

# Leather Benchmark

Car seat manufacturers and car manufacturers (car brands)  
Assessment of companies' ambitions for a deforestation-free leather supply chain

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Commissioned by



# Introduction and Methods



## Leather benchmark

The present benchmark assessed companies' policy and strategy, implementation, data disclosure, and performance linked to deforestation-free leather. The analysis covered 15 companies that make use of leather in two different sectors of the automotive industry: car seat manufacturing companies and car manufacturing companies (car brands) (1).

### Car seat manufacturing

Company	ISIN
Adient PLC	IE00BD845X29
Faurecia SE	FR0000121147
Lear Corp	US5218652049
Magna International Inc	CA5592224011
Toyota Boshoku Corp	JP3635400009

### Car manufacturing (car brands)

Company	ISIN
Volkswagen AG	DE0007664039
Toyota Motor Group	JP3633400001
Stellantis NV	NL00150001Q9
Mercedes Benz Group AG	DE0007100000
Ford Motor Co	US3453708600
General Motors Co	US37045V1008
Bayerischen Motoren Werke AG	US0727433056
Hyundai Motor Co	KR7005380001
Renault SA	FR0000131906
Geely Automobile Holdings Ltd	KYG3777B1032

## Indicators

The benchmark followed indicators developed specifically to analyse companies' ambitions and commitments towards a deforestation-free leather supply chain. The indicators are based on the **Accountability Framework Initiative (AFI)** core principles (2).

Groups of indicators	# of indicators	AFI Core Principles
Policy and Strategy	7 indicators	1, 2, 3 and 5
Implementation	10 indicators	4, 5, 6, 10 and 11
Disclosure	8 indicators	11 and 12
Performance	6 indicators	12

## Sources

- Companies' publicly available information, including annual report, sustainability reports, commitments, policies, and strategies.
- Companies' replies to Rainforest Foundation Norway (RFN) request for information on strategies, commitments, and actions to address deforestation linked to leather sourcing. Five out of fifteen companies replied to RFN: *Adient*, *Toyota Motors*, *Mercedes-Benz*, *Hyundai*, and *Renault*.
- Publicly available benchmarks, such as:
  - **Forest 500** (3) – car seat manufacturers *Lear* and *Adient*, for instance, have leather profiles in the Forest 500 platform;
  - **CDP** (4) – only two companies submitted the Forest questionnaire to CDP in 2021: *Adient* (not publicly available) and *General Motors*.

(1) The five car seat manufacturers included were selected on the basis of their market shares, reported in the [2021 RFN leather report](#). The ten car manufacturers (car brands) selection was based on [Statista](#) (companies by vehicle sales in Europe) and [Refinitiv](#) (global automotive companies by annual revenues).

(2) [Accountability Framework Initiative](#)

(3) [Forest 500](#)

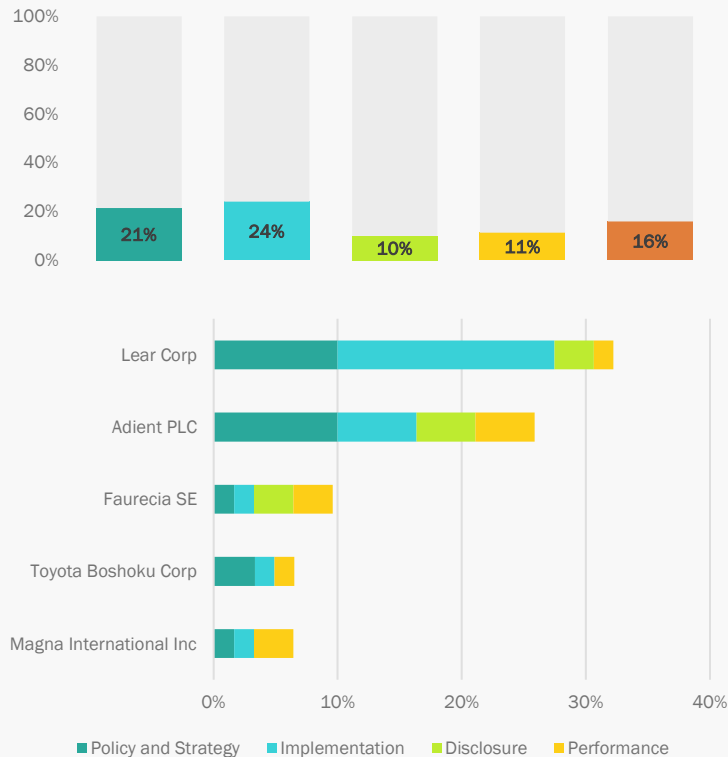
(4) [CDP – Disclosure insight Action for a sustainable economy](#)

# Results



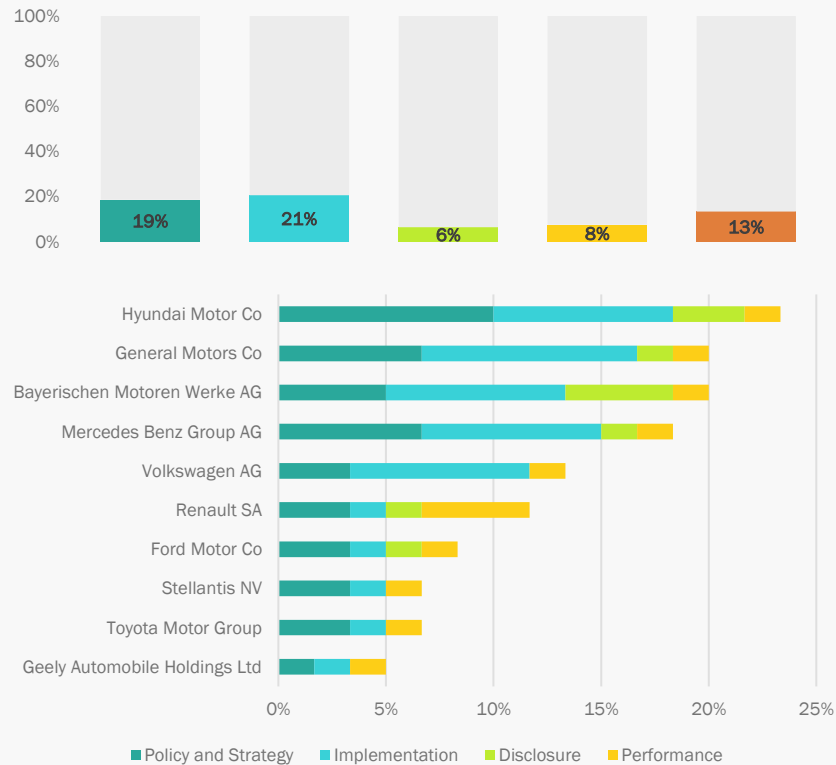
## Car seat manufacturers

(relative points per category)



## Car manufacturers (car brands)

(relative points per category)





# Key findings

## Policy and Strategy

- Only two car seat manufacturing companies have deforestation policies (both established in 2022) – **Adient** and **Lear**. Adient is the only company whose policy is commodity-specific, although no cut-off date is specified, nor is the type of deforestation addressed (legal and/or illegal).
- Among the car manufacturers, only **Hyundai** has a deforestation policy (also established in 2022). Most of the other companies have different types of “*supplier sustainability guidelines*”, which in some cases include the intention to eliminate deforestation from their supply chains. These car companies rely on their suppliers’ actions for the implementation of the such guidelines.

## Implementation

- One third of the companies already have grievance tools in place. They also assess and engage with suppliers in relation to social and environmental commitments. Although three of the companies are already working with contracted third parties for the assessment of their commitments, only **Lear** includes its commitments to zero-deforestation in this verification.

## Disclosure

- In general, both car seat manufacturers and car manufacturers score the lowest in terms of disclosure and performance. None of the companies had publicly available information on their suppliers (namely no lists of current or blocked/avoided suppliers) nor any data on actions taken from grievances reported. Public reporting on sustainability risk analysis for leather alternatives also tends to be absent.

## Performance

- None of the companies currently reports on the percentage of leather suppliers or leather procurement that is deforestation-free or compliant with related policies/commitments. Likewise, no company indicates the percentage of their leather supply that is traceable to origin. Moreover, most companies’ commitments have timelines beyond 2030, which generally refer to the achievement of carbon neutrality and do not specify zero deforestation targets.



## Other findings

- Overall, car seat manufacturers score better than car manufacturers in all the assessed indicators. These companies show more attention to deforestation and leather, and they are, in general, better positioned to implement and adopt new policies towards deforestation-free leather supply chains.
- In general, car seat manufacturers presented highest scores than the car brands. **Lear** was the company with the highest total score (32%) while **Magna International** and **Toyota Boshoku** have the lowest one (6%) in the car seat manufacturers group. Among car brands, the scores ranged from 5% (**Geely Automobile Holdings**) and 23% (**Hyundai Motor**).
- Ten companies (both car seat and car manufacturers) are already working towards replacing animal leather with alternatives. However, only 4 of these companies (**Adient, Faurecia, BMW, and Hyundai Motor**) have publicly available evidence of a sustainability analysis for the replacement foreseen. **Renault** is the only company that plans to discontinue the use of leather in its products by the second half of 2024, replacing it by an alternative product made of 100% recycled low carbon polyester. However, Renault does not disclose any data on the sustainability impact of replacing leather with a polyester-based material.
- Human Rights Policies and/or commitments based on UNGP human rights frameworks were, in general, more prevalent among the companies assessed than zero deforestation ones. Five companies explicitly include Free Prior and Informed Consent of Indigenous People (FPIC) in their Human Rights commitments - **Lear, BMW, General Motors, Mercedes Benz, Renault**.

# Appendix 1 Summary and sources



Adient PLC	Has a <a href="#">Deforestation-free Policy</a> (September 2022); Engagement with Global Canopy to develop deforestation reduction targets. Working on leather alternatives. Human Rights commitments focus only on labour rights.
Faurecia SE	Does not have a deforestation-free policy but developed a <a href="#">responsible sourcing</a> approach specific to leather. Alternatives to leather are under development and the goal is to implement them from 2022. Human Rights commitments don't include UNGP frameworks nor FPIC.
Lear Corp	Has a <a href="#">Deforestation-free Policy</a> (revised in March 2022), a <a href="#">Supplier Sustainability Policy</a> , a <a href="#">2021 Sustainability Report</a> (mentioning a Responsible Sourcing Approach, Biotech leather developments and a Life Cycle Assessment - including leather - to be presented in 2022), a <a href="#">Human Rights Policy</a> , and a <a href="#">Global Requirements manual and Code of Conduct for Suppliers</a> , referring to UNGP frameworks and the rights of indigenous peoples and local communities, including FPIC.
Magna International Inc	Does not have a deforestation-free policy and does not mention leather in sustainability approaches. Focus mostly on carbon neutrality and offsets, renewable energy and energy optimization. Human Rights commitments focus only on labour rights.
Toyota Boshoku Corp	Does not have a deforestation-free policy nor a responsible sourcing strategy for leather. Has a <a href="#">Human Rights Policy</a> where UNGP frameworks and labour rights are mentioned (although no reference to FPIC). Leather is used in some of the luxury car seats, but it is barely mentioned in the sustainability reports.
Bayerischen Motoren Werke AG	Does not have a deforestation-free policy, but rather a <a href="#">Supplier Sustainability Policy</a> that includes the protection of natural ecosystems and the halting of forest conversion, deforestation and forest degradation. Has a <a href="#">Human Rights and Working Conditions Code</a> that integrates UNGP frameworks and, the supplier sustainability policy, requires the respect for indigenous and local peoples' rights, including FPIC. There is no responsible sourcing approach specific to leather, although transparency and traceability are being promoted in all raw materials' supply chains. Working towards vegan alternatives to leather.
Ford Motor Co	Does not have a deforestation-free policy, but a policy on <a href="#">Protecting Human Rights and the Environment</a> (deforestation and leather are not mentioned, but UNGP frameworks are). Leather is also not included in the environmental or responsible sourcing commitments.
Geely Automobile Holdings Ltd	Does not have a deforestation-free policy. Leather is only briefly mentioned in the sustainability reports. No Human Rights policy is available, but some commitments are made in relation to labour rights in a <a href="#">supplier code of conduct</a> .
General Motors Co	Does not have a deforestation-free policy nor a responsible sourcing approach to leather in place. Has, however, a <a href="#">Global Environmental Policy</a> where the prevention of deforestation is mentioned. The <a href="#">Supplier Code of Conduct</a> includes the respect for land rights and avoidance of illegal deforestation. On their publicly available CDP questionnaire on forests, they refer to be in the early stages of developing work relationships with leather suppliers for sustainability and traceability. <a href="#">Human Rights Policy</a> includes UNGP frameworks and, in the supplier code of conduct, the UN Declaration on the Rights of Indigenous People and FPIC are mentioned.
Hyundai Motor Co	Has a <a href="#">Deforestation-free Policy</a> (June 2022) which is not yet completely implemented. Leather is not mentioned in this policy. Has a <a href="#">Human Rights Charter</a> where UNGP frameworks are mentioned (no FPIC).
Mercedes Benz Group AG	No deforestation policy, but has a <a href="#">Ambitious 2039</a> , a <a href="#">Responsible Sourcing Standard</a> , and a <a href="#">Supplier Ambition Rating for Sustainable Supply Chains</a> - 3 directives involving deforestation-free supply chains. The <a href="#">Resource-efficient vehicles concept</a> cites deforestation-free leather. Human Rights commitments are included in the responsible sourcing standard, where UNGP frameworks and the protection of indigenous peoples are mentioned, including FPIC.
Renault SA	Does not have a deforestation-free policy nor a specific responsible sourcing approach to leather. Since 2021, there have been discussions with leather suppliers about sourcing and due diligence processes have been checked. Has committed to stop using animal leather in their cars from the second half of 2024 (replaced by alternatives). <a href="#">Human Rights commitments</a> according to UN frameworks, including respect for the UN's Declaration on the Rights of Indigenous Peoples and protection of local communities (where FPIC is included).
Stellantis NV	Does not have a deforestation-free policy, but a <a href="#">Global Responsible Purchasing Guidelines</a> that does not specifically include leather. However, the Responsible Purchasing Guidelines include the respect for UNGP frameworks and labour rights (no FPIC).
Toyota Motor Group	Does not have a deforestation-free policy nor a responsible sourcing approach to leather. In 2020, established a <a href="#">Toyota Policy on Harmony with Nature</a> that aims at harmonizing various elements of nature and conserve biodiversity, upon recognizing the critical situation of deforestation and biodiversity loss. Currently updating the <a href="#">Sustainable Purchasing Guidelines</a> to include Land Use and Deforestation. <a href="#">Human Rights Policy</a> including UNGP frameworks (no FPIC).
Volkswagen AG	Does not have a deforestation-free policy, but leather is identified as a key material risk (working on it through the Leather Working Group). From 2022, all tanneries supplying leather products to the Group will be required to demonstrate <a href="#">responsible sourcing practices</a> . Most policies and pledges focus on the reduction of CO2 emissions, energy consumption, and renewable materials. Human Rights commitments mention UNGP frameworks, labour rights, and the protection of indigenous peoples (no FPIC).



### **Aidenvironment Europe**

Barentszplein 7  
1013 NJ Amsterdam  
The Netherlands  
T: +31 (0)20 686 81 11  
M: [info@aidenvironment.org](mailto:info@aidenvironment.org)

### **Aidenvironment Asia**

Noble House, Mega Kuningan,  
29th fl. No. 2,  
Jl. Dr.Ide Anak Agung Gde Agung Kav.  
E 4.2 Jakarta, JK 12950, Indonesia  
M: [info@aidenvironment.org](mailto:info@aidenvironment.org)

### **Aidenvironment East-Africa**

Plot 99 Luthuli Avenue  
Kampala  
Uganda  
T: +256 (0)393 20 88 17  
M: [estafrica@aidenvironment.org](mailto:estafrica@aidenvironment.org)