Automaker Supply Chain Leaderboard - Methodology

1. Overview

The aim of this scorecard, called the Lead the Charge Leaderboard, is to establish a new expectation – and competitive advantage – for what a clean car really is. Not just an EV, but an EV with a just, equitable, fossil-free and environmentally sustainable supply chain.[1]

As the transition to BEVs takes place, eliminating overall tailpipe emissions, it is also crucial to reduce GHG and toxic emissions, human rights risks and impacts on biodiversity and ecosystem resilience throughout the supply chain. This is essential not only to ensure a just transition to EVs but also in order to get ahead of irresponsible supply chain expansion that could potentially undermine the EV transition overall.

This scorecard has been designed to complement rather than duplicate existing EV scorecards. As such, it focuses on companies' EV supply chains, rather than their own operations, given there are other scorecard initiatives on those topics. We note that this distinction is not always clear cut (for example, where auto manufacturers manufacture their own battery cells). As detailed below, this is addressed by designing indicators that are focused on capturing levers that buyers can use to drive change throughout their supply chain.

The following ambitions are built into the scorecard:

- A clean car will not only produce zero tailpipe emissions but will also have a fossil-fuel free supply chain.
- A clean car will have a supply chain with the lowest possible negative impact on biodiversity, natural resources and ecosystem resilience, including by maximising resource circularity.
- A clean car will have a supply chain throughout which human rights are respected.
- A clean car will ensure justice for Indigenous Peoples.
- A clean car will ensure justice for workers.

This is the fourth year that the scorecard has been produced. Following feedback and to develop and strengthen its design there have been some amendments. These amendments are integrated into this document and reference is made where there have been changes.

The first and second editions of the Leaderboard were developed and scored by Pensions & Investment Research Consultants Ltd (PIRC), Europe's largest independent corporate governance and shareholder advisory consultancy. The third and fourth editions of the Leaderboard were refined and scored by Gabriela Quijano and Bowen Gu, independent consultants with expertise in the areas of ESG, sustainability, and business and human rights.

2. Scorecard Design and Structure

The scorecard is presented in three parts:

1. A summary scorecard with percentage scores against key themes to be published on the website and used as a tool by a wide range of stakeholders;
2. A downloadable format with the full set of indicators and more detailed scoring assessment for partners and consumers seeking more background on how scores were derived; and

[1]Note: for the purpose of this scorecard, we are only considering the transition to battery electric vehicles.

3. A comparative analysis of company performance in the form of a written report

The scorecard is divided into the following sections and subsections:

Fossil-free and Environmentally Sustainable supply chains (climate and environment):

- Fossil-Free and Environmentally Sustainable Supply Chains (General)
- Fossil-Free and Environmentally Sustainable Steel
- Fossil-Free and Environmentally Sustainable Aluminium
- Fossil-Free and Environmentally Sustainable Batteries
- Climate Policy Engagement

Human Rights & Responsible Sourcing:

- Respect for Human Rights (General)
- Responsible Sourcing of Transition Minerals
- Respect for Indigenous Peoples' Rights and Free Prior and Informed Consent
- Respect for Workers' Rights

Note: The "General" indicators measure commonalities across the other indicator themes, evaluating overall policies and practices related to supply chain decarbonization, sustainability and due diligence in order to provide a baseline score.

The grouping of the indicators under the Climate and Environment themes is derived from the SBTi report *Value Change in the Value Chain: Best Practices in Scope 3 Greenhouse Gas Management,* namely:

- Disclosure
- Target setting and progress
- Use of supply chain levers

Note: Although the SBTi report is exclusively focused on GHG emissions, their approach to how companies can achieve change in their supply chain is relevant to other environmental impacts. For this reason, we are adopting their structure to include "other significant air emissions", water management, biodiversity and resource depletion, among others.

The grouping of the indicators under the Respect for Human Rights theme is derived from the UN Guiding Principles on Business and Human Rights (UN Guiding Principles), namely:

- Commitment to human rights
- Identify human rights risks in the supply chain
- Prevent, mitigate and account for adverse human rights impacts
- Remedy adverse human rights impacts in the supply chain

The full set of indicators is provided in appendix 1.

As explained in appendix 2, scoring has been weighted towards "implementation" indicators over "policy", "commitment" and "disclosure" indicators.

In addition to the above indicators, the Leaderboard section on the Lead the Charge website also includes human rights and environmental controversies that have occurred over the review period as "red flags" against each company, as well as "green flags" for more recent developments that indicate positive progress (see 6.3.5 for more details). These red and green flags are designed to be illustrative and do not portend to represent a comprehensive list of all controversies / advances.

2.1. Exclusions and future developments

The scorecard is in its fourth year. While the structure and methodology remain consistent with previous years, allowing assessment of year-on-year progress, there have been some important additions and amendments, explained in section 4 of this document.

The scope of the scorecard will continue to be expanded in future iterations to ensure that it remains aligned and up to date with emerging supply chain issues and relevant international standards, frameworks and best practices. Indicators will also be further refined in order to deepen the understanding of company practices in certain key areas, and to better differentiate between the practices of top performers and their peers.

The following issue areas are being explored as additions and/or refinements for future editions of the Leaderboard:

- Collecting product level GHG and environmental data from suppliers.
- Conducting environmental due diligence for steel / iron ore and aluminum / bauxite supply chains.
- Incentives and requirements for existing steel and aluminum suppliers, including key component suppliers, to accelerate GHG emissions reductions.
- Advancing steel and aluminum decarbonization, as well as battery circularity, across multiple production geographies.
- Providing evidence of on the ground due diligence and stakeholder engagement for specific material supply chains (e.g. lithium, cobalt, etc.) and issues (e.g. Indigenous Peoples' rights, workers' rights).
- Collaborative or "joint responsibility" approach between automakers and suppliers to ensure respect for human rights in the supply chain. This includes adjustments and/or additions to various existing indicators to obtain information and evidence regarding automaker's active support to suppliers to identify and address risks, undertake corrective action, resolve issues or disputes as they arise on the ground, and remediate abuses.
- Responsible contracting/purchasing practices, including responsible exit.
- Ensuring robust auditing standards, including information on the identity of auditors, measures to ensure high quality and reliability of audits, the auditing process, participation of rightsholders, and transparency.
- Supplier compliance with corrective action plans, including data about the state of progress in fulfilling corrective action.

- Effectiveness criteria for supply chain grievance mechanisms, in line with the UN Guiding Principles on Business and Human Rights;
- More granular and specific information about the results of supply chain mapping efforts, going beyond the countries of origin of raw materials, to also include major or critical suppliers and their location, as well as mine sites.
- Commitments and requirements regarding sourcing from territories occupied or inhabited by Indigenous Peoples in voluntary isolation, initial contact, or uncontacted, with grater nuance in the sub-indicators to be able to differentiate between companies and recognise those adopting best practices.
- Participation of trade unions and/or workers' representatives in monitoring of workers' rights in supply chains.

These additions and amendments seek to encourage companies to align their policies and procedures with international best practices, disclose greater levels of detail about their due diligence efforts and results, and support their statements with practical evidence.

All in all, the additions and amendments will allow for a deeper understanding of companies' practical efforts to operationalise stated policies and commitments. This will also help companies demonstrate the extent and effectiveness of their efforts to reduce emissions, protect the environment and ensure respect for human rights in their supply chains.

3. Indicator Development

When originally designing the scorecard methodology, we conducted a review of existing benchmarking initiatives, reporting standards and best practice supply chain initiatives to develop the indicators.

We also reviewed current legislative requirements in two of the largest EV markets: the European Union and the United States. It was our assumption that while not all car manufacturers were headquartered in either of these locations, if they wanted to sell into these markets, they would either be required to comply with local regulation and legislation *or* be competing against companies with higher standards.

Where possible, climate indicators were aligned with advice from:

- Science Based Targets Initiative (SBTi)
- Task Force on Climate-Related Financial Disclosures (TCFD)
- Carbon Disclosure Project (CDP)
- International Energy Agency (IEA)
- Global Reporting Initiative (GRI)
- Industry specific indicators or targets, as discussed below.

Environmental indicators were aligned with the following:

- Global Reporting Initiative's Sustainability Reporting Standards
- CEO Water Mandate

- CDP Water Survey
- EU Taxonomy
- UK Government's Environmental Reporting Guidelines[2]
- Accountability Framework
- Science-Based Target Network (SBTN)
- UN's High-Level Expert Group on the Net Zero Emissions Commitments of Non-State Entities
- IFC Guidance Notes

Human Rights indicators were aligned with the relevant international norms, and their integration into existing benchmarking initiatives and guidelines. Including:

- UN Guiding Principles
- UN Guiding Principles Reporting Framework
- OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (OECD Guidelines)
- OECD Due Diligence Guidance for the Responsible Supply Chains of Minerals from CAHRAs
- The Global Reporting Initiative (GRI)
- Corporate Human Rights Benchmark (CHRB)
- World Benchmarking Alliance
- Know the Chain
- Worker-Driven Social Responsibility Network's principles for effective due diligence.

3.1. Related scorecard initiatives

In developing the scorecard and indicators, we considered, but did not adopt, the option of directly referencing the scores from existing scorecard initiatives, such as Greenpeace's Auto Environmental Guide and those published by the World Benchmarking Alliance. Doing so could have leveraged existing work and minimised potential duplication, but would have proven difficult for a number of important reasons.

Firstly, at the time of evaluation, the data from other relevant scorecards was not yet updated with more recently published data and, given the rapid pace of change in the auto industry, evaluating the most up-to-date data was prioritised.

Secondly, referencing existing scorecards would likely have resulted in different approaches for different categories (climate, environment, and human rights), and we determined consistency of the evaluation approach was necessary. Thirdly, given the extent of the existing auto supply chains and the rapidly growing EV supply chain, there were important indicators that warranted more explicit inclusion and categorisation, such as supply chain-specific indicators and Indigenous Peoples' rights indicators.

[2] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/850130/Env-reporting-guidance_inc_SECR_31March.pdf

The only exception to this was InfluenceMap's Automotive Climate Tool scorecard on the climate lobbying record of automakers which was directly integrated into our scoring methodology - see below for further details.

Nonetheless, in developing the indicators, we endeavoured to ensure our approach was aligned and not conflicting with other scorecard and benchmark initiatives, such as those listed above, to ensure consistency across results, which we further validated as part of the company evaluations.

4. Updates and Amendments for the 2026 edition

Best practices and international standards for clean and equitable automotive supply chains are constantly developing. As such, to improve and strengthen the scorecard while also seeking to ensure consistency between years, a small number of additional indicators and amendments or expansions to existing indicators have been made to the 2026 edition of the Leaderboard.

These changes are outlined throughout the rest of the methodology document, but for ease of reference are brought together here. For an exhaustive record of additions and amendments in the 2026 edition, please refer to text highlighted in red within appendix 1.

Fossil-free and Environmentally Sustainable Supply Chains

- Across all four subsections, indicators requiring companies to disclose supply chain data now allow for partial points for companies that disclose such data for part of their supply chain. Previously this was only possible for some indicators.
- The indicator on setting science-based scope 3 emissions reductions targets has been modified for greater clarity and to ensure alignment with current possibilities related to SBTi verification.
- New qualitative and quantitative definitions have been developed for lower emission steel and aluminum; and fossil-free steel and aluminum, which are applied across the indicators in these subsections.
- Decarbonization target setting indicators in the steel, aluminum and batteries subsections have been modified to ensure consistency across all three subsections, with the top scoring threshold now using 2040 as net-zero target year in order to reflect current best practice in the industry.
- The indicators on closed loop systems for steel and aluminum recycling have been updated in order to ensure greater precision and clarity in the scoring.
- The indicators on lithium, nickel and cobalt in the battery subsection have been further refined in order to align them more closely with the OECD Guidelines on Environmental Due Diligence in Mineral Supply Chains.

Human rights and responsible sourcing

- Indicators addressing companies' response to findings of non-conformance have been sub-divided to differentiate between the approach to non-conformance by potential new suppliers (i.e. before sourcing contracts are signed) and existing suppliers.

- A number of indicators on general human rights due diligence and responsible transition minerals sourcing have been adjusted or expanded in order to obtain more detailed information or data about:

    - supply chain grievances, the outcome of remedial processes, and participation of rightsholders in the determination of remedy;
    - information emerging from supply chain mapping, such as major suppliers, country of origin of raw materials, and mine sites;
    - the results of risk assessments of conflict minerals and transition minerals supply chains;
    - direct sourcing agreements with extractive companies, including the name of the extractive companies, relevant minerals, and mine sites.

- Indicators on Indigenous Peoples' rights have been adjusted or expanded to seek information on:

    - involvement of Indigenous Peoples in risk identification processes, as well as examples of this process in practice;
    - specific processes that suppliers must follow to operationalise FPIC requirements;
    - actions to resolve disputes with Indigenous Peoples and address FPIC breaches;
    - involvement of Indigenous Peoples in decisions about how to respond to FPIC breaches, in the design of remedial processes, in the investigation of grievances, and in the determination of remedy.

- Indicators on Workers' rights have been adjusted and/or expanded to elicit greater specificity and/or obtain evidence regarding:

    - salient risks to supply chain workers' rights;
    - involvement of trade union and/or workers' representatives in the elaboration of corrective action plans;
    - cases of remedy for breaches of workers' rights in the supply chain.

4.1 Third-party auditing and accreditation schemes

It is common in various industries to use third-party certifications or similar to set standards for industry actors. However, certifications and assurance processes can vary in multiple ways. A 2022 report from Germanwatch[3] criticised existing voluntary standards, for being "marked by a series of systematic, content-related and methodological shortcomings." Their study concluded that "industry initiatives contribute to very different extents towards implementing due diligence obligations, and … they can never be applied as a sole instrument to this end."

[3] https://www.germanwatch.org/sites/default/files/germanwatch_abstract_an_examination_of_industry_standards_in_the_raw_materials_sector_2022-09.pdf

Recognising the potential limitations of such schemes and given the differing efficacy of third-party certification / assurance initiatives prevalent in the automotive supply chain, during 2023 a methodology was developed to evaluate the robustness of the different schemes. This includes an assessment of the governance of the standard, the veracity and transparency of the certification process, the role of impacted rights holders in the process as well as expectations relating to the content of the standard itself. This assessment is then used to apply a modifier to the respective scores in the Leaderboard related to these schemes, with the aim of raising awareness amongst automakers of the strengths and weaknesses of different schemes, and to encourage automakers to use more robust schemes.

Following the assessment of the initiatives and their respective certification schemes, it remains the case that the use of third-party certifications in indicators' scoring criteria does not constitute an endorsement of that certification, but a recognition of existing certifications in use and their potential role in improving supply chains. Similarly, the inclusion of certifications does not constitute an endorsement of certifications over regulation.

Finally, while some certifications may currently lack broad civil society endorsement, it is also recognized that automakers can and should use their influence and participation to continually raise the standards of such initiatives. It is envisaged that this assessment can be utilised as a tool for automakers to be able to more effectively use their influence as members of third-party schemes to drive up standards and address the shortcomings of the different schemes that this assessment reveals.

The full methodology of this assessment can be found in Appendix 4 and the results can be found in sheet 8 of the Leaderboard dataset.

5. Points Deductions

The disclosure companies provide in their reporting can vary year-on-year. In instances where corporate disclosure reflects regression in transparency, ambition or implementation, points can and will be deducted in line with the scoring criteria. However, if the scoring threshold for an indicator is no longer met as a result of changes in disclosure related to an initiative, process, or program of work that are, or can be presumed to still be, underway (for example, because they are explicitly mentioned or referenced), such as a company's general due diligence processes, investment in a new facility, or an offtake agreement that is still in force, the score will be maintained based on previous recent disclosures.

Points will not be maintained if new or updated information is expected regularly or year-on-year, such as the results of annual risk assessments, or data relating to the practical operation of a grievance mechanism. This is in line with international reporting frameworks, guidance, and legislation which expect or require disclosure of up-to-date information to enable an understanding of a company's performance over the reporting period.[4] As explained by the UN Guiding Principles Reporting Framework, this is important "to provide the reader with general evidence, from within the reporting period, of how each salient issue is evolving and to demonstrate [the company's] ongoing due diligence.[5]

6. Analysis of Company Reporting

Companies have been scored primarily on publicly available official policies and reporting which has received board level sign-off. From the third edition onwards, information from companies' websites can also be used, provided the companies' reports expressly refer to them and provide the relevant link and/or heading. Company documents reviewed included (at a minimum):

- Annual Reports
- Sustainability Reports
- Raw Materials Reports
- Conflict Minerals Reports
- TCFD reports
- Supplier Codes of Conduct
- Modern Slavery Statements
- Human Rights Policies
- Responsible Mineral Sourcing Policies
- Whistle-blower Policies

The cut-off date for information to be included in our analysis was 1 July 2025, however exceptions were made for annual reports (not policies) published after this date. Press releases and similar announcements do not qualify as official board-approved reporting but where relevant, have been included as "green flags" on the Leaderboard's webpage (see 6.3.5 for details).

The companies evaluated were provided with an opportunity to comment on the analysis of their reporting and provide additional information to challenge our assessment of their policies and/or practices. However, this information was only used to revise a company's score if it was in the public domain by the above cut-off date and qualified as official board-approved reporting.

Company controversies are also identified on an ongoing basis via the Red Flags section of the Leaderboard's webpage.

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[4] See, e.g., the UN Guiding Principles Reporting Framework (in particular, Questions B1, C2.2, C2.3, C6.4, C6.5, each requiring fresh information from within each reporting period), https://www.ungpreporting.org/framework-guidance/reporting-principles/ and the EU's Corporate Sustainability Reporting Directive (requiring a description of principal risks each reporting cycle) https://eur-lex.europa.eu/legal-content/EN/TXT/?toc=OJ%3AL%3A2022%3A322%3ATOC&uri=uriserv%3AOJ.L_.2022.322.01.0015.01.ENG ; See also Principle 21 and Commentary, UNGPs, and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, Disclosure Chapter, p. 21-24.

[5] https://www.ungpreporting.org/reporting-framework/management-of-salient-human-rights-issues/assessing-impacts/

Climate and Environment

6.1. Fossil-Free and Environmentally Sustainable Supply Chains: Background

“Clean cars” require more than a reduction in tailpipe emissions that will occur through the transition to electric vehicles. The production of EVs is emissions intensive, and may have other, significant environmental impacts. It is crucial that “clean cars” decarbonise and reduce toxic pollution and environmental impacts in their entire supply chain, from the point of extraction through to final production, as well as recycling and reuse.

Recognising that Scope 3 emissions often represent the largest portion of companies’ GHG inventories, SBTi produced best practice guidance for downstream companies on how they can reduce indirect emissions throughout their value chain.[6] They identify a number of levers whereby buyers can influence their supply chain, we have identified the following as relevant to this scorecard:

- Supplier Engagement
- Procurement Policies and Choices
- Product and Service Design

These levers are also very relevant to how companies can reduce the broader environmental footprint of their supply chain, including achieving improvements in water management, reductions in toxic pollutants, and reducing biodiversity and land use impacts in their supply chain.

6.2. Fossil-Free and Environmentally Sustainable Supply Chains: Areas of Focus

The research identified three areas in which the environmental and/or climate impact were significant, and the materials involved comprised large proportions of a final vehicle’s composition:

- Steel manufacturing
- Aluminium manufacturing
- Battery manufacturing (including minerals extraction and smelting/refining), which is currently lower in overall emissions, but carbon-intensive and rapidly growing

As discussed below in section 7, these areas may also be associated with significant human rights impacts.

Building on SBTi value chain guidance, we have grouped indicators into three groups:

- Disclosure of GHG emissions, “other significant air emissions”, and water management.[7] Note: this establishes the status quo of a companies’ emissions. This is not comparable between companies due to differences in how each company structures its operations and supply chain, and how they are disclosed or not.[8]

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[6] https://sciencebasedtargets.org/resources/files/SBT_Value_Chain_Report-1.pdf
[7] The definition of “other significant air emissions” has been taken from the GRI 305: Emissions Standard.
[8] For example: some auto manufactures will have their own battery cell manufacturing plants, while others won’t.

- Target setting and progress towards fossil-free and environmentally sustainable supply chains: this measures a company's ambition and progress towards that ambition
- Use of supply chain levers to achieve fossil-free and environmentally sustainable supply chains: this measures the policies and practices that companies have put in place to achieve that ambition, for example through tendering practices and supplier agreements / engagement through to extraction.

In measuring company ambition and progress, we recognise that it is not enough to simply decarbonise mineral and metal production. A fossil-free and environmentally sustainable supply chain would also need to reduce the use of primary materials in order to reduce (in addition to the impacts noted above) biodiversity and land use impacts. This is measured through attention to:

- Recycling and increased use of secondary materials, particularly battery minerals, in order to create more closed loop supply chains and reduce continual extraction.

In furthering our assessment of biodiversity and land use impacts, new indicators were developed regarding deforestation and conservation. The additional indicators have been developed in line with other indicators which focus on disclosures, targets or commitments, and how supply chain levers are used.

6.3. Themes: Background, Overview of Indicators and Scoring Methodology

The following is a high level discussion of decisions underpinning the indicators and scoring methodology for each focus area or theme.

6.3.1. Fossil-free and Environmentally Sustainable Supply Chains (General)

These are baseline indicators that apply across all supply chains. They evaluate companies for disclosing aggregate data and targets on emissions (GHG and other significant air emissions), water management and deforestation in their supply chains. This section also evaluates companies' actions to incentivize and/or require suppliers to improve their performance on reducing their climate and environmental impacts, for example through their tender and contracting processes and/or supply chain management practices for existing suppliers. Additional supply chain levers are evaluated under subsections on each individual supply chain, as the more relevant actions for focused engagement may differ substantially between supply chains.

6.3.2. Fossil Free and Environmentally Sustainable Steel

The bulk of GHG associated with the production of steel occurs during smelting. As such, transitioning from coal-based steel production with blast furnaces and decarbonizing the electricity used during the smelting process are critical in creating sustainable steel supply chains for the auto industry. In this regard, automakers have an important role to play in unlocking investments in new, or upgraded, steel facilities that utilise innovative technologies that can move the industry towards fossil-fuel free steel manufacturing.

The indicators in this subsection of the Leaderboard differentiate between two types of decarbonized steel: **fossil-free steel**, which is produced with breakthrough technologies with the potential to eliminate fossil-fuel usage entirely from the production process but are not yet operating at full commercial scale, and **lower emission steel**, which is produced using current steelmaking technologies (e.g. using renewable electricity) to achieve a lower carbon emissions intensity than blast-furnace steel. Some indicators in this subsection allow for automakers to score points by disclosing progress on utilizing either kind of steel whilst others (for example, the indicators on target-setting or offtake agreement) require automakers to disclose actions taken on fossil-free steel specifically in order to achieve the maximum number of points. The qualitative and quantitative definitions for fossil-free and lower emission steel used by the Leaderboard can be found in Appendix 3.

Indicators in this, and the following, sub-section have been structured around the demand signal framework presented in Mission Possible Partnership's Steeling Demand report[9], which illustrates how demand signals from major steel buyers (such as automakers) to steel manufacturers can help unlock investment decisions and bring to market the next generation of breakthrough technologies needed for primary steel to become truly net-zero.

This report puts forwards three types of demand signals that can serve this purpose:

- A direct offtake agreement, which is "actual agreement between a steel buyer and a specific steel supplier, intended to give the steel company the certainty needed to invest in a breakthrough production route and the steel buyer the assurance of access to a particular volume of low-CO2 steel meeting its specifications." Such agreements can take the form of bilateral offtake (or advance purchase) agreement or a direct investment in a company or facility. This type of demand signal is evaluated in indicator 2.3.3.
- A future purchase commitment, which is "a commitment that is not directed to any specific supplier, but instead indicates a willingness to buy low-CO2 steel, to the supply market as a whole." This type of demand signal is evaluated in the target-setting indicator 2.2.1.
- And finally indirect demand signals, which "can be sent by a much broader pool of organisations that operate across complex value chains to indicate a willingness to decarbonise their supply chains and encourage their suppliers to engage in green steel demand." These kinds of demand signals are typically mobilized through buyers' groups and other multi-stakeholder initiatives, such as SteelZero, First Movers' Coalition and ResponsibleSteel, and they are evaluated in indicators 2.3.1. and 2.3.2. Automakers can score additional points by joining all three of these initiatives, which are considered complementary as they target different elements of steel decarbonisation.[10]

Additional requirements have been integrated into the indicator on direct offtake agreements in order to differentiate between advance purchase agreements that are more effective in achieving the purpose of providing a steel company with the certainty needed to invest in a breakthrough production route,[11] namely:

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[9] https://www.energy-transitions.org/publications/steeling-demand/#download-form

[10] SteelZero (2023), *How demand signals work together to decarbonise the steel market: Overview of commonalities and distinctions between First Movers Coalition, SteelZero and the IDDI-Green Procurement Pledge*

[11]

https://www.latitudemedia.com/news/ev-makers-have-the-chance-to-catalyze-the-clean-steel-and-aluminum-markets
https://www.latitudemedia.com/news/opinion-green-steel-evs

- Giving preference to binding contracts over non-binding memorandums of understanding
- Giving preference to contracts for which quantities to be purchased and timelines are publicly disclosed, so as to be able to evaluate and compare the levels of ambition and commitment between automakers.
- Giving preference to purchase agreements that are technology forcing, i.e. are used to support investments in breakthrough technologies that are needed for the steel industry to move towards fossil-fuel free steel production. These technologies have been detailed by the IEA[12] and Mission Possible Partnership[13] and include green hydrogen DRI and iron ore electrolysis. Post-consumer scrap-based EAF production routes powered by renewable energy are also considered here due to the technical challenges of using steel scrap for automotive manufacturing.[14] However, CCUS is not considered for scoring since it is not a technology that can support the transition of the industry away from fossil-fuels.[15]

In order for stakeholders to be able to evaluate automakers' actual progress on decarbonizing the steel supply chains, indicators are also included on disclosing disaggregated emissions from the company's steel supply chain and the quantity of low-carbon steel currently used in the company's production cycle.

Implementing effective means through which to recover and recycle scrap steel is an important consideration for autos in the decarbonisation of steel supply chains. Increasing the amount of secondary relative to primary steel used in the auto manufacturing process reduces the embodied carbon of the BEV, as well as its demands for primary resources (i.e. virgin iron ore).

The IEA Guidance for Heavy Industry has recycling, re-use: scrap as a share of input in steel production as 54% by 2030. As such, the scorecard measures company target setting with regards to recycling. Additionally, the scorecard assesses the extent to which companies are integrating improved recyclability of steel into the design and manufacturing process. Finally, there is additional emphasis on the approach automakers take with regards the closed-loop processes regarding recycling and recovery of steel. A truly closed-loop process should include both pre- and post-consumer scrap. Scorecard indicators on this issue are therefore weighted towards recycling and recovery of steel processes including considerations for post-consumer scrap. Companies will still be credited for closed-loop processes utilising recycling scrap from the manufacturing process, albeit to a lesser extent.

Finally, it is noted that steel production - from iron ore mining through to steel manufacturing - can also cause negative environmental impacts beyond producing significant quantities of greenhouse gas emissions.[16] Automakers use of ResponsibleSteel, a highly regarded multi-stakeholder assurance scheme for the steel industry that includes a range of performance measures on environmental impacts, is included as a way to assess their efforts in reducing these impacts in their supply chain. Future editions of the Leaderboard may include more detailed requirements regarding due diligence measures to identify, prevent, mitigate and account for these broader environmental impacts.

[12] https://www.iea.org/energy-system/industry/steel
[13] https://www.energy-transitions.org/publications/making-net-zero-steel-possible/
[14] See: https://www.transportenvironment.org/articles/cleaning-up-steel-in-cars-why-and-how
[15] See, for example: https://transitionasia.org/explainer-carbon-capture-in-the-steel-sector/
[16] https://edlc.org/wp-content/uploads/2024/04/The-Real-Cost-of-Steel.pdf

6.3.3. Fossil-Free and Environmentally Sustainable Aluminium

Decarbonizing the electricity used to produce aluminium is critical in creating sustainable aluminium supply chains for the auto industry, as indirect emissions from power generation for aluminum production account for 70% of aluminium production's total (direct and indirect) emissions. Fortunately, as the IEA explains, because "about 55% of the power consumed by the industry globally is self-generated rather than purchased from the grid, many of these emissions are within the control of the industry itself."[17] The extent to which automakers are supporting the investment of aluminium suppliers in clean energy sources, such as hydro, wind and solar electricity generation, is therefore a key area that is evaluated across this subsection.

As with the previous subsection, automakers are assessed for their disclosure of disaggregated scope 3 emissions from their aluminium supply chains and of the quantity of low carbon aluminum currently used in their annual production cycle. Indicators in this subsection are also structured around the Mission Possible Partnership's demand signals framework which, although developed for steel decarbonization, is also applicable to aluminium decarbonization.

Mirroring the steel subsection, the aluminium subsection also differentiates between fossil-free aluminium produced with breakthrough technologies and lower emission aluminum produced with commercially available technologies (e.g. using renewable energy for smelting).

In the case of aluminum, breakthrough technologies that need to be brought to market to reduce or eliminate entirely additional direct emissions from primary aluminum production include using inert anodes for smelting, electric or hydrogen boilers, mechanical vapour recompression or concentrated solar thermal for digestion and electric and hydrogen calciners for calcination.[18] As with the equivalent indicator in the steel subsection, CCUS is not considered for scoring here.

Improving recovery and recycling of scrap eliminates much of the energy-intensive production of primary aluminium and is therefore an important consideration for automakers in the decarbonisation of aluminium supply chains, whilst reducing their demand for primary resources (i.e. bauxite). The IEA projects that the combined share of aluminium produced from recycled new and old scrap needs to reach nearly 40% (at least 70% of this from old scrap) by 2030 to meet net zero.[19] There is additional emphasis on the approach companies take with regards to circular economy and closed-loop processes for aluminum, that should include both pre- and post-consumer scrap. As with steel, greater points will therefore be allocated to automakers that can demonstrate progress with pre-consumer *and* post-consumer scrap recycling.

As referenced in the indicator development section above, the scorecard recognises the importance of company participation in initiatives to collaborate with other buyers to incentivise investment in and production of fossil free aluminium at scale, as well as to provide assurances relating to

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[17] https://www.iea.org/energy-system/industry/aluminium

[18] https://3stepsolutions.s3-accelerate.amazonaws.com/assets/custom/010856/downloads/Making-1.5-Aligned-Aluminium-possible.pdf; https://www.iea.org/energy-system/industry/aluminium

[19] "New scrap refers to scrap created during product manufacturing, while old scrap refers to end-of-life scrap. [...] Scrap-based production tends to cost less than primary production, so the key constraint is scrap availability. In 2019, collection rates for aluminium were over 95% for new scrap and just over 70% for old." https://origin.iea.org/reports/aluminium

environmental and human rights impact. The Aluminium Stewardship Initiative (ASI) is an industry-led certification scheme which assesses both human rights and environmental performance. The ASI certification process has been criticised by Human Rights Watch with regards to the robustness of the certification process.[20] Notwithstanding the concerns raised, Human Rights Watch further outlines the potential benefits membership to ASI could have if standards are raised and encourages leading automakers to remain, or become, members and to use their influence to drive up these standards with the ASI. The efficacy of the Aluminium Stewardship Initiative is considered as part of the scorecard's third-party certification schemes assessment.

6.3.4. Fossil-Free and Environmentally Sustainable Batteries

Battery production is a significant source of GHG emissions in auto supply chains. The majority of emissions occur in extraction, smelting & refining stages, with cell manufacturing being a smaller proportion.[21] Further, as with steel and aluminum production, additional environmental impacts can occur at each of these stages in the battery supply chain, including loss of biodiversity, water pollution and tailings. Indicators in this section therefore evaluate automakers' efforts to reduce GHG emissions and other environmental impacts across their battery supply chains, from mineral extraction to cell and battery pack manufacturing.

This subsection of the scorecard focuses in particular on three transition minerals highlighted in the EU Battery Regulations: Nickel, Lithium and Cobalt.[22]

With regards to battery mineral extraction and refining, automakers can also sign direct purchase agreements to unlock supplies of low/zero carbon battery minerals, as they can do with steel and aluminum. Sending indirect demand signals for fossil-fuel free battery production, through the setting of emissions reductions targets specific to the company's battery supply chains, is also considered for scoring in this subsection. Finally, automakers can reduce broader environmental impacts of their battery supply chains by leveraging their purchasing power to drive up environmental standards for battery mineral extraction / refining through direct engagement with extractives companies and multistakeholder initiatives.

With regards to battery manufacturing, a key intervention is utilising renewable energy sources for this process, particularly for the energy intensive cathode/anode and cell production process.[23]

Innovations in battery designs and chemistries can also play an important role in reducing the climate and ecological footprints of EV batteries, in particular by reducing the use of minerals that are more emissions[24] and resource[25] intensive to extract and refine, as is the case for nickel, lithium and cobalt.

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20 https://www.hrw.org/report/2021/07/22/aluminum-car-industrys-blind-spot/why-car-companies-should-address-human-rights

21 Panasonic estimate, CAR MBS 2022 conference: 86% of emissions from minerals, 14% from manufacturing; Tesla estimate, Tesla 2021 Impact Report, p104: 77% of emissions from minerals, 23% from manufacturing

22 https://www.lexology.com/library/detail.aspx?g=a6b6c70b-c571-4841-8b27-d3ab3a0dfd1b

23 https://www.nature.com/articles/d41586-021-02222-1

24 https://elements.visualcapitalist.com/the-carbon-emissions-of-producing-energy-transition-metals-charted/; https://iea.blob.core.windows.net/assets/e75c9a13-3753-4677-933f-c7f9ae38cfdb/EVBatterySupplyChainSustainability.pdf

25 https://www.sustainabilitybynumbers.com/p/energy-transition-materials

New battery chemistries such as lithium-ion phosphate, sodium-ion and metal-sulphur batteries all hold potential in this regard,[26] as do solid-state batteries.[27]

Another core issue that was identified for these indicators was battery supply chain transparency and traceability. The EU Batteries Regulation requires that a battery's environmental footprint be disclosed for the entire supply chain (via a "battery passport") in order to be put on the EU market.[28] Companies are therefore assessed for disclosing this information for their battery supply chains and for joining the Global Battery Alliance, a leading multi-stakeholder initiative that is developing a comprehensive battery passport for the industry.

Finally, battery circularity is also a critical issue - not only for reducing the carbon footprint of batteries but also for reducing demand for battery minerals.[29] The EU Batteries Regulation imposes important requirements on automotive companies with regards to battery recycling, establishing increasingly stringent minimum levels of recycled content for new EV batteries sold in the EU market and minimum thresholds for mineral recovery in battery recycling processes (90% recovery rate for cobalt & nickel and 35% lithium by 2025 and 95% recovery for cobalt & nickel with 70% lithium by 2030).

Automaker performance in this area is assessed on different levels. Firstly, whether automakers have set targets to reduce the quantity of primary sources of battery minerals (lithium, nickel and cobalt) used in their batteries and to increase the recovery rates from their battery recycling processes. Secondly, automakers are investing in R&D to increase the recyclability of their batteries and, through this R&D, are making progress towards achieving the minimum recovery rates mandated by the EU Battery Regulations. And finally, whether automakers have established closed-loop systems to collect, reuse/repurpose and, ultimately, recycle used batteries from their EVs according to a zero-waste hierarchy.[30] Driving innovation in recycling processes that can shift battery recycling away from inefficient and emissions-intensive battery recycling methods based on incineration processes (pyrometallurgy)[31] and towards more sustainable methods is also considered.

6.3.5. Climate Policy Lobbying

An assessment carried out by InfluenceMap (IM), a think tank that analyses corporations' and their industry groups' influence on policy needed to address climate change, found that the automotive sector remains a major opponent of climate policy globally.[32] Given the importance a global 1.5 degree aligned policy framework has in facilitating the decarbonisation of the automotive value chain, for instance incentivising reduction and elimination of fossil fuels in industrial inputs via a

[26] https://www.isi.fraunhofer.de/content/dam/isi/dokumente/cct/2023/abt-roadmap.pdf
[27] https://www.transportenvironment.org/articles/will-future-batteries-be-greener
[28] https://www.europarl.europa.eu/news/en/headlines/economy/20220228STO24218/new-eu-rules-for-more-sustainable-and-ethical-batteries
[29] https://rmi.org/insight/the-battery-mineral-loop/
[30] https://www.no-burn.org/resources/zw-hierarchy-for-batteries/
[31] See: https://leadthecharge.org/resources/ev-battery-recycling-burning-batteries-is-not-the-way-to-go/; https://blog.ucsusa.org/jessica-dunn/how-are-ev-batteries-actually-recycled/ and https://sdgs.un.org/sites/default/files/2022-05/2.4.8-18-Ali-Hydrometallurgy%20for%20EV%20batteries.pdf
[32] https://automotive.influencemap.org/

carbon pricing mechanism, the integration of the IM assessment into the scorecard was considered important. Notwithstanding the extent to which an automotive company's approach to lobbying impacts its overall climate strategy, the scoring is weighted to reflect this evaluation's focus on the climate and environmental impact of the industry's supply chain. Therefore, scores available under the other sections of the scorecard outlined above (supply chains (general), steel, aluminium and batteries) are weighted higher, with the IM scoring integrated using a multiplier. Company overall score for the Climate & Environment section of the scorecard received a positive or negative multiplier depending on the individual company IM score. In addition, IM scores parent companies (e.g. Hyundai rather than Kia). Companies which are part of the same parent company will be attributed the matching scores. It is also worth noting that IM does not currently score China-headquartered automotive companies, some of which are included in the scope of the scorecard. As a result, the IM multiplier for the four companies not currently covered (BYD, GAC, Geely and SAIC) will not be applied.

Using InfluenceMap's Performance Bands (A+ to F), which "is a full measure of a company's climate policy engagement, accounting for both its own engagement and that of its industry associations",[33] the following multipliers have been applied to each company's total score for this section:

- A = 1.3
- B = 1.2
- C =1.1
- N/D = 1 (Per above, companies that have not been analysed and scored by InfluenceMap receive no change in their Climate & Environment score)
- D = 0.9
- E = 0.8
- F = 0.7

7. Respect for Human Rights

7.1. Respect for Human Rights: Background

Under the UN Guiding Principles and the OECD Guidelines, companies have a responsibility to respect human rights, and to seek ways to prevent or mitigate adverse human rights impacts that are directly linked to their business operations, products, or services by a business relationship, even if they do not contribute to those impacts.

To meet this responsibility, the UN Guiding Principles specify that companies must have in place:

a) A policy commitment to meet their responsibility to respect human rights.
b) A human rights due diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights.
c) Processes to enable the remediation of any adverse human rights impacts they cause or to which they contribute.[34]

[33] https://lobbymap.org/page/About-our-Scores
[34] https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf

The indicators have been developed to measure the extent to which companies are managing this responsibility.

7.2. Respect for Human Rights: Areas of Focus

In consultation with NGO partners, we identified three core, salient human rights issues for auto supply chains as the industry transitions to electric vehicles:

- Responsible Sourcing of Transition Minerals
- Indigenous Peoples' Rights, with a focus on Free, Prior, and Informed Consent (FPIC)
- Workers' Rights

We note that many human rights norms also explicitly or implicitly include environmental rights. For example, the UN Committee on Economic, Social and Cultural Rights has been unequivocal that the International Covenant on Economic, Social and Cultural Rights imposes obligations to respect, protect, and fulfil the right to water, which includes the following essential elements:

- Availability – The water supply for each person must be sufficient and continuous for personal and domestic uses.
- Quality - The water required for each personal or domestic use must be safe (free from microorganisms, chemical substances and other hazards that endanger a person's health) and of an acceptable colour, odour and taste.
- Accessibility - Water and water facilities and services have to be accessible to everyone without discrimination.[35]

Similarly, the International Covenant on Civil and Political Rights (ICCPR) recognises:

- the right to freely dispose of natural resources
- the particular rights of 'ethnic, religious or linguistic minorities' to not be denied 'the right, in community with the other members of their group, to enjoy their own culture'.[36]

In addition, the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) includes "Indigenous access, conservation and economic development of water" and "right to conservation and protection of Indigenous lands and resources with state assistance". This includes conservation of biodiversity and protection against adverse impacts such as environmental degradation and pollution.

The importance of guaranteeing the right to a clean and healthy environment was also recently affirmed by the UN General Assembly in its resolution 76/300, which recognizes "the right to a clean, healthy and sustainable environment as a human right" and affirms that "the promotion of the human right to a clean, healthy and sustainable environment requires the full implementation of the multilateral environmental agreements under the principles of international environmental law."[37]

[35] https://www.refworld.org/pdfid/4538838d11.pdf

[36] https://humanrights.gov.au/sites/default/files/content/social_justice/nt_report/ntreport08/pdf/chap6.pdf

[37] https://digitallibrary.un.org/record/3983329?ln=en

While the scorecard does not include environmental rights as standalone categories, nor does it name the full range of civil, political, economic, social, and cultural rights, these are all implicitly included in the generic human rights indicators.

Finally, this scorecard has adopted a broad approach to "just transition". Namely, it considers how the actual and potential adverse impacts of the transition to a fossil-free economy and society are addressed, and how "justice" is delivered to all potentially impacted communities. The themes and indicators outlined below can contribute to a "just transition", both individually and cumulatively, but should not be viewed as a comprehensive definition of how "justice" may be delivered in totality.[38]

7.3. Themes: Background, Overview of Indicators and Scoring Methodology

The following section provides a high-level discussion of decisions underpinning the indicators and scoring methodology for each focus area or theme. The indicators have been structured as follows:

- Generic human rights indicators that apply across all three of the salient human rights issues
- Specific indicators relevant to each of the salient human rights issues

A risk-based approach was taken in developing these indicators and assessing each company against the key focus areas. In other words, the indicators take into account where auto manufacturers had the greatest leverage in their supply chain to effect change *and* the areas in their supply chain potentially exposed to the highest risks.

The indicators have been grouped into four areas, reflecting the guidance provided by the UN Guiding Principles, specifically:

- A **commitment** to respect human rights
- Processes to **identify** salient human rights risks
- Processes to **prevent, mitigate and account for** adverse human rights impacts
- Processes for the **remediation** of adverse human rights impacts

For each area as described above, the scorecard looks at whether there is a policy or process in place. Secondly, it looks at whether the company provides a description, explanation, or further detail about the policy or process in practice; and thirdly, it evaluates quantitative and qualitative data to allow for an assessment of the efficacy of that policy or process.

7.3.1. Respect for Human Rights (General)

These are indicators that will provide a baseline for more specific scoring of transition minerals, Indigenous Peoples' rights, and workers' rights. The indicators look at the company's overall approach (commitment, policies, processes and systems) to responsible sourcing and conducting human rights due diligence across its supply chain.

[38] Examples include but are not limited to:
https://www.industriall-union.org/sites/default/files/uploads/images/FutureOfWork/JustTransition/guide_of_practice_en_web.pdf
https://earthworks.org/wp-content/uploads/2021/09/Just-Minerals-FINAL.pdf
https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_432859.pdf
https://climatejusticealliance.org/just-transition/
https://www.amnesty.org/en/documents/act30/3544/2021/en/

7.3.2. Responsible Sourcing of Transition Minerals

The transition to BEVs requires significant quantities of "transition minerals" like cobalt, nickel, lithium, copper, manganese, and zinc. Some of these minerals are sourced from areas that are characterised by "armed conflict, widespread violence or other risks of harm to people", otherwise known as conflict-affected or high risk areas (CAHRAs).[39] The US and European Union (EU) have brought in specific legislation that imposes supply chain due diligence obligations regarding tin, tantalum, tungsten, and gold (3TGs) from CAHRAs, because of the risk that these minerals finance armed groups, human rights abuses, and corruption.

The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas takes a broader approach. It provides a "framework for detailed due diligence as a basis for responsible global supply chain management of minerals".[40] The third edition, published in 2016, clarifies that this framework is meant to apply to all minerals, and is not limited to tin, tantalum, tungsten, and gold.[41] Indicators in this section have been derived from this Guidance, including the scope of its application to all minerals rather than just just 3TG.

Significantly, the OECD Guidance notes that due diligence is "an ongoing, proactive and reactive process through which companies can ensure that they respect human rights and do not contribute to conflict".[42] The Guidance includes specific recommendations for downstream companies (like auto manufacturers) for conducting this due diligence, recognising that they have the greatest leverage over the supply chain from Tier 1 to smelters/refiners, and that they may have to collaborate with other buyers to drive change in the supply chain. This includes the participation in industry-wide schemes to assess smelter/refiner compliance with the Guidance, introducing "a supply chain transparency system that allows the identification of the smelters/refiners in the company's mineral supply chain through which the following information on the supply chain of minerals from 'red flag locations of mineral origin and transit' should be obtained: the identification of all countries of origin, transport and transit for the minerals in the supply chains of each smelter/refiner".[43] In order to drive change at the level of extraction, companies may choose to enter into binding agreements with mining companies.

They may also join third party schemes. The Initiative for Responsible Mining Assurance (IRMA) is at present the only third-party certification of industrial-scale mine sites for all mined materials that is governed equitably by the private sector, local communities, civil society, and workers.[44]

Companies who only undertake due diligence on their CAHRA supply chains receive lower scores than companies that seek to conduct due diligence on all mineral supply chains.

An important consideration in the responsible sourcing of transition minerals is a responsible approach to managing waste (tailings) from extractive activities. Tailings facilities are designed by extractive companies to store processed waste from mining activities. Mismanagement of these facilities has in recent years resulted in a number of catastrophic collapses, leading to significant loss

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[39] https://single-market-economy.ec.europa.eu/system/files/2021-09/2._what_are_cahras.pdf
[40] https://www.oecd.org/daf/inv/mne/OECD-Due-Diligence-Guidance-Minerals-Edition3.pdf, p. 12
[41] https://www.oecd.org/daf/inv/mne/OECD-Due-Diligence-Guidance-Minerals-Edition3.pdf, p. 3.
[42] https://www.oecd.org/daf/inv/mne/OECD-Due-Diligence-Guidance-Minerals-Edition3.pdf, p. 8.
[43] https://www.oecd.org/daf/inv/mne/OECD-Due-Diligence-Guidance-Minerals-Edition3.pdf, p. 39
[44] https://responsiblemining.net/

of human life. In response to these disasters, the Global Industry Standard on Tailings Management (GISTM) was created with the aim of promoting responsible tailings management. The GISTM has been strongly criticised in how it was developed[45] and as such use of this standard is not used as a framework for assessing performance in this scorecard. The IRMA standard is considered a more robust mechanism in relation to tailings management. Given this, assessing supply chain risks related to mining tailings is not included as a standalone indicator in the scorecard but is evaluated through companies' use of the IRMA standard in their supply chain.

Finally, it is also important to note that one way to reduce the adverse human rights impacts of materials extraction is to reduce reliance on primary materials. Indicators on recycling and reuse are included in the "Fossil-free and Environmentally Sustainable Supply Chains" section of the scorecard.

7.3.3. Respect for Indigenous Peoples' Rights

The UNDRIP was used as the basis for indicator development. The primary focus of these indicators is on respecting Indigenous Peoples' right to self-determination, specifically through respect for their FPIC right in relation to projects and activities in auto-supply chains to be carried out on their lands and territories. FPIC must be understood as a continuous process, allowing for consent to be withdrawn at any time, ensuring that information is continually and proactively provided to meet the baseline for "informed", and involving Indigenous Peoples in key decisions and stages of the due diligence process.

These indicators also recognise that while the primary risks to FPIC are at extraction sites, they may also occur at other points in the supply chain where operations are adjacent to or on Indigenous lands. As such, auto manufacturers may need to adjust their supplier codes of conduct and collaborate with other buyers in order to signal the importance of FPIC to upstream suppliers. For example, the Initiative for Responsible Mining Assurance (IRMA) invites "purchasing companies" to express an interest in sourcing from IRMA assessed mines, even if they haven't fully mapped their supply chains to the source of extraction.[46]

7.3.4. Respect for Workers' Rights

The ILO Declaration on Fundamental Principles and Rights at Work identifies five fundamental principles and rights:

1. freedom of association and the effective recognition of the right to collective bargaining;
2. the elimination of all forms of forced or compulsory labour;
3. the effective abolition of child labour;
4. the elimination of discrimination in respect of employment and occupation; and
5. a safe and healthy working environment.[47]

[45] Credibility Crisis: Brumadinho and the Politics of Mining Industry Reform (2021)
[46] https://responsiblemining.net/what-you-can-do/purchasing-companies/
[47] https://www.ilo.org/declaration/lang--en/index.htm#:~:text=the%20elimination%20of%20all%20forms,safe%20and%20healthy%20working%20environment.

Companies are scored on their commitment to these principles, and whether adherence to these principles is required of their suppliers.

In addition to these core rights, we have scored companies on whether they have a commitment to a living wage in their direct operations and supply chain. The ILO defines a living wage as:

- "the wage level that is necessary to afford a decent standard of living for workers and their families, taking into account the country circumstances and calculated for the work performed during the normal hours of work;
- calculated in accordance with the ILO's principles of estimating the living wage;
- to be achieved through the wage-setting process in line with ILO principles on wage setting."[48]

A living wage may be greater than the legal minimum wage.

Beyond a commitment to and recognition of the relevant unions, companies should seek a positive relationship with the relevant trade union as a core part of their processes to prevent, mitigate and remedy workers' rights abuses, up to, and including, forced labour.

Trade unions can provide greater legal protections and support to workers who are seeking to raise issues with management. Often, vulnerable workers will only raise issues with independent organisations with which they have developed a relationship of trust (i.e. their union), and where that independent organisation is able to act on the workers' behalf. Vulnerable workers are less likely to use reporting mechanisms operated by an entity that has either the power to hire or fire them, or to cancel a contract under which they work.[49] Workers' representatives are referenced alongside formal trade unions not as an alternative to trade union engagement, but in recognition that trade unions might be banned in certain countries. Where this is the case, companies must commit to, respect, and engage with legitimate workers' representatives.

While this scorecard is focused on a company's supply chain, not its direct operations, we have assessed whether the company actively works with IndustriALL and/or the trade union in their headquartered country to identify and manage workers' rights risks in their supply chains.

7.3.5. Controversies and Red Flags; Progress and Green Flags

The methodology for this scorecard relies on an assessment of each company's own reporting on their human rights policies and practices. This approach has inherent limitations and can lead to incomplete or biased results. For this reason, it is crucial that the scorecard includes the possibility of flagging external complaints that have been made about the company over the reporting period.

On the website where the Leaderboard is hosted, we have elected to identify and flag controversies related to the actual impacts of automakers' supply chains. These are referred to as "red flags" on the website. However, such controversies are not included in the overall scoring of the company, as

[48] https://www.ilo.org/resource/news/ilo-reaches-agreement-issue-living-wages
[49] Ford and Nolan (2020). "Regulating Transparency on Human Rights and Modern Slavery in Corporate Supply Chains: The Discrepancy between Human Rights Due Diligence and the Social Audit" Australian Journal of Human Rights 26(1), pp. 27–45.

we do not have scope to investigate and verify allegations and the company's and impacted stakeholders' responses to these allegations.

Company controversies have been identified via a search of the Business and Human Rights Resource Centre (BHRRC) company dashboards.[50] The dashboard collects media articles, NGO reports, and other sources of information related to controversies, allegations, and findings against specific companies, and presents them alongside engagement between BHRRC and the company. Note: the absence of red flags in the scorecard or allegations or controversies related to a company in the BHRRC dashboards doesn't mean that there are no issues in their supply chain - simply that they have not been included in the BHRRC database or have otherwise been unintentionally overlooked.

Additionally we have included "green flags" against each company's page on the website to highlight more recent developments that indicate progress towards a just, equitable, fossil-free and environmentally sustainable supply chain. These include new commitments, disclosures, or implementation actions announced via press releases or public statements, but which have not yet been included in formal company reporting (see section 4 above) published before the cutoff date. Similar to red flags, they are not included in the overall scoring of the company.

Company announcements are identified on an ongoing basis via tracking of relevant media sites and company press / public statements. Note: the absence of announcements or their inclusion under "green flags" does not mean that there is no progress by companies scored towards a just, equitable, fossil-free and environmentally responsible supply chain - simply that progress beyond formal company reporting has not been made public to date, or relevant announcements have been unintentionally missed.

8. Company Selection

A mixed methodology is used to select the companies in order to identify the players that had the most potential to drive change in the sector. The final selection includes a mix of "pure play" manufacturers, who are already producing 100% electric vehicles within their fleets, high volume EV manufacturers that are not "pure play", as well as the largest auto manufacturers across all propulsion types. While many of the largest auto manufacturers are lagging on the transition from internal combustion engines to BEVs, their size means that they have the potential to drive significant supply chain action and investments in their transition to EVs.

For the fourth edition, we used the Marklines YTD figures for 30 June 2025[51] to identify the top 10 auto manufacturers in the following categories:

- Largest auto manufacturers by total number of cars sold - Global
- Largest auto manufacturers by total number of BEVs sold - Global
- Largest auto manufacturers by total number of BEVs sold - China
- Largest auto manufacturers by total number of BEVs sold - EU
- Largest auto manufacturers by total number of BEVs sold - Norway

[50] https://www.business-humanrights.org/en/companies/
[51] This date was chosen over other common cutoff dates, such as end of the calendar year, given the EV market is rapidly evolving and expanding and data even a few months past can vary greatly, and to better align with the August 1 2022 cutoff date for reviewing official company reporting.

- Largest auto manufacturers by total number of BEVs sold - UK
- Largest auto manufacturers by total number of BEVs sold - US
- Largest auto manufacturers by total number of BEVs sold - Canada
- Largest auto manufacturers by total number of BEVs sold - Korea
- Largest auto manufacturers by total number of BEVs sold - Australia
- Largest auto manufacturers by total number of BEVs sold - Israel
- Largest auto manufacturers by total number of BEVs sold - Thailand
- Largest auto manufacturers by total number of BEVs sold - Brazil
- Largest auto manufacturers by total number of BEVs sold - Colombia
- Largest auto manufacturers by total number of BEVs sold - Turkey
- Largest auto manufacturers by total number of BEVs sold - Indonesia

Markets were included where BEVs had a market share above 5%, which has been identified by Bloomberg analysis as a market tipping point for EV adoption.[52]

Note: the Marklines data groups companies together where there are significant joint venture partnerships or other formal partnerships between companies that impact on manufacturing. For example, they treat Nissan-Renault and Hyundai-Kia as single entities, while Geely Group and Volvo Car Group are treated as independent entities..

For the purposes of reviewing company documentation, these have all been treated as single entities, acknowledging that in some cases they may have some common supplier policies, have joined multi stakeholder initiatives together, may share some manufacturing plants, etc.

Using this mixed methodology above, the companies selected for evaluation in the 2026 edition remain the same as the companies evaluated in the previous edition of the Leaderboard.

List of Companies:

- BMW
- BYD
- Ford
- GAC
- Geely Auto
- GM
- Honda
- Hyundai
- Kia
- Mercedes
- Nissan
- Renault
- SAIC
- Stellantis
- Tesla

52 https://www.bloomberg.com/news/articles/2022-07-09/us-electric-car-sales-reach-key-milestone?sref=gPAG2MJ8

- Toyota
- Volkswagen
- Volvo Car Group

Appendices

Appendix 1: Full list of indicators and score attributions

Fossil free and environmentally sustainable indicators

Theme	Indicator Category	Indicators	Score Attribution (Scores are cumulative unless otherwise specified)
1. Fossil Free and Environmentally Sustainable Supply Chains (General)	**1.1. Disclosure of emissions, water and deforestation management**	1.1.1. The company discloses total scope 3 GHG emissions due to purchased goods and services.	The following scores are absolute, not cumulative: **100%:** The company discloses scope 3 GHG emissions due to purchased goods and services. **25%:** The company includes scope 3 GHG emissions including purchased goods and services in overall disclosure, but does not disaggregate. Note: the company may achieve additional points under each of the supply chain areas below, if they provide disaggregated emissions against each supply chain.
		1.1.2. The company discloses "significant emissions" in its supply chain.	Based on GRI 305-7, significant emissions include: i. NOx ii. SOx iii. Persistent organic pollutants (POP) iv. Volatile organic compounds (VOC) v. Hazardous air pollutants (HAP) vi. Particulate matter (PM) vii. Other standard categories of air emissions identified in relevant regulations The following scores are absolute not cumulative: **100%:** the company discloses significant emissions against all of the above categories by key suppliers in its supply chain. The company will need to define its key suppliers if it does not disclose this information for the whole supply chain. **50%:** the company discloses significant emissions against some of the above categories for part of its supply chain.

Theme	Indicator Category	Indicators	Score Attribution (Scores are cumulative unless otherwise specified)
		1.1.3. The company discloses water usage by key suppliers in its supply chain.	According to GRI 303, water usage includes: - water withdrawn - water consumed - water discharged The following scores are absolute not cumulative: **100%:** the company provides data against all of the above indicators for key suppliers in its supply chain. The company will need to define key suppliers if they do not disclose this information for their whole supply chain. **50%:** the company provides data against some of the above indicators for part of its supply chain.
		1.1.4. The company discloses deforestation and conversion-free commodity volumes from its supply chain	**50%:** The company discloses the percentage of high-risk hard commodity volumes sourced that are compliant with the company's requirements or policies on deforestation and conversion. **OR** **25%:** The company discloses deforestation and conversion-free commodity volumes from at least one of its key high-risk hard commodities **50%:** The company discloses the percentage of high-risk soft commodity volumes sourced that are compliant with the company's requirements or policies on deforestation and conversion. **OR** **25%:** The company discloses deforestation and conversion-free commodity volumes from at least one of its key high-risk soft commodities MODIFIER: Half points will be awarded if a company discloses information that meets any of the above criteria but only for part of its supply chain High-risk commodities are identified with the SBTN's High Impact Commodities List.

Theme	Indicator Category	Indicators	Score Attribution (Scores are cumulative unless otherwise specified)
			Relevant commodities for automotive supply chains include Copper, Iron, Lithium, Nickel, Bauxite/Aluminum, Zinc and Manganese (hard commodities), and Leather and Rubber (soft commodities).
	1.2. Target-setting and progress towards fossil free and environmentally sustainable supply chains	1.2.1. The company has set and disclosed a scope 3 SBT (must include reference to upstream/purchased goods & not only 'Well to Wheel')	The following scores are absolute, not cumulative: **100%:** the company has disclosed verified science-based targets that include scope 3, including 2050 (or sooner) and interim year target(s), and has also disclosed a disaggregated interim target for upstream/purchased goods (scope 3 category 1) **50%:** the company discloses a lifecycle target that includes upstream/purchased goods, including 2050 (or sooner) and interim year target(s), and/or does not indicate if its target(s) has been verified as science-based. **25%:** the company only discloses a 2050 zero emissions target with no interim target and/or does not specify upstream/purchased goods.
		1.2.2. The company commits to having suppliers provide science-based targets for GHG emissions.	The following scores are absolute not cumulative. **100%:** the company requires all its tier 1 suppliers to set science-based targets. They also require tier 2 suppliers to set science-based targets. **75%:** the company requires all its tier 1 suppliers set science-based targets. **50%:** the company commits to having at least 70% of its key suppliers by emissions setting science-based targets within 2 years. **25%:** company commits to having suppliers setting science-based emissions targets, but does not provide a target date or target date is more than 2 years away. **0%:** Company does not have a commitment.
		1.2.3. The company discloses the current percentage of suppliers	**25%:** the company discloses the current percentage of tier 1 suppliers providing science-based targets.

Theme	Indicator Category	Indicators	Score Attribution (Scores are cumulative unless otherwise specified)
		providing science-based targets.	**25%:** the company discloses the current number and/or percentage of tier 2 suppliers providing science-based targets. **25%:** additional points for over 50% of tier 1 suppliers providing science-based targets **25%:** additional points for all tier 1 suppliers providing science-based targets.
		1.2.4. The company requires all significant suppliers to set water reduction targets and disclose their water usage.	**50%:** the company requires tier 1 suppliers to set water reduction targets **50%:** the company requires tier 1 suppliers to disclose their water usage. According to GRI 303, water usage includes: - water withdrawn - water consumed - water discharged
		1.2.5. The company has programs in place to monitor suppliers for compliance with GHG emissions targets and other environmental impacts.	**50%:** The company has a process that includes reducing GHGs and other environmental impacts, and includes targets as a basis for compliance. **OR** **25%:** The company has a process that includes reducing GHGs and other environmental impacts, but lacks targets as a basis for compliance. **PLUS** **25%:** the company provides quantitative information of the number of suppliers audited and the tiers that are audited. **25%:** the company provides qualitative case studies of how they have engaged suppliers on their targets.

Theme	Indicator Category	Indicators	Score Attribution (Scores are cumulative unless otherwise specified)
		1.2.6. The company commits to eliminate deforestation and the conversion of all natural ecosystems from their supply chains.	The following scores are absolute, not cumulative: **100%:** The company has time-bound targets to eliminate deforestation and the conversion of natural ecosystems from their supply chain. OR **100%:** The company has time-bound targets to eliminate sourcing of high-risk commodities from areas of High Carbon Stock (HCS) and High Conservation Value (HCV). **75%:** The company has time-bound targets to eliminate deforestation and conversion of natural ecosystems in the supply chain of at least one of its high-risk hard commodities, and at least one soft-commodity. OR **75%:** The company has time-bound targets to eliminate sourcing from areas of High Carbon Stock (HCS) and High Conservation Value (HCV) for at least one of its high-risk hard commodities, and at least one soft-commodity. **50%:** The company has time-bound targets to eliminate deforestation and conversion of natural ecosystems in the supply chain of at least one of its high-risk commodities. OR **50%:** The company has time-bound targets to eliminate sourcing from areas of High Carbon Stock (HCS) and High Conservation Value (HCV) for at least one of its high-risk commodities. **25%:** The company has a general commitment or policy to halt deforestation and the conversion of natural ecosystems in its supply chains, which extends beyond illegal deforestation or conversion.
	1.3. Use of supply chain levers to achieve fossil free and environmentally sustainable supply chains	1.3.1. The company incentivises suppliers to reduce GHG and other significant air emissions.	**50%:** the company specifies that sustainability and/or ESG are included as factors for choosing a preferred supplier. **25%:** the company specifies that GHG emissions are included in the tender and contracting process.

Theme	Indicator Category	Indicators	Score Attribution (Scores are cumulative unless otherwise specified)
			25%: the company specifies that "other significant air emissions" targets are included in the tender and contracting process. As companies are unlikely to publish their contract information, references may be found in sustainability reports, procurement policies, etc.
		1.3.2. The company implements incentives and control systems to improve water management by suppliers	**20%:** The company's Supplier Code of Conduct and / or Responsible Sourcing Policy includes specific requirements for suppliers with regards to water management and conservation (e.g. having in place a water management plan). **40%:** The company has established purchase control systems to incentivize improved water management by (potential) new suppliers (e.g. water management is explicitly taken into account in the tender process and is a factor in selecting suppliers). **40%:** The company has operationalized policies, systems and/or processes to manage risks and address impacts of water depletion/pollution by (existing) suppliers (e.g. the company discloses specific water risks it has identified as part of its supply chain risk assessment process; the company provides evidence of how they have engaged with, or suspended, noncompliant suppliers on water management, etc.). Note: generic claims (e.g. simply stating that the company assesses / manages water-related risks) are insufficient — companies must explain the specific mechanisms used and/or provide concrete examples or data to illustrate implementation.
		1.3.3. The company implements incentives and control systems to eliminate deforestation from its supply chain	**20%:** The company's Supplier Code of Conduct and / or Responsible Sourcing Policy includes specific requirements for suppliers with regards to deforestation and land conversion. **40%:** The company has established purchase control systems to incentivize compliance on deforestation and land conversion by (potential) new suppliers (e.g. deforestation is explicitly taken into account in the tender process and is a factor in choosing a preferred supplier).

Theme	Indicator Category	Indicators	Score Attribution (Scores are cumulative unless otherwise specified)
			40%: The company has operationalized policies, systems and/or processes to manage risks and address impacts of deforestation and land conversion by existing suppliers (e.g. the company discloses specific deforestation risks it has identified as part of its supply chain risk assessment process; the company provides evidence of how they have engaged with, or suspended, noncompliant suppliers on deforestation, etc.). Note: generic claims (e.g. simply stating that the company assesses / manages deforestation risks) are insufficient — companies must explain the specific mechanisms used and/or provide concrete examples or data to illustrate implementation.
Fossil Free and Environmentally Sustainable Steel	**2.1. Disclosure of scope 3 GHG emissions due to steel supply chains**	2.1.1. The company discloses disaggregated GHG emissions for their steel supply chains.	The following scores are absolute, not cumulative: **100%:** The company discloses scope 3 GHG emissions for purchased goods and services, disaggregated for their steel supply chains **50%:** The company discloses a Life Cycle Assessment (LCA) for at least one electric vehicle model that includes disaggregated data on the embodied GHG emissions from the steel used in that vehicle.
	2.2. Target setting and progress towards fossil free and environmentally sustainable steel supply chains	2.2.1. The company has set targets for the use of fossil free and environmentally sustainable steel.	The scores below are absolute, not cumulative: **100%:** the company has a commitment to source 100% fossil-free steel by 2040, and has set interim targets to source at least 10% fossil-free steel AND 50% lower emission steel by 2030. **80%:** the company has a commitment to source 100% fossil-free steel by 2050, and has set interim targets to source at least 10% fossil-free steel AND 50% lower emission steel by 2030. **60%:** the company has set a target to source at least 10% fossil-free steel OR 50% lower emission steel by 2030. **40%:** the company has set an emissions reduction target for its steel supply chain that is aligned with the IEA Net Zero Roadmap (2023 version), specifically a 27% reduction by 2030

Theme	Indicator Category	Indicators	Score Attribution (Scores are cumulative unless otherwise specified)
			and 90% by 2050. **20%:** the company has a commitment to net zero steel by 2050 and/or a 2030 steel supply chain emissions reduction target that falls short of the above-mentioned thresholds. Note: For definitions of fossil-free steel and lower emission steel used in this indicator and those below, as well as comparisons with definitions from other standards and schemes, please refer to the methodology document.
		2.2.2. The company publishes progress towards their target by disclosing the current percentage of fossil-free and/or lower emission steel in their annual production cycle.	The scores below are absolute, not cumulative: **100%:** The company discloses the current percentage of lower emission and/or fossil-free steel in its production cycle **50%:** The company partially discloses the quantity of fossil-free and/or lower emission steel used in its annual production cycle, e.g., in the form of an absolute amount instead of a percentage or only for some elements within its annual production cycle.
		2.2.3. The company has a target for the use of recycled steel by 2030.	The scores below are absolute, not cumulative: **100%:** the company discloses a target to use at least 38% recycled steel by 2030, aligned with the IEA Net Zero Roadmap (2023 version). The target includes a specific commitment or target for increasing the use of post-consumer scrap. **75%:** the company discloses a target to use at least 38% of recycled steel by 2030, but does not specify a target for post-consumer scrap. **50%:** the company discloses a target for the use of recycled steel below the 38% threshold and lacks detail on scrap type.
		2.2.4. The company publishes progress towards their target by disclosing the current percentage of recycled steel used in its	**The scores below are absolute, not cumulative:** **100%:** the company discloses the percentage of recycled steel in their annual production cycle including volumes of both pre- and post-consumer steel. NB: Total recycled/scrap steel volume is sufficient if total steel volume is disclosed.

Theme	Indicator Category	Indicators	Score Attribution (Scores are cumulative unless otherwise specified)
		annual production cycle.	**75%:** the company discloses the percentage of recycled steel in their annual production cycle. **50%:** The company partially discloses the quantity of recycled steel used in its annual production cycle, e.g., in the form of an absolute amount instead of a percentage or only for some elements within its annual production cycle.
	2.3. Use of supply chain levers to achieve fossil free and environmentally sustainable steel supply chains	2.3.1. The company participates in multi-stakeholder procurement initiatives to collaborate with other buyers to incentivise investment in and production of fossil free steel at scale.	**50%:** the company is a member of SteelZero. **50%:** the company is a member of the First Movers Coalition's sector group on steel
		2.3.2. The company participates in multi-stakeholder standard / certification initiatives to drive investment in and production of socially and environmentally sustainable steel at scale.	**25%:** the company is a member of ResponsibleSteel. **50%:** the company actively engages their steel suppliers regarding ResponsibleSteel certification. **25%:** the company has disclosed purchasing agreements for ResponsibleSteel certified steel. Note: 0.6 points modifier applied due to multistakeholder initiative assessment. See sheet 8.

Theme	Indicator Category	Indicators	Score Attribution (Scores are cumulative unless otherwise specified)
		2.3.3. The company has entered into formal arrangements with suppliers to incentivise investment in and greater production of fossil free steel.	**50%:** the company states that it has entered into a formal arrangement with at least one steel supplier to invest in and scale-up production of lower emission or fossil-free steel. **25%:** at least one purchase agreement signed by the company with a steel supplier for the provision of lower emission or fossil-free steel is a binding contract for which timelines and scale of supply (e.g. volume of steel to be purchased per year) are publicly disclosed. **25%:** at least one purchase agreement signed by the company is for the provision of steel produced with breakthrough technologies for fossil-free steelmaking.
		2.3.4. The company integrates improved recyclability of steel into automobile design and manufacturing.	**25%:** the company discloses that it is implementing a closed-loop process for steel recycling (must include reference to post-consumer scrap). **OR** **10%:** the company discloses that it is implementing a closed-loop process for steel recycling (no reference to post-consumer scrap). **PLUS** **25%:** the company provides a qualitative description of the closed-loop process(es) it is implementing for steel recycing. **25%:** the company discloses that it improves the recyclability of steel through automotive and/or component design. **25%:** the company explains how it has used automotive and/or component design to improve the recyclability of steel (e.g. by minimizing copper contamination).
Fossil Free and Environmentally Sustainable Aluminium	**3.1. Disclosure of scope 3 GHG emissions due to aluminium**	3.1.1. The company discloses disaggregated GHG emissions for their aluminium supply chains.	The following scores are absolute, not cumulative: **100%:** The company discloses scope 3 GHG emissions for purchased goods and services, disaggregated for their aluminum supply chains **50%:** The company discloses a Life Cycle Assessment (LCA) for at least one electric vehicle model that includes disaggregated data on the embodied GHG emissions from the

Theme	Indicator Category	Indicators	Score Attribution (Scores are cumulative unless otherwise specified)
			aluminum used in that vehicle.
	3.2. Target setting and progress towards fossil free and environmentally sustainable aluminum supply chains	3.2.1 The company has set targets for the use of fossil free and environmentally sustainable aluminium	The scores below are not additive. They indicate specific thresholds for getting that percentage of points: **100%:** the company has a commitment to source 100% fossil-free aluminium by 2040, with interim targets for all procured primary aluminium to be produced with low-carbon power by 2035 and to source at least 10% fossil-free aluminium by 2030 **80%:** the company has set a target that is aligned with Mission Possible 1.5 scenario: to ensure all primary aluminium is produced with low-carbon power by 2035 **60%:** the company has set a target of procuring at least 10% fossil-free aluminium by 2030 **40%:** the company has set an emissions reduction target for its aluminium supply chain that is aligned with the IEA Net Zero Roadmap (2023 version), specifically a 27% reduction by 2030 and by 95% by 2050 **20%:** the company has a commitment to net zero aluminium by 2050 and/or a 2030 emissions reduction target for its aluminium supply chain that falls short of the above-mentioned thresholds Note: For definitions of fossil-free aluminium and lower emission aluminium used in this indicator and those below, as well as comparisons with definitions from other standards and schemes, please refer to the methodology document.
		3.2.2. The company publishes progress towards	The following scores are absolute, not cumulative: **100%:** The company discloses the current percentage of fossil-free and/or lower emission

Theme	Indicator Category	Indicators	Score Attribution (Scores are cumulative unless otherwise specified)
		their target by disclosing the current percentage of fossil-free and/or lower emission aluminium in their annual production cycle	aluminium in its supply chain **50%:** The company partially discloses the quantity of fossil-free and/or lower emission aluminum used in its annual production cycle, e.g., in the form of an absolute amount instead of a percentage or only for some elements within its annual production cycle.
		3.2.3. The company has a target to increase use of recycled aluminium by 2030.	These scores are not cumulative, they are thresholds for achieving a particular score. **100%:** the company discloses a target to use at least 42% recycled aluminium by 2030, aligned with the IEA Net Zero Roadmap (2023 version). The target includes a specific commitment or target for increasing the use of post-consumer aluminium scrap. **75%:** the company discloses a target to use at least 42% of recycled aluminium by 2030, but does not specify a target for post-consumer scrap **50%:** the company discloses a target for the use of recycled steel below the 42% threshold and lacks detail on scrap type
		3.2.4. The company publishes progress towards their target by disclosing the current percentage of recycled aluminium used in its annual production cycle	These scores are not cumulative, they are thresholds for achieving a particular score: **100%:** the company discloses the percentage of recycled aluminium in their annual production cycle including volumes of both pre- and post-consumer aluminium. NB: Total recycled/scrap steel volume is sufficient if total steel volume is disclosed. **75%:** the company discloses the percentage of recycled aluminium in their annual production cycle. **50%:** The company partially discloses the quantity of recycled aluminum used in its annual production cycle, e.g., in the form of an absolute amount instead of a percentage or only for some elements within its annual production cycle.
	3.3. Use of supply chain levers to achieve fossil free and environmentally	3.3.1. The company participates in multi-stakeholder	**100%:** the company is a member of First Movers Coalition sector group on aluminum

Theme	Indicator Category	Indicators	Score Attribution (Scores are cumulative unless otherwise specified)
	sustainable aluminium supply chains	procurement initiatives to collaborate with other buyers to incentivise investment in and production of fossil free aluminium at scale.	
		3.3.2. The company participates in multi-stakeholder standard / certification initiatives to drive investment in and production of socially and environmentally sustainable aluminium	**25%:** the company is a member of the Aluminum Stewardship Initiative (ASI). **50%:** the company actively engages their aluminum suppliers regarding ASI certification. **25%:** the company has disclosed purchasing commitments for ASI certified aluminum. Note: 0.4 points modifier applied due to multistakeholder initiative assessment. See sheet 8.
		3.3.3. The company has entered into formal arrangements with suppliers to incentivise investment in and greater production of fossil free aluminium	**50%:** the company states that it has entered into a formal arrangement with at least one aluminium supplier to invest in and scale-up production of lower emission or fossil-free aluminium. **25%:** at least one purchase agreement signed by the company with an aluminium supplier for the provision of lower emission or fossil-free aluminium is a binding contract for which timelines and scale of supply (e.g. volume of aluminium to be purchased per year) are publicly disclosed. **25%:** at least one purchase agreement signed by the company is for the provision of aluminium produced with new technologies for fossil-free aluminum production.
		3.3.4. The company integrates improved recyclability of aluminium into automobile design and manufacturing.	**25%:** the company discloses that it is implementing a closed-loop process for aluminium recycling (must include reference to post-consumer scrap). **OR** **10%:** the company discloses that it is implementing a closed-loop process for aluminium recycling (no reference to post-consumer scrap).

Theme	Indicator Category	Indicators	Score Attribution (Scores are cumulative unless otherwise specified)
			PLUS **25%:** the company provides a qualitative description of the closed-loop process(es) it is implementing for aluminium recycing. **25%:** the company discloses that it improves the recyclability of aluminium through automotive and/or component design. **25%:** the company explains how it has used automotive and/or component design to improve the recyclability of aluminium (e.g. through the development of new alloys).
Fossil Free and Environmentally Sustainable Batteries	**4.1. Disclosure of scope 3 GHG emissions due to battery supply chains**	4.1.1. The company discloses disaggregated scope 3 emissions for their battery supply chains, including a total for the whole battery and disaggregated emissions for key battery minerals (cathode / anode active materials)	The following scores are absolute, not cumulative: **100%:** the company provides scope 3 GHG emissions their battery supply chain, disaggregated for cell production / manufacturing and key cathode / anode active materials (i.e. individual minerals) used in the battery **75%:** the company provides scope 3 GHG emissions their battery supply chain, disaggregated for cell production / manufacturing and cathode and anode active materials (as a total) **50%:** The company discloses scope 3 GHG emissions for purchased goods and services, disaggregated for their battery supply chain. **25%:** The company discloses a Life Cycle Assessment (LCA) for at least one electric vehicle model that includes disaggregated data on the embodied GHG emissions from the battery used in that vehicle.
	4.2. Target setting and progress towards fossil free and environmentally sustainable battery supply chains	4.2.1. The company has set a target to produce fossil free and environmentally sustainable batteries.	The scores below are not additive. They indicate specific thresholds for getting that percentage of points: **100%:** the company has a commitment to produce 100% fossil free batteries by 2040 and a target to reduce their battery supply chain emissions by 50% by 2030.

Theme	Indicator Category	Indicators	Score Attribution (Scores are cumulative unless otherwise specified)
			75%: the company has a commitment to produce 100% fossil free batteries by 2050 and a target to reduce their battery supply chain emissions by 50% by 2030. **50%:** the company has set an emissions reduction target for its battery supply chain that is aligned with the IEA Heavy Industry Guidance, specifically a 27% emissions reduction by 2030 and 95% by 2050. **25%:** the company has a commitment to net zero batteries by 2050 and/or a 2030 emissions reduction target for its battery supply chain that falls short of the above-mentioned thresholds.
		4.2.2. The company has set a target to reduce reliance on energy intensive minerals in battery production.	**25%:** statement of intent to reduce high intensity minerals in battery production (which may include a commitment to producing smaller batteries). **25%:** the company has set a disaggregated target for the reduction of primary sources of **nickel** in their supply chain. **25%:** the company has set a disaggregated target for the reduction of primary sources of **lithium** in their supply chain. **25%:** the company has set a disaggregated target for the reduction of primary sources of **cobalt** in their supply chain. Note: The final three scoring criteria can also be met by setting targets for increasing the % recycled nickel/lithium/cobalt used in new batteries.
		4.2.3. The company has set collection and/or recovery targets for high intensity battery metals.	**100%:** the company has a medium term target of 95% recovery for cobalt & nickel with 70% lithium by 2030 (equal to that proposed by the EU) and a short term target of 90% recovery rate for cobalt & nickel and 35% lithium by 2025. **25%:** the company has set collection and/or recovery targets for high intensity battery

Theme	Indicator Category	Indicators	Score Attribution (Scores are cumulative unless otherwise specified)
			metals that are lower and/or not disaggregated.
	4.3. Use of supply chain levers to achieve fossil free and environmentally sustainable battery supply chains	4.3.1. The company requires all battery manufacturers to use 100% renewable electricity	The following scores are absolute, not cumulative: **100%:** the company discloses a requirement that all battery manufacturers are required to use 100% renewable electricity. **50%:** the company discloses agreements/requirements for 100% renewable energy with some battery manufacturers **25%:** the company discloses agreements/requirements for reduced emissions with some battery manufacturers or **50%:** the company discloses a requirement that all battery manufacturers are required to be "carbon neutral", "net zero" or similar but does not define how they are using the term.
		4.3.2. Company engages and/or enters into formal agreements with extractives and other value chain companies to prevent/mitigate adverse environmental impacts of lithium sourcing.	**25%:** the company has identified and disclosed specific environmental risks of lithium sourcing (e.g. air pollution, water, biodiversity etc.). **25%:** the company describes its overall approach or strategy to prevent/mitigate environmental risks and adverse impacts within its lithium supply chain (e.g. incorporating environmental conditions into contracts with suppliers, participating in multi-stakeholder initiative(s) to address environmental impacts of lithium sourcing, etc.). **25%**: the company has entered into contractual agreements for the purchase of low-carbon lithium. These agreements may include joint ventures, purchasing commitments, and/or other forms of investment, including R&D. **25%:** the company provides examples or case studies of contractual agreements and/or direct engagement with specific lithium mining or refining companies to address environmental risks and adverse impacts. Note: examples of direct engagement can be with

Theme	Indicator Category	Indicators	Score Attribution (Scores are cumulative unless otherwise specified)
			direct or indirect suppliers. In order to score points here, the company must provide the name of the lithium supplier and the location of the mine or project in question, and it must be clear the engagement / agreement addresses environmental impacts specifically.
		4.3.3. Company engages and/or enters into formal agreements with extractives and other value chain companies to prevent/mitigate adverse environmental impacts of nickel sourcing.	**25%:** the company has identified and disclosed specific environmental risks of nickel sourcing (e.g. air pollution, water, biodiversity etc.). **25%:** the company describes its overall approach or strategy to prevent/mitigate environmental risks and adverse impacts within its nickel supply chain (e.g. incorporating environmental conditions into contracts with suppliers, participating in multi-stakeholder initiative(s) to address environmental impacts of nickel sourcing etc.). **25%**: the company has entered into contractual agreements for the purchase of low-carbon nickel. These agreements may include joint ventures, purchasing commitments, and/or other forms of investment, including R&D. **25%:** the company provides examples or case studies of contractual agreements and/or direct engagement with specific nickel mining or refining companies to address environmental risks and adverse impacts. Note: examples of direct engagement can be with direct or indirect suppliers. In order to score points here, the company must provide the name of the nickel supplier and the location of the mine or project in question, and it must be clear the engagement / agreement addresses environmental impacts specifically.
		4.3.4. Company engages and/or enters into formal agreements with extractives and other value chain companies to prevent/mitigate adverse environmental impacts of cobalt sourcing.	**25%:** the company has identified and disclosed specific environmental risks of cobalt sourcing (e.g. air pollution, water, biodiversity etc.). **25%:** the company describes its overall approach or strategy to prevent/mitigate environmental risks and adverse impacts within its cobalt supply chain (e.g. incorporating environmental conditions into contracts with suppliers, participating in multi-stakeholder initiative(s) to address environmental impacts of lithium sourcing etc.). **25%**: the company has entered into contractual agreements for the purchase of low-carbon

Theme	Indicator Category	Indicators	Score Attribution (Scores are cumulative unless otherwise specified)
			cobalt. These agreements may include joint ventures, purchasing commitments, and/or other forms of investment, including R&D. **25%:** the company provides examples or case studies of contractual agreements and/or direct engagement with specific cobalt mining or refining companies to address environmental risks and adverse impacts. Note: examples of direct engagement can be with direct or indirect suppliers. In order to score points here, the company must provide the name of the cobalt supplier and the location of the mine or project in question, and it must be clear the engagement / agreement addresses environmental impacts specifically.
		4.3.5. The company participates in multi-stakeholder initiatives to collaborate with other buyers to incentivise investment in and production of fossil free and environmentally sustainable batteries at scale.	**100%:** the company is a member of the Global Battery Alliance.
		4.3.6. The company invests in the development of new battery chemistries & technologies that minimize their overall material and carbon footprint by reducing the use of emissions-intensive minerals and toxic materials	**25%:** the company provides examples of R&D that they are conducting in-house or in partnership with value chain partners to develop new battery chemistries / technologies that reduce the use of emissions-intensive minerals (such as nickel and cobalt). Note: this could include R&D into the development of smaller batteries. **25%:** the company provides examples of the systems and processes it is developing to scale this R&D to commercial production. **50%:** the company has brought to market electric vehicles that utilize battery chemistries / technologies that meet the above criteria.
		4.3.7. The company invests	**25%:** the company provides examples of R&D that they are conducting in-house or in

Theme	Indicator Category	Indicators	Score Attribution (Scores are cumulative unless otherwise specified)
		in the development of new battery designs, technologies, systems and/or processes to maximize the safe and effective recycling of EV batteries	partnership with value chain partners to improve the recyclability of batteries (i.e. recovery rates). Note this could include R&D into battery design and/or recycling methods. **25%:** the company provides examples of the systems and processes it is developing to scale this R&D to commercial production. **50%:** the company provides examples of battery recycling processes it has developed in-house or in partnership with value chain partners that have achieved recovery rates of at least 95% cobalt/nickel & 70% lithium. Note disclosed recovery rates achieved at the pilot / R&D stage are valid for points here. Disclosure of recovery rates achieved at commercial scale is evaluated in indicator 4.3.10.
		4.3.8. The company has established processes for battery repair, reuse and repurposing in order to maximize the usable lifespan of its EV batteries.	**25%:** the company indicates that there are processes in place (such as inspection, design, access to battery information, collection and transportation, etc.) for repairing, reusing and/or repurposing batteries. **25%:** the company provides qualitative information about processes (including the establishment and operation of collection points) to increase the % of batteries being collected for reuse, repurposing and/or recycling **50%:** the company provides quantitative information about the collection of batteries (i.e total numbers and / or percentages of batteries collected).
		4.3.9. The company has established closed-loop processes in order to maximize the recycling of end-of-life EV batteries	**25%:** the company indicates that there is a closed-loop process in place for recycling batteries (that involves recovering raw materials). **25%:** the company provides detail on the battery recycling process / method(s) used and discloses that they do not use incineration / high-temperature combustion processes. **50%:** the company provides quantitative information about the % of batteries currently being recycled (at commercial scale).

Human rights and responsible sourcing indicators

Theme	Indicator Category	Indicators	Score Attribution Note: scores are cumulative unless otherwise specified.
1. Responsible Sourcing and Human Rights Due Diligence: General Indicators	**1.1. Commit**	1.1.1. The company has a public commitment to human rights.	**100%:** the company has a standalone human rights policy or other formal commitment that it will respect the Universal Declaration of Human Rights and the International Bill of Rights, or commit to the UN Guiding Principles on Business and Human Rights (UNGPs) and/or the OECD Guidelines for Multinational Enterprises.
		1.1.2. The company extends their human rights commitments to their Tier 1 suppliers and beyond.	**50%:** the company has a Supplier Code of Conduct (SCoC) or equivalent. The SCoC explicitly references the company's human rights policy or states that suppliers are required to respect and/or uphold all human rights. **OR** **25%:** the company has a Supplier Code of Conduct (SCoC) or equivalent that explicitly requires suppliers to comply with the company's human rights policy that is limited in scope, or to respect a limited selection of human rights listed by the company. **PLUS** **50%:** the company "requires" or otherwise mandates their suppliers to apply the requirements of the SCoC to their own suppliers. **OR** **25%:** the company "expects" or "encourages" their suppliers to apply these standards to their own suppliers.

Theme	Indicator Category	Indicators	**Score Attribution** **Note: scores are cumulative unless otherwise specified.**
	1.2. Identify	1.2.1. The company has a process in place to assess salient human rights risks in their supply chain.	**25%:** the company states that there is a process in place for identifying salient human rights risks. **25%:** the company explains its methodology for identifying risks (e.g. desktop review) and prioritising them. **25%:** the company specifies how often they repeat this risk assessment. **25%:** the company specifies if and how they engage with external human rights experts. Note: this engagement must be specific to the company and its supply chains to be scored here. Simply participating in a multistakeholder initiative that includes human rights experts is not sufficient, unless the company has articulated how it applies the information gained via these initiatives to their own supply chain. Finally, effective risk identification involves consultation with potentially impacted stakeholders. We have included additional indicators under each section below to reflect this.
		1.2.2. The company discloses the salient human rights risks in their supply chain and where they are located.	The following scores are absolute not cumulative: **25%:** the company names the generic, salient risks in their supply chain (e.g. conflict minerals, forced labour, water security, etc.). **50%:** the company discloses where in their supply chain these risks occur, by reference to geographical location, material type, and/or tier. Note: greater level of specificity on all these elements is expected under indicator 2.2.2 on transition minerals risks. **100%:** the company provides additional description of these risks. Note: to score here, the description must be based on findings from the company's due diligence measures, and not constitute a generic description.

Theme	Indicator Category	Indicators	**Score Attribution** **Note: scores are cumulative unless otherwise specified.**
		1.2.3. The company has a process for identifying high risk supplier categories in their supply chain.	**50%:** the company outlines the process for how they identify high risk supplier categories in Tier 1 in order to prioritise differential preventive/mitigating action. This may include taking into account the leverage that the automotive company has to affect change (e.g. their annual spend, whether they are a primary or majority buyer, etc.), the geography of suppliers, and the severity of the risks that have been identified. **25%:** the company outlines how this process extends beyond tier 1. Note: this does not necessarily have to involve a process that extends to the point of extraction, as this is covered below in the transition minerals section. **25%:** the company outlines the types of preventive/mitigating actions it uses to manage those risks. Note: to score here, it must do more than indicate that there are differential assurance actions, it must specify what those are.
	1.3. Prevent, Mitigate and Account	1.3.1. The company assesses the risk of adverse human rights impacts with suppliers prior to entering into any contracts.	**25%:** the company outlines the process to assess risks at individual suppliers. This may include supplier questionnaires, audits, etc. Note: it is not enough for companies to state that they assess suppliers prior to entering into any contracts, they must outline how this assessment occurs. Secondly, a requirement that suppliers sign a statement confirming their compliance is not sufficient risk assessment. Similarly, companies must outline how they verify information provided in supplier self-assessment questionnaires. **25%:** the company provides quantitative information of the number of potential new suppliers assessed, and the tier that they belong to. **25%:** the company provides quantitative information on the number of potential new suppliers where non-conformances were found. Note: the action taken to respond to these findings is addressed by indicators below. **25%:** this process extends beyond tier 1 to tier 2 at a minimum.

Theme	Indicator Category	Indicators	**Score Attribution** **Note: scores are cumulative unless otherwise specified.**
		1.3.2. The company discloses how it monitors suppliers for compliance with the SCoC during the contract period.	**20%:** the company indicates that there is a process in place to monitor compliance. **20%:** the company provides details on the process (e.g. tools, technologies and sources of information they use). **20%:** the company provides quantitative information on the number of suppliers assessed for compliance and the tiers that are assessed. Note: this indicator refers to quantitative assessment tools (e.g. surveys). **20%:** the company provides quantitative information of the number of suppliers audited and the tiers that are audited. Note: this indicator refers to on-site audits. **20%:** the company provides quantitative information on non-conformances found, their type and severity. Note: it is insufficient just to provide a number, additional information (for example, on the type, location, and/or severity of the non-conformances) must also be provided. **OR** **10%:** the company provides quantitative information on non-conformances found Note: Quantitative information on assessments and audits can be provided as a percentage of suppliers assessed / audited or as a number. If the company provides a number of suppliers assessed / audited, they must also provide the total number of suppliers (this can refer to the company as a whole, or to the total number of suppliers within a relevant category). The action taken to respond to these findings is addressed by indicators below. For due diligence to be effective, it must involve potentially impacted stakeholders and/or their representatives. This is scored under each of the sections listed below.

Theme	Indicator Category	Indicators	Score Attribution **Note: scores are cumulative unless otherwise specified.**
		1.3.3. The company reports on how it is prepared to respond if it finds non-conformances with the SCoC	This indicator relates to the contractual relationship, or potential contractual relationship, between suppliers and the auto-manufacturer. It applies to all tiers to the point of extraction where there is, or there might be, a direct relationship between the auto manufacturer and the supplier. **33%:** the company discloses the actions it will take in response to findings of non-conformance by potential new suppliers (for example, time-bound action plans before contracts go ahead, policy revision, targeted training, onsite audits, refraining from contracting, etc.). **33%:** the company discloses specific actions it will take in response to findings of non-conformance by existing suppliers. **33%:** the company discloses the number of corrective action plans or equivalent issued during the reporting year. Note: this is distinct from providing remedy to impacted stakeholders. Note: this is distinct from providing remedy to impacted stakeholders.
		1.3.4. The company discloses how they verify the implementation of corrective actions.	The following scores are absolute, not cumulative: **100%:** the company discloses the types of actions that it undertakes across its whole supply chain to verify whether corrective actions have occurred. **25%:** the company only a subset of the types of actions that it undertakes to verify whether correction actions have occured (e.g. audits) and/or only discloses the types of actions that it undertakes for certain supply chains and/or materials to verify whether corrective actions have occurred. Note: successful corrective measures involve impacted stakeholders and/or their representatives. Their involvement is scored under each section below.

Theme	Indicator Category	Indicators	Score Attribution Note: scores are cumulative unless otherwise specified.
	1.4. Remedy	1.4.1. The company has put in place a formal mechanism whereby workers, suppliers, suppliers' workers (in any tier) and other external stakeholders can raise grievances regarding adverse human rights impacts in their supply chain to an impartial entity.	**10%:** if the company only has an in-house mechanism **20%:** the company has put in place an independent, formal mechanism to report a grievance to an impartial entity regarding human rights in the company's supply chains. **20%:** The mechanism is available to its workers, suppliers, suppliers' workers (in any tier) and other external stakeholders (e.g. whistleblower hotline). **50%:** the company communicates how the existence of the mechanism is communicated to its suppliers' workers and other impacted stakeholders. Note: simply posting it on the website is not enough. The involvement of impacted stakeholders and their legitimate representatives (e.g. workers, indigenous communities, etc.) in the design, review, operation and ongoing improvement of grievance mechanisms is central to their efficacy. As such, additional indicators have been included under each focus area regarding the specific integration of feedback from different stakeholder groups.
		1.4.2. The company discloses data about the practical operation of their grievance mechanism, such as the number of grievances filed, addressed, and resolved, their type, severity and outcome.	**25%:** The company provides quantitative information about the total number of grievances raised during the reporting year. **25%:** The company provides quantitative information about the total number of supply chain grievances, with detail as to their type, severity, tier, and geographical location. **25%:** the company provides information about the number of supply chain grievances resolved, and an indication of how they were resolved. Note: simply stating that the grievance was resolved is not enough - the company must disclose the substantive outcome (e.g. rejected and reasons for rejection, confirmed and compensation provided, and/or agreement with the complainant reached, and/or rectification of wrongful practices requested, etc.). The indicator below seeks greater detail as to the concrete

Theme	Indicator Category	Indicators	**Score Attribution** **Note: scores are cumulative unless otherwise specified.**
			measures of reparation offered. **25%:** The company provides information about the total number of ongoing supply chain grievances.
		1.4.3. The company has put in place a remedy process.	**25%:** the company describes how they investigate an issue that is raised and escalate the issue within the company **25%:** the company indicates how they determine appropriate remedy **25%:** the company indicates whether the affected rightsholders are involved in the determination of remedy and how **25%:** the company discloses information about the number of confirmed human rights grievances in its supply chain that resulted in measures of reparation to those affected Note: the UNGPs specify that impacted stakeholders should be involved in the determination of remedy. As such, additional indicators have been included under each of the focus areas to provide a score regarding the company's engagement with specific stakeholder groups.
2. Responsible Sourcing of Transition Minerals	**2.1. Commit**	2.1.1. The company has a commitment to responsible metals and minerals sourcing.	The following scores are not cumulative, they are absolute: **100%:** the company has a standalone responsible minerals sourcing policy or their human rights policy includes a section on the responsible sourcing of minerals and metals that applies to all minerals and metals. **75%:** the company has a standalone responsible minerals sourcing policy or their human rights policy includes a section on the responsible sourcing of minerals and metals that goes beyond "conflict minerals" to include some other minerals or metals (e.g. includes cobalt).

Theme	Indicator Category	Indicators	Score Attribution Note: scores are cumulative unless otherwise specified.
			50%: the company has a standalone responsible minerals sourcing policy or their human rights policy includes a commitment to the responsible sourcing of "conflict minerals" only.
		2.1.2. The company requires its suppliers to undertake due diligence in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas (CAHRAs)	**50%: Implementation of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from CAHRAs:** - **50%:** the SCoC requires suppliers to undertake due diligence in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from CAHRAs in relation to all salient metals and minerals from anywhere. **OR** -**25%:** the SCoC requires suppliers to undertake due diligence in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from CAHRAs in relation to all metals and minerals from CAHRAs. **OR** **- 10%:** the SCoC requires suppliers to undertake due diligence in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from CAHRAs in relation to tin, tungsten, tantalum, and gold (3TGs) from CAHRAs. **50%: Implementation of Due Diligence:** **- 25%:** the company requires suppliers to have a due diligence process in place to identify raw materials sources, specifically, conducting due diligence on Smelter or Refiners (SoRs) in their supply chain (this may include the use of third party certification, etc). **- 25%:** the company requires suppliers to disclose smelter/refiner information.

Theme	Indicator Category	Indicators	Score Attribution **Note: scores are cumulative unless otherwise specified.**
	2.2. Identify	2.2.1. The company has a process in place to map transition minerals (e.g. nickel, lithium, cobalt, copper, manganese, zinc) in their supply chains to the point of extraction.	**25%**: the company discloses that they have a process in place to map transition minerals supply chains back to the point of extraction. **25%:** the company provides detail on the processes that they have put in place to map their transition minerals supply chains to the point of extraction. **25%:** the company discloses the portion of the transition minerals supply chain that they have mapped to the point of extraction. Note: this could be by specifying which supply chains they have mapped, a percentage of total suppliers mapped, etc. **25%:** the company discloses concrete information from their mapping including, at minimum, primary countries of origin MODIFIER: In order to achieve full credit the mapping must cover at least the three focus minerals that are of significant industry and stakeholder focus given outsized volume and/or impacts: cobalt, nickel & lithium. Companies that map two of fewer minerals will receive half scores.
		2.2.2. The company discloses conflict minerals risks in their supply chain and where they are located.	Note: Conflict minerals refers to tin, tungsten, tantalum and gold or "3TG". **25%:** the company discloses the risks of sourcing conflict minerals from CAHRAs in their supply chains, specifying the minerals and countries of origin potentially involved. **25%:** the company discloses whether they source conflict minerals from CAHRAs, as well as the relevant transition minerals and countries of origin involved. **50%:** the company describes the human rights risks associated with the CAHRA countries they source conflict minerals from in some level of detail. Note: to score here, the description must be based on findings from the company's due diligence measures, and not constitute a generic description.

Theme	Indicator Category	Indicators	Score Attribution Note: scores are cumulative unless otherwise specified.
		2.2.3. The company discloses broader transition minerals risks in their supply chain and where they are located.	The following scores are absolute and not cumulative: **100%:** the company discloses broader risks from transition minerals in their supply chains and where these are located, by reference to tier, and geographical location for lithium, nickel, cobalt and at least one other mineral. **50%:** the company discloses broader risks from transition minerals in their supply chains and where these are located, by reference to tier and geographical location for lithium, nickel and cobalt. **25%:** the company discloses broader risks from sourcing at least one transition mineral, with reference to tier and geographical location and/or the company discloses human rights risks of sourcing transition minerals in general, including countries of origin, without disaggregating this information for individual minerals
		2.2.4. The company publishes a list of smelters or refiners (SoR) in its supply chain	**100%:** the company publishes a complete list of smelters/refiners in their supply chain for at least 3TG minerals. **50%:** the company publishes a partial list of smelters/refiners in their supply chain. Note: to score here, the company must disclose a significant number of SoRs.
		2.2.5. The company discloses which of the SoRs in its supply chain are conformant with the Responsible Minerals Initiative (RMI).	**100%:** the company discloses information on RMI conformance for all of the SoRs identified in their supply chain. **50%:** the company only discloses information on RMI conformance for some of the SoRs in its supply chain or only discloses information on RMI conformance on an aggregate / percentage basis- Note: 0.4 points modifier applied due to multistakeholder initiative assessment. See sheet 8.

Theme	Indicator Category	Indicators	Score Attribution **Note: scores are cumulative unless otherwise specified.**
	2.3. Prevent, Mitigate and Account	2.3.1. The company discloses how it monitors suppliers for compliance with the transition minerals due diligence requirements.	See general HR indicators
		2.3.2. The company formally engages SoRs to build their capacity to conduct due diligence of their own supply chains.	**25%:** the company discloses that it participates in industry wide schemes that engage with smelters/refiners on their compliance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from CAHRAs. **25%:** the company specifies that it engages directly with SoRs to build their capacity to conduct due diligence. **50%:** the company provides detail on how it engages with SoRs to build their capacity
		2.3.3. The company formally engages extractives companies and includes human rights clauses in any contractual arrangements.	**50%:** the company discloses that it has entered into direct agreements with extractives companies for the sourcing of transition minerals and that these companies are subject to human rights requirements **50%:** the company discloses the name of extractive companies it has entered into direct agreement with, the relevant transition minerals, and the location of the relevant mine or mines. Note: to score here, the company must provide this level of detail for a meaningful number of contracts (one or two is not enough).
		2.3.4. The company is a member of IRMA and actively engages their suppliers with regards to IRMA mining audits. Note: IRMA does not excuse companies from doing their	**25%:** The company is a member of IRMA. **50%:** The company actively engages suppliers regarding regarding auditing by IRMA of extractive projects within their supply chain. **25%:** the company has established requirements for minerals / metals within its supply chain to be sourced from IRMA audited mines. Note: such requirements do not need to be effective immediately, but the requirement must at least refer to a pathway towards

Theme	Indicator Category	Indicators	Score Attribution **Note: scores are cumulative unless otherwise specified.**
		own supply chain due diligence	sourcing from mines that have undergone independent IRMA audits within a period of time. Requirements can apply to extractive companies and/or downstream suppliers (e.g. battery manufacturers). Note: 0.8 points modifier applied due to multistakeholder initiative assessment. See sheet 8.
		2.3.5. The company reports on how it is prepared to respond if it finds non-conformances associated with its responsible minerals sourcing policy occurring in its operations or supply chains.	See general HR indicators
		2.3.6. The company discloses how they verify the implementation of corrective actions.	See general HR indicators
	2.4. Remedy	2.4.1. The company has put in place a formal mechanism whereby grievances can be raised about SoR facilities.	**50%:** the company has put in place an independent, formal grievance mechanism that applies specifically to SoRs. This mechanism may be run in conjunction with other auto manufacturers. Note: this is in addition to any generic grievance mechanism that can be accessed by external stakeholders. **50%:** the company discloses how they review and investigate grievances raised through this mechanism.

Theme	Indicator Category	Indicators	Score Attribution Note: scores are cumulative unless otherwise specified.
3. Indigenous Peoples' Rights and Free Prior and Informed Consent (FPIC)	**3.1. Commit**	3.1.1. The company explicitly commits to respecting the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).	**100%:** the company has an explicit commitment to the UNDRIP in their human rights policy and/or in a standalone Indigenous Peoples' rights policy.
		3.1.2. The company has a public commitment to FPIC.	**100%:** the company has an explicit commitment to FPIC in their human rights policy and/or in a standalone Indigenous Peoples' rights policy. Note: to score full points, the commitment must be unqualified. **50%:** the company has an explicit commitment to FPIC in their human rights policy and/or in a standalone Indigenous Peoples' rights policy, but it is qualified (e.g. it allows for only consultation in practice, it is expected only in certain circumstances, it applies only to certain parts of the supply chain, etc.)
		3.1.3. The company requires its tier 1 suppliers to respect Indigenous Peoples' rights	The SCoC, responsible sourcing policy or equivalent explicitly requires suppliers to respect the UNDRIP (**50%)** and FPIC (**50%**). MODIFIER: Points will be halved if the policy is qualified.
		3.1.5. These commitments are translated into the languages used by the impacted Indigenous Peoples.	**50%:** the company requires suppliers to translate these commitments to the languages of the impacted Indigenous Peoples. **50%:** the company requires that these translations are actively made available to the Indigenous Peoples concerned.
	3.2. Identify	3.2.1. The company has a process in place to assess risks to Indigenous Peoples' rights in their supply chain to the point of extraction.	**25%:** The company discloses that their supply chain risk identification process explicitly includes FPIC and other Indigenous Peoples' rights issues through to the point of extraction. **25%:** the company discloses where in the supply chain these risks occur (e.g. materials, tiers, and geographical location).

Theme	Indicator Category	Indicators	Score Attribution Note: scores are cumulative unless otherwise specified.
			25%: the company explains how Indigenous Peoples are involved in the risk identification process. **25%**: the company provides case studies of this process in practice. Case studies should include information on the location, supplier/s involved, the potential impacts on Indigenous Peoples' rights, the Indigenous Peoples concerned and their objections or concerns, and the way the company went about or is ensuring that the specific rights in question are respected.
	3.3. Prevent, Mitigate and Account	3.3.1. The company provides additional discussion regarding the practices by which suppliers must obtain FPIC	**100%:** the company describes in detail the process that suppliers must follow (for example, guidance put in place by the company for suppliers to follow, or other practical means of operationalising the company's FPIC commitments throughout the supply chain). **25%:** the company states a minimum expectation for suppliers and/or the process it describes is limited in its application.
		3.3.2. The company is a member of a multi-stakeholder group (e.g. IRMA) that includes the participation of Indigenous Peoples to ensure respect of Indigenous Peoples' rights at the point of extraction.	Refer to Responsible Sourcing of Transition Minerals indicators.
		3.3.3. The company has a formal process in place to engage critical upstream suppliers on FPIC (e.g. extractives companies)	This score relates to direct engagement by the company with extractives companies. Note: It is in addition to their membership of IRMA, and it applies whether the extractive companies are direct or indirect suppliers. **25%:** the company formally engages extractive companies regarding FPIC. **25%:** the company states that they formally review company documents (e.g. meeting

Theme	Indicator Category	Indicators	**Score Attribution** **Note: scores are cumulative unless otherwise specified.**
			minutes) to ensure that Indigenous Peoples' FPIC has been provided. **50%:** the company engages directly with representatives of Indigenous Peoples affected by mining operations to review that regular engagement and consultation take place, community needs are responded to, and there continues to be FPIC.
		3.3.4. The company reports on how it is prepared to respond if it finds FPIC breaches in its supply chain.	The general HR indicators provide a baseline for this. In addition: **25%**: the company discloses the action it will take if disagreements or disputes with Indigenous Peoples arise in its supply chain. **25%**: the company discloses the action it will take if it finds FPIC breaches in its supply chain. **50%:** the company explains how the Indigenous Peoples affected by FPIC breaches are involved in decisions about how to respond (including, but not limited to, whether the company should suspend or cease its relationship with a supplier).
	3.4. Remedy	3.4.1. The company's grievance mechanism has a process for investigating and remedying breaches of FPIC that includes a formal role for impacted Indigenous Peoples.	FPIC is a continuous process – not a single decision at a single moment in time. Grievance mechanisms should be able to address FPIC concerns throughout the lifetime of a project. **25%:** the company explains how it involves Indigenous Peoples in the design of its grievance mechanisms and/or processes to address their complaints. **25%:** the company explains how it involves Indigenous Peoples in the investigation of grievances and determination of remedy. **50%:** the company provides examples or case studies of remedy provided to Indigenous Peoples for confirmed breaches of FPIC in the supply chain.

Theme	Indicator Category	Indicators	Score Attribution **Note: scores are cumulative unless otherwise specified.**
4. Respect for Workers' Rights	**4.1. Commit**	4.1.1. The company has a commitment to workers' rights	**25%:** The company's human rights policy (or similar) includes a specific commitment to the ILO Declaration on Fundamental Principles and Rights at Work and/or the ILO Fundamental Conventions. **OR** **50%:** The company identifies and commits to respecting each of the five Fundamental Principles and Rights at Work as established in the ILO Declaration (companies who do not make explicit and unqualified commitments to all five ILO principles will not be scored): 1. freedom of association and the effective recognition of the right to collective bargaining; 2. the elimination of all forms of forced or compulsory labour; 3. the effective abolition of child labour; 4. the elimination of discrimination in respect of employment and occupation; and 5. a safe and healthy working environment. **PLUS** **25%:** the company has a commitment to a living wage in their human rights policy or in another formal policy document. **25%:** the company outlines how it calculates a living wage.
		4.1.2. The company extends their workers' rights commitments to their Tier 1 suppliers and beyond. Note: only the specific worker rights commitments are evaluated here. Whether or not these commitments are extended beyond tier 1 suppliers is evaluated in the	**25%:** The SCoC includes a specific commitment to the ILO Declaration on Fundamental Principles and Rights at work and/or the ILO Fundamental Conventions. **OR** **50%:** The SCoC includes specific requirements on each of the five Fundamental Principles and Rights at Work as established in the ILO Declaration (companies whose SCoCs do not include explicit and unqualified requirements on all five ILO principles will not be scored): 1. freedom of association and the effective recognition of the right to collective bargaining; 2. the elimination of all forms of forced or compulsory labour; 3. the effective abolition of child labour; 4. the elimination of discrimination in respect of employment and occupation; and

Theme	Indicator Category	Indicators	Score Attribution **Note: scores are cumulative unless otherwise specified.**
		"General" human rights section.	5. a safe and healthy working environment. **PLUS** **25%:** the SCoC requires suppliers to pay a living wage. **25%:** the SCoC prohibits the payment of recruitment fees.
	4.2. Identify	4.2.1. The company consults trade unions and/or workers' representatives in their assessment of salient workers' rights risks in their supply chain.	Generic supply chain indicators provide a baseline score for this. To get additional points here, companies must specify that they consult with labour unions and/or workers' representatives regarding salient workers' rights in the supply chain. This must expressly include labour unions and/or workers' representatives in the supply chain and/or global union federations (GUFs) Note: workers' representatives are not a substitute for trade unions where trade unions are allowed to operate and not limited in their activities.
		4.2.2. The company discloses the salient workers rights risks in their supply chain and where they are located.	The following scores are absolute not cumulative: **100%:** the company's risk assessment explicitly identifies the salient risks to workers' rights and describes where in the supply chain these are located. **25%:** the company's risk assessment explicitly identifies workers' rights risks for at least one material / supply chain and the location/s.
	4.3. Prevent, Mitigate and Account	4.3.1. The company actively collaborates with workers and the representative organisation(s) of workers' own choosing to promote respect for workers' rights in its supply chain.	**25%:** the company has a collective agreement with the relevant trade union in the headquartered country. **25%:** the company has a global framework agreement with IndustriALL for neutrality across all its operations. **25%**: the company describes the formal mechanisms it has put in place to consult trade unions and/or workers' representatives on the company's workers' rights principles and/or policies.

Theme	Indicator Category	Indicators	**Score Attribution** **Note: scores are cumulative unless otherwise specified.**
			25%: IndustriAll was actively involved in the formulation of the company's workers' rights principles and/or policies.
		4.3.2. The company reports on how it is prepared to respond if it finds non-conformances associated with its workers' rights policy occurring in its operations or supply chains.	Refer to general HR indicators.
		4.3.3. The company works with the relevant trade union and/or worker representative organisation to verify the implementation of corrective actions pertaining to workers' rights.	**50%:** the company specifies that it works with the relevant trade union and/or workers' representatives in the elaboration of corrective action plans. **50%:** the company specifies that it works with the relevant trade union and/or workers' representatives in the verification of corrective action plan implementation.
	4.4. Remedy	4.4.1 Workers and the representative organisations of workers' own choosing are formally included in the remedy process.	**50%:** the company specifies that trade unions and/or workers' representatives are formally involved in any remedy process concerning breaches of workers' rights in the supply chain. **50%:** the company provides examples or case studies of remedy provided to workers for confirmed breaches of workers' rights in the supply chain.

Appendix 2: Weighting methodology

Indicator category	Normalized weighting	% of total points for subsection
Fossil free and environmentally sustainable supply chains		
Disclose	1.0	22.22%
Target setting & progress	1.5	33.33%
Supply chain levers	2.0	44.44%
Human rights and responsible sourcing		
Commit	1.0	15%
Identify	1.5	23%
Prevent, Mitigate & Account	2.0	31%
Remedy	2.0	31%

Note: Automakers' total scores across both sections (human rights and climate/environment) were calculated as averages of the two percentages scored for each one.

Appendix 3: Definitions of lower-emission and fossil-free steel & aluminium used in the Leaderboard

Leaderboard term	Qualitative description	Quantitative GHG emissions intensity threshold (tCO2e /tonne)	Analytical boundaries	Other commonly used terms	Standards/schemes that use or endorse identical or similar definitions / thresholds
Fossil-free steel	Either: - Primary steel that is produced using breakthrough technologies that eliminate as much coal and natural gas as technically possible in the ironmaking and steelmaking processes and instead use inputs such as green hydrogen and/or carbon-free electricity, combined with any amount of steel scrap. Or: 100% steel scrap produced with 100% carbon-free electricity	<0.4 tCO2e/tonne (0% scrap inputs) to <0.05 tCO2e/tonne (100% scrap inputs)	"Cradle-to-crude steel" that includes direct and indirect combustion and process-related GHG emissions.	- Near-zero emissions steel - Green steel - Fossil-fuel free steel - Net-zero steel - Near-zero steel	- IEA Near-Zero Emissions Steel - ResponsibleSteel (Decarbonisation Progress Level 4) - First Movers Coalition (FMC) near-zero emissions steel - International Council on Clean Transportation (ICCT) - near-zero emissions steel - IIGCC Steel Purchasers Framework - SteelZero - net zero steel - Industrial Deep Decarbonisation Initiative (IDDI) - near-zero steel - Low Emission Steel Standard (slightly different thresholds) - near-zero steel

Lower emission steel	Primary steel that is produced by eliminating as much coal as technically possible in the ironmaking and steelmaking processes and instead using technologies that are near-zero emissions already or projected to become near zero-emission in the future (even if inputs are not fully renewable), combined with any share of steel scrap.	<2 tCO_2e/tonne (0% scrap inputs) to <0.35 tCO_2e/tonne (100% scrap inputs)	"Cradle-to-crude steel" that includes direct and indirect combustion and process-related GHG emissions.	- Low CO2 steel - Low-carbon steel - CO2-reduced steel - Low emission steel	- SteelZero - lower emission steel - ResponsibleSteel (Decarbonisation Progress Level 2) - International Council on Clean Transportation (ICCT) - lower emission steel - IIGCC Steel Purchasers Framework - IEA (Band D+) - Industrial Deep Decarbonisation Initiative (Band D+) - Low Emission Steel Standard (slightly different thresholds) - low emission steel
Fossil-free aluminium	Either: Primary aluminium that is produced with carbon-free electricity and utilizes breakthrough technologies (such as inert anodes, electric boilers and hydrogen calciners) to further reduce direct emissions from aluminum production, combined with any share of	<3 tCO_2e/tonne (for primary aluminum)	"Cradle-to-gate", which includes all emissions generated by the aluminium sector within its own facilities, and those embedded in raw materials, ancillary materials, and consumed energy.	- Near-zero emissions aluminium - Low-carbon aluminium - Fossil-fuel free aluminum	- First Movers Coalition (FMC) - low-carbon primary aluminum

	aluminum scrap. Or: 100% aluminum scrap produced with 100% carbon-free electricity.		(IAI Aluminium Carbon Footprint Methodology)		
Lower emission aluminium	Primary and/or secondary aluminium that is smelted with carbon-free electricity.	≤4 tCO2e/tonne (for primary aluminum)	Scope 1 and 2 at the smelter.	- Low CO2 aluminium - Low-carbon aluminium - CO2-reduced aluminium - Green aluminum	- Fastmarkets - low-carbon / green aluminium - Aluminum Stewardship Initiative (references) - RMI (references)

Appendix 4: Assessment of Third Party Auditing and Accreditation Schemes

Objective
This assessment complements the Leaderboard by serving as a mechanism to assess the robustness of the different third-party audit/certification schemes, which are being used by companies to perform their human rights and environmental due diligence obligations within the automotive supply chain. The context of developing the assessment method was the recognition of the inherent limitations of such schemes and the unsuitability for schemes to be understood as a basis for legal compliance. The methodology sets out a number of core principles and minimum expectations relating to the extent to which an industry standard can be considered robust. These include an assessment of the governance of the standard, the veracity of the certification process where one exists, the role of impacted rights holders in the process as well as expectations relating to the content of the standard itself. Each scheme has then been assessed against these criteria and the results of this assessment have been used to develop a point modifier to the corresponding indicators that referenced these schemes, awarding more points to more robust schemes.

The results of the assessment can be found in sheet 8 of the Leaderboard spreadsheet.

Methodology

This assessment focuses on third party assurance and accreditation schemes within key industries and sectors of relevance to automotive supply chains, focusing on the minerals, steel and aluminum industries. Only schemes that implement, or facilitate, assurance and accreditation processes at the facility level are included in the assessment.[53] This focus is because a specific concern of members of the Lead the Charge network is the quality and credibility of these accreditation processes as they relate to mining sites, smelters and refiners, steel and aluminum plants and other facilities in the supply chains of automakers, who often use the information provided by these schemes for their responsible sourcing practices.

The methodology outlined below therefore sets out a number of core principles and minimum expectations relating to the extent to which a third party assurance or accreditation initiative can be considered robust. In order to allow for comparison across different schemes focusing on different sectors and / or issues, these criteria are focused on the process through which a third-party standard is developed and then implemented through its corresponding assurance and / or accreditation systems. These process-orientated criteria include an assessment of the governance of the standard, the credibility and transparency of the accreditation process, the role of impacted rights holders in this process, the role of corrective action plans to correct any shortcomings

[53] Noting that some schemes, such as Responsible Minerals Initiative and the Aluminum Stewardship Initiative, focus on assurance processes at both the facility-level and supply chain due diligence level. For further explanation on this distinction see: Human Rights Watch (2023), *EU's Flawed Reliance on Audits, Certifications for Raw Materials Rules: Questions and Answers*, https://www.hrw.org/news/2023/05/24/eus-flawed-reliance-audits-certifications-raw-materials-rules

identified in an audit against the standard, and the existence of a grievance or complaints mechanism that can be accessed by impacted rights-holders and other key stakeholders. Alignment with ISEAL's Codes of Good Practice is also credited.

One additional criterion focuses on the requirements of the third-party standards themselves: evaluating whether the schemes' own performance expectations are aligned with existing international human rights and environmental standards. Our assessment criteria are well aligned with previous evaluations of industry schemes, such as the ones conducted by Germanwatch, Mercedes-Benz, or the Common Standard Recognition Framework launched by the Drive Sustainability initiative.

Each criterion is awarded a maximum point score of 1. There are three scoring thresholds for each criterion: full points, half points or no points. The exception to this is the criterion on multi-stakeholder governance, which was considered to be the most important criterion of all and so was awarded a maximum point score of 2 and has four scoring thresholds: full points, half points, quarter points or no points.

In total, eight accreditation schemes were assessed: Responsible Steel; The Initiative for Responsible Mining Assurance (IRMA); Aluminium Stewardship Initiative (ASI); Responsible Minerals Initiative (RMI); Copper Mark; Towards Sustainable Mining (TSM); International Council on Mining & Metals (ICMM); and Global Steel Climate Council (GSCC). Some of these schemes, such as ASI, ResponsibleSteel and IRMA, focus on a broad range of climate, environmental and human rights issues. Others are more narrowly focused, such as the GSCC, which solely focuses on emissions, and the RMI's Responsible Minerals Assurance Process which focuses on mineral risks from conflict-affected and high-risk areas.

The assessment was conducted by reviewing the websites and formal documents (such as constitutions, policies, and standard documents) of each scheme. Each scheme evaluated was also contacted by Lead the Charge prior to the publication of this report and invited to provide feedback on their scores, which was then taken into consideration in order to finalize the scores shared below.

Minimum Criteria of the Assessment:

1: Multi-stakeholder governance and civil society co-creation. This criterion evaluates whether a third party standard is developed and implemented through a robust system of multi-stakeholder governance. In order to score full points against this criteria, a scheme must be able to demonstrate that equal decision-making power has been formally awarded, through the scheme's corresponding governance documents, to rights-holders and civil society, alongside industry representatives.

Note that it is not sufficient to simply state "non-industry" or "independent" - schemes must be explicit in naming equal governance with civil society (NGOs, organized labor and Indigenous organizations) and affected rights-holders[54]. If terms such as "non-industry" or "independent" are used, schemes must explain the criteria used to select such representatives and how these criteria ensure equal decision-making power between civil society and affected rights-holders with industry overall.

Full Credit - 2 points

- Equal governance of rights-holders and civil society: Affected rights-holders, their representatives and / or civil society organizations are guaranteed 50% representation and decision-making power overall.
- Affected rights-holders, their representatives and/or civil society organizations maintain equal decision-making power with industry regarding the implementation of the standard.

Partial Credit - 1.5 points

- Affected rights-holders, their representatives and / or civil society organizations are guaranteed 50% representation and decision-making power in *some* governance bodies of the scheme, but not overall.
- Affected rights-holders, their representatives and/or civil society organizations maintain equal decision-making power with industry regarding the implementation of the standard.

Partial Credit - 1 point

- Multi-stakeholder governance where civil society / rights-holders representation and / or decision-making power is guaranteed but less than 50% overall.
- Evidence of structured stakeholder engagement in the development and revision of the standard.

[54] Note: any assessed schemes that focus strictly on emissions / decarbonization will only be expected to maintain equal decision-making power between industry and civil society representatives.

Partial Credit - 0.5 points
● Evidence of structured stakeholder engagement in the development and revision of the standard.
Insufficient - 0 points
● Participation by industry only without a formal process of stakeholder engagement. ● A formal stakeholder engagement process does exist, but includes no mandatory or binding governance mechanism.

<u>2: Credible audits and accreditation.</u> This criterion evaluates the credibility of the audit / assurance / accreditation processes that the different schemes use to evaluate the performance of companies' facilities, sites or projects against the standard that they have developed. Two expectations are established: firstly, whether the schemes mandate that these audits must be undertaken by independent third-parties, with site-level verification, or whether the accreditation process can be undertaken through self-assessment and / or with no requirements regarding site-level verification. Secondly, the assessment evaluates whether schemes mandate the involvement of affected rights-holders in the audit process of specific facilities, sites or projects, which is considered essential for ensuring the veracity of the audit process.[58]
Full Credit - 1 point
● The scheme mandates third party audit of practices, including site-level verification. ● The standard requires that the audit process includes participation of impacted rights-holders, ideally publishing advance notice of audits taking place.[55]
Partial Credit - 0.5 points
● The scheme mandates third party audit of practices, including site-level verification ● Unclear if certification requires participation of affected rights-holders.[58]
Insufficient - 0 points

[55] Note: any assessed schemes that focus strictly on emissions / decarbonization are not scored against this criterion.

● The certification allows for self-assessment against the standard and / or third party assessment that does not include site-level verification

<u>3: Transparency of audit findings.</u> This criterion assesses the level of transparency a scheme requires for the findings of the audits that are undertaken to assess company performance against its standard and, in particular, with regards to any accreditation statements made regarding company compliance with the standard. To score full points against this criteria, schemes must be able to demonstrate that detailed audits are made available, including explanations of findings of conformance and non-conformance against individual performance expectations and information on the audit process itself.
Full Credit - 1 point
● The scheme requires that detailed audit reports be made publicly available, or at the very least made available to impacted rights-holders and other key stakeholders (publishing how engagement took place and detailing which stakeholder groups were engaged). ● Public audit reports disclose information on the audit process, including which stakeholders were engaged and how, and provide detailed explanations of findings of compliance and noncompliance against the standard's criteria, together with evidence used to justify these findings.
Partial Credit - 0.5 points
● The scheme only requires partial disclosure or a summary of audit findings to be made public, indicating the company's performance against key criteria but without further explanation and/or without sufficient information on the audit process.
Insufficient - 0 points
● The scheme only publishes the overall result of the audit / accreditation process, without any explanation or clarity around which criteria was assessed and the company's performance against the criteria. ● The scheme has no requirements with regards to transparency of audit results.

Criteria 4: Corrective Action Plans (CAPs) / Improvement Plans. This criteria looks at the requirements of schemes regarding the corrective actions and/or improvements needed to address any findings of non-compliance against the standard criteria that were identified through the audit process. Two minimum expectations are established: firstly, ensuring adequate levels of transparency regarding CAPs and secondly that the scheme mandates rights-holder participation in CAPs.[59]
Full Credit - 1 point
● The certification scheme standard for CAPs requires rights-holders to be involved in the development, implementation and monitoring of the plans[56] ● The standard requires the results of all CAPs to be disclosed publicly, along with a description of the non-conformances needing to be addressed within an associated time-frame.
Partial Credit - 0.5 points
● The standard requires the results of all CAPs to be disclosed publicly, along with a description of the non-conformances needing to be addressed within an associated time-frame
Insufficient - 0 points
● No public disclosure relating to CAPs necessary to achieve certification. ● No assessment of whether CAPs have been implemented.

[56] Note: any assessed schemes that focus strictly on emissions / decarbonization are not scored against this criterion.

Criteria 5: Effective grievance / complaints mechanism. This criteria evaluates whether a scheme has put in place a robust mechanism through which rights-holders and other key stakeholders can raise grievances regarding the human rights and / or environmental impacts of a company whose operations have been publicly assessed by a third party scheme, as well as complaints regarding an audit process or outcome. The requirements of this criterion were structured around the Effectiveness Criteria of the UNGPs for grievance mechanisms.
Full Credit - 1 point
● The scheme has an independently facilitated grievance / complaints mechanism. Note: if the scheme provides an internally facilitated grievance mechanism, complainants should at least have access to an independently facilitated appeal or oversight body. ● The scheme outlines how grievance mechanism is accessible (detailing measures taken to ensure it is known by stakeholders, appropriate translation and provision of assistance where necessary) ● The scheme ensures aggrieved parties have access to information, advice and expertise. ● Adequate disclosure is provided on grievances that are received through the mechanism, including the number of grievances received, the types of issues raised, the remedial actions taken in response and the outcomes.
Partial Credit - 0.5 points
● The scheme only has an internally facilitated grievance / complaints mechanism. ● The scheme only discloses summary information relating to recent grievances received through the mechanism.
Insufficient - 0 points
● There is no functioning grievance / complaints mechanism or no information is disclosed on the operation of the grievance mechanism.

Criteria 6: ISEAL Compliance. ISEAL's Codes of Good Practice provide a globally recognised framework of third-party standards, defining key expectations for sustainability initiatives and their accreditation schemes. The ISEAL Standard-setting Code defines how a standard should be developed, structured, implemented and improved over time.
Full Credit - 1 point
● Initiative is ISEAL code compliant

Partial Credit - 0.5 points
● Initiative is an ISEAL community member
Insufficient - 0 points
● Initiative is neither ISEAL code complaint or a community member

Criteria 7: Credible and comprehensive standard criteria. This criterion focuses on the performance expectations of the standards developed by each scheme and whether these are aligned with existing international environmental and human rights standards.
The standard used by the scheme is aligned, as a minimum, with the following: **Full Credit - 1 point** (0.25 points for each issue area). ● Adherence to the UN Guiding Principles on Business and Human Rights. ● Adherence to the ILO Declaration on the Fundamental Principles and Rights at Work ● Adherence with UNDRIP and/or ILO 169, with FPIC assessed as part of the certification ● Paris Agreement goal of limiting temperature rise to 1.5 degrees

In order to facilitate comparison across different schemes, performance bands have been established in relation to the total number of points scored by the different schemes against each criteria. The table below outlines how the combined score translates to a points modifier being applied to the relevant indicators with the LtC scorecard. It is important to emphasise that the modifier is applied to individual indicators within the LtC scorecard, for which the scoring criteria is contingent on meeting the requirements of the certification schemes assessed as part of this exercise. These are outlined in the table below:

Performance bands		
Total points	**Description**	**Point modifier in scorecard**
8 points (full points)	Robust standard that meets minimum criteria for effective governance, auditing / accreditation and implementation of its criteria	Full points

7 points	Robust scheme overall that still has some shortcomings but meets nearly all of the minimum criteria for governance, auditing and / or accreditation against its standard	0.8 modifier
5-6 points	Scheme has made notable progress in meeting most of the minimum criteria but has some significant shortcomings	0.6 modifier
3 - 4 points	Scheme has made progress in some areas but fails to meet multiple criteria for effective governance, auditing and / or accreditation against its standard	0.4 modifier
Below 3 points	Flawed scheme that fails to meet most of the minimum criteria for governance, auditing and / or accreditation	No scoring possible

Further Details Regarding Credible Standard Setting

Human rights

Initiatives and associated accreditation schemes commit to and recognise responsibility to respect human rights:

- References internationally recognised human rights: International Bill of Rights and the principles concerning fundamental rights set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

Standards for companies are based on UNGPs obligations to have:

- *A policy commitment to meet their responsibility to respect human rights.*
- *A human rights due diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights.*
- *Processes to enable the remediation of any adverse human rights impacts they cause or to which they contribute.*
- *To verify whether adverse human rights impacts are being addressed, business enterprises should track the effectiveness of their response.*
- *To account for how they address their human rights impacts, business enterprises should be prepared to communicate this externally, particularly when concerns are raised by or on behalf of affected stakeholders.*

Climate change

- Standard is aligned to a credible 1.5 degree scenario
  - Covers scopes 1, 2 and 3 emissions
  - Is not reliant on CCUS (e.g. IPCC SR15 pathway 1)

- Outlines short (up to 3 years), medium (3-10 years) and long-term (11+ years) targets

[Based on UNGPs - guidingprinciplesbusinesshr_en.pdf (ohchr.org). This document provides greater details: arp-note-meeting-effectiveness-criteria.pdf (ohchr.org)]