, however. He recognises the potential impediments that exist from bureaucratic processes to effective industry implementation. He said, “but I am an operator. I’m pragmatic. I want results. So we can’t wait for these regulations.”

## **Which technologies and tools to achieve sustainability goals?**

For some, sustainability in automotive logistics needs to be achieved through specific technologies at the expense of others. But if carbon emissions reductions are to be achieved with any significance at all, the reduction objective should be the primary driver in decision-making, and an array of tools should be at the disposal of the players involved. Gent added, “it needs to be technologically agnostic. We need a mix of technologies and fuel types, and it has to be science-based.



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“The problem in the beginning is that it costs money to have a selection of different fuel types - but it takes time to modify.” Dr. Mosolf agreed, saying, “we are not deciding on one technology. We can go with hydrogen,

electric, diesel, or whatever it takes in order to reduce emissions and have results now.

”But we have to look at long-term planning. We are beginning to see a learning curve. My advice is: just start. We will make mistakes, but we cannot be an excellent logistics provider by doing nothing. We have to work.”

Despite these differences in approach, the ECG conference made it clear that automotive logistics is united in the need to achieve its goal of practical emissions reductions, by any means necessary. For Deville and Toyota Motor Europe, the solution lies in small but ceaseless iterations. “Our philosophy is about changing something small every day as opposed to a major jump at the end.

”But concerning long-term thinking for collaboration - we have to take risks together.

”This means trusting each other and working together in unknown territories. Yes, these are unknown territories - but we have to get there together.”

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