

Current best practices on equitable, sustainable and fossil-free auto supply chains

Companion brief to the
2026 leaderboard report



Lead the Charge

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About this brief

This briefing accompanies the fourth annual Lead the Charge Leaderboard evaluating automaker action on clean and equitable supply chains.

While the main report analyzes and ranks 18 of the world's leading automakers on their supply chain performance, this companion brief documents what leading practice looks like—presenting concrete examples of how top-performing automakers are implementing more targeted and impactful approaches across the Leaderboard's eight subsections. It is designed as a practical resource for automakers, investors, regulators, and other stakeholders working to drive meaningful progress toward equitable, sustainable, and fossil-free automotive supply chains.

The full Leaderboard dataset and individual company scorecards can be found on the Lead the Charge website: leadthecharge.org

Introduction



Introduction

The 2026 Leaderboard findings reveal an important shift in how leading automakers are approaching supply chain sustainability and human rights due diligence. These companies are beginning to further differentiate themselves in certain areas by implementing more targeted supply chain strategies at the material and issue-specific levels. This brings their practices more fully in line with international due diligence frameworks, such as the UNGPs and the OECD Due Diligence instruments, as well as international best practices on supply chain decarbonization, such as those outlined by the [New Climate Institute](#) and the [Science-based Targets Initiative](#).

Both average performers and leading companies may start with a broad analysis and strategy to map and address human rights and environmental risks and impacts across their supply chains. But industry leaders stand out by honing in on priority areas for targeted interventions—whether that means reducing

major sources of supply chain emissions like those from coal-fired blast furnaces used for steel production, tackling circularity challenges related to specific materials like aluminum, or addressing the most salient environmental and human rights risks linked to specific raw materials like nickel or lithium. In so doing, they direct their efforts where adverse impacts are greatest and where their leverage can drive meaningful outcomes.

Targeted strategies that are tailored to the specific risks, challenges, and opportunities found in different material supply chains and issue areas are ultimately more effective at driving positive impacts for the environment and human rights (see Box 1). It is no coincidence that the automakers implementing more sophisticated and bespoke supply chain strategies are also the ones able to disclose more concrete, comprehensive, and compelling information about their activities and progress.

HOW LEAD THE CHARGE UNDERSTANDS “IMPACT” IN THE CONTEXT OF THE LEADERBOARD

In assessing automakers’ supply chain practices, the Leaderboard adopts a comprehensive definition of “impact” that encompasses both **outcomes** and **process**. Impact includes not only the ultimate goal—automotive supply chains with reduced emissions, environmental harms, and human rights violations—but also the critical intermediate step of automakers using their leverage as major downstream purchasers to drive the adoption and implementation of more robust human rights and environmental standards by suppliers and to hold them accountable when abuses or shortcomings in performance are identified. This dual understanding reflects the reality that achieving meaningful outcomes requires sustained systemic work focused on raising standards at the level of key industries and supply chains, whilst also pushing individual suppliers to take targeted action to address harms and challenges in specific contexts.

While documented examples of the former kind of impact remain limited, the Leaderboard has identified a growing body of best practices through which automakers are actively driving the kinds of changes captured by the latter definition. These include automakers signing offtake agreements to unlock investments in green steel and aluminum facilities, requiring suppliers to use low-carbon materials or to undergo audits by robust third-party assurance schemes like IRMA, and pushing suppliers to respond to allegations of abuses and harms at the local level.

This briefing presents examples of these practices, documented across the different indicators of the wsubsections, and is intended as a practical resource

for automakers, investors, regulators, and other stakeholders working to drive more impactful supply chain practices within the automotive industry.

Who leads where?

Current best practices on clean and equitable supply chains



Fossil-free and environmentally sustainable supply chains

Overall Supply Chain Sustainability and Decarbonization (General)

The General fossil-free and environmentally sustainable indicators seek to capture a company’s overall approach to reducing supply chain carbon emissions and other adverse environmental impacts, providing the foundations for automakers to take more targeted action on their steel, aluminium and battery supply chains.

This subsection covers three key topical areas: supply chain emissions, water, and deforestation risk management. For each of which the Leaderboard expects automakers to provide transparent disclosures, set clear targets and have programs to monitor supplier compliance and track their progress.

Regarding GHG emissions, for example, the Leaderboard expects companies to set and disclose science-based Scope 3 emissions reduction targets, including both interim and long-term goals, along with clear explanations of decarbonization levers across supply chain segments. While some automakers have begun specifying these targets, the Leaderboard calls for further disaggregation, especially for upstream supply chains, to demonstrate targeted strategies and create a clear roadmap across the vehicle lifecycle. To meet these emissions reduction targets, the Leaderboard expects automakers to mandate time-bound, science-based targets for their suppliers, ensuring that both tier-1 suppliers and indirect suppliers contribute to decarbonization goals.

Water risk management is becoming an area of critical concern for automakers, as water scarcity intensifies and supply chains for raw materials extraction and processing are increasingly exposed to water-related risks. As automakers rely on a vast network of suppliers, many of whom operate in water-stressed regions, effective water risk management is essential to mitigate potential disruptions, ensure supply chain resilience and be prepared for regulatory constraints. The Leaderboard expects automakers to set up clear requirements for suppliers to disclose water usage and set up

reduction targets. This helps automakers better understand their water footprint and work collaboratively with suppliers to minimize water risks.

Deforestation risk management is crucial for automakers as the sector relies heavily on soft and hard commodities that can be associated with deforestation and land conversion. Effective management of these risks is important not only for mitigating environmental impacts but also for meeting growing consumer and regulatory expectations. Since the introduction of new indicators on deforestation, the Leaderboard has observed an increasing number of automakers implementing supplier requirements related to deforestation. However, best practices in deforestation risk management must extend beyond general supplier requirements to include more targeted, actionable strategies tailored to different supply chains.

Top five companies for General (Climate & Environment)

COMPANY (OVERALL RANK)	2026 SCORE ON GENERAL (CLIMATE & ENVIRONMENT)	2025 SCORE (AND RANK) ON GENERAL
1 BMW (6)	67%	60% (1)
2 Ford (2)	58%	45% (5)
3 Volkswagen (5)	54%	51% (3)
4 Volvo (3)	53%	32% (10)
5 Mercedes (4)	51%	54% (2)

BMW, Ford, Volkswagen, Volvo, and Mercedes are the top five performing companies in this area this year. BMW, Ford and Volvo stand out for having set disaggregated targets to reduce their upstream GHG emissions from purchased goods and services, with Volvo having set the most ambitious target.

Ford, however, is the only company to require both direct suppliers and their subcontractors to set GHG emissions reduction targets and one of only two companies (together with Tesla) to require suppliers

to both set water reduction targets and disclose water usage. Ford also details how it monitors and incentivizes supplier progress on reducing GHG emissions and improving water management.

BMW remains the only company to score above 60% for a single subsection within the fossil-free and environmentally sustainable supply chains section. The company scores 67%, and is currently the only company to have set deforestation targets for more than one commodity (leather and rubber). The company also details measures to mitigate deforestation risks, as well as water risks, at the pre-sourcing stage, as well as with existing suppliers.

Volkswagen provides a similar level of detail as BMW regarding measures to eliminate deforestation from

its supply chain, and also provides examples of its approach in managing water risks by existing suppliers.

Mercedes has established ambitious targets to reduce CO₂ emissions per passenger car across all stages of the value chain over the entire life cycle, aiming to create a net carbon-neutral new vehicle fleet by 2039. The company also provides a range of examples of how it has engaged suppliers on GHG emissions, water management and deforestation.

Beyond the top 5 scoring companies, a number of other automakers are demonstrating leading practices in some areas. For example, **Renault** and **Kia** stand out for its engagement with suppliers on setting verified science-based targets (SBTs) to reduce their GHG emissions, whilst **Honda** is the only company so far to disclose water usage by tier 1 suppliers, although this data is limited to suppliers in Japan.

INDICATOR GROUPING	CURRENT BEST PRACTICES
Supply Chain Emissions Management	
Disclosure of supply chain emissions	14 of the 18 companies disclose their upstream supply chain (scope 3, category 1) emissions.
Upstream scope 3 SBT setting	<p>BMW, Ford, Renault and Volvo are the only companies to have set verified science-based targets for 2030 and beyond, and to have also disclosed disaggregated interim targets for upstream/purchased goods (scope 3 category 1) specifically.</p> <p>Mercedes and Stellantis have set the most ambitious lifecycle targets overall:</p> <ul style="list-style-type: none"> ■ Mercedes aims to create a net carbon-neutral new vehicle fleet along the entire value chain and over the vehicle’s entire life cycle by 2039, and has also set an interim target to reduce CO₂ emissions per passenger car in the new vehicle fleet up to 50 % across all stages of the value chain over the entire life cycle by 2030, compared to 2020. ■ Stellantis has set a carbon net zero target for 2038 (which includes “carbon net zero of the supply chain with minimal compensation”) and a 30% absolute GHG emissions reduction target for 2030 vs 2021 base year. Additionally, Stellantis has a 2030 target to reduce GHG emissions intensity per vehicle across Scope 1, 2, and 3 vs 2021 base year by 50%. The company has also set a target for 40% “reduction in CO₂-eq emissions of BEV purchased parts vs. 2021 base year” for 2030. <p>Volvo has set the most ambitious (disaggregated) interim target to reduce its supply chain emissions specifically, aiming to achieve a 30% reduction in material emissions per vehicle by 2030 (from a 2018 baseline).</p>

<p>Upstream scope 3 SBT setting by suppliers</p>	<p>Ford requires direct production suppliers to establish science-based GHG reduction targets, action plans, and transparent reporting mechanisms, with targets reinforced via sourcing process. Direct production suppliers are also required to cascade these requirements to their subcontractors.. Ford remains the only company to have clearly extended this requirement beyond tier 1 suppliers.</p> <p>Renault discloses that it required 500 main suppliers to submit their GHG emissions reduction targets to the Science Based Targets initiative (SBTi) for validation and that the targets of 35% of these 500 suppliers have been approved). Previously in its 2023 Climate Change Report, Renault disclosed that “for this year’s assessment, more than 80% of Renault suppliers have completed a CO₂ survey (based on purchasing amount)”. Among the suppliers invited to disclose, 82% had set emissions reductions targets.</p> <p>Stellantis discloses that 84% of key suppliers have set CO₂ reduction targets compliant with the Paris Agreement as of 2024.</p>
<p>Incentives and controls for GHG emissions reductions by suppliers</p>	<p>Mercedes, Kia and Renault are the only companies to score full points for the programs they have put in place to monitor suppliers for compliance with GHG emissions targets. Mercedes and Renault are also amongst the highest scorers for establishing concrete incentives for suppliers to reduce their GHG emissions.</p> <p>Mercedes, for example, uses the “Ambition Letter,” signed by 84% of production material suppliers, to contractually mandate that suppliers supply net carbon-neutral products by 2039 at the latest. Mercedes states that “The implementation of concrete actions to reduce CO₂ emissions is discussed directly with suppliers. Progress in reducing CO₂ emissions in the supply chain is reported at regular intervals to the Group Sustainability Committee (GSC).” Mercedes has also integrated target values for CO₂ emissions into the award criteria, with a focus on CO₂-intensive components and materials.</p> <p>Mercedes also provides examples of the environmental monitoring it has conducted in its battery supply chain, stating that the company conducted 54 audits along its battery cell supply chain (among the 346 suppliers and subsuppliers from battery cell providers to mine sites) between 07/2023 and 06/2024, and specifies that “among these 54 audits, 16 extensive environmental audits have been conducted, piloting our approach to environmental due diligence” in its 2024 Raw Material Report.</p> <p>Kia indicates that it requires suppliers to improve in the area of “setting and implementing greenhouse gas emissions reduction targets”. Kia also provides case studies about the support it provides small and medium-sized suppliers in setting and implementing greenhouse gas reduction targets, with programs such the Third-Party Certification Support Program that started in 2025. Kia also discloses the number of suppliers that were involved in different forms of risk assessment, including on-site ESG risk due diligence.</p>

	<p>Tesla implemented a new, stricter requirement in 2024, mandating that suppliers establish an emissions monitoring plan (such as ISO 14064 or 14067) or undergo an independent third-party verified product LCA. More specifically for its battery supply chain, Tesla expects all battery cell manufacturers to work toward net-zero GHG emissions in production and share their asset-specific roadmaps.</p>
<p align="center">Supply Chain Water Risk Management</p>	
<p>Disclosure of supply chain water usage</p>	<p>Honda is the only company to disclose data on water usage in its supply chain, disclosing data on the water use per millions of yen covering all consolidated tier 1 suppliers in Japan.</p>
<p>Supplier requirements to set water reduction targets and disclose water usage.</p>	<p>Ford and Tesla are the only companies to require suppliers to both set water reduction targets and disclose water usage. Tesla requires suppliers to “implement a water management program that documents, characterizes, and monitors water sources, use and discharge” and “supply the data for all products and related services to Tesla upon request.” Ford requires its suppliers to report water usage to Ford (if requested), and to set water reduction targets for their operations.</p> <p>Volvo also stands out for the specificity of its water requirements on suppliers, stating in its latest Code of Conduct for business partners that “Business Partners shall have in place practices that enable efficient water management. This includes implementing clear and measurable targets for reducing water withdrawal and consumption, and preventing pollution from its water discharge. These targets should take into account the nature and context of the Business Partners’ operations, including the geolocation (e.g. areas of high water-stress).”</p>
<p>Incentives and controls to address water risks</p>	<p>BMW includes general expectations related to water in its Supplier Code of Conduct: BMW also discloses in its 2024 CDP Questionnaire that water management and stewardship is included in its supplier assessment and awards scheme (p. 219). BMW assesses “nominated and potential supplier locations worldwide based on the industry-wide Drive Sustainability questionnaire, which contains questions related to water quality, consumption, and management”. The company also indicates that it would “retain and engage” in case of supplier non-compliance with water related requirements.</p> <p>Water is identified as an explicit environmental risk for several material supply chains in BMW’s Responsible Raw Material Report. In the same report, BMW discloses company engagement on lithium mining in Chile to promote the sustainable use of water resources in the Salar de Atacama, through a “30-point action plan for sustainable water management in Salar de Atacama – including a register of water rights, study analyses, a public library, water campaigns, and projects around drinking water supplies and the use of greywater.”</p>

Ford includes water risk assessment in its due diligence of potential new suppliers, “evaluating their ESG credentials and reviewing their public policies, risk mitigation history, and relevant country-level risks to mitigate the impact of water usage.” These water risk assessments are then “integrated into the supply chain due diligence process, identifying and addressing potential water-related challenges.”

Ford also provides details on a range of mechanisms that the company uses to actively manage water risks and impacts by existing suppliers. These include conducting “an annual water-related risk assessment to ensure our operations and value chain are actively managing water stewardship”; assessing supplier environmental policies on water quality and consumption management through the Drive Sustainability Sustainability Assessment Questionnaire; monitoring water stewardship by suppliers through site assessments; supporting suppliers in their water usage and waste reduction efforts through the M2030 initiative; and requiring that raw material suppliers undergo an IRMA or third-party equivalent audit covering environmental aspects, including water usage and management.

Honda discloses that it has established industrial water usage targets for 2031 and has started collecting data from suppliers to analyze their performance and progress. Honda also engages with suppliers through regular strategy and information-sharing meetings, and implementing a PDCA cycle to collaboratively achieve these targets. Previously, Honda disclosed in its 2024 ESG Data Book that regarding water and waste, the company has set “specific targets for FY2023”. This target was achieved by FY2025, according to the disclosure of supplier water use in Honda’s 2025 ESG Report.

Supply Chain Deforestation Risk Management

Target-setting on deforestation

BMW is the only company to have set deforestation targets for more than one commodity, having set a target for Sustainable Natural Rubber with the GPSNR and a commitment on leather to source cowhides and components containing cowhide from supply chains that are free from deforestation and land conversion impacts by 2030. In addition to **BMW**, **GM**, **Renault**, **Toyota** and **VW** have also set targets for deforestation-free rubber supply chains.

Incentives and controls to eliminate deforestation from the supply chain

BMW, **Kia** and **Volkswagen** explain how they mitigate deforestation risks at the pre-sourcing stage as well as with existing suppliers.

BMW states that it “gives preference to suppliers that are committed to the principles of certified, sustainable agriculture and forestry in their land and forest use.” The company also indicates that it has established due diligence, traceability, complaint, and monitoring mechanisms to assess potential risks of deforestation within relevant supply chains. Additionally, Deforestation is identified as an explicit environmental risk for several material supply chains in **BMW**’s Responsible Raw Material Report, where **BMW** also discloses its involvement in the Living Rubber Project in Indonesia, which aims “to help strengthen the social and environmental resilience of the natural rubber supply chain.”

Kia requires suppliers of leather and rubber components to submit the place of origin of their goods during the bidding process, which “enables Kia to identify the origin of goods from high-risk countries based on EUDR.” Kia also states that the company is providing trainings for procurement teams to pre-emptively manage deforestation-related risks. In order to manage deforestation risks from existing suppliers, Kia states that it is collecting and managing geolocation data for the origin of seven commodities, including cattle, wood, rubber, and palm oil. The collected coordinates are then mapped to identify source regions and, based on this information, “Kia conducts risk assessments in alignment with EUDR requirements—covering deforestation, land-use changes, Indigenous rights violations, and breaches of local laws.”

VW identifies deforestation as a risk for specific commodities such as copper, leather and rubber, and uses contractually binding sustainability specification sheets for all new contracts with direct business partners that supply focus products containing any of the raw materials in scope. The specification sheets “stipulate the way in which certain products must be manufactured, thus defining our raw-material-specific expectations of our suppliers with regard to human rights and the environment”. For example, the company’s leather specification sheet requires suppliers to achieve LWG (Leather Working Group) Bronze certification or higher. VW also explains how it has broadened the scope of its rubber risk assessment to assess deforestation risks not only from tires but also many other rubber-containing parts

In addition to these companies, **Mercedes** and **Tesla** stand out for providing concrete examples of how they have engaged suppliers to mitigate deforestation risks. Mercedes, for example, provides evidence of engagement with leather suppliers in Brazil to address deforestation risks. Tesla includes “Protecting forests and biodiversity” as a standalone engagement area in its 2023 Impact Report and provides a case study of engaging with gold supplier/refiner with alleged deforestation practice that led to an outcome of “encouraged removal of certain actors from Tesla’s upstream supply chain”. Tesla identifies deforestation as a key risk related to nickel sourcing in Indonesia and has co-founded the multi-stakeholder Nickel Efforts for a Sustainable Transition (NEST) Program in April 2024 with the aim to implement biodiversity conservation, reforestation and community engagement.

Fossil free and environmentally sustainable steel

The automobile sector accounts for 12% of global steel consumption, with steel and iron representing approximately 15% of the supply chain emissions footprint for electric vehicles (EVs) and 27% for internal combustion engine (ICE) vehicles.

As such, the Leaderboard expects companies to disclose emissions from their steel supply chains, set reduction targets, and report on progress to reduce these emissions. Additionally, the Leaderboard calls on automakers to leverage their position as major buyers of steel to accelerate the decarbonization of this industry, which is responsible for approximately 7-9% of global GHG emissions. This can be achieved by setting public procurement targets, joining multi-stakeholder initiatives to aggregate demand and signing advance purchase agreements for fossil-free steel.

The Leaderboard also expects automakers to extend their responsibility across the entire lifecycle by implementing closed-loop processes for both pre- and post-consumer scrap steel, and by designing parts and vehicles to enhance steel recyclability.

Top five companies for Fossil-free and environmentally sustainable steel

COMPANY (OVERALL RANK)	2026 SCORE ON STEEL	2025 SCORE (AND RANK) ON STEEL
1 Volvo (3)	58%	57% (1)
2 Mercedes (4)	28%	24% (2)
3 Ford (2)	23%	21% (4)
4 Tesla (1)	22%	22% (3)
5 Geely (8)	19%	16% (6)

Volvo, Mercedes, Ford, Tesla, and Geely are the top five performing companies in fossil free and environmentally sustainable steel this year, with Geely making its first appearance among the top performers. **Volvo** maintained its top position in this area, and it is the only company to score over 50% of the total available points in this section, setting a clear benchmark for other industry peers to follow.

Volvo stands out in particular for outlining its overall strategy for steel decarbonization in its Position Paper on Sustainable Steel, as well as for being the top scoring automaker for the steel recycling indicators.

Other industry leaders in this area have set concrete targets as part of multi-stakeholder initiatives such as the First Movers' Coalition (**Ford** and **GM**) and SteelZero (**Volvo**), as well as clear roadmaps for steel decarbonization (**Mercedes** and **Volvo**).

Automakers such as **BMW, Ford, GM, Mercedes, VW** and **Volvo** have established and disclosed offtake agreements for green steel. Mercedes is the top performing automaker in this regard, having disclosed purchase agreements across multiple production geographies and, for some of these, additionally disclosing timelines and purchase volumes.

Geely's improvement is notable for its enhanced disclosure of the percentage of "renewable steel" used in its ZEEKR Mix model, making it one of only two companies, alongside **Mercedes**, to provide quantitative disclosures on the percentage of lower-emission steel used in specific EV models.



INDICATOR GROUPING	CURRENT BEST PRACTICES
<p>Disclosure of disaggregated scope 3 emissions from steel</p>	<p>Tesla is the only automaker to provide disaggregated scope 3 category 1 emissions from its steel supply chain, disclosing that steel accounted for 6.04% of its commodity supply chain emissions in 2024.</p> <p>Volvo is the only automaker to provide disaggregated emissions data from steel for individual vehicle models in their corresponding LCAs (e.g. 18% from steel and iron for the XC40 Recharge).</p>
<p>Target setting and disclosure of progress on steel decarbonization</p>	<p>Ford, GM, and Volvo have set the most ambitious steel decarbonization targets, with Ford and GM committing to purchase 10% fossil-free steel by 2030 and Volvo committing to purchase 50% lowered emissions steel by 2030. Volvo also stands out for having published a dedicated strategy to achieve its steel decarbonization targets, outlined in the company's Position Paper on Sustainable Steel.</p> <p>Mercedes is the only company to provide detailed disclosures of the amount of low-carbon steel used in a specific vehicle model, stating in the 360 Environmental Check for its CLA model that “39 kg of steel from electric arc furnaces, which are manufactured using electricity from renewable energy sources, is used for the steel scopes produced inhouse in our own stamping plants.” Mercedes also mentions that steel is 45% of the weight of the vehicle, and that the total weight is 1980kg, which implies that about 4.4% of the steel comes from electric arc furnaces using electricity from renewable energy sources.</p> <p>Geely also discloses the percentage of “renewable steel” in its ZEEKR Mix model (15%), but does not provide further details.</p>
<p>Target setting and disclosure of progress on steel recycling</p>	<p>Only Geely and Volvo have set targets to increase scrap steel usage (however, neither disaggregate these targets for post-consumer scrap specifically):</p> <ul style="list-style-type: none"> ■ Volvo aims to use 25% recycled steel in its vehicles by 2025 and 35% by 2030 ■ Geely has a target for its tier-1 key suppliers to use 20% recycled steel by 2025. <p>Only Hyundai and Volvo disclose the amount of scrap steel used in their production cycles (but also don't disaggregate for post-consumer scrap):</p> <ul style="list-style-type: none"> ■ Volvo reports using 15% recycled steel in its vehicles. ■ Hyundai discloses the amount of steel used and the amount of scrap steel used annually for the past three years, which was 407,423 tons of a total of 1,238,092 tons in 2024.
<p>Supply chain levers for steel decarbonization</p>	<p>Ford, GM and Volvo are the only companies to have joined multi-stakeholder procurement campaigns to catalyze steel decarbonization, with Ford and GM joining the First Movers Coalition and Volvo joining SteelZero.</p> <p>Mercedes and Volvo most actively use ResponsibleSteel as a lever for steel decarbonization by suppliers:</p> <ul style="list-style-type: none"> ■ Mercedes is a member of ResponsibleSteel and has published guidance for suppliers regarding the use of third-party mining and supply chain standards, including ResponsibleSteel, which is ranked as the second highest performing standard.

- Volvo is a member of ResponsibleSteel. It states that it aims for all its steel suppliers to become members and certify their sites with ResponsibleSteel by 2030 and that it urges more steel companies to join ResponsibleSteel.

Mercedes has made the most progress with advance purchasing commitments for green steel and is the only company to meet all three sub-indicators due to disclosing agreements for fossil-free steel produced with breakthrough technologies and two binding contracts for the purchase of lowered-emission / fossil-free steel for which timelines and scale of supply are disclosed.

According to its 2023 Sustainability Report the company has signed the following agreements:

- A binding contract with H2 Green Steel for the supply of around 50,000 tonnes of virtually CO₂-free steel per year for its European press plants from 2026. They also signed a letter of intent with the plan to expand to North America.
- A supply contract with Steel Dynamics for its plant in Alabama for more than 50,000 tonnes of CO₂-reduced steel produced with green electricity, which has been integrated into production since September 2023.
- An agreement to receive steel from SSAB's hydrogen-based direct reduction in 2022.
- A letter of intent with thyssenkrupp Steel to purchase CO₂-reduced steel, with the first direct reduction plant to be commissioned in 2026.
- A letter of intent with Salzgitter Flachstahl for the supply of CO₂-reduced steel produced using a combination of direct reduction processes and EAF.
- A contract to procure CO₂-reduced steel from Arvedi, partly produced with renewable energies.

These agreements cover Mercedes' production geographies in Europe and North America. Mercedes has also announced that it has signed an agreement with Baosteel for the supply of low-carbon steel in China. However, this agreement is only disclosed in a press release and not in any official reporting and so is not considered for scoring.

Supply chain levers for steel recycling

Volvo states that it “aims for closing the loop on steel recycling” and has started to work with the steel scrap from its inhouse stamping facilities. The company also states that it “aims to circulate scrap from end-of-life-vehicle (ELV) back to automotive steel grades”, however this closed-loop process for post-consumer scrap does not yet appear to be operational. In previous reporting, the company had disclosed how it was using automotive design to increase the recyclability of sheet steel.

Geely discloses information on closed-loop systems for post-consumer steel scrap in its 2023 ESG Report. Geely also disclosed a joint technological R&D project “with scrapped car recycling and dismantling companies” with the aim of “closing the loop for steel and aluminum materials.” In its 2024 ESG Report, the company adds that “we achieve maximum material value by meticulously disassembling scrapped vehicles. We sort out, recover and process the recyclable parts and materials such as steel, aluminum, copper and plastic” Geely also provides details on a collaboration between the company and Shougang Group to recycle automotive steel, starting in 2024. Through this collaboration, both companies “will collaboratively optimize the entire chain of automotive steel production, utilization and recycling, so as to achieve efficient utilization, circular utilization of automotive steel and maximization of resource value; besides, both parties will improve the closed-loop recycling value system for automotive scrap steel, connecting the physical chain of closed-loop recycling and use of automotive scrap steel, realizing full-process traceability of information”.

Ford, BMW, Hyundai and Kia also state that they use design to improve the recyclability of steel, although they do not provide additional explanations. BMW, Hyundai and Kia also disclose that they participate in “Car-to-Car” projects to improve the quality of secondary raw materials obtained from the recycling of end-of-life vehicles, including steel, although the role of these companies in the projects is not clear.



Fossil free and environmentally sustainable aluminium

Aluminium is another major contributor to emissions within the automotive supply chain, accounting for an estimated 27% of supply chain emissions in electric vehicles (EVs). Aluminium is used in a variety of vehicle components, particularly in EVs as automakers compensate for heavier batteries with lighter chassis and panels. Shifting to clean energy sources and using new technologies to eliminate direct CO₂ emissions from the refining and smelting processes are key to decarbonizing aluminium production.

Maximizing secondary aluminium production is also critical to reducing emissions. 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. As such, in addition to decarbonization of primary aluminium production, the Leaderboard also expects automakers to establish closed loop processes for aluminium through recycling and recovery, which should include both pre- and post-consumer scrap.

Top five companies for Fossil-free and environmentally sustainable aluminium

COMPANY (OVERALL RANK)	2026 SCORE ON ALUMINIUM	2025 SCORE (AND RANK) ON ALUMINIUM
1 Volvo (3)	55%	44% (1)
2 Tesla (1)	45%	33% (3)
3 Ford (2)	37%	35% (2)
4 Mercedes (4)	26%	24% (4)
5 Geely (8)	21%	16% (6)

Volvo, Tesla, Ford, Mercedes and Geely are the top five performing companies in fossil free and environmentally sustainable aluminium this year, with Geely making its first appearance among the top performers in this subsection as well. The top five performers in the aluminum and steel sections are largely consistent, with only minor differences in their rankings.

Volvo and **Tesla** stand out for disclosing their progress on aluminium decarbonization, with Tesla disclosing the percentage of its upstream scope 3

emissions from aluminium, and Volvo disclosing this data at the vehicle level. Volvo also discloses the quantity of recycled steel used across its annual production cycle and the quantity of low-carbon (primary) aluminum used in a specific EV model, one of only three companies to do so alongside **Mercedes** and **Geely**.

Ford, **GM** and **Volvo** have all set aluminium decarbonization targets with the First Movers Coalition, although **Geely** and **Mercedes** have also set aluminium decarbonization for parts of their supply chains.

Other companies to exhibit best practices on aluminium decarbonization in some areas include **Nissan** and **Volkswagen**, who have signed offtake agreements for lower emission aluminum, and **Hyundai**, who discloses the quantity of recycled aluminum used in its annual production cycle.

Volvo maintained its top position in this area, becoming the only company to score over 50% of the total available points in this section, marking the first time that any company has achieved this milestone. The top two companies, Volvo and Tesla, both demonstrated significant improvements, with increases of 11 and 12 percentage points respectively.

These advancements highlight the potential for continued progress and signal that there is ample opportunity for other industry peers to improve their performance as well. Geely's improvement is notable for its battery subsidiary VREMT's target of using 100% green electricity during the production of aluminium ingots, and the enhanced disclosure of renewable aluminium in its ZEEKR Mix model.



ALUMINIUM DECARBONIZATION	CURRENT BEST PRACTICES
<p>Disclosure of disaggregated scope 3 emissions from aluminium</p>	<p>Tesla is the only automaker to disclose disaggregated scope 3 emissions from its aluminium supply chain: Tesla discloses that aluminium accounts for 11.29% of its commodity supply chain emissions. Tesla also discloses the total quantity of its scope 3 category 1 emissions in 2024.</p> <p>Volvo discloses LCAs for multiple EV models that include disaggregated data on GHG emissions for “Material production and refining”, as well as the percentage under that category from aluminium (e.g., 30% from aluminium for the XC40 Recharge).</p>
<p>Target setting and disclosure of progress on aluminium decarbonization</p>	<p>Ford, GM and Volvo have all set targets for at least 10% of primary aluminium purchases to have near-zero carbon emissions by 2030, as part of their membership of the First Movers Coalition group on aluminium. Additionally, Volvo requests its component suppliers to source from smelters that meet its sustainability requirement: “To qualify as an approved smelter, at least 90 per cent of the electricity used for processing must come from renewable sources.</p> <p>Geely has set a target for low-carbon aluminium procurement for its battery subsidiary VREMT, which supplies the batteries used by Geely’s ZEEKR models. This subsidiary has set the target of using 100% green electricity during the production of aluminium ingots, with the provision of third-party certification on carbon footprint. Additionally, Geely previously disclosed that VREMT has a requirement for its suppliers that the carbon footprint of aluminium ingots should meet the requirement of $\leq 5 \text{ kgCO}_2\text{e/kg}$. However, it is unclear if Geely has set any similar target across the company.</p> <p>Mercedes discloses that “at least a third of the primary aluminium used in Europe for upcoming electric models from 2025 onwards is to be produced using renewable energies.”</p> <p>Geely, Mercedes and Volvo are the only companies to disclose the percentage of lower emission aluminum used in individual vehicle models:</p> <ul style="list-style-type: none"> ■ Volvo discloses data on the quantity of primary aluminium used in its EV ES90 model that is produced with renewable energy: “The aluminium content of ES90 is 43 per cent primary, produced with renewable energy, 29 per cent recycled, 28 per cent primary, produced with the average energy mix in the grid.” ■ Geely discloses the percentage (25%) of “renewable aluminum” (“hydro-aluminum”) in its ZEEKR Mix model ■ Mercedes discloses the percentage (40%) of aluminum used in its CLA model that is “produced in electrolysis plants using renewable energies. This reduces the aluminum CO₂ foot print by around 40% per kilogram compared to the conventional import mix and saves a total of around 0.4 metric tons of CO₂ emissions in case of the CLA 250+.”

<p>Target setting and disclosure of progress on aluminium recycling</p>	<p>Volvo has the most ambitious target for recycled aluminum: 40 per cent in its new models released after 2025, which is slightly below the 42% specified by IEA Net Zero, but 5 years earlier.</p> <p>Geely is the only other company that has set a target for scrap aluminium usage, although only for part of its supply chain, requiring tier-1 key suppliers to use 30% recycled aluminum by 2025.</p> <p>Only Hyundai and Volvo disclose the amount of scrap aluminium used in their production cycles (but don't disaggregate for post-consumer scrap):</p> <ul style="list-style-type: none"> ■ Volvo discloses their estimated current percentage of recycled aluminium in the vehicles (13%), which has increased from 10% in 2023 and 2022. ■ Hyundai provides disclosure of the amount of aluminium used and the amount of scrap aluminium used among raw materials.
<p>Supply chain levers for aluminium decarbonization</p>	<p>Ford, GM and Volvo are the only members of First Movers Coalition sector group on aluminium.</p> <p>Mercedes, Tesla, and Volkswagen (through Audi) are members of Aluminium Stewardship Initiative (ASI) and, together with Volvo, actively use ASI for responsible aluminium procurement. For example:</p> <ul style="list-style-type: none"> ■ Mercedes discloses that the suppliers of the European foundries and press shops of the company only receive orders on the condition that all production stages of the primary aluminium used, from the mine to the rolling mill, are ASI-certified. In addition, Mercedes discloses in its 2023 Sustainability Report that “four European press plants where bonnets are stamped out for Mercedes-Benz Cars have been certified in accordance with the ASI “Performance Standard”. In its 2024 Raw Material Report, Mercedes indicates that it plans to “introduce awarding premises for new projects related to aluminium focus parts being contracted to source primary aluminium exclusively from ASI certified or IRMA audited mines achieving at least IRMA 50”. ■ Tesla requires aluminium suppliers to undergo audits based on the Aluminium Stewardship Initiative’s (ASI) Performance Standard as a condition for awarding new business. Additionally, Tesla discloses the percentage of suppliers currently certified or actively working toward ASI certification, both for Cybertruck and for the broader group of relevant suppliers. ■ Volvo is not a member of ASI but indicates that “we request component suppliers to source aluminium from smelters that meet our sustainability-related requirements...Smelters are required to provide carbon footprint calculations, audited by a third party, and be certified by the Aluminium Stewardship Initiative against their Performance Standard and Chain of Custody Standard.”

	<p>Tesla, VW, Mercedes, and Volvo have all disclosed some forms of formal arrangement for lower emission or fossil-free aluminium. Of these, Mercedes has made the most progress, having disclosed a partnership with Norsk Hydro for the supply of CO₂-reduced aluminium since June 2023 and an agreement with an aluminium producer “to develop and introduce, by 2030, aluminium for automotive applications that is practically CO₂ -free” due to “the use of CO₂-optimised aluminium oxide and reductions of CO₂ emissions resulting from the electrolysis process by using green electricity and innovative technologies.”</p>
<p>Supply chain levers for aluminium recycling</p>	<p>Ford and Tesla score highest on closed-loop processes for aluminium recycling, although neither company discloses closed-loop processes in operation for recycling post-consumer aluminium scrap specifically:</p> <ul style="list-style-type: none"> ■ Ford indicates that it is the largest automotive aluminium recycler in the world and explains that “In addition to recovering aluminum scrap during parts stamping, our system separates the various aluminum alloys so they can be recycled back into fresh alloy for new vehicles.” Ford also states that this process enables the company to “recover up to 20 million pounds of high-strength aluminum alloy per month through the closed loop recycling system used to build F-series.” Ford explains that it has developed unique alloys to increase the reuse of aluminium. ■ Tesla provides details on a closed-loop process for recycling aluminium scrap from its operations and recycled components from non-Tesla vehicles such as aluminium wheels for use in its castings for Model Y. Tesla also discloses that its supply chain and engineering teams developed technical specifications for alloys that enable the use of over 90% post-consumer recycled content in its castings. <p>Renault, Nissan and Geely provide examples of closed-loop systems for recycling post-consumer aluminium scrap:</p> <ul style="list-style-type: none"> ■ Renault discloses that its The Future Is NEUTRAL subsidiary works with GAIA to reuse aluminum from end-of-life vehicles and body parts from garages. ■ Nissan provides examples of utilizing aluminum road wheel scrap generated from its end-of-life vehicles and the market to produce suspension parts. ■ Geely explains that its aluminium scrap “is mainly generated from the vehicle manufacturing, production and processing of parts, repairs, and the dismantling process of end-of-life vehicles.” Additionally, Geely has disclosed a joint technological R&D project “with scrapped car recycling and dismantling companies“ with the aim of “closing the loop for steel and aluminum materials.”

Fossil free and environmentally sustainable batteries

Electricity use and cathode material production are the two largest sources of emissions in lithium-ion battery manufacturing. Reducing the carbon footprint of batteries can occur in a variety of ways, including by using low-carbon materials, increasing the amount of recycled content and using renewable energy for mineral refining and battery cell manufacturing. The Leaderboard reflects these priorities, while focusing on three key battery minerals: nickel, lithium and cobalt.

The EU Batteries Regulation and the battery passport requirements have increasingly drawn automakers' attention to their supply chain due diligence. In addition to greenhouse gas emissions, the Leaderboard therefore also evaluates automakers' efforts in addressing specific environmental risks tied to these mineral supply chains, such as biodiversity loss, resource depletion, water pollution and mining tailings waste.

Top five companies for Fossil-free and environmentally sustainable batteries

COMPANY (OVERALL RANK)	2026 SCORE ON BATTERIES	2025 SCORE (AND RANK) ON BATTERIES
1 Tesla (1)	56%	36% (2)
2 Renault (7)	39%	35% (3)
3 Mercedes (4)	36%	37% (1)
4 Volkswagen (5)	31%	30% (4)
5 Ford (2)	29%	19% (6)

Tesla took the number one spot in the battery subsection this year. The company continues to perform strongly on environmental risk due diligence for battery minerals and remains the only automaker to disclose disaggregated Scope 3 emissions from its battery supply chain. This year, Tesla further improved its disclosure with detailed breakdown of cell production and key materials, along with data coverage percentage for each category.

Renault continues to be a strong performer, being the only company to have set targets to reduce the GHG emissions from its battery supply chain and to increase the use of recycled materials in new batteries. Renault is also the only company to have signed purchase agreements for the supply of low-carbon lithium, nickel and cobalt.

Mercedes and **Volkswagen** both stand out for disclosing specific environmental risks and mitigation measures for individual battery minerals in their Raw Material Reports, as well as for providing qualitative details on the systems they have established for battery recycling. Volkswagen has also established clear and transparent requirements for battery suppliers to use renewable energy.

Beyond the top-five scoring companies, **Geely** discloses detailed progress information on its comprehensive strategy on battery emissions and end-of-life management, whilst **Volvo** discloses precise quantitative data on the implementation of its battery circularity efforts.



INDICATOR GROUPING	BEST PRACTICES
<p>Disclosure of disaggregated scope 3 emissions from batteries.</p>	<p>Tesla discloses that batteries account for 28.89% of its commodity supply chain emissions. Additionally, Tesla discloses the individual percentage contribution of cell production and key materials (lithium, nickel, cobalt and graphite) to its GHG emissions in 2024. It also discloses the primary data coverage (%) for each material.</p> <p>Ford and Volvo are the only automakers to provide disaggregated emissions data from batteries for individual vehicle models:</p> <ul style="list-style-type: none"> ■ Volvo has published LCAs for multiple EV models that include disaggregated GHG emissions data for the Li-ion battery modules (e.g., the Li-ion battery module accounts for 28% of carbon footprint of the XC40 model) ■ Ford completed LCAs for its European electric Explorer and Capri models in 2024, which include disaggregated emissions data from the battery supply chain.
<p>Target setting for battery decarbonization</p>	<p>Geely and Renault have the most ambitious battery decarbonization targets:</p> <ul style="list-style-type: none"> ■ Geely commits to reducing carbon emissions by 25% in the full life cycle of new energy vehicle power batteries by 2025 ■ Renault has set a target to develop a “made in France” battery that is “green, carbon-free and environmentally responsible, with the aim of reducing the carbon footprint of its batteries by up to 35% by 2030” (reference: Zoe 2019)
<p>Target setting for battery circularity</p>	<p>Renault is the only company to have set targets to increase the recovery rates from end-of-life batteries and decrease the % of primary sources of nickel/cobalt/lithium used in new batteries, aiming to recycle 80% of strategic materials (covering cobalt, nickel, lithium) from end-of-life batteries and to achieve an 80% “rate of reuse of strategic materials (Co, Ni, Li) from the recycling industry in new batteries” by 2030.</p> <p>Mercedes and Volkswagen have also set targets for battery recycling recovery rates for their battery recycling facilities: Mercedes aims to an overall recovery rate of 96% at its Kuppenheim facility and VW’s objective is achieve a “recycling rate of more than 90% in the future” at its pilot facility for recycling high-voltage vehicle batteries, which was opened at the start of 2021.</p>
<p>Supply chain levers for battery decarbonization</p>	<p>Volkswagen scores highest for renewable energy requirements for battery cell suppliers, stating that “In new contracts for high-voltage batteries for the European market, suppliers are already obliged to comply with CO₂e limits. In the case of existing supply contracts for current MEB vehicle projects, suppliers are required to use certified power from renewable sources in their production.”</p> <p>BMW, BYD’s battery subsidiary FinDreams Battery, Hyundai/Kia, Tesla, Renault and VW are all members of the Global Battery Alliance.</p>

	<p>Renault is the only company to have signed and disclosed purchase agreements for the supply of low-carbon lithium, nickel and cobalt, including:</p> <ul style="list-style-type: none"> ■ Agreements with Vulcan and ARVERNE for the supply of low-carbon lithium ■ An agreement with Terrafame for a sustainable nickel supply (low carbon and traceability of the entire supply chain) ■ An agreement with Managem for low-carbon cobalt sulphate produced in Morocco
<p>Environmental due diligence for battery minerals</p>	<p>BMW, Ford, Mercedes, Tesla and Volkswagen score highest overall on mitigating environmental impacts in their lithium supply chains. For example:</p> <ul style="list-style-type: none"> ■ BMW discloses a range of preventative measures it is undertaking to address environmental risks in its lithium supply chain, including supplier certification; the establishment of a traceability system; investments in innovative extractive technologies to reduce environmental impacts; and participating in multi-stakeholder initiatives such as the Responsible Lithium Partnership, which commissioned a scientific study by the University of Alaska Anchorage and the University of Massachusetts Amherst to investigate the effects of lithium mining on local water balances in Latin America. BMW also provides examples of contractual agreements it has signed with specific lithium mining companies to address environmental risks, specifically by minimizing resource use and enhancing resource efficiency. ■ Mercedes discloses a theory of change for preventing / mitigating adverse environmental impacts from lithium sourcing, which includes introducing “awarding premises for IRMA audited mines achieving at least IRMA 50.” Mercedes also co-established the Responsible Lithium Partnership with other BMW and other buyers to work towards responsible use of resources and sustainable lithium. ■ Ford provides an example of direct engagement with a specific lithium supplier and project: Albemarle’s lithium project in Australia. Ford signed a supply agreement to purchase lithium from this project, for which “contracts were written to consider appropriate ESG requirements to protect human rights, working conditions and the environment”. The company explains that it made undergoing an independent Initiative for Responsible Mining Assurance (IRMA) audit verification at the mine site a condition of the agreement, as well as other conditions related to “water conservation, decarbonization through further clean energy agreements, and promoting waste recycling and recovery practices.”

Tesla and **Ford** score highest overall on addressing environmental impacts from nickel sourcing. For example, Tesla has identified GHG emissions, water and air pollution, deforestation and biodiversity as environmental risks within its nickel supply chain. The company discloses a range of measures it has implemented to mitigate these risks, including requiring suppliers to enact decarbonization plans, requesting environmental impact assessments and third party audits, requiring suppliers to more stable dry stack storage methods for mining tailings, and undertaking due diligence trips to supply chain sites, including to directly engage with suppliers in Indonesia regarding biodiversity conservation and reforestation measures on the island of Sulawesi. Ford also provides an example of on-the-ground due diligence in Indonesia with the objective to improve environmental management/sustainability at the nickel production site of the Kolaka Nickel Indonesia (KNI) project in Pomalaa, Sulawesi.

Mercedes and **Volkswagen** score highest on the cobalt sourcing indicator. VW has identified specific environmental risks of cobalt sourcing in its 2024 RMR, including hazardous substances, water pollution including marine environment, handling and disposal of waste, soil pollution and land degradation, and loss of biodiversity. VW discloses that its mitigation strategy for these risks includes seeking “a contractual commitment to international standards such as those developed by IRMA or RMI (RMAP)”, and participating in the RMI working groups on cobalt and emerging minerals.

VW does not provide concrete examples of supplier engagement to address environmental risks or impacts. However, this sub-indicator is met by Mercedes and Tesla. **Tesla**, for example, provides an example of how it is directly engaging two cobalt suppliers (Kamoto Copper Company and Mutanda Mining) to address adverse impacts to water resources identified through a third-party audit (Tesla mentions that it shadowed parts of the audits in-person to ensure the credibility).

R&D for improving battery recyclability (battery design and/or recycling methods)

Ford, Geely, GM, Mercedes, Stellantis and **Toyota** have disclosed examples of how they have invested in R&D to improve battery recyclability. For example:

- **Mercedes** has constructed its own battery recycling plant at the Kuppenheim location, where it aims to achieve recovery rates of more than 96% through hydrometallurgical processing. It is also working with partners in China and the USA to create a closed material cycle for battery recycling.

	<ul style="list-style-type: none"> ■ Geely discloses examples of improving the recyclability of batteries, including through the design and development of “non-destructive disassembly technologies of power batteries...to disassemble batteries efficiently and safely”. Geely also provides examples of battery design for recyclability, including by developing “the Aegis Short Blade Battery with a circular life of 3,500 times, 40% higher than the industry average life”, “developing a highly integrated and general layout and structure to reduce the volume of parts development and structural differences”, and setting “definition and standard system for circular materials, and introduced the use of circular materials in battery design on the premise of standard product quality, requiring 15% of circular steel and 25% of circular aluminium.” ■ Toyota explains that it improves battery recyclability with innovations in battery design, specifically through incorporating “Easy-to-dismantle Design” to improve the dismantling process of large batteries in the recycling process. This design includes instructions showing hoist positioning for large batteries for BEVs.
<p>Processes for battery repurposing and reuse</p>	<p>Geely, Kia and Volvo score highest for battery repurposing and reuse, providing both qualitative examples and quantitative data on the batteries collected for reuse and repurposing.</p> <ul style="list-style-type: none"> ■ Geely discloses a battery reuse and repurposing initiative called the Circular Manufacturing Center, which tests retired batteries suitable for echelon utilization and produces cascade battery products suitable for the automated guided vehicles (AGV). Geely also states that “by the end of the reporting period, Geely Auto and members of the consortium had established over 900 battery recycling outlets and processed 3,600 batteries in aggregate.” ■ Kia discloses that it is working with Hyundai GLOVIS to establish a global battery collection network and transport control system for the collection and transportation of used batteries from various locations, including end-of-life vehicle centers and dealerships worldwide. Kia also disclosed an example of partnership with Encore, a subsidiary of Deutsche Bahn AG that specializes in used batteries disassembling and analysis, where Kia supplies used batteries to Encore for a second-life battery energy storage system (BESS) in Germany. Kia also disclosed the total number of batteries collected for repair, reuse, or remanufacturing in 2024. ■ Volvo has established regional battery centres to support repairing, refurbishing, and remanufacturing of batteries and is expanding the network of battery centres in Asia and South America. Volvo also provides collection services of End-of-life High-Voltage Batteries through its battery disposal website. It discloses the number of batteries collected for repair, reuse, repurpose and recycling in 2024, which has decreased from 2023.

Processes for battery recycling

Volvo scores the highest points on battery recycling, being the only company this year to disclose quantitative data to illustrate the implementation of its battery recycling processes: disclosing the number of batteries collected for recycling (separate from repair, reuse and repurposing) in 2024. From the data disclosed by Volvo, it can be determined that Volvo recycled 79% of the total number of batteries collected for repair, reuse, repurposing and recycling during the reporting year.

Volvo does not disclose qualitative information about its battery recycling methods, although this sub-indicator is met by **Mercedes, Geely, Hyundai** and **Volkswagen**. For example, Volkswagen describes the recycling process used at its Salzgitter facility, which avoids energy-intensive melting in a blast furnace and, instead, used battery systems are mechanically recycled (ground and dried) to yield “black powder,” which contains lithium, nickel, manganese, cobalt, and graphite.

InfluenceMap weighting

Public policy plays an important role in the transition to truly clean cars. To ensure that a company is supporting climate-positive regulation and policy, the scorecard includes a weighting for a company’s approach to policy advocacy. This weighting is based on the work that InfluenceMap undertakes to assess corporations’ and industry groups’ influence on policy needs to address climate change. Companies can receive a positive or negative score depending on

whether they are positively advocating for climate change policies or judged to be doing the reverse.

Across the companies included within the scorecard, Tesla, Geely and Volvo Cars are the only three companies in the “B” performance band. Tesla holds the most positive record on climate lobbying, with a “B” rating, followed by Geely and Volvo with a “B-” rating.



Human rights and responsible sourcing

The transition to EVs has reshaped the supply chain landscape and risk profile, exacerbating the potential for human rights abuses in the mining of transition minerals and manufacturing of batteries. Most large EV producers and automakers are aware of these risks, and are taking action to prevent or mitigate them.

However, these efforts are often not enough, and companies continue to face allegations of human rights abuses within their own operations, or in relation to those of lower-tier business partners. These range from modern slavery, child labour and unsafe working conditions, pollution from mining waste and production processes, to encroachment on Indigenous Peoples' ancestral lands. These abuses often affect the most vulnerable individuals and communities within the host societies.

It is crucial for automakers to proactively address these risks together with their suppliers so that the EVs' environmental benefits are not offset by adverse impacts on communities and the environment. To this end, automakers must design and implement human rights due diligence processes that are capable of adequately identifying, preventing, and addressing these risks and harms along their supply chains.

Overall Human Rights Due Diligence (General)

Individuals and communities across the globe continue to be adversely impacted by auto supply chains. Despite considerable progress in automakers' due diligence practices, human rights abuses are still a daily occurrence in many parts of the world. To address these issues, automakers should be implementing ongoing human rights due diligence processes that are capable of identifying risks to human rights as and when they arise, drawing from credible internal and external sources. Chief among the latter are rightsholders' feedback, expressed through a variety of means which include direct engagement and grievance channels.

Automakers should not operate to a fixed list of "typical" risks, but remain open to emerging or new risks as their supply chains, business models,

and ground operations evolve. Most importantly, human rights due diligence processes should allow automakers to deploy timely and tailored responses to the identified risks and impacts. To be effective, these actions should take into account and respond to the specific dynamics and challenges of their supply chains and the distinct characteristics and needs of those potentially affected.

Automakers should also put in place independent supply chain grievance mechanisms that are accessible and available to all potentially affected rightsholders. Across all these activities, automakers should seek to operate with the highest possible level of transparency and account publicly for their actions and results.

To assess these standards, the Leaderboard sets out expectations regarding substantive commitments, practical implementation, and disclosure. It expects automakers to publicly commit to respecting the full range of human rights and to require a similar level of commitment from suppliers. It also expects automakers to put in place strong human rights due diligence processes that cover the entire supply chain and identify and address risks wherever in the supply chain these occur, in line with the risk-based approach.



The Leaderboard also sets out expectations regarding automakers' supply chain grievance mechanisms, from design through to disclosure of data about actual implementation and outcomes. For example, automakers are expected to explain their procedures for investigating and escalating complaints, and to disclose data about the number and outcome of supply chain grievances. Automakers are also expected to regularly disclose salient human rights risks, and quantitative data about their monitoring activities. The more complete and specific the information, the more points are given.

Top five companies for General Human Rights

COMPANY (OVERALL RANK)	2026 SCORE ON GENERAL HUMAN RIGHTS	2025 SCORE (AND RANK) ON GENERAL HUMAN RIGHTS
1 BMW (6)	73%	64% (5)
2 Ford (2)	73%	69% (1)
3 Volkswagen (5)	68%	69% (2)
4 Stellantis (12)	64%	68% (3)
5 Volvo (3)	64%	62% (6)

BMW, Ford, VW, Volvo and **Stellantis** are the top 5 performing companies in the General Human Rights Due Diligence sub-section. They stand out for their strong human rights risk identification processes and supplier monitoring activities, and higher levels of disclosure. They adopt some of the best practices in these areas. For example, they all seek to identify risks beyond their direct (Tier 1) suppliers in line with the risk-based approach to due diligence, and most of them do so even at the pre-sourcing stage.

Most provide a good level of detail regarding identified human rights risks in individual supply chains and the actions taken to address them, including through specific raw materials reports. **VW**, for example, publishes a "Responsible Raw Materials Report" that details the salient human rights risks associated with specific raw materials, instead of providing generic lists, and offers additional descriptions such as the geographical location of the risks, the rightsholders

particularly affected, challenges to prevention, and mitigation measures.

VW is also one of the most transparent automakers when it comes to data regarding the scale and results of both risk assessments and monitoring activities. **Ford**, on its part, discloses not only the total number of suppliers audited during the reporting year, but also the results of these audits, specifying whether any non-conformances were found.

Most of these companies have also put in place independent supply chain grievance mechanisms that are available to all potentially affected rightsholders along the supply chain. They also generally go further on transparency. For example, **BMW** is the only automaker that discloses not only the number of grievances received, but also their outcome, and the number of supply chain grievances that are still ongoing. **Ford** describes its investigation and escalation process, how it determines appropriate remedy, and whether and how complainants are involved in the determination of remedy.

While not in the top five, some other automakers often do well in certain specific areas, or stages of the human rights due diligence process, and may actually implement best practices not yet adopted by some of the top performers. For example:

- **Geely** (in 9th place overall), is the only automaker that discloses the results of risk assessments performed on potential new suppliers, including whether and why some contracts could not go ahead.
- **Hyundai** and **Kia** (in 10th and 12th position respectively), are the only two companies to disclose the number of corrective action plans issued during the reporting year.
- **Tesla** reflects an excellent understanding of the nature of human rights risks, noting in their Global Human Rights Policy that the listed risks are not static, and clarifying that their "respect for human rights is not limited to these topics."

This shows that even the best performing companies might still have something to learn from weaker performers, in at least some aspects of their human rights due diligence and/or reporting practices.

INDICATOR GROUPING	CURRENT BEST PRACTICES
Commit	BMW, Ford, GM, Mercedes, Nissan, Stellantis and Volvo all expressly require respect for all human rights in their SCoC, and require suppliers to apply the requirements of the SCoC to their own suppliers.
Identify	<p>Mercedes is the only automaker to score 100% against the Identify indicators. However, Tesla and Volkswagen also stand out for scoring full points against the indicators on disclosing salient human rights risks and identifying high risk supplier categories, whilst Ford, BMW and Volvo all score full points for explaining their process to assess human rights risks in their supply chains and for identifying high risk suppliers</p> <p>Mercedes has begun conducting an impact materiality assessment in line with EU legislation. While these assessments often only result in broad, generic disclosures, the company does discuss details in their Annual Report, disclosing the methodology used, including sources of data and prioritisation criteria, and the planned frequency of this exercise. Mercedes involves external experts, including NGOs and international human rights experts, to discuss and validate their results.</p> <p>Mercedes also continues to assess risk through its risk-based human rights due diligence process, the Human Rights Respect System (HRRS). This appears to be an ongoing and iterative process, relying on risk assessments that are performed as and when circumstances warrant it (e.g. ahead of a new activity or relationship, before strategic decisions or changes in business operations).</p> <p>Mercedes publishes a list of salient risks and actual impacts on workers' rights and the rights of local communities emerging from their impact materiality assessment that is quite comprehensive. For example, it is the only company to explicitly include risks to the safety of activists. The company's Raw Material Report is another example of best practice, as this lists the salient human rights risks identified in 24 selected raw materials supply chains, and gives details as to tiers and, to a lesser extent, geographical location. Note: the Report indicates the country where the raw materials tend to come from, but does not always clarify whether this is also the place where the risks identified by Mercedes occur. Barring this, the company provides substantive additional description of the risks in sections of the Raw Material Report entitled "Risk Profile".</p> <p>The company's HRRS includes a process for identifying high risk suppliers which is risk-based, and extends to indirect suppliers. This is not only based on supplier surveys (the standard methodology of most companies) but also on contextual assessments which include raw materials and country-specific risks. The raw material-specific risk identification process is described in detail in the company's Raw Material Report.</p>

Tesla also mentions a broad impact materiality assessment, but like Mercedes they also pursue specific supply chain risk identification processes. Tesla describes the methodology employed to identify supply chain risks, including sources of information and prioritised risks. The prioritisation criteria was explained in last year's reporting. Tesla's Responsible Sourcing Policy also addresses their means of identifying risk, by "collecting information and data from primary and secondary sources to identify potential environmental and social risks, red flags, and/or adverse impacts, including through supplier questionnaires, assessments, and grievance mechanisms that provide an avenue for rights holders and rights defenders to raise potential concerns" (Section titled "Commitment"). Tesla's Impact Report also describes specific risk identification processes in relation to selected raw materials (e.g. cobalt nickel, lithium, graphite, etc.). This risk identification process is also described as an ongoing effort (GHRP, Commitment).

Tesla's GHRP outlines the company's salient human rights issues with two important clarifications. The list is regularly updated as regional contexts change, and the list does not exhaust all the rights the company commits to respecting ("our respect for human rights is not limited to these topics"). Tesla also discloses where in the supply chain risks occur, by reference to specific raw material, tier, and geographical location, in its Impact Report. These sections include additional description, such as specific challenges, monitoring activities, specific preventive measures taken, and state of progress in addressing the issues identified.

Tesla also seeks to identify high risk suppliers through means that include their Integrity Line (grievance mechanism) and goes beyond Tier 1: their mapping efforts to the point of extraction "enable colleagues to make decisions that consider entire upstream supply chains, rather than solely focusing our evaluation and responsible sourcing efforts on the direct tier 1 suppliers".

Volkswagen describes an impact materiality assessment in their Annual Report, shaped by EU legislation. This includes a description of methodology, prioritisation criteria and frequency. The company has also put in place a "Responsible Supply Chain System" (ReSC System) to identify and address supply chain human rights risks. The company provides a good level of detail about this process in their Annual Report.

Volkswagen describes the salient risks to workers' rights in the supply chain, and indicates the relevant tier and, occasionally, the geographical location, in their Annual Report. While this is limited, the company lists a larger number of risks, including risks to the rights of local communities and Indigenous Peoples, in their Responsible Raw Materials Report (RRMR). This also specifies the raw materials associated with the listed risks, and indicates the geographical location for some of them. The report provides additional description, such as the rightsholders particularly affected, the ways in which their rights are affected, challenges and mitigation measures. Through the ReSC System, Volkswagen assesses risks associated with direct suppliers and, "depending on the situation and the risk", indirect suppliers.

**Prevent, Mitigate
and Account**

Volkswagen indicates that potential new suppliers classified as high risk must undergo the company's S-Rating, including a SAQ. A or B results are eligible for contracts. Suppliers with a C result are not eligible. To demonstrate the scale of its efforts, the company discloses the number of direct suppliers who had completed the SAQ in 2024, including the percentage of new suppliers that underwent this survey.

Following the risk-based approach, the company also indicates that indirect suppliers are also assessed depending on the situation and the risk (for example, indirect suppliers of high-risk raw materials). The company's CoC BP anticipates the need to assess suppliers beyond Tier 1: "The business partners take appropriate and adequate measures that give the Volkswagen Group the right to carry out similar assessments of their business partners if this is necessary for the fulfilment of legal obligations."

Volkswagen explains in sufficient detail the activities they undertake to monitor supplier compliance, including the sources of information they rely on (e.g. surveys, on-site assessment, media screening, and reports through the Whistleblower system). The company discloses the number of direct suppliers that were part of the continuous media screenings and that completed the company's SAQ. Importantly, as the company discloses the total number of suppliers it has (i.e. 63,000), it is possible to calculate the percentage of total suppliers assessed through these tools. The company also explains their response to findings of non-compliance by both potential new suppliers and existing suppliers, and how they verify compliance with Corrective Action Plans.

Geely is the only company that discloses not only the total number of potential new suppliers assessed, but also the results of these assessments. In doing so, Geely discloses the severity of the non-conformances, and the response by the company: 5 suppliers were identified with significant actual/potential negative impacts; 1 of them was eliminated at the admission stage – the remaining 4 needed to take corrective measures (Geely specifies the areas requiring attention).

Ford, Geely, Hyundai, Kia, Stellantis, and **Volvo** all disclose the total number of audited suppliers during the reporting year, and the tiers these suppliers belong to. Of these companies, Ford is the only one to explain the results of these audits, specifying whether any non-conformances were found and providing some level of detail as to their type and severity.

Hyundai and **Kia** are the only two companies that disclose the number of Corrective Action Plans issued during the reporting year, both disclosing that 19 improvement plans were issued. However, it is worth noting that both Ford and Stellantis previously disclosed this information, with Stellantis standing out in particular for disclosing the most detailed and comprehensive quantitative data in this regard.

Remedy

BMW has put in place a number of grievance mechanisms, including the BMW Group SpeakUP Line and Ombudsperson, both of which are available to all employees and external parties. Concerns can relate to the company's own activities or the supply chain. The Ombudsperson is a "neutral external person bound by attorney-client privilege".

BMW discloses the number of notifications received through the reporting channels and, while not disclosing details as to type, severity, tier, or geographical location of these grievances, BMW does disclose their outcome, and the total number of supply chain grievances that are still ongoing. BMW's Rules of Procedure for Informants explain the process once a complaint has been submitted, including the investigation, escalation, and remedy determination process. BMW does not actively disclose information about the number of confirmed human rights grievances that resulted in measures of reparation to those affected. However, the company states that no notification of supply chain grievances had yet resulted in a confirmed grievance, and it is therefore possible to infer that no reparations to complainants have had to be offered yet.

Ford provides an External Grievance mechanism to report human rights and environmental violations in the supply chain. This mechanism is open to "any person". While the mechanism itself is not independent, complainants can choose to escalate a complaint to a third party, the RBA, which acts as an oversight body. Additionally, supply chain workers can use the independent RBA Worker Voice Platform to share grievances. Ford does not disclose statistical information. However, while not the result of an intentional disclosure, it is possible to discern that there are six ongoing supply chain grievances.

In its "Procedure of the Grievance Mechanism," Ford describes its investigation and escalation process, how it determines appropriate remedy, and whether/how complainants are involved in the determination of remedy. Importantly, Ford is the only company that explains that rightsholders are consulted about the effectiveness of the remedies they have put in place.

GM is, jointly with Ford, the only other company to explain whether rightsholders are involved in the determination of remedy. GM's Human Rights Policy states that when the company identifies adverse human rights impacts, they investigate, and "where appropriate, we will engage with potentially affected stakeholders and/or their representatives with the aim of identifying mutually agreeable solutions or remedies...".

Nissan and **Tesla** are the only other two companies in addition to BMW to discuss whether any reparations were offered for confirmed human rights abuses, though they all respond to this indirectly by simply stating that no instance of human rights abuses were confirmed.

Note the **Volkswagen** had previously set a Leaderboard best practice for providing detailed, disaggregated data on supply chain grievances received during the reporting year, breaking them down by type, tier, and geographical location. However, disappointingly, the company stopped disclosing this information in 2025.

Responsible Transition Minerals Sourcing

Large quantities of certain transition minerals such as cobalt, nickel, lithium, copper, manganese, and zinc are needed to manufacture EV batteries. In many parts of the globe, the mining and processing of these minerals is associated with serious human rights abuses. As demand for these minerals increases to support the transition to EVs, so does the pressure on mining-affected communities, and workers in processing facilities.

Automakers' human rights due diligence processes must therefore be capable of identifying and addressing the human rights risks associated with the extraction and processing of the raw materials that go into building their cars. They must adopt strong policies and supplier requirements that ensure supply chain visibility and traceability to mining sites, and tailored interventions to minimise the risk of harm. Automakers can join multistakeholder initiatives to assist them in their efforts, though they remain responsible for their own human rights due diligence processes, and must ensure they choose robust and credible schemes.

The Leaderboard expects companies to articulate strong responsible mineral sourcing standards and lay out strong requirements on suppliers that ensure adequate due diligence and traceability to the point of extraction. The more comprehensive the policies and requirements, the more points are given, although the Leaderboard places priority on transition minerals specifically.

The Leaderboard also expects automakers to put in place comprehensive supply chain mapping processes, and to disclose their rate of progress and key findings. It also expects automakers to publish the specific human rights risks associated with conflict and transition minerals in their supply chains. The more specific and granular their disclosures, the more points they get. The objective is to push companies to “show” that they “know”, and to ensure high levels of transparency and accountability. As “control” or “choke” points, smelters and refiners are critical for effective traceability and risk identification, so the Leaderboard also places high expectations around smelter/refiner disclosures.

While measuring participation in certain multisakeholder schemes, the Leaderboard also rewards automakers that actively engage with upstream suppliers directly to ensure standards are effectively implemented on the ground.

Top five companies for Responsible Transition Mineral Sourcing

COMPANY (OVERALL RANK)	2026 SCORE ON RE-SPONSIBLE TRANSITION MINERAL SOURCING	2025 SCORE (AND RANK) ON RE-SPONSIBLE TRANSITION MINERAL SOURCING
1 Ford (2)	70%	89% (1)
2 Tesla (1)	69%	69% (2)
3 Volkswagen (5)	48%	42% (4)
4 Volvo (3)	37%	35% (6)
5 Mercedes (4)	35%	40% (5)

Ford, Tesla, VW, Volvo and **Mercedes** are the top 5 performing companies in the Responsible Transition Mineral Sourcing sub-section. These industry leaders distinguish themselves from the rest by adopting robust commitments and supplier requirements, undertaking comprehensive supply chain mapping programs, and increasing transparency about their activities and findings.

Tesla and **Volvo**, for example, adopt responsible sourcing standards that apply to all or a large number of minerals and metals, regardless of country of origin. This departs from the limited but common approach of circumscribing commitments to conflict minerals from specific high risk countries. In this way, they help lift the bar on responsible sourcing across all raw materials and regions of the globe, none of which are ever fully exempt from challenges. They also require suppliers to implement relevant OECD standards that go beyond conflict minerals.

These companies also outperform their peers for their greater level of disclosure concerning risks associated with conflict or transition minerals, and

key actors in their supply chains. **Mercedes, Tesla,** and **VW** all disclose comprehensive information about risks associated with lithium, nickel, cobalt and a number of other minerals in specific raw materials reports or chapters within larger reports. These include details such as relevant tiers and geographical location of the risks. **VW** publishes a complete list of 3TG smelters/refiners and also discloses some information regarding their RMI conformance. **Ford** and **Tesla** provide a good level of detail about their direct sourcing arrangements with mining companies, including relevant raw materials

and actual mine sites for some of them. These are examples of more granular and specific disclosures not common across average industry players.

Some of these companies also stand out for their “hands-on” approach to ensuring standards, not only requiring and monitoring responsible conduct but engaging directly with relevant actors to build their capacity. **Ford** and **Tesla**, for example, engage with smelters/refiners directly to enhance their due diligence capacity. **Ford, Mercedes, Tesla,** and **VW** all actively engage extractive companies within their supply chains regarding IRMA auditing.

INDICATOR GROUPING	CURRENT BEST PRACTICES
Commit	<p>Tesla has a Responsible Sourcing Policy that applies to “all materials and all sourcing regardless of sourcing location” (Introduction and Scope). Tesla’s SCoC requires suppliers to “adopt a policy and exercise due diligence on the source and chain of custody of the cobalt, tantalum, tin, tungsten, and gold in the products they manufacture to reasonably assure that they are sourced in a way consistent with the Organization for Economic Co-operation and Development (OECD) Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas or an equivalent and recognized due diligence framework (Ethics).</p> <p>Tesla requests 3TG suppliers to provide information on SoR through a Tesla-specific CMRT. The company adds in its Conflict Minerals Report: “During the 2024 reporting year, we continued to require Tier 1 suppliers to provide SoR information specific to Tesla’s product. The aim of this requirement is to encourage Tier 1 suppliers to submit information only relevant to the parts supplied to Tesla, rather than information relevant to their company as a whole.”</p> <p>Volvo has a standalone responsible minerals sourcing policy called “Volvo Cars Position on Responsible Sourcing”. The policy applies to conflict minerals, to battery raw materials, and to the company’s “Raw Materials of Concern” (RMoC). The AS Report specifies: “Our Position on Responsible Sourcing applies to suppliers of components containing Raw Materials of Concern (RMoC) i.e. raw materials associated with severe negative environmental, social and governance impacts”. The company provides a list of up to 20 such materials.</p> <p>Volvo’s CoCBP requires suppliers to “have effective due diligence processes when sourcing, or making use of, minerals and metals, in line with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.” Suppliers are required to “support Volvo Cars’ efforts to secure responsible sourcing in global supply chains. This includes conducting due diligence for Raw Materials of Concern (“RMoC”) to mitigate risks, enhance transparency and implement chain of custody models for material traceability in the supply chain”.</p>

	<p>Volvo explains that each year, they ask suppliers of components containing 3TG to declare their due diligence efforts and provide detailed information on the smelters they use. This is done through the Conflict Minerals Reporting Template (CMRT) provided by the Responsible Minerals Initiative (RMI).</p>
<p>Identify</p>	<p>Tesla implements “an integrated supply chain mapping tool” which the company describes in their Impact Report. The company discloses that they have mapped their nickel, lithium, and at least some of their graphite, 3TG, aluminium, and steel supply chains to the mining point. Tesla also discloses a good level of information emerging from their mapping efforts, which is even more detailed than last year’s disclosure. This includes country of origin of nickel and lithium and the name and location of key actors in the nickel and lithium supply chains, such as the name of mining companies and mine sites, as well as smelters and refiners and their geographical location.</p> <p>Less information is given for 3TG, mica, aluminium, and steel, although this still includes relevant information: countries of origin for 3TG (DRC and Rwanda), “continent” of origin of mica as well as location of tier 1 and tier 2 suppliers in the mica supply chain (Africa and Asia), countries of origin of bauxite and activity/location of many of the tiers in the aluminium supply chain, and a similar level of information for steel. Cobalt appears to be directly sourced from Glencore mines in the DRC.</p> <p>Tesla is the only company that confirms sourcing conflict minerals from some CAHRAs and to provide some detail about the risks involved. Tesla’s Impact Report includes material-specific chapters which address lithium, nickel, cobalt, and a number of additional minerals. These sections include information regarding risks associated with these materials, and some level of specificity regarding tier and geographical location. Tesla also publishes a complete list of 3TG smelters/refiners.</p> <p>Volkswagen seeks to map all battery raw materials’ supply chains to the point of extraction. Battery suppliers are required to disclose their entire upstream supply chain before they are awarded new contracts. Regarding the battery supply chain, the company states that they are “continuing to collect supply chain data and progress with our supply chain mapping and auditing program” and that they “conduct supply chain audits across all levels of our lithium, cobalt, nickel and natural graphite supply chains”. The company is also participating in mapping efforts through the RMI’s Emerging Minerals Working Group. The company also offers some detail about their mapping efforts to the point of extraction in relation to specific raw materials, e.g. for lithium, graphite, mica, and PGM. Volkswagen discloses some detail from its mapping (e.g., where the greatest risks lie and countries of origin).</p> <p>The company also confirms sourcing conflict minerals from some CAHRAs, but they do not provide any detail as to risks. However, VW does disclose broader risks from transition minerals in their supply chain, including relevant tier and geographical location for lithium, nickel, cobalt, as well as graphite, aluminium, PGM, REE, and mica (RRMR). VW publishes a complete list of 3TG smelters/refiners and discloses some information about their RMI conformance status.</p>

	<p>Ford and Mercedes also provide detail on the processes they have put in place to map their supply chains to the point of extraction, and disclose the portion of the supply chain that they have mapped to the point of extraction. Additionally, Mercedes also discloses risks from transition minerals in their supply chains and where these are located, by reference to tier, and geographical location for lithium, nickel, cobalt, as well as graphite, REE and other “traditional” minerals. Some information on the country of origin of the raw materials is provided, but this is limited. This is because this information is not always specific to the company’s supply chain. The actual country of origin (or at least one of the countries of origin) of the transition minerals in the company’s supply chain can only be confirmed for cobalt (DRC), nickel (Indonesia), graphite (Madagascar), lithium (Chile), and REEs (Myanmar).</p>
<p>Prevent, Mitigate, and Account</p>	<p>Ford, GM, and Tesla all disclose that they engage SoRs directly and are clear that this is to build their capacity to conduct due diligence. However, Ford is the only company that explains how this engagement happens: through outreach and by funding pre-audit visits to build their capacity. In last year’s Conflict Minerals Report, Ford also explained that they had visited smelters and refiners, and conducted “direct outreach to smelters/refiners to aid in collective uptake of responsible sourcing practices at 3TG smelters and refiners.”</p> <p>Only Ford, Renault, and Tesla disclosed key details of direct mineral sourcing agreements they have signed with extractive companies, such as raw materials they are sourcing directly, as well as relevant mining companies and mine sites.</p> <p>Ford has lithium agreements with global suppliers and a “three-party collaboration” for nickel production in Indonesia. It states that these contracts include specific ESG and human rights terms. Ford discloses the names of the lithium companies in its 2025 ISFR and disclosed the locations of some of the relevant mine sites in its 2024 ISFR. For nickel, it discloses the names of the partners and the mine project location. Last year, the company specified that it had secured lithium agreements with global suppliers Albemarle, SQM, and Nemaska. The company also stated that it was directly sourcing from US-based development projects, including an agreement with Loneer. Ford provided a good level of detail about its agreement with Albemarle. The company secured a lithium supply agreement “from Albemarle’s Kemerton refinery, and stated that they were sourcing mined inputs from the Talison Lithium managed Greenbushes mine (Australia, 49% owned by Albemarle).”</p> <p>Tesla discloses that it sources some of the raw materials in its products directly from mining companies, including cobalt, nickel, and lithium. As direct or Tier 1 suppliers, these companies are subject to Tesla’s SCoC, and the human rights/sustainability requirements in it. These companies are audited against Tesla’s sustainability criteria. Tesla discloses the names of many of the cobalt, nickel, and lithium extractive companies it has entered into direct agreement with, and the location of the relevant mines.</p>

	<p>Ford, Mercedes, and Volkswagen are the only companies that not only actively engage extractive companies within their supply chain regarding auditing by IRMA but also have explicit requirements for the minerals in their supply chains to be sourced from IRMA audited mines. For example, Mercedes explains that since 2021, they have been using IRMA as a precondition in all battery-related awards and require suppliers to exclusively use cobalt, lithium, nickel, natural graphite and manganese from IRMA-audited mines in newly commissioned scopes of supply. The company has adopted a gradual approach: “Because IRMA is still at the beginning of industry-wide application, we are relying on transitional periods. With our clear requirement, we accelerate the establishment of the standard under realistic conditions: we are gradually moving towards increasingly responsible practices with the medium-term goal of robust certification. For example, we expect at least proof of IRMA Transparency at the start of production of the corresponding purchased part from the supplier and three years later, the achievement of IRMA 50 or higher”.</p>
<p>Remedy</p>	<p>Ford has in the past relied on the Minerals Grievance Platform (MGP), a mechanism intended to screen and address grievances linked to smelters and refiners present in global supply chains. Its website invited anyone who had identified a credible risk within the tin, tantalum, tungsten, gold, cobalt, mica, copper, aluminum, alumina, bauxite, graphite, and many other minerals’ supply chains to submit a grievance through the MGP. Note: Ford does not appear to still be using this platform, as the company no longer mentions it in its reporting.</p> <p><u>In the past</u>, the company also reported that they used the RMI Grievance Mechanism, and actively tracked active grievances that involved SoR facilities reported by its suppliers. This was to “determine if additional actions to mitigate risk would be needed, such as direct outreach and engagement with smelters and refiners or notification to suppliers to conduct additional due diligence regarding reported smelters and refiners in their supply chain.” Note: in this year’s reporting, the company explains that the mechanism was merged into the RBA Worker Voice App, and it is no longer clear how Ford handles submissions specifically related to smelters/refiners.</p> <p>Tesla states that stakeholders can use external grievance mechanisms such as the RMI Grievance Mechanism. This can receive concerns related to SoR in Tesla’s supply chain. The RMI Grievance Mechanism investigation process is described in detail in the document “The RMI Grievance Mechanism” available on RMI’s website. Member companies are not involved in the investigations, but they are “kept informed of in-scope grievances received and their status”. Tesla does not explain whether, and if so, how they review and follow up on grievances raised through the mechanism.</p>

Indigenous Peoples' Rights

The mining of minerals and metals is often associated with serious abuses to Indigenous Peoples' rights. This is particularly prominent in relation to transition minerals, as a large proportion of these minerals is located in, or near, Indigenous Peoples' lands.¹

To avoid these impacts, automakers' human rights due diligence processes must be capable of identifying and addressing risks to Indigenous Peoples' rights along the entire supply chain, with a prominent focus on mining sites. Processes to identify risks to Indigenous Peoples' rights must rely on input from potentially affected Indigenous Peoples themselves. To demonstrate effective implementation, automakers must also disclose details about their specific due diligence processes, measures, and results.

To assess these standards, the Leaderboard sets out expectations regarding substantive commitments, procedural practices, and evidence of actual implementation. It expects companies to express unequivocal commitments to respecting both the UNDRIP and FPIC, and require the same commitments from suppliers. This means refraining from limiting or qualifying these commitments by, for example, subjecting them to national law, or limiting their scope of application.

Top five companies for Indigenous Peoples' Rights

COMPANY (OVERALL RANK)	2026 SCORE ON INDIGENOUS PEOPLES' RIGHTS	2025 SCORE (AND RANK) ON INDIGENOUS PEOPLES' RIGHTS
1 Ford (2)	26%	20% (3)
2 Mercedes (4)	26%	21% (2)
3 Tesla (1)	25%	26% (1)
4 Volkswagen (5)	23%	6% (6)
5 Renault (8)	17%	6% (7)

The Leaderboard also expects automakers to confirm whether they have explicitly integrated risks to Indigenous Peoples' rights into their broader risk assessment processes, and disclose processes in place to ensure effective implementation, including supplier compliance and their own proactive interventions to avoid or remedy adverse impacts. Information and evidence of concrete implementation is rewarded with higher scores. As with earlier sub-sections, the Leaderboard also requires automakers to be precise as to where in the supply chain risks to Indigenous Peoples' rights occur.

Ford, Mercedes, Tesla, VW and Renault are the top 5 performing companies in the Indigenous Peoples' Rights sub-section. These companies achieve higher than their peers because they articulate express and unqualified commitments and/or requirements relating to UNDRIP and FPIC, and they disclose concrete information about risks to Indigenous Peoples' rights that they have identified through their risk assessment processes. They also stand out for providing some information that indicates concrete implementation. While this is still incipient, it signals a shift in the right direction.

Ford expresses an unqualified commitment to respecting both the UNDRIP and FPIC, and requires suppliers to also respect the UNDRIP and FPIC without any limitations or qualifications, and explains the action it will take if it finds FPIC breaches in the supply chain. **Mercedes** systematically includes risks to FPIC and other Indigenous Peoples' rights into their processes to assess critical raw material risks.

Both **Mercedes** and **VW** publish the specific raw materials in their supply chain that pose risks to Indigenous Peoples' rights, and provide some information about the geographical location of these risks. **Ford, Mercedes** and **Tesla** all provide some indication about their concrete expectations from suppliers, and **Ford** and **Tesla** reach out and engage with extractive companies regarding FPIC.

1 John R. Owen and others, "Energy transition minerals and their intersection with land-connected peoples", Nature Sustainability, vol. 6 (February 2023).

INDICATOR GROUPING	CURRENT BEST PRACTICES
Commit	<p>Ford is the only company to fully meet all the indicators on committing to respect, and requiring suppliers to respect, UNDRIP and FPIC. Ford’s Human Rights Policy includes an express commitment to respecting the United Nations Declaration on the Rights of Indigenous Peoples and Free, Prior, and Informed Consent (FPIC). The policy states that the company will “strive to ensure Free, Prior, and Informed Consent of indigenous communities is pursued and obtained prior to projects or activities that may affect their lands, resources, and rights.” Ford’s SCoC also requires suppliers to “Respect the rights of Indigenous Peoples in accordance with the United Nations Declaration on the Rights of Indigenous Peoples” and to “Strive to ensure Free, Prior, and Informed Consent of communities” prior to projects or activities that might affect their lands, resources, and rights.</p>
Identify	<p>Kia, Mercedes, Renault, Tesla and Volkswagen disclose that their supply chain risk identification processes explicitly includes FPIC and other Indigenous Peoples’ rights issues through to the point of extraction. Mercedes’ risk identification process, for example, systematically includes FPIC and other Indigenous Peoples’ rights issues through to the point of extraction. Risks to “Communities and Indigenous Peoples’ Rights” are listed as salient risks in the company’s raw material supply chains. Specific critical raw materials are assessed against the nine salient risk areas listed in the company’s RSS. These include “Protection of Local Communities and Indigenous Peoples”, and FPIC.</p> <p>Mercedes has identified and publicly lists risks to Indigenous Peoples’ rights in relation to the company’s aluminium, cobalt, copper, graphite, lithium, nickel, PGMs, REEs, and Silica Sand and Silicon supply chains. The company indicates that these risks all occur at mining level. The company reports on the geographical location of these risks in relation to some of the raw materials (e.g. Guinea and Brazil regarding aluminium, Indonesia regarding nickel, etc.).</p> <p>Volkswagen lists risks to Indigenous Peoples’ rights in relation to the company’s lithium, nickel, 3TG, aluminium, copper, magnesium, and steel supply chains. The company indicates that these risks all occur at mining level, although geographical location is disclosed for only some of the assessed raw materials (e.g. Chile, Australia, and Zimbabwe regarding lithium, Indonesia and Canada regarding nickel, Guinea regarding aluminium, etc.).</p>
Prevent, Mitigate, and Account	<p>Ford’s SCoC provides some indication of the process suppliers must follow, requiring them to engage directly with representatives of Indigenous Communities to obtain FPIC when projects may affect their lands, resources, and rights. Ford also engages with mining suppliers on FPIC by requiring that they “seek IRMA certification or third-party certified equivalent.” The company notes that IRMA’s critical requirements include obtaining FPIC for new mine sites and demonstrating positive relationships with Indigenous Peoples for existing ones.</p>

Ford is also the only company to provide a (minimal) explanation of how it is prepared to respond if it finds FPIC breaches in its supply chain. The company explains that in case of FPIC breaches, the company “will conduct an investigation to determine if FPIC was required but not secured and work with suppliers and sub-supplier to develop remediation plans as needed.” The company also states that “FPIC breaches and determinations need to include appropriate indigenous representation and consultation.”

Tesla includes some minimal indication about the company’s expectation of suppliers in their GHRP: “For all raw material extraction and processing used in Tesla products, we expect our suppliers to engage with legitimate representatives of indigenous communities and respect their right to grant or withhold free, prior, and informed consent for their operations”.

In its Impact Report, Tesla states that nickel suppliers committed to supporting Indigenous Peoples’ participation in mining projects by signing with Canada’s First Nations Major Projects Coalition (however, it is not clear whether this was a result of direct engagement). The company also says that they “communicated requirements for Free, Prior and Informed Consent to suppliers” (again, it is not clear whether this included mining companies). The company also refers to engagement with mining companies regarding the establishment of no-go zones in Indonesia. While points are awarded, more clarity about direct engagement will be expected going forward.

Stellantis is the only company that has published a standalone policy on Free, Prior and Informed Consent which outlines the company’s expectations for the implementation of FPIC, as well as the governance and compliance responsibilities for the policy. However, this policy does not appear to relate to the supply chain or apply to suppliers and Stellantis therefore does not currently score points for this.

In its annual report, Stellantis also states that they “are engaged with companies tied to mining raw materials and are actively investigating their FPIC policies and ongoing dialogue with stakeholders in high-risk impacted communities.”

Workers' Rights in the Supply Chain

All stages of the auto supply chain entail risks to workers' rights, from raw materials extraction through to manufacturing, distribution and end-of-life management. Automakers' human rights due diligence processes must therefore also be able to identify and address these risks, in consultation with supply chain workers. Workers must also be able to meaningfully participate in all stages of the human rights due diligence process.

In line with international business and human rights standards, automakers must be transparent about the risks to workers' rights in their supply chain and the measures they are taking to address them, as well as the mechanisms and processes they have put in place for effective worker consultation and participation.

To assess these standards, the Leaderboard includes indicators regarding substantive commitments, processes for worker participation, and disclosure. It expects companies to expressly commit to respecting workers' rights in line with key ILO standards, and to establish the same requirements on suppliers. The Leaderboard also measures automakers' commitments and requirements regarding the payment of a living wage, and banning recruitment fees.

Top five companies for Workers' Rights in the Supply Chain

COMPANY (OVERALL RANK)	2026 SCORE ON WORKERS' RIGHTS IN THE SUPPLY CHAIN	2025 SCORE (AND RANK) ON WORKERS' RIGHTS IN THE SUPPLY CHAIN
1 Mercedes (4)	48%	50% (1)
2 Volkswagen (5)	46%	33% (3)
3 Tesla (1)	40%	27% (5)
4 BMW (6)	39%	39% (2)
5 Renault (8)	36%	24% (7)

Automakers are expected to have collective agreements with the relevant trade unions in their headquarter countries, and receive more points if they also have Global Framework Agreements

with IndustriAll. The Leaderboard also measures worker participation in decision making concerning the company's policies and principles on workers' rights, and key stages of the supply chain due diligence process, from risk identification through to remediation. It also expects automakers to disclose their labour rights' risks, with more points given the more complete and precise their disclosures.

Mercedes, VW, Tesla, BMW, and Renault are the top five performing companies on Workers' Rights in the Supply Chain this year. These companies stand out for their substantive commitments and supplier requirements on workers' rights, higher levels of disclosure, and the ability of their workers to participate in key decision-making and stages of the supply chain due diligence process.

For example, **Mercedes** and **VW** consult with supply chain unions and/or workers' representatives regarding salient workers' rights in the supply chain, and they both also disclose the salient risks to workers' rights in their supply chains, including detail as to their location. **BMW, Mercedes, and Renault** have a GFA with IndustriALL and, together with **VW**, also describe the mechanisms they have put in place to consult trade unions and/or workers' representatives on their workers' rights principles.

As with the general human rights sub-section, some automakers that do not make the top five actually adopt certain best practices not yet adopted or fully implemented by the top performers. While **BMW** requires suppliers to pay a living wage, and **VW** explains the system they rely on to calculate a living wage (though not actually clearly committing to paying one), **Ford, Stellantis, and Volvo** all outperform the top scorers in this area. They are the only three automakers that expressly commit to paying a living wage, and **Stellantis** is the only one to both commit to paying a living wage and explain how they calculate it.

There is little to show in the way of supply chain worker participation in the elaboration and verification of corrective action plans, or in remediation processes. However, **Tesla** stands out this year as the only company that discloses examples of remedy provided to supply chain workers for breaches of their rights.

INDICATOR GROUPING	BEST PRACTICES
<p>Commit</p>	<p>Ford and Volvo are the only two companies to commit to paying a living wage, require their suppliers to pay a living wage and expressly prohibit the payment of recruitment fees in their supply chains, in addition to also committing to respect, and require suppliers to respect, each of the five Fundamental Principles and Rights at Work as established in the ILO Declaration. BMW is the only other company to require suppliers to pay a living wage.</p> <p>Stellantis is one of only two companies that describes the system to calculate a credible living wage. “To determine credible living wages, we contracted with the Fair Wage Network in 2022. They provide a database with living wage amounts for over 200 countries and cities, updated annually. HR leads in each country monitor and adjust compensation to comply with our livable wage framework, addressing local inflation during annual salary reviews or negotiations with employee representatives.”</p> <p>While not clearly committing to a living wage, Volkswagen actually outlines how they calculate a living wage in their AR, by reference to the Wage Indicator Foundation’s Living Wage Database.</p>
<p>Identify</p>	<p>Volkswagen describes a number of ways through which trade unions and/or workers’ representatives in the supply chain are consulted on risks to workers’ rights. The company explains that, through their participation in MSIs and local projects, the company meets with value chain workers’ representatives such as trade unions to discuss due diligence standards and working conditions. The company’s risk assessment identifies the salient risks to workers’ rights in the supply chain. These are listed in the company’s Annual Report. The company’s Responsible Raw Material Report provides greater detail, indicating the specific raw material supply chains where the risks to labour rights occur, and the geographical location in relation to some of them.</p> <p>Mercedes states that they consult trade unions, among other groups, to review their classification of the salient risk areas regarding their priority raw materials as well as the appropriateness of mitigating measures. <i>Note: it is not completely clear whether the trade unions the company refers to are or include supply chain trade unions. Points might not be awarded next year if this does not become clearer.</i> Mercedes’ Raw Material Report lists the salient risks to workers’ rights in its supply chain, and provides information about tier and, occasionally, geographical location. Risks to labour rights exist, for example, in the company’s aluminium, cobalt, copper, and graphite supply chains, among others.</p>

<p>Prevent, Mitigate, and Account</p>	<p>BMW has a number of formal mechanisms to consult trade unions on workers' rights policies: "The BMW Group works in close cooperation with the General Works Council to uphold fair working conditions and respect for human rights, not only for our own employees, but also by suppliers and other business partners, such as sales partners". The Economic Committee of the General Works Council has a formal oversight role regarding the company's human rights due diligence process. The company's Group Code on Human Rights and Working Conditions was developed in consultation with the BMW EURO Works Council. The Code also indicates that questions and concerns related to human rights are handled by a Human Rights Response Team which includes a member of the employee representative body of the affected entity. The team verifies reports and takes the necessary action, including appropriate corrective measures where warranted. "For international entities, a representative of the BMW EURO Works Council will be invited."</p> <p>Renault has many formal mechanisms to consult trade unions and/or workers' representatives on the company's workers' rights principles and policies. The company "engages with its workforce and their representatives through regular meetings, including information sessions, follow-ups on the Global Framework Agreements (GFAs) of 2013 and 2019, and negotiations on significant changes within the Group". These meetings take place within the Group Works Council, the Restricted Group Works Council, and the Worldwide Group Works Council (URD, p. 184). Members of the Select Group Works Council who are signatories to the 2013 Global Framework Agreement are also informed before the publication of the Vigilance Plan.</p>
<p>Remedy</p>	<p>Tesla discloses many examples of remedy provided to supply chain workers for breaches of their rights, the only company to disclose such data. These include a supplier in Vietnam that installed a partition curtain for a mothers' room, a supplier in Taiwan that switched to anonymous online forms to preserve workers' rights to safety and privacy. In addition, 102 workers in Taiwan, 346 workers in Hungary, 142 workers in Malaysia, and 40 workers in Mexico all benefited from various changes in practices relating to withholding of wages and unclear contractual terms. The company is so far the only automaker to disclose such examples.</p>



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