



ACCELERATE ZEV INDUSTRY LEADERS' WORKSHOP



SECTION 1: WORKSHOP BACKGROUND

On October 16th Accelerate ZEV (Accelerate) convened a group of industry leaders, including CEOs and other senior executives, in Windsor, Ontario to discuss the advancement of Canada's emerging ZEV industry. The industry, from mining through to manufacturing, has seen record investment in the past 4 years. However, global markets are evolving swiftly and further integration and development of Canada's ZEV supply chain is not guaranteed.

Political crosswinds, including a scheduled federal election within 12 months in Canada, as well as the results of the November 5th presidential election in the United States add even more complexity to this evolution. Within this context, our summit focused on what will be necessary to continue to build this industry and to connect Canada's mineral supply chains to domestic and North American EV and battery manufacturing.

This summit built on findings from recent Accelerate-led initiatives. In December 2023, Accelerate released [Seizing Canada's Opportunity](#), which captured the insights of 20 CEOs in Canada's ZEV supply chain regarding next steps for industry and government. Four themes emerged from that paper:

- 1** Because Canada is uniquely positioned globally to be relevant in many parts of the ZEV industry, significant public investment should be distributed across the entire supply chain, including in mid-stream sectors that are able to process and refine Canadian natural resources before they leave the country.
- 2** Canada is best positioned if it views the challenge and opportunity before us as one primarily focused on North America. The reasons include the existing critical mass of vehicle production within the USMCA region, the availability of Canada's natural resources, and a growing consensus that the EV sector's heavy reliance on China represents a significant source of both geo-political and supply chain risk.
- 3** What gets measured gets done. KPIs are critical to establishing an industrial plan and to understanding if Canada is achieving what it sets out to do. Such KPIs could include setting targets for Canadian-sourced inputs into North American-produced ZEVs, production-related GHG reductions, or jobs created by the broad ZEV industry.
- 4** Develop industrial planning to not only drive production but to also propel Canadian innovation primarily focused on scaling new technologies that can make the production of ZEVs and their constituent components more sustainable, and thus properly suited to their promise of reducing global emissions.

This was followed by a national consultation, [Building Canada's Next Champion Industry Within North America](#), that Accelerate held from June-September 2024. This consultation yielded 65 responses from stakeholders across the supply chain,

including labour, academia and think tanks. Respondents were asked to offer their thoughts on a series of questions related to shaping a national strategic approach that would grow and fortify Canada's ZEV industry in alignment with North America's broader economic and geopolitical goals.

This consultation produced four key themes:

- 1 The need for a more active and coordinated industrial strategy;
- 2 The need for more investment into EV supply chains;
- 3 Speeding up and streamlining the development of the green economy;
- 4 Leveraging ESG advantages as an economic development tool.

[Read about them here.](#)

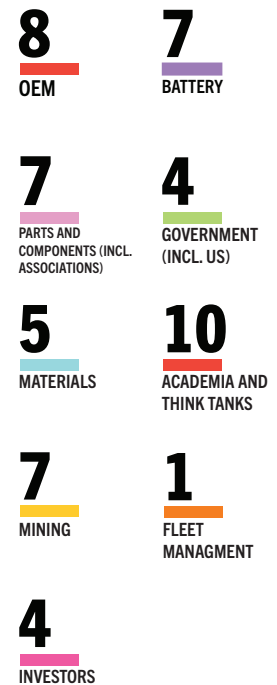
The outcomes from this consultation informed the workshop discussions we held in Windsor this fall.

1. Workshop Makeup



Participants were guided through the workshop by professional facilitators from [Dawson Strategic](#). The workshop included an initial "blank-slate" idea development portion and a section that built on the findings from [Accelerate's online industry consultation](#), carried out this past summer.

The workshop illustrated a clear industry focus on: (i) maintaining the momentum of ZEV industry development, (ii) the need for an active industrial strategy and (iii) government leadership to guide industrial change coherently.



TOTAL:
53
PARTICIPANT ORGANIZATIONS
57 TOTAL PARTICIPANTS



SECTION 2: WHAT WE HEARD

The following captures and distills the recommendations that were surfaced by industry leaders across all major segments of Canada's ZEV supply chain at Accelerate's Windsor Summit.

2.1 Maintaining Momentum

The dominant viewpoint of the workshop was the need for a coherent ZEV industrial strategy. This is further discussed in 2.2. However, a pre-condition for such a strategy to be developed is the sustainment and bolstering of the momentum achieved so far in Canada's ZEV sector. This becomes more difficult during times of political uncertainty and when other issues are competing for attention. Against this backdrop, it is essential to position Canada's ZEV strategy at the intersection of our country's economic, social, and climate objectives in order to sustain and drive political momentum forward. This means that Canada's climate policy can no longer be driven by the single objective of reducing GHG emissions. It must be understood in relation to a number of interlocking objectives such as ensuring economic prosperity, maintaining national security, and advancing reconciliation with Indigenous Peoples. Moving from a policy paradigm focused principally on carbon reduction to one focused on new industrial development and capturing national advantage should involve efforts to:

2.1.1 Forge coalitions of diverse stakeholders (business, Indigenous communities, public organizations) to support the growth of a Canadian ZEV industry over time including by socializing the short and long-term benefits of the sector with Canadians across the country.

2.1.2. Build political consensus by aligning climate goals with challenges on which there is support across the political spectrum, so climate efforts can better survive electoral cycles. This includes:

- ❑ addressing the threat of supply chain domination from autocratic regimes
- ❑ fixing the Canadian productivity crisis
- ❑ advancing reconciliation with Indigenous Peoples

2.1.3. Empower a diversity of actors that can champion the ZEV industry in their respective fields, which should include a range of:

- ❑ economic sectors (mining, critical materials, automotive parts, battery systems, etc.).
- ❑ provinces and territories across Canada
- ❑ levels of government (federal, provincial, municipal, Indigenous)

2.1.4. Work alongside our allies in global initiatives (such as the Partnership for Safe Minerals) that build a safe ZEV supply chain for democracies, which

includes:

- promoting trade and investment among friendly nations
- introducing common global standards (ISO/SCC/CSA)
- forging joint policy responses to authoritarian regimes

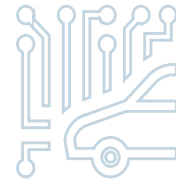
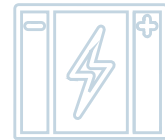
2.2. ZEV Industrial Strategy

All the workshop tables zeroed in on the pressing need for an overarching industrial strategy to guide the development of the ZEV industry. Our country can build on strong foundations to advance this objective. Over the past years, Canada has put in place a number of financial incentives and carbon regulations to drive the transition towards zero-emission vehicles. While these measures are a step in the right direction, they do not, in themselves, constitute an industrial strategy. What's missing is a vision of what success looks like for Canada's ZEV industry and a clear and deliberate strategy to realize it. This is not about picking corporate winners or top-down economic planning. It's about putting in place a framework that will guide the government's decisions to remove barriers to private investment and seize top Canadian economic opportunities. In other words, it's about not losing winners.

This means (2.2.1) prioritizing Canada's key economic opportunities, (2.2.2) setting clear targets for industrial growth, (2.2.3) taking deliberate steps to grow Canadian businesses and (2.2.4) developing a comprehensive workforce development strategy.

2.2.1. Prioritizing economic opportunities

- Identify high-value-added sectors or subsectors where Canada could create comparative advantages, such as:
 - critical minerals mining
 - materials processing (i.e. "the Midstream")
 - battery recycling
 - semiconductors
- Build the North American EV supply chain by:
 - working with the incoming US administration to ensure broader North American strategic objectives are jointly determined and achieved
 - working with our allies – starting with the US – to diversify ZEV supply chains and decouple them from China
- Leverage Canada's ESG strengths in building the ZEV supply chain, through measures like:
 - policy mechanisms (including traceability mechanisms) to incentivize high-ESG Canadian materials over low-ESG materials from foreign sources
 - public branding strategy to create value for Canadian products that are ESG-compliant
 - business models around partnerships with Indigenous



communities

- Fully leveraging our natural resource strengths by:
 - accelerating mining development by expediting projects that are determined to be in the national interest
 - developing targeted financial tools to support investment in critical minerals projects
 - For instance, mitigating the impacts of price volatility and manipulation in global critical minerals markets through price stabilization tools
 - creating strategic reserves of critical minerals

2.2.2. Develop clear government targets

- Create clear, measurable targets for industrial growth with specific timelines and milestones
- Develop economic targets that capture the industry's competitive performance, such as:
 - production levels of certain products
 - number of patents filed
 - lower production costs for specific technologies
- Develop, with industry, targets that give a vision of the place of the Canadian ZEV industry in the North American context (e.g. percentage of critical minerals refined in North American market, etc.)

2.2.3. Deliberately scale-up Canadian firms

- Connect R&D funding with commercialization support to move through the "valley of death"
- Include conditionalities for large multinational projects to use a percentage of Canadian midstream materials
- Develop specialized hubs that reflect regional strengths — these could be based on certain sub-sectors (such as EV battery materials or battery recycling) or certain types of economic activity (such as innovation and industrial production) and would allow for the effective pooling and coordination of regional resources
- Reduce regulatory barriers hindering private investments (such as the lack of uniform standards and uncertainty about the permitting process)

2.2.4 Develop a comprehensive workforce development strategy

- Developing the workforce needed for the ZEV industry is a particularly complex and challenging problem. It is an example of the need for a coordinated government approach (as examined below) that crosses across multiple policy areas, including:
 - retraining existing workers (labour policy)
 - developing new training programs (education policy)
 - attracting the required number of workers (immigration policy)
 - investing in social services and infrastructure to welcome new workers (e.g. housing)

- anticipating the lead time needed for curriculum development and coordinating with industry to prepare for new technologies (innovation policy)

2.3. Government leadership

The above is a series of recommended actions business leaders believe should be taken in order to move this industry forward. However, a robust industrial ZEV approach must go beyond a list of distinct policy instruments. What is also needed are deliberate efforts to evolve policymaking institutions, enabling them to provide consistent support of and direction to the sector.

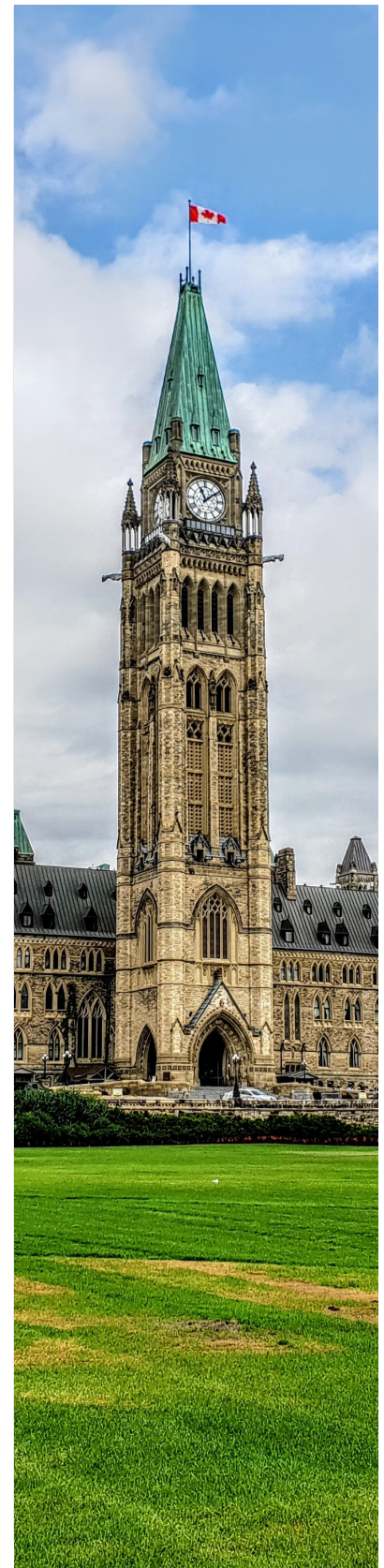
This is not about big government. Rather, it's a matter of finding efficiencies and avoiding fragmentation of public-sector priorities and initiatives. Good industrial policy requires coordination across departments and jurisdictions (federal, provincial and municipal) to ensure that the policy and regulatory landscapes are consistent with structural changes in the Canadian and global economies (are we making what the world will want and need?). This includes two key elements: (2.3.1) adopting a whole-of-government approach and (2.3.2) supporting regional integration.

2.3.1. Whole of government approach

- Create a dedicated office operating astride traditional departments and accountable for coordinating the policy mix for the ZEV industry in Canada. This office would collaborate with industry and other stakeholders to:
 - maximize efficiencies for government and provide the private sector and public stakeholders visibility into the policy-making process
 - provide clarity of accountability regarding progress against policy objectives
 - cluster together policy and file expertise from across the public service and industry
 - break down silos between government departments
 - allow for long-term strategic ZEV industry planning
 - align supply-side measures (e.g. investment tax incentives) with demand-side policy measures (e.g. government procurement)

2.3.2. Regional integration

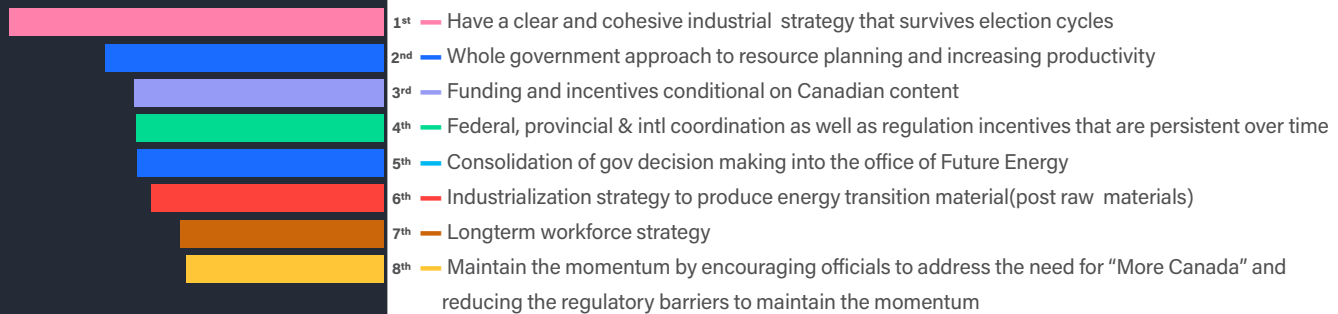
- Building a federal and provincial collaboration structure that leads to or fits within a TEAM CANADA approach
- Pursuing regional production hubs based on strengths that complement each other. This requires close integration with municipal and sub-provincial levels of government to coordinate the use of



regional resources including workforce expertise, infrastructure, geographic and geological resources. Quebec's Bécancour region is an example of such a hub.

Conclusion

Our participants provided a final ranking of the ideas and actions that surfaced through the workshop. This ranking can be found below. The participant discussions, input, written notes, and perspectives were used to develop this report.



It is clear from this workshop and other consultations that the Canadian ZEV industry is ready to propel the Canadian economy forward and to achieve the maximum benefit for all Canadians. With such a complex transition underway and the various sectors that will need to work in concert to develop an end-to-end Canadian electric vehicle supply chain, it is critical that government and industry work together on strategic approaches. Accelerate will continue to carry out our mandate to be a trusted partner to government and industry in this effort.

Accelerate ZEV would like to extend our thanks to all of our workshop participants and those that contributed to our online consultation. We would also like to thank Jeff Phillips and René Drolet for their work to design and facilitate the workshop.

