



tearfund

New Zealand



BAPTIST
WORLD
AID

11TH EDITION

ETHICAL FASHION REPORT

**We acknowledge the
Traditional Custodians
of the land on which we
are privileged to work
and live. We give thanks
to our Creator God for
their stewardship, and
we pay our respects to
Elders past and present.**

The Ethical Fashion Report is produced by Baptist World Aid Australia, in pursuit of a world where poverty has ended and all people enjoy the fullness of life God intends.

The 11th Edition of the Ethical Fashion Report is sponsored by Vocare Law. Vocare's support reflects their commitment to act with integrity and transparency and help other organisations to do the same. Vocare's generous support helped bring the

report to life—creating greater accountability across companies for a fairer fashion industry.

Thank you to our partners, BMS World Mission and Tearfund New Zealand, for their partnership in promoting and disseminating the Ethical Fashion Report internationally. We're particularly grateful to BMS World Mission for making the inclusion of UK brands in this edition possible.

OCTOBER 2026

**Ethical Fashion
Team/Authors:**

Katherine Halliday
Keziah Redelinghuys
Laura Cugley

**Ethical Fashion Research
& Report Contributors:**

Sophia Russell
Domenica Grasso
Gina Snodgrass
Cassandra Holland

Design:

Lasso Creative



Contents

INTRODUCTION	4
KEY FINDINGS	5
THE IMPACT OF FASHION	6
THE 2026 RESULTS	7
KEY COMPANY INSIGHTS	8
UNDERSTANDING COMPANY SCORES	10
COMPANY SCORES	11
SURVEY SECTION SUMMARIES	
POLICIES & GOVERNANCE	14
TRACING & RISK	16
SUPPLIER RELATIONSHIPS & HUMAN RIGHTS MONITORING	18
WORKER EMPOWERMENT	20
ENVIRONMENTAL SUSTAINABILITY	22
KEY QUESTIONS & RECOMMENDED ACTIONS	
WHY HAS INDUSTRY PROGRESS STALLED?	25
RECOMMENDED ACTIONS FOR GOVERNMENT	27
WILL WORKERS EVER GET THEIR FAIR SHARE?	29

RECOMMENDED ACTIONS FOR COMPANIES	32
ARE SUSTAINABILITY GAINS BEING CANCELLED OUT BY OVERPRODUCTION?	33
RECOMMENDED ACTIONS FOR CONSUMERS	35
METHODOLOGY	37
ABOUT BAPTIST WORLD AID AUSTRALIA & TEARFUND NZ	39

[APPENDIX](#)



Introduction

The 11th Edition of the Ethical Fashion Report reveals that the fashion industry's progress for people and the planet has come to a standstill.

Exploitation of workers persists as economic uncertainty and geopolitical instability put pressure on global supply chains, pushing workers' rights down the priority list. After a short period of initial scrutiny, urgency is waning.

The industry has become better at documenting policies and reporting on commitments, but it has made little progress in delivering outcomes for workers in their supply chains, or for the environment. Across the companies assessed in this year's report, there was no material change between 2024 and 2026 with only a 0.2-point percent increase in the average company score to 31.5.

Worker empowerment—specifically, the right to living wages, training, and freedom of association—continues to be the weakest-performing area. While some companies are increasing their use of sustainable materials, production growth continues to outpace these gains, resulting in higher emissions, resource consumption and waste.

For the 300 million workers employed across the fashion value chain¹, these shortcomings are not abstract challenges that can be fixed with a policy. They translate into daily realities: incomes too low to meet basic needs, unsafe working conditions, excessive working hours, and barriers to reporting rights violations.

The disconnect between what companies say and what they do raises a critical question: if current approaches to improving supply chain conditions are falling short of benefiting workers, what would it take to make the changes needed to uphold basic human rights?

This report highlights the actions that governments, companies, and consumers must take to put their values and policies into practice.

Voluntary action alone is unlikely to deliver the scale of change required across the fashion industry. Governments have a critical role to play in strengthening and harmonising legislation so that companies are required to not just disclose risks, but also prevent and address them.

Companies must move beyond compliance towards practices that share accountability, strengthen supplier relationships, enable worker representation, and deliver measurable improvements in workers' lives.

Everyday New Zealanders have the power to create change—to challenge overconsumption, advocate to governments, and hold companies to account for their supply chain practices.

Baptist World Aid Australia's Ethical Fashion Report seeks to help build a fairer fashion industry where workers are afforded the respect they deserve, and natural resources are stewarded responsibly.

We assessed the practices of 138 companies (representing 543 brands) using our Ethical Fashion Survey: an assessment tool that has been continually developed since the project's inception in 2013.

The 11th Edition Ethical Fashion Report reveals that the challenge is no longer about understanding the problem, but about the collective will to act on it. Without stronger accountability, deeper collaboration, and a greater focus on worker outcomes, progress will continue to stall while the people who make our clothes bear the cost.



138
COMPANIES
REPRESENTING
543
BRANDS
HAVE BEEN
ASSESSED
IN 2026.

¹ <https://www.ellenmacarthurfoundation.org/fashion-and-the-circular-economy-deep-dive>

Key Findings

WHERE WE ARE NOW



Transparency alone is not moving the needle.

Despite public commitments from companies and heavily promoted sustainability programmes, in the two years since our last report, improvement across companies has been nominal.

Workers are being denied basic protections.

Worker empowerment, including living wages, collective bargaining, grievance mechanisms, and training workers on their rights, was the lowest-scoring section of our survey.

Production volume is severely outpacing sustainability progress.

The industry's sheer scale has outpaced the systems designed to govern it, leaving suppliers, certification schemes, and regulators struggling to keep up with production volumes.



WHERE WE NEED TO GO NEXT



All stakeholders need to start putting their policies and values into practice.

Government

Successive governments in New Zealand have failed to establish regulatory mechanisms that require transparency and modern slavery reporting from companies. This means New Zealand is lagging significantly behind trading partners who are now considering even stronger regulations to drive change (learn more on page 27).

Companies

Companies have made progress in policies, targets and reporting over the Ethical Fashion Report's lifetime, but fall short of making true impact for workers and the environment. Putting these policies into practice will take dedication and partnership with other brands, suppliers, and workers themselves (learn more on page 32).

Consumers

Purchasing patterns are yet to reflect consumer sentiment surrounding sustainability and ethical fashion. We can all put our values into practice by buying less, buying better, and expecting more from the fashion industry (learn more on page 35).



WHAT WE WANT TO SEE



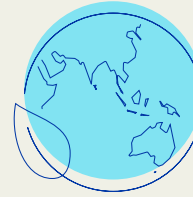
A fairer fashion industry where companies operate responsibly, and workers are enabled to participate in the global economy with dignity and contribute to sustainable and flourishing communities.



The Impact of Fashion



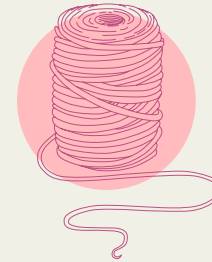
AN ESTIMATED
300 MILLION
WORKERS ARE PART OF
THE GLOBAL FASHION VALUE CHAIN.²



FASHION
PRODUCTION CONTRIBUTES
UP TO 10%
OF TOTAL GLOBAL EMISSIONS.⁵



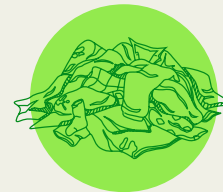
NEW ZEALAND IMPORTS
NZ\$7.9 BILLION
OF GOODS AT RISK OF CHILD OR
FORCED LABOUR ANNUALLY.³



139 MILLION
TONNES OF FIBRES
WERE PRODUCED IN
2025, 62% OF WHICH
WERE PETROLEUM-BASED SYNTHETICS.⁶



ALMOST **50 MILLION**
PEOPLE WORLDWIDE ARE
LIVING IN MODERN SLAVERY,
WITH GARMENT WORKERS AMONG THOSE MOST AT RISK.⁴



92 MILLION TONNES
OF TEXTILE WASTE ARE
PRODUCED ANNUALLY.⁷

² <https://www.ellenmacarthurfoundation.org/fashion-and-the-circular-economy-deep-dive>

³ <https://www.worldvision.org.nz/campaigns/risky-goods/>

⁴ <https://www.walkfree.org/global-slavery-index/>

⁵ https://www.oneplanetnetwork.org/sites/default/files/from-crm/measuringfashion_globalimpactstudy_full-report_quantis_cwf_2018a.pdf

⁶ Market Materials Report, Textile Exchange, 2026

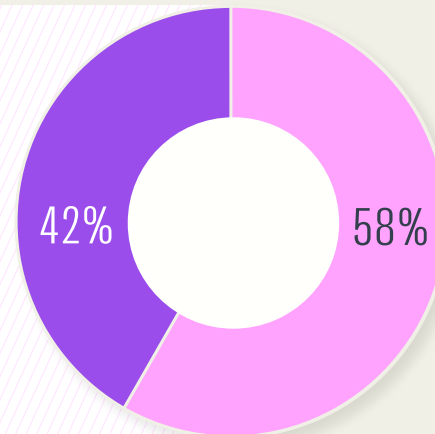
⁷ <https://globalfashionagenda.org/resource/pulse-of-the-fashion-industry-2017/>

The 2026 Results

**We assessed
138 companies
representing
543 brands.**

- PUBLIC INFORMATION ONLY
- COMPANY SUBMISSION

Average score: 31.5



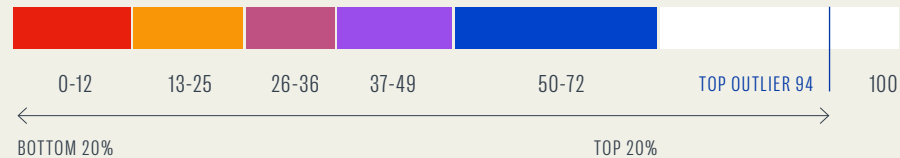
COMPANIES WITH THE GREATEST SCORE IMPROVEMENT

BETWEEN 2024 AND 2026*

LORNA JANE	53.0	+13.1
WORKWEAR GROUP	61.9	+12.8
NOVO SHOES GROUP PTY LTD	18.3	+10.0
KMD BRANDS	69.5	+9.6
AJE	35.6	+9.4
VICTORIA'S SECRET & CO	53.2	+9.3
R.M.WILLIAMS	58.5	+9.2
PRINCESS POLLY	63.3	+8.9
NUDIE JEANS CO	61.4	+8.6
BLUE ILLUSION	14.5	+8.2

Spread of Company Scores

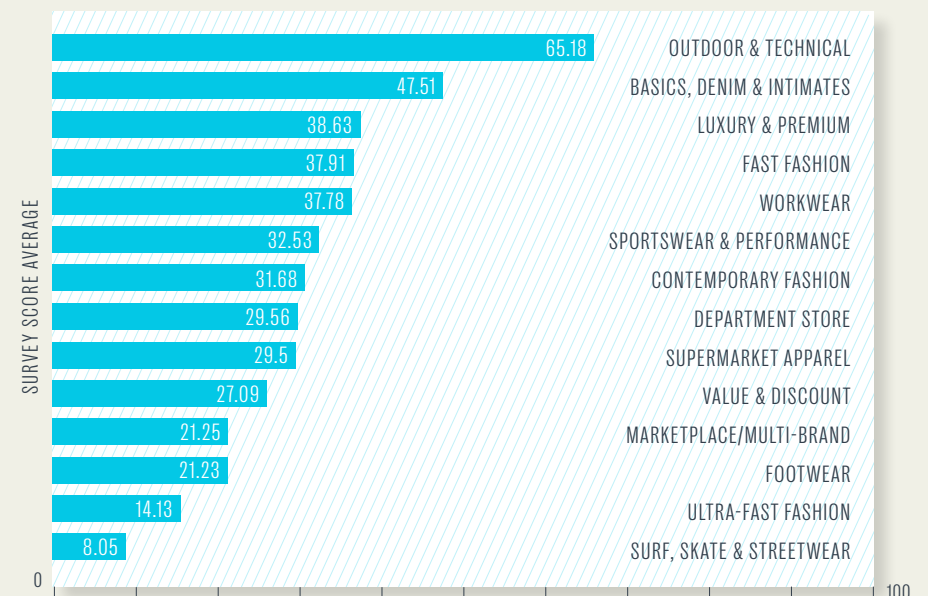
SCORES OUT OF 100



Section Averages

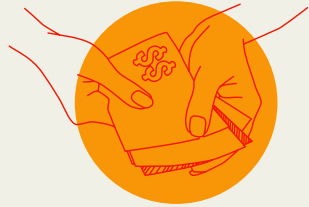
	2026	SCORE AVAILABLE
Total Average Score	31.5	100
Policies & Governance	4.1	6
Tracing & Risk	6.8	15
Supplier Relationships & Monitoring	9.8	33
Worker Empowerment	3.3	25
Environmental Sustainability	7.5	21

Average Score by Sector*

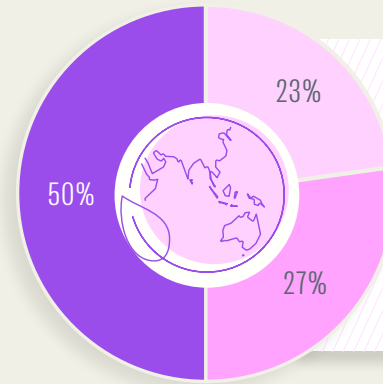


*Sectors are categorised by Baptist World Aid Australia for analysis purposes only. Refer to the [FAQs webpage](#) for the number of companies in each sector.

Key Company Insights



88% OF COMPANIES COULD NOT EVIDENCE PAYING A LIVING WAGE TO WORKERS AT ANY FINAL STAGE FACILITIES.

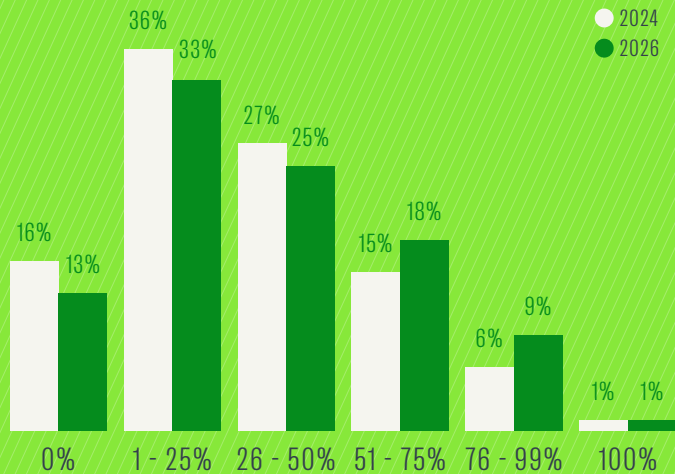


COMPANIES WITH A PUBLISHED CLIMATE EMISSIONS REDUCTION TARGET AND STRATEGY.*

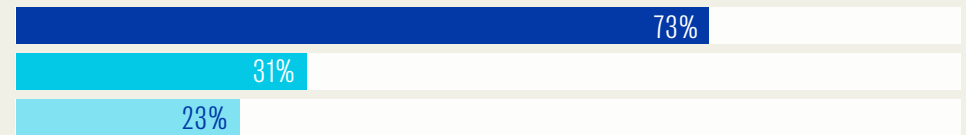
● FULL CREDIT
● PARTIAL CREDIT
● NO CREDIT

*Target must be validated and/or aligned with industry recommendation of 50% reduction across Scope 1, 2 and 3 by 2030 and net zero by 2050.

COMPANIES ARE INCREASING THEIR USE OF SUSTAINABLE FIBRES.



AVERAGE PERCENTAGE OF SUPPLIERS AT EACH TIER THAT HAVE UNDERGONE REGULAR SOCIAL AUDITING*



● FINAL STAGE FACILITIES ● INPUTS FACILITIES ● RAW MATERIALS

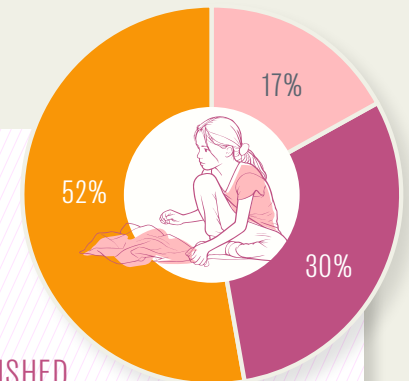
*This includes social auditing conducted through fibre or facility certifications. A social audit is an inspection of a supplier facility which monitors workplace conduct against local labour laws, codes of conduct, and human rights standards.

17% OF COMPANIES KNOW THE NAME AND LOCATION OF ALL THEIR INPUTS FACILITIES.



52%

OF COMPANIES HAVE NO ESTABLISHED PROCESS TO RESPOND TO CHILD AND FORCED LABOUR VIOLATIONS IN THEIR FINAL STAGE FACILITIES.



● FULL CREDIT
● PARTIAL CREDIT
● NO CREDIT

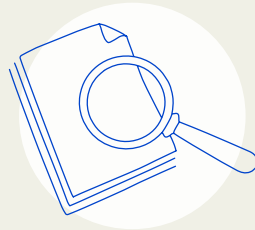


COMPANY SCORES

Understanding Company Scores

We Conducted Research

We researched companies based on our rigorous methodology (to learn more, see page 37).

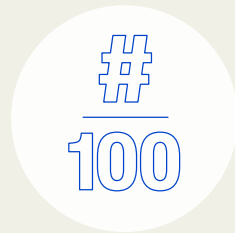


Our research generated over 15,000 data points through a rigorous assessment of company policies, practices and performance. The data covers key areas including governance, supply chain tracing, risk, supplier engagement, worker empowerment, and environmental sustainability.

Worker and environmental exploitation exist across the entire supply chain. That's why we assess it all.*

We Gave Brands A Score Out Of 100

To provide transparency, companies are scored out of 100 based on their efforts to protect workers and the environment.



FINAL STAGE:

ASSEMBLY AND MANUFACTURING OF FINISHED PRODUCTS. INCLUDES CUT-MAKE-TRIM MANUFACTURING; CUTTING, SEWING, PRINTING.



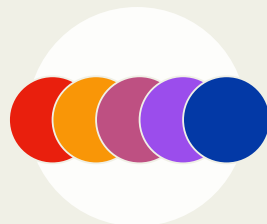
INPUTS PRODUCTION:

PRODUCTION AND FINISHING OF FABRICS AND COMPONENTS THAT ARE DIRECTLY USED IN FINISHED PRODUCTS. INCLUDES TEXTILES PRODUCTION (GINNING, SPINNING, KNITTING, DYING, EMBROIDERY); LEATHER (TANNING); PLASTIC (PROCESSING, MOULDING).



We Ranked Brands Among Their Peers

Companies are ranked into five colours, ranging from the bottom scoring companies to the top scoring ones.



RAW MATERIALS:

EXTRACTION OR CULTIVATION OF NATURAL, SYNTHETIC, OR RECLAIMED FIBRES THAT ARE USED TO PRODUCE FABRICS AND COMPONENTS. INCLUDES COTTON, FLAX (FARMING); WOOL, DOWN, RAWHIDE (ANIMAL HUSBANDRY); CRUDE OIL, PLASTICS (EXTRACTION); RECYCLED FIBRES (RECLAIMED MATERIALS).



*definitions are based on the [Textile Exchange Supply Chain Taxonomy](#).

Company Scores

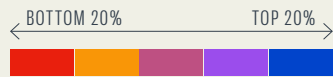
COMPANY	FINAL SCORE	POLICIES & GOVERNANCE	TRACING & RISK	SUPPLIER RELATIONSHIPS & HUMAN RIGHTS MONITORING	WORKER EMPOWERMENT	ENVIRONMENTAL SUSTAINABILITY	SCORE CHANGE FROM 2024
TOTAL SCORE AVAILABLE	100	6	15	33	25	21	
2XU	2 *	<1	<1	<1	<1	1	↓
Abercrombie & Fitch	31 *	4	11	8	1	7	↑
Accent Group	10 *	3	3	3	1	1	↓
adidas	61	6	13	18	8	16	↓
Aje	36	5	9	11	2	9	↑
ALDI Stores	33	4	7	12	4	7	↑
Allbirds	21 *	2	6	4	<1	10	↓
Amazon	16 *	4	3	4	1	4	↑
APG & Co	52	6	12	20	7	7	↑
Apparel Brands	2 *	2	<1	1	<1	<1	New
AS Colour	67	6	11	26	12	12	↑
Asda	18 *	3	4	5	1	5	New
ASICS	32 *	4	8	8	3	9	↑
ASOS	40 *	5	9	9	5	12	↑
Assembly Label	63	6	12	20	11	15	New
Austin Group	28	4	8	10	2	4	New
BEC + BRIDGE	3 *	2	<1	<1	<1	1	↑
Best&Less	20 *	5	6	6	1	2	↑
BIG W	25 *	5	6	7	5	3	↓
Birkenstock	19 *	5	7	4	2	1	↑
Bisley	14 *	3	4	6	<1	1	↓
Blue Illusion	15 *	3	3	3	1	5	↑
Blundstone	21 *	2	5	5	1	8	↑
Boardriders	3 *	2	<1	1	<1	<1	↓

FINAL SCORE TOTALS OUT OF 100
SCORES HAVE BEEN ROUNDED

← BOTTOM 20% TOP 20% →

COMPANY	FINAL SCORE	POLICIES & GOVERNANCE	TRACING & RISK	SUPPLIER RELATIONSHIPS & HUMAN RIGHTS MONITORING	WORKER EMPOWERMENT	ENVIRONMENTAL SUSTAINABILITY	SCORE CHANGE FROM 2024
TOTAL SCORE AVAILABLE	100	6	15	33	25	21	
Boden	34	6	10	10	3	6	↑
Boody	22	5	6	4	<1	8	New
Brand Collective	9 *	2	2	3	1	<1	↑
Brandbank Group	32	5	6	12	3	6	↑
Carhartt WIP	16 *	3	4	5	1	2	↑
City Chic Collective	36	6	10	13	4	4	↓
Cotton On Group	40	4	9	15	4	8	↓
Country Road Group	30 *	6	6	7	3	8	↓
Crocs	26 *	5	5	7	<1	9	↑
Cue Clothing Co.	11 *	3	4	5	<1	<1	↓
Culture Kings	10 *	3	3	4	<1	<1	↑
David Jones	20 *	4	7	6	3	1	↓
Debenhams Group	29	6	7	10	2	5	↑
Decathlon	34 *	4	5	9	2	14	↑
DECJUBA	18 *	5	6	5	<1	3	↓
Deckers Brands	36 *	4	10	9	2	11	↓
DISSH	33	5	8	12	2	6	New
Dr. Martens	43	5	10	11	1	16	↑
Factory X	48	6	13	15	5	10	↓
FatFace	34 *	5	9	9	3	8	New
Forever New	35 *	5	7	13	5	5	↓
Frasers Group	5 *	1	1	3	<1	<1	New
Fruit of the Loom	28 *	5	8	6	4	6	↓
Gap Inc.	45 *	6	9	13	3	14	↓

*Depicts companies assessed on public information only.

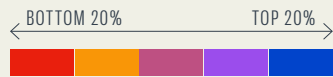


FINAL SCORE TOTALS OUT OF 100
SCORES HAVE BEEN ROUNDED

COMPANY	FINAL SCORE	POLICIES & GOVERNANCE	TRACING & RISK	SUPPLIER RELATIONSHIPS & HUMAN RIGHTS MONITORING	WORKER EMPOWERMENT	ENVIRONMENTAL SUSTAINABILITY	SCORE CHANGE FROM 2024
TOTAL SCORE AVAILABLE	100	6	15	33	25	21	
General Pants Group	8 *	2	2	2	1	<1	↑
Ghanda	0 *	<1	<1	<1	<1	<1	-
Gildan Activewear Inc. (Gildan Brands)	46 *	6	9	12	7	12	↓
Gildan Activewear Inc. (HanesBrands LLC Brands)	61	6	12	17	10	16	↓
Globe International Limited	19 *	5	5	5	1	4	↑
Gymshark	36	5	10	12	3	7	↓
H&M	48	4	10	12	7	16	↓
Hallenstein Glasson Holdings	46	6	7	16	5	12	↓
Hotsprings	23 *	4	6	9	4	1	↑
HUGO BOSS Group	42 *	5	10	10	4	13	↑
Inditex	61	6	8	20	9	18	↓
Industrie	6 *	2	2	2	<1	<1	-
JD Sports	52	6	13	16	3	13	↓
Kering	44 *	6	9	10	3	16	New
Kmart and Target Australia	47	5	11	17	8	5	↓
KMD Brands	70	6	13	26	11	14	↑
Kontoor Brands	37	4	9	10	1	12	↑
KOOKAĪ	10 *	2	3	5	<1	<1	↓
Lacoste	41	6	11	11	<1	13	↓
Levi Strauss and Co.	53 *	6	11	12	6	18	↓
Lorna Jane	53	5	9	15	10	14	↑
Lowe's	14 *	3	4	5	<1	2	↑
LSKD	2 *	<1	1	1	<1	1	New
Lululemon Athletica	42 *	6	10	12	2	13	↓

COMPANY	FINAL SCORE	POLICIES & GOVERNANCE	TRACING & RISK	SUPPLIER RELATIONSHIPS & HUMAN RIGHTS MONITORING	WORKER EMPOWERMENT	ENVIRONMENTAL SUSTAINABILITY	SCORE CHANGE FROM 2024
TOTAL SCORE AVAILABLE	100	6	15	33	25	21	
LVMH	21 *	4	4	5	1	7	New
M.J. Bale	47	6	8	18	7	9	New
Macpac	56	6	13	17	5	15	↑
Marks & Spencer	49	5	12	13	4	15	↑
Matalan	29	5	8	10	4	3	New
MESHKI	46	6	8	18	5	9	New
Mighty Good Basics	94	6	15	29	23	21	↑
Monsoon	29	5	6	10	3	5	New
Munro Footwear Group	19 *	5	4	4	2	5	↓
Myer Apparel Brands (Just Group)	20 *	5	6	7	3	<1	↓
Myer Retail	20 *	4	7	7	2	1	↑
New Balance	51	6	11	18	4	12	↓
New Look	47 *	5	10	13	6	13	New
Next	49	5	13	13	7	10	↑
Nike	53 *	5	10	16	5	16	↑
Nine West	3 *	2	<1	1	<1	<1	↑
Novo Shoes Group Pty Ltd	18	5	2	6	1	4	↑
Nudie Jeans Co	61	5	13	19	9	16	↑
On Holding	32 *	5	8	7	2	10	↑
Oroton Group	40	5	7	14	4	10	↑
Patagonia	70	6	13	21	10	20	↑
PDD Holdings (Temu)	0 *	<1	<1	<1	<1	<1	-
Pentland Brands	39	6	10	11	4	10	↑
Peter Alexander	27	6	5	10	2	4	New

*Depicts companies assessed on public information only.



FINAL SCORE TOTALS OUT OF 100
SCORES HAVE BEEN ROUNDED

COMPANY	FINAL SCORE	POLICIES & GOVERNANCE	TRACING & RISK	SUPPLIER RELATIONSHIPS & HUMAN RIGHTS MONITORING	WORKER EMPOWERMENT	ENVIRONMENTAL SUSTAINABILITY	SCORE CHANGE FROM 2024
TOTAL SCORE AVAILABLE	100	6	15	33	25	21	
Primark	35	5	6	10	5	9	New
Princess Polly	63	6	9	22	7	19	↑
Puma	57 *	6	11	20	6	14	↓
PVH Corp	47 *	5	9	13	6	14	↑
R.M.Williams	58	5	12	20	7	15	↑
Ralph Lauren	37	6	7	10	3	11	↓
Rebel Sport (Super Retail Group)	16 *	5	2	5	1	4	↓
Reebok	2 *	2	<1	<1	<1	<1	New
Retail Apparel Group	53	6	9	20	9	9	↓
Retail Holding Pty Ltd	42	5	7	19	5	7	↑
River Island	28 *	3	6	7	3	9	New
Rodd & Gunn	72	6	14	24	12	15	↑
Sainsbury's	27 *	5	4	8	3	7	New
Seafolly	1 *	<1	<1	<1	<1	<1	↓
Seasalt Holdings	35 *	5	9	12	2	7	New
SHEIKE	8	4	2	2	1	<1	↓
SHEIN	28	4	5	10	1	8	↑
Showpo	23	5	4	9	1	4	↑
Skechers	21 *	5	5	8	1	2	↓
SKIMS	11 *	3	5	4	<1	1	↓
Spotlight Group	5 *	3	1	1	<1	1	↓
Stüssy	0 *	<1	<1	<1	<1	<1	↑
Superdry Limited	49	6	11	14	3	15	New
Tesco	40 *	4	9	10	5	12	New

COMPANY	FINAL SCORE	POLICIES & GOVERNANCE	TRACING & RISK	SUPPLIER RELATIONSHIPS & HUMAN RIGHTS MONITORING	WORKER EMPOWERMENT	ENVIRONMENTAL SUSTAINABILITY	SCORE CHANGE FROM 2024
TOTAL SCORE AVAILABLE	100	6	15	33	25	21	
The Iconic	27 *	5	5	8	2	8	↓
Umbro	2 *	2	<1	<1	<1	<1	New
Under Armour	26 *	5	5	7	2	7	↓
UNIQLO	57	6	11	19	6	14	↑
Universal Store Holdings Ltd	22 *	4	6	9	<1	4	↓
VEJA	37 *	5	10	11	3	8	New
Vestito (TS14+)	10 *	3	3	4	<1	<1	↑
VF Corp	46 *	4	11	14	6	11	↓
Victoria's Secret & Co	53	6	10	19	6	13	↑
Weyco Group	17 *	3	4	4	<1	6	↑
White Fox Boutique	0 *	<1	<1	<1	<1	<1	New
Windsor Smith	0 *	<1	<1	<1	<1	<1	–
Wittner	10 *	1	3	2	1	4	↑
WM Ritchie	2 *	2	<1	<1	<1	<1	↑
Wolverine Worldwide	20 *	4	6	6	2	3	↑
Workwear Group	62	6	9	23	10	14	↑
Zimmermann	51	4	9	18	4	15	↓

Some companies have provided a brief statement to give context to their score and participation in the 11th Edition Ethical Fashion Report. You can read these statements at [Appendix 3](#). These scores show if a company is transparently investing in improving and developing safeguards for the labour

rights and environmental sustainability issues present in their supply chain. Brands with a higher score, or a blue circle, are considered a better option for consumers to consider, but goods purchased from these companies should not be considered entirely ethical.

REFER TO PAGE 37 FOR AN EXPLANATION OF THE SECTION SCOPE.
*Depicts companies assessed on public information only.

Policies & Governance

A genuine commitment to people and the planet must be built into a company's foundations to provide the oversight and accountability needed for meaningful change.

We examine whether a company can clearly define, through coherent formal policies, the minimum standards they expect from themselves and their partners. This includes whether they have a robust Code of Conduct for safety and working conditions across their supply chain, and a clear, publicly disclosed framework for executive governance and accountability regarding ethical performance.

Companies Build a Strong Foundation

Ethical practices require dedicated financial investment and human resources. Encouragingly, 78 percent of companies scored either full or partial credit for publishing board and executive governance structures for worker rights and sustainability.

78%

OF COMPANIES
HAVE ESTABLISHED AND PUBLISHED
GOVERNANCE STRUCTURES FOR SOCIAL
AND ENVIRONMENTAL IMPACTS.

This helps set expectations for management and staff and provides a foundation for measuring and improving practices throughout the supply chain.

The growing demand for companies to publicly disclose governance frameworks on worker rights and environmental sustainability is evident in the high proportion of companies with robust policies in our assessment. In Australia, these frameworks are typically included in a company's Modern Slavery Statement (MSS) and voluntary disclosures such as the Task Force on Climate-Related Financial Disclosures (TCFD) and the Global Reporting Initiative (GRI). Internationally, they're required under regulations such as the European Union's Corporate Sustainability Reporting Directive (CSRD).

The average score for the policies and governance section of the assessment is 68 percent, compared to only 30 percent for supplier relationships and monitoring. The large discrepancy between this section, and other ethical practices assessed in our survey, suggests that companies are eager to establish governance structures and policies, but fall short when it comes to implementing these into substantive action.

Governance structures and policies are not an end in themselves. They provide accountability and a roadmap for addressing supply chain risks, and their value ultimately depends on whether they deliver measurable improvements for workers and the environment.



RETHINKING GOVERNANCE

Alternate ethical governance models are emerging within the fashion industry. These are driving new mandates not only to mitigate harm, but to prioritise positive outcomes for workers and the environment.

Steward Ownership Model

Outdoor clothing company, Patagonia, has a governance framework built around a unique 'steward ownership' model, which separates a company's decision-making authority from its economic interests. Under this structure, voting control is held by the Patagonia Purpose Trust to safeguard the company's mission and values, while the non-voting stock (which makes up 98 percent of total stock) is held by a nonprofit that receives virtually all dividends to fund climate and environment work.

Stakeholder Governance

According to B Corp's programme founder B Lab, companies should consider the interests of every stakeholder they impact, not just their shareholders.⁸ To become a certified B Corp, companies must amend their founding charter to include Stakeholder Governance, committing to operating with more than profit as a priority.

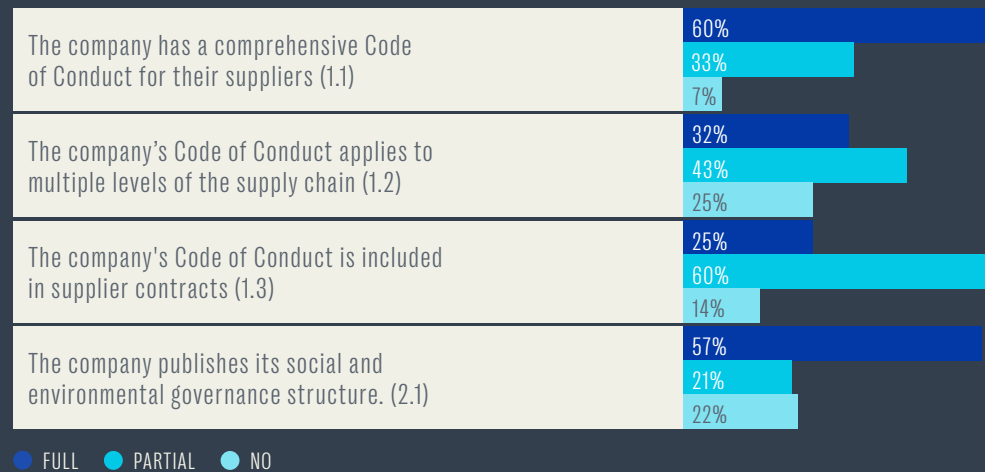
Governance in the Luxury Sector

High-end fashion is examining the role of governance in driving progress towards more ethical practices. Luxury house Kering (owner of Gucci, Bottega Veneta, and Balenciaga) is partnering with the London College of Fashion on a three-year research project into new governance models that will address social injustice and environmental harm in the fashion industry.

⁸ <https://bcorporation.com.au/purpose-and-stakeholder-governance-requirement/>

DATA AT A GLANCE

Survey Questions



To view the full criteria for each survey question, see [Appendix 4](#).
For individual company responses, see [Appendix 2A](#).



Tracing & Risk

No facility or farm is entirely free from the risk of modern slavery, worker abuse, or environmental damage, although these risks vary across countries and supply chain tiers.

Companies that extensively trace the source of their materials are more likely to understand these risks and address them effectively. We assess a company's efforts to trace their supply chain, and whether they publish their supplier details. We also evaluate how diligently a company identifies and addresses worker rights and environmental risks at every stage of production.

LESS THAN

25%



**OF COMPANIES
HAVE A COMPREHENSIVE
RISK ASSESSMENT
FOR WORKER RIGHTS
ABUSES ACROSS THEIR
SUPPLY CHAIN.**

Supply Chain Visibility Not Good Enough

Risk assessments are one of the most accessible actions a company can take, requiring less financial investment, structural change or buy-in from suppliers compared with other ethical practices included in our survey.

It's alarming that less than a quarter of companies have a comprehensive risk assessment for worker rights abuses across their supply chain, or strategies to mitigate these risks. Furthermore, 30 percent of companies cannot provide any evidence of conducting any risk assessment beyond their direct suppliers.

While many companies have made progress in tracing their direct suppliers, visibility beyond the Final Stage of production is extremely limited or non-existent. On average, companies know the name and location of just over half of their Inputs facilities, and

only a third of Raw Materials. Without knowing who is making their products or where, they can't assess the risks in those regions, or provide any assurances that workers' rights are upheld throughout the supply chain.

Expectations placed on companies have grown. In the past, companies traditionally focused on maximising profits, and toed the line on social issues largely to avoid financial or reputational harm. Today, companies are expected to consider not just their shareholders, but also their stakeholders—the workers, communities, and environments that are impacted by their operations. A comprehensive risk assessment is critical to this work. If a company doesn't know where their materials come from, or the risks associated with these regions or materials, they are more likely to implement initiatives that are easy to market, but don't address the specific areas of vulnerability that affect workers in their supply chain.



UYGHUR FORCED LABOUR CONTINUES

Four years have passed since the media brought global attention to China's labour transfer programme, which reportedly forced at least 570,000 Uyghur people and other minorities in the Xinjiang region to work in cotton fields and garment factories across the country.⁹

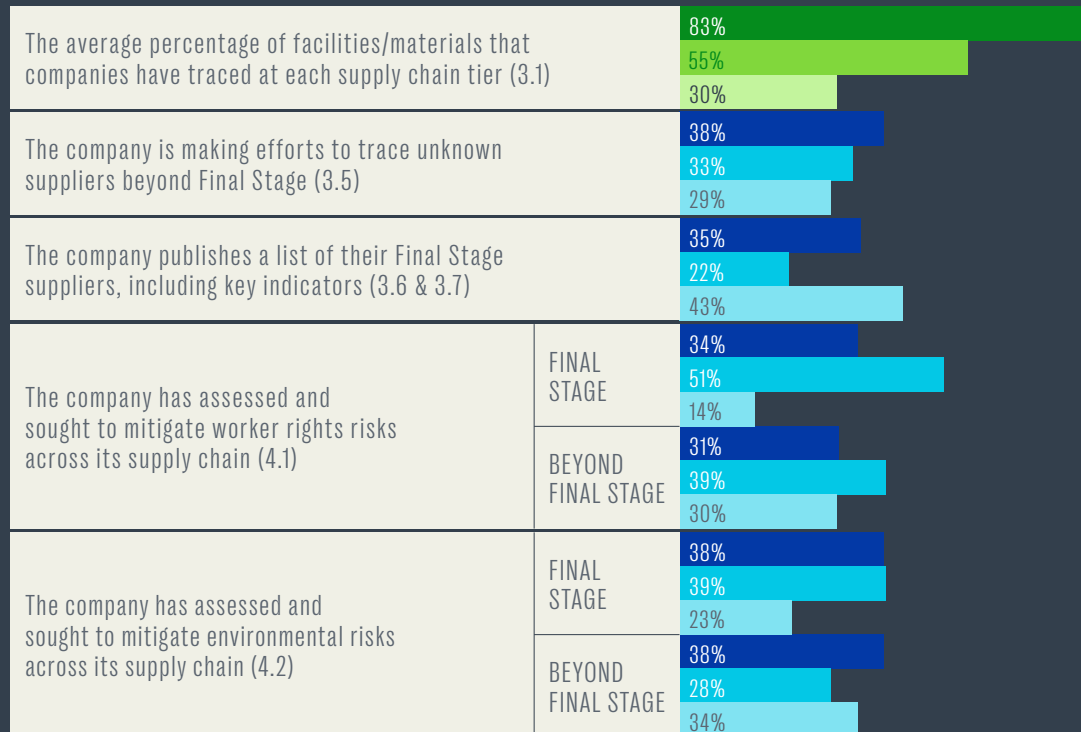
Today, it is reported that these groups are still subject to forced relocation, enslavement, systematic monitoring, and arbitrary detention.¹⁰ And while media attention has waned, the problem has persisted throughout global supply chains. China is the world's largest exporter of cotton, and around 20 percent of global cotton is grown in the Uyghur region of Xinjiang.¹¹

In our assessments, we ask for evidence that companies have identified and addressed the risk of Uyghur forced labour in their supply chains. It's not enough for a company to merely state that they don't use cotton from Xinjiang without reference to downstream tiers. To truly mitigate the risk, a company must comprehensively trace every supply chain tier and support their commitment with rigorous and continual verification. Fibre origin tracing is also important—some companies, for example, test the make-up of their cotton, using genetic markers to identify where it has been grown.

While exploitation is considered to be highest in China's cotton industry, investigations show that it is not limited to Raw Materials farming and production.¹² The presence of Uyghur forced labour throughout the global fashion industry is widespread and insidious. cursory policy references are inadequate; we need drastic interventions if we are to see justice for the Uyghur people and other minority groups.

⁹ <https://www.reuters.com/world/china-accused-forcing-570000-people-pick-cotton-xinjiang-2020-12-15/> ¹⁰ <https://www.ohchr.org/en/press-releases/2026/01/un-experts-alarmed-reports-forced-labour-uyghur-tibetan-and-other-minorities> ¹¹ [Laundering Cotton: How Xinjiang Cotton is Obscured in International Supply Chains](#), Sheffield Hallam University, 2021. ¹² <https://www.walkfree.org/global-slavery-index/country-studies/china/>

DATA AT A GLANCE



● FINAL STAGE ● INPUTS ● RAW MATERIALS
 ● FULL/NA ● PARTIAL ● NO



To view the full criteria for each survey question, see [Appendix 4](#).
For individual company responses, see [Appendix 2B](#).

Supplier Relationships & Human Rights Monitoring

Strong supplier relationships, built on trust and regular dialogue, help companies drive tangible change for workers. This can be achieved through regular on-site monitoring for risks to worker safety, accompanied by training and support to help facilities maintain worker rights and safety standards.

We assess companies on their supplier auditing and remediation practices, as well as their efforts to build strong supplier relationships through Responsible Purchasing Practices,¹³ training, consolidation, and industry collaboration. We also assess companies' transparency in reporting on the outcomes of their auditing and remedial efforts.

What Does Effective Supplier Training Look Like?

While traditional approaches to supplier engagement focus on assessing compliance through

audits, training is a proactive tool that enables suppliers to not only understand worker rights and safety standards, but also put them into practice across their facilities.

ONLY

13%



OF BRANDS RECEIVED FULL CREDIT FOR TRAINING SUPPLIERS ON IMPLEMENTING WORKER RIGHTS AND HEALTH AND SAFETY STANDARDS.

A one-off compliance exercise, such as requiring completion of an e-learning module, is unlikely to drive meaningful change, nor will a non-customised approach. Done well, training moves beyond simply communicating standards, and towards building a supplier's capacity to implement solutions. This can include strengthening management systems,

improving worker-management dialogue, developing grievance mechanisms, or upskilling staff members to identify and address risks.

Training can be a valuable component of Corrective Action Plans (CAPs), and companies should work with each of their suppliers to address risks specific to their recent audit results, as well as their regional context. By taking a collaborative approach, companies can help suppliers address the root cause of non-compliance and take greater ownership of any improvements made, rather than simply correcting individual findings.

The Influence Of Purchasing Practices

Training alone isn't enough to adequately address systemic risks in supply chains. Without genuine supplier relationships and Responsible Purchasing Practices, such programmes can easily become a tick-box exercise.

SUPPLIERS AS PARTNERS, NOT VENDORS



Buy-in from suppliers is essential for improving workers' rights across company supply chains, especially as the most severe risks occur in the parts of the supply chain where companies have little direct control. This requires partnership, leverage (for example, consolidated order volumes or collaboration with other buyers), and positive incentives rather than punitive reinforcements for change.

Alongside training, another tool is the tenure and depth of a supplier relationship, and how companies strategically use their leverage to set expectations towards necessary improvements.

When companies engage a more consolidated, long-term supplier base, these relationships can move from vendors to partners, and solving problems can become a shared responsibility.

From our research, here are some examples of companies progressing towards effective supplier partnerships:

- **Princess Polly** adopts a blended approach to capacity building. They provide foundational training for all suppliers, modules tailored to address specific supplier non-compliances, and upskilling opportunities as part of their preferred supplier programme.
- **Assembly Label** maintains one main supplier for each product type, building long-term relationships. Their key supplier has been with the brand since its inception in 2011, and this has enabled the brand to work with facility management to develop and refine its audit process.
- **VEJA** prioritises strong, ongoing relationships with its Raw Materials suppliers. The sneaker brand establishes long-term, forward-facing contracts with its cotton farmers, guaranteeing the purchase of their organic cotton at a pre-set price. This provides visibility and stability for producers across the next two to three harvests and supports investment in more agroecological and regenerative practices.

¹³ Responsible Purchasing Practices are a company's commitment to consider behaviours that directly influence worker conditions, such as the lead time on orders and reasonable payment terms, not just the commercial interests of buyers.



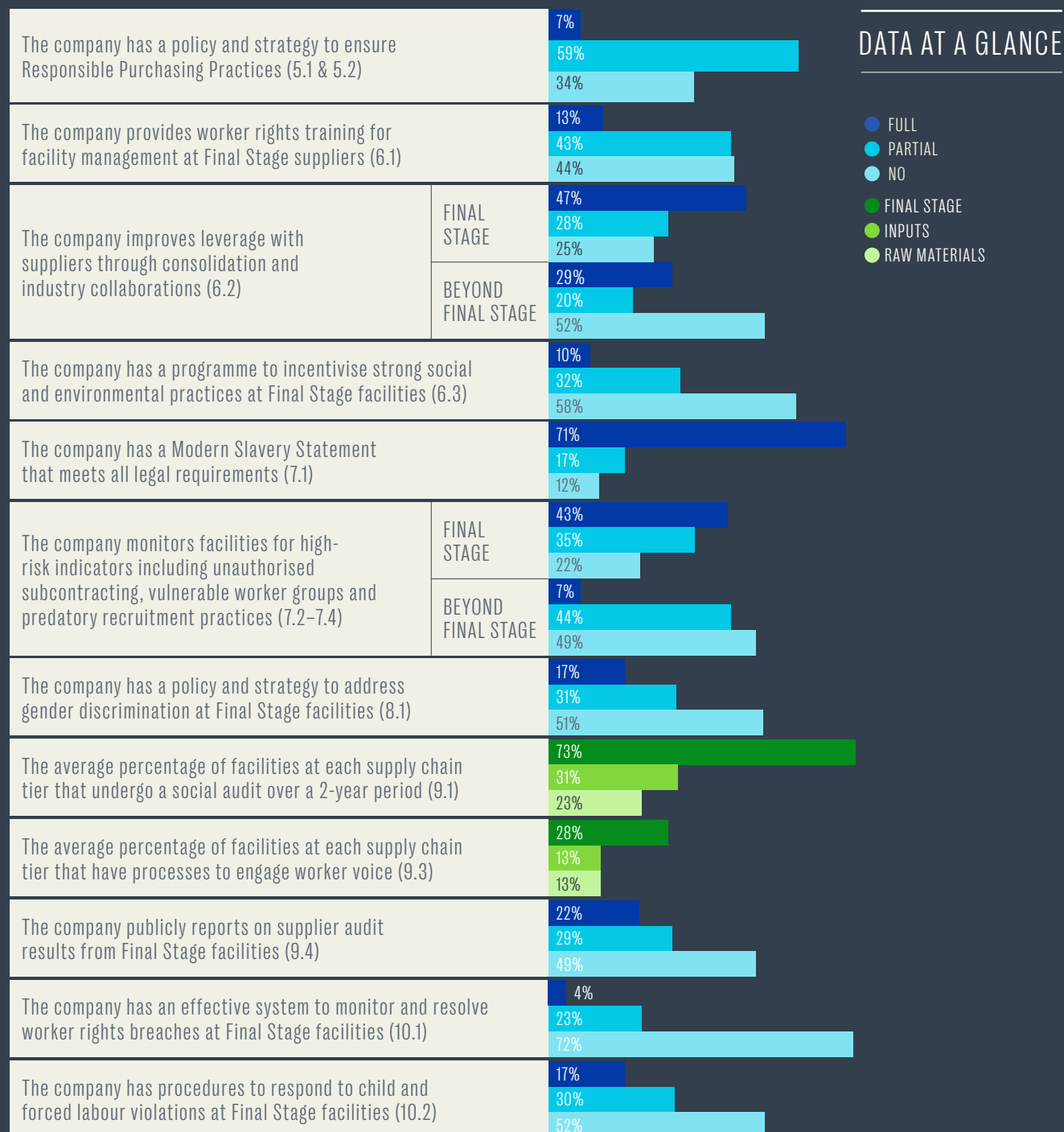
**OF COMPANIES
HAVE RECEIVED
FULL CREDIT
FOR RESPONSIBLE
PURCHASING PRACTICES.**

This year, only 7 percent of companies have received full credit for our Responsible Purchasing Practices questions.* The remaining 93 percent of companies have a deficiency in either their RPP policy, strategy or data collection. To create positive change, companies must consider whether their own purchasing practices undermine the standards that they expect suppliers to uphold—for example, setting expectations in a Code of Conduct regarding overtime while requesting tight turnaround times for purchase orders. Training must build capacity on both sides of the buyer-supplier relationship. Internal buying teams should be trained in how their decisions around price, lead times, forecasting and order changes impact a supplier's ability to protect workers.

When implemented together, training programmes and Responsible Purchasing Practices can help suppliers implement practices that protect workers, while creating the conditions needed for those practices to endure.

**This figure is calculated based on companies that scored full credit at both 5.1 and 5.2 (see [Appendix 4](#) for the assessment criteria).*

To view the full criteria for each survey question, see [Appendix 4](#). For individual company responses, see [Appendix 2C](#).



Worker Empowerment

Workers are at the centre of the fashion industry's global supply chains, yet all too often they are denied a voice and stripped of their rights, preventing them from working with dignity or earning enough to provide for their families.

We assess companies on whether they're: ensuring workers in their supply chain are paid a living wage; empowering workers by providing grievance mechanisms for workers to raise concerns; offering training on worker rights; and supporting collective bargaining and freedom of association.



OF FASHION BRANDS HAVE ACCESSIBLE GRIEVANCE MECHANISMS FOR THE MAJORITY OF WORKERS.

Workers Must Have A Genuine Voice

Grievance mechanisms—a structured process for workers to safely raise concerns, report rights violations, and seek remedy when problems occur—are an important tool for worker empowerment. Individuals are more likely to be heard and their needs addressed when they have a clear way to voice issues such as harassment, discrimination, unsafe conditions, excessive working hours, or unpaid wages. These channels also provide companies with valuable insight into issues that may otherwise remain hidden in their supply chains.

Only 22 percent of assessed fashion brands have accessible grievance mechanisms available to the majority of workers at their Final Stage facilities. In our research, we often see companies simply provide a general email address directed to their head office, which is purported to be

available for all workers in their supply chain to make written complaints. This approach might seem like an open-door policy that encourages people to speak out, but it raises many challenges: will the worker be able to voice their concern anonymously, in their own language? What's the process for monitoring the inbox and escalating incidents? Will the email recipient be able to take effective, culturally appropriate action that upholds the worker's best interests?

According to the UN, grievance mechanisms only meet their purpose when the people they serve know about it, trust it, and are able to use it.¹⁴ They should be a clear and confidential pathway for reporting concerns, investigating complaints, and delivering timely remedies. They should also be made known to workers, accessible in their own language, and supported by worker representatives and trade unions. Leading practice also involves

WHAT ABOUT LIVING WAGES?



With the average company paying a living wage in only 3 percent of Final Stage facilities, there continues to be a troubling lack of progress in workers earning a living wage that provides for their family's needs, without relying on excessive overtime, taking on debt, or going without essentials just to get by.

Building a fairer industry means closing the living wage gap, but this can't be addressed in isolation from other issues. The Clean Clothes Campaign's [Living Wage Roadmap](#) makes it clear that meaningful progress in living wages goes hand in hand with broader improvements in worker rights. Alongside grievance mechanisms, this includes:

- **Collective Bargaining:** Pay rates negotiated with independent trade unions and formalised through collective bargaining agreements are among the most effective mechanisms for securing living wages. For example, the global initiative [ACT](#) brings companies, manufacturers, and the [IndustriALL Global Union](#) together to establish binding agreements on wages. Collective bargaining gives workers strength in numbers to negotiate with employers over wages and working conditions.
- **Addressing Gender Inequality:** Most garment workers are women who face the additional challenge of experiencing gender discrimination. The [RISE](#) industry coalition provides financial training for women in the garment sector to help them build their financial capability and resilience.
- **Worker Training:** Workers are in the best position to advocate for themselves when they know their rights. Training should cover the conditions of employment, how to use their workplace grievance mechanism, the right to freedom of association, and the right to freedom of movement (being able to leave their place of work and freely access their passport and identity documents).

Companies often set living wage targets that are narrow in scope but, over time, will find that these approaches do not translate into change for workers. It's time for companies to look beyond what can be concisely reported in a sustainability report and invest in other areas that will have a direct impact on living wages across their supply chain.

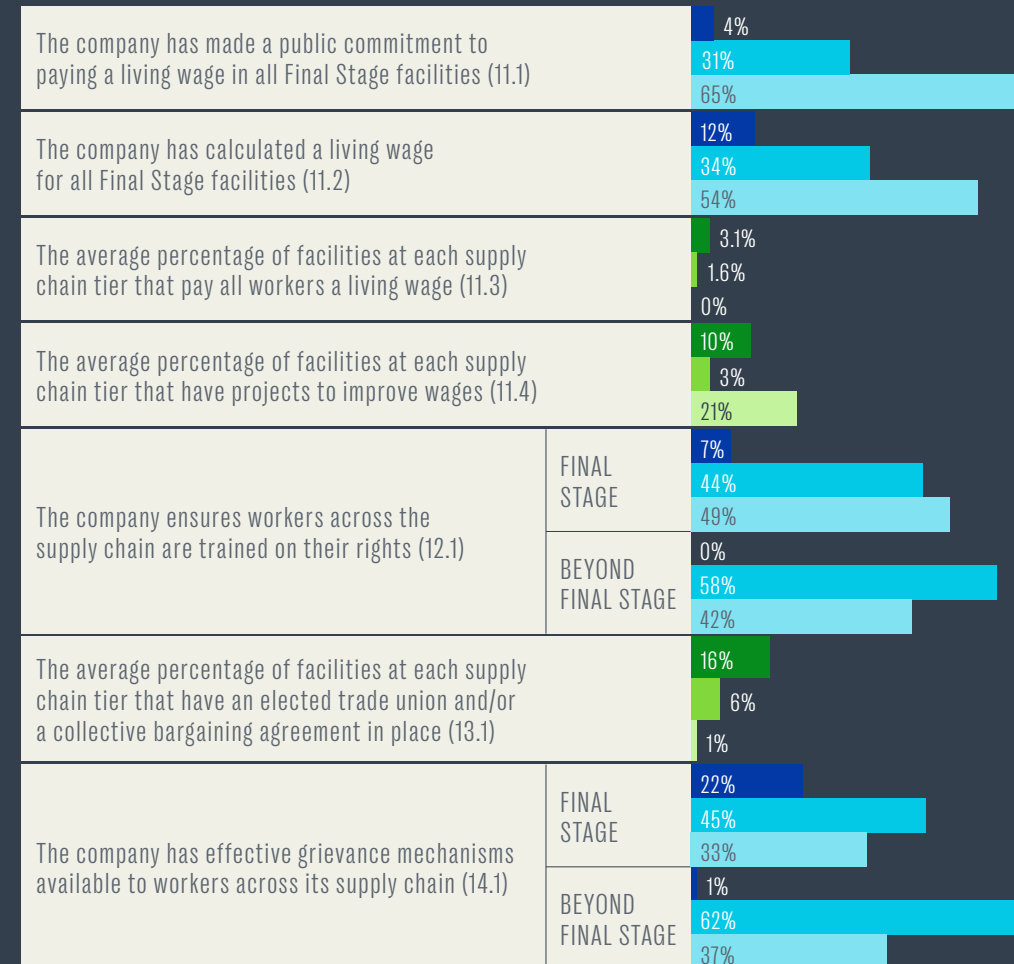
¹⁴ Guiding Principles on Business and Human Rights, United Nations Human Rights Office of the High Commissioner, 2004

consulting workers on the design of the grievance mechanism, and providing training on how to use it.

The absence of complaints does not necessarily indicate a safe or empowered workplace. Workers may not use a grievance mechanism because they do not trust it, feel safe using it, or know it exists. That's why we look for evidence that grievance mechanisms are actually being used. A complaint, even about serious issues such as forced labour, can be a positive sign that workers trust the mechanism and have a pathway to raise concerns and access remedy.



DATA AT A GLANCE



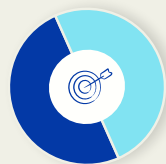
● FULL ● PARTIAL ● NO
● FINAL STAGE ● INPUTS ● RAW MATERIALS

To view the full criteria for each survey question see [Appendix 4](#).
For individual company responses, see [Appendix 2D](#).

Environmental Sustainability

The fashion industry impacts the natural world at every stage, consuming vast amounts of natural resources while generating chemical pollution, carbon emissions, and excessive waste.

We assess how companies evaluate the environmental impact of their materials and implement strategies based on their findings; their approach to water and chemical management, and their commitment to climate action. We also look at how companies reduce the environmental impact of products during their use and disposal through circular design principles, and empower consumers to do the same.



HALF OF ALL COMPANIES HAVE NO PUBLISHED EMISSIONS REDUCTION TARGETS.

The Retreat From Climate Accountability

With the deadlines of many industry decarbonisation targets fast approaching, it is concerning that the apparel sector's emissions increased by 6.3 percent in 2024. This follows on from a 7.5 percent increase in the previous year.¹⁵ Alarming, half of the companies assessed have not even published an emissions reduction target. The Ethical Fashion Survey does not currently assess how effectively companies are meeting their targets; only whether they have one in place, and even against this modest benchmark, many companies are falling short.

Many garment workers and their families live in the regions that are most directly impacted by rising temperatures and extreme weather events caused by climate change, such as flash floods and cyclones. In clothing manufacturing hubs like Bangladesh, extreme heat

in factories, exacerbated by crowding, poor building design, and inadequate ventilation, is now a serious health and safety risk for workers.¹⁶



RISEING EMISSIONS ISN'T JUST AN ENVIRONMENTAL ISSUE; IT'S ALSO AN ISSUE OF JUSTICE FOR WORKERS.

So why are companies stalling when it comes to climate targets? Less than a decade ago, fashion companies were making ambitious promises, but this has waned in the years after the pandemic, as targets set by the United States (the world's largest economy and second-largest carbon emitter) have been rolled back, and trading conditions have become tougher.¹⁷



SHARING THE COST OF GOING GREEN

For too long, the expectation of decarbonisation has fallen on facilities in supply chains, rather than companies that buy their products, but a new industry initiative is seeking to change that. Major global fashion companies H&M, Ralph Lauren, Marks & Spencer, BESTSELLER, Gap Inc., and Mango are working together to decarbonise their supply chains through an innovative collaborative financing model that relieves factories of the burden.

The Future Supplier Initiative helps fashion companies jointly finance decarbonisation at shared supplier facilities, so factories can implement sustainability projects such as improving energy efficiency, implementing renewable energy sources, and replacing fossil fuel-powered equipment with electric-powered machinery. It's an example of using leverage strategically to achieve positive outcomes across supply chains.

Historically, manufacturing facilities have been asked to reduce their carbon emissions and expected to absorb all the cost, causing them to increase their prices and lose business from companies who choose cheaper suppliers when their budgets are tightened.

This initiative recognises that fashion companies who share suppliers must also share the financial responsibility of decarbonisation, rather than putting the onus on facilities or pursuing their own ad hoc, conflicting solutions. "No single business alone can solve this challenge," said Eva von Alvensleben, Executive Director and Secretary General of The Fashion Pact, an organisation which established the Future Supplier Initiative.

"But by sharing the costs, risks and responsibilities of the transition to renewable energy, we can build an ecosystem of solutions and kickstart a new era of change."¹⁸

¹⁵ Taking Stock of Progress Against the Roadmap to Net Zero 2025, Apparel Impact Institute, 2025

¹⁶ Heat and Garment Workers' Rights: Fashioning a Just Transition, Clean Clothes Campaign, 2025

¹⁷ <https://www.ft.com/content/b98d8921-9716-449a-a4af-96836b37a281?syn-25a6b1a6=1>

¹⁸ <https://www.thefashionpact.org/the-future-supplier-initiative-press-release/>

This has pushed sustainability goals further down corporate agendas, and in some cases, removed them altogether. Given the strong reputational benefits to publishing sustainability commitments, it is unlikely that this tapering off could be explained by targets being set but not publicly reported.

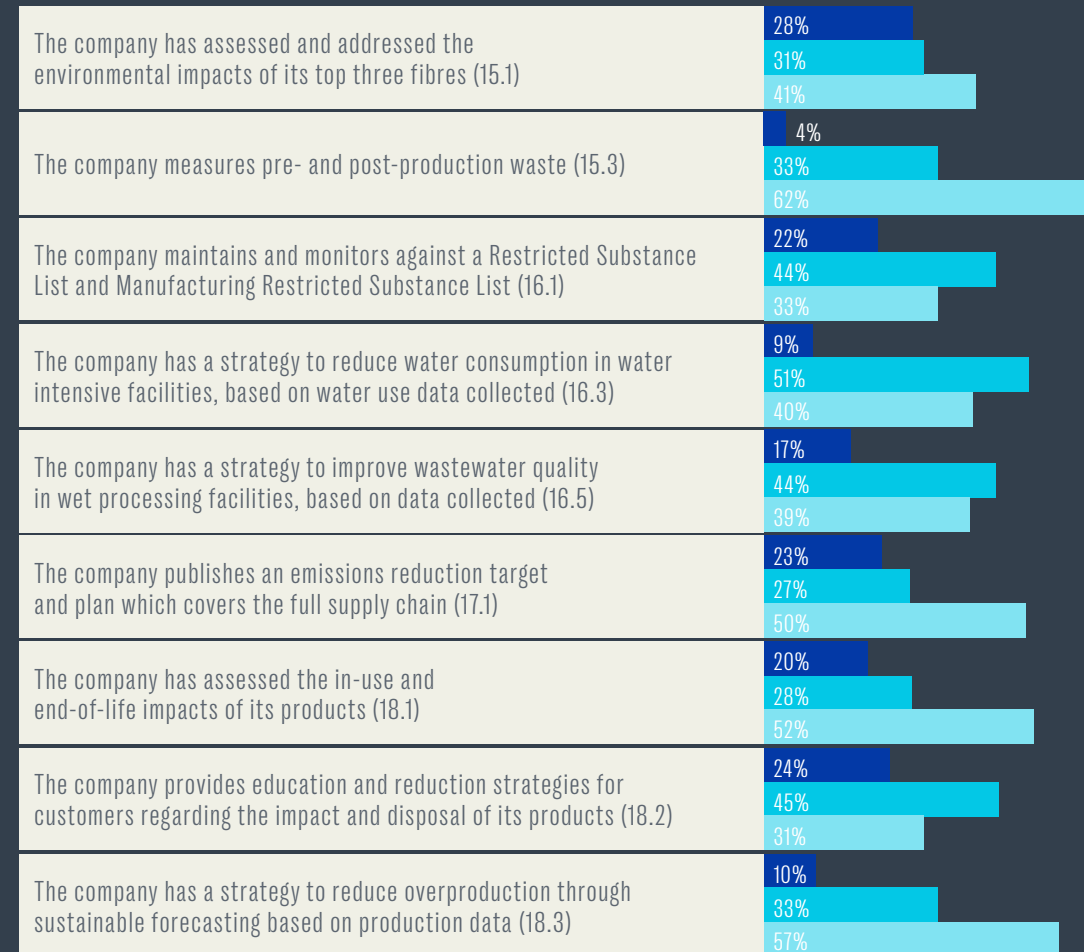
Lack of buy-in and accountability from consumers has also meant that sustainability makes less sense commercially for companies. While younger generations care deeply about environmental issues such as climate change, research shows that these values are inconsistent with their buying behaviour, which favours low-cost fast fashion and overconsumption.¹⁹

Jules Lennon, Fashion Lead at the Ellen MacArthur Foundation, said, "Currently, fashion brands who are genuinely trying to be better often feel like they are being commercially punished for doing so and have a hard time competing financially with those not taking the same considerations."

"Systemic problems require systemic solutions. We recognise a more-of-the-same approach isn't going to get us where we need to go."²⁰

¹⁹ <https://www.rmit.edu.au/news/acumen/gen-z-supports-sustainability-and-fuels-ultra-fast-fashion>
²⁰ <https://www.ft.com/content/b98d8921-9716-449a-a4af-96836b37a281?syn-25a6b1a6=1>

DATA AT A GLANCE



● FULL ● PARTIAL ● NO

To view the full criteria for each survey question, see [Appendix 4](#). For individual company responses, see [Appendix 2E](#).

38% THE AVERAGE PERCENTAGE OF THE COMPANY'S PRODUCT THAT IS MADE **FROM SUSTAINABLE FIBRES IN 2026 (15.2).**

THREE KEY QUESTIONS FOR A FAIRER FASHION INDUSTRY



Why Has Industry Progress Stalled?

Despite public industry commitments and highly promoted sustainability programmes, in the two years since our last report, improvement across companies has been nominal. The average score increased by only 0.2 points between the 2024 and 2026 reports, compared to a 2-point increase between 2022 and 2024.

In short, companies are failing to move the needle in any meaningful way for workers and the environment. Six factors help explain this lack of progress:



Companies are better at talking about their practices, rather than improving them.

When we first published the Ethical Fashion Report in 2013 in the wake of the Rana Plaza disaster, the fashion industry was largely unexamined. There was limited transparency for consumers, few brands published supplier lists, and monitoring was largely self-reported.

We saw significant improvements in the early years of our report, particularly in supply chain tracing, governance, and monitoring of Final Stage facilities.²¹ But this initial progress has slowed down. Global compliance over the past six years has focused on transparency reporting rather than action, and industry efforts appear to be geared

towards maintaining existing systems rather than expanding their reach.

Companies that actively responded to our survey in both 2024 and 2026 achieved a slightly higher average score this year, with an increase of 2.4 points. However, the number of different practices they could provide evidence for decreased. A company may have strengthened evidence of its grievance mechanism, for example, but it was no longer able to provide any evidence of worker training. While strengthening individual practices is important, meaningful progress requires both depth and breadth across a company's supply chain.



Many companies fail to fulfil their commitments.

In 2022, the *Broken Promises* report found that 56 percent of commitments made in the first round of Australian Modern Slavery Statements remained unfulfilled.²²

Four years on, our research and survey results tell a similar story. In the early years of progress, traceability commitments often produced large gains because companies were starting from a very low baseline. However, recent company disclosures indicate that, increasingly, progress is stalling before full traceability is reached.

Of the 110 companies that were assessed in 2024 and 2026, 34 percent received full credit in 2024 for efforts to trace unknown suppliers at the Inputs level. While this seems encouraging, the 2026 results only demonstrated a 4 percent increase in the average tracing score compared to 2024. If the measures reported in 2024 had been effective, we would expect to have seen a larger increase in traceability.

Too often, these commitments lack accountability, causing them to remain perpetually incomplete across multiple reporting cycles as target dates pass by, and workers continue to face exploitation.



A large portion of the supply chain is unmonitored.

Even though companies have supplier monitoring programmes, too many facilities are still going unchecked. In this year's report, factoring our assessment of supplier tracing against social auditing at Final Stage found that, on average, 39 percent of suppliers remain effectively unmonitored. These are the suppliers that companies should know best, yet for the average company, two in five remain in a blind spot.

Oversight is further weakened further down the supply chain, with 83 percent of Inputs suppliers and 93

percent of Raw Material suppliers effectively unmonitored. Companies can't make meaningful progress for workers when such large portions of their supply chain remain invisible.



Voluntary action has not been sufficient to drive change.

Unlike Australia, New Zealand currently has no regulation requiring companies to identify, address or report on modern slavery risks within their operations and supply chains. While some businesses have taken voluntary action, the findings of this report suggest that voluntary commitments alone are unlikely to deliver the level of change needed to protect workers. The Australian experience provides an important lesson for New Zealand. The introduction of modern slavery reporting drove company transparency, with a large spike in the number of companies reporting their audit results and making commitments around tracing and ethical sourcing.²³

In 2026, 71 percent of companies assessed in our survey had published a Modern Slavery Statement, which shows a willingness to comply with regulation. However, of those companies in our survey that have a Modern Slavery Statement:

- **78%** do not have a sufficient policy or strategy to protect workers if cases of forced or child labour are found, and;
- **71%** do not have a grievance

²¹ Ethical Fashion Report Special Edition 10 Years, Baptist World Aid Australia, 2023 ²² Broken Promises: Two years of corporate reporting under Australia's Modern Slavery Act, Human Rights Law Centre et al, 2022

²³ Ethical Fashion Report Special Edition 10 Years, Baptist World Aid Australia, 2023

mechanism for most workers in their supply chain to safely report concerns.

Alarming, only **9%** of these companies had evidence of a collective bargaining agreement or union presence for most of their Final Stage facilities, despite industry research demonstrating that freedom of association is a key driver of progress for worker rights.²⁴

Even though many companies comply with their legal obligations, our research clearly shows that transparency alone does not guarantee the implementation of even the most basic measures needed to safeguard workers.



There is little incentive to move beyond the minimum.

The majority of modern slavery legislation across the globe adopts

a transparency-only approach, with no real consequences for non-compliance. When requirements don't move beyond transparency, companies have no legal incentive to do anything more than report. Some international regimes, such as the EU's *Corporate Sustainability Reporting Directive*,²⁵ are moving towards stronger human rights due diligence, but it remains too early to assess their impact.

Regulatory approaches were initially intended to be a race to the top, but in the garment sector, the 'top' is a relatively low standard, demonstrated by an average score of just 31 percent in this year's report. Rather than serving as a springboard for continuous improvement, transparency obligations have instead become an end in themselves. When their competitors do little more than meet minimum compliance expectations, there is little incentive for companies to go

further. This raises an important question: if transparency alone has not driven meaningful progress, how do we turn what companies *should* do into what they *need* to do?

New Zealand is in a unique position. Unlike jurisdictions that are now seeking to strengthen transparency-only laws, New Zealand has the opportunity to design a framework that reflects the lessons already learned elsewhere. Rather than repeating a model that has produced only modest gains, future legislation should combine transparency with practical obligations that drive measurable improvements for workers throughout global supply chains.



Progress takes structural change, not just individual effort.

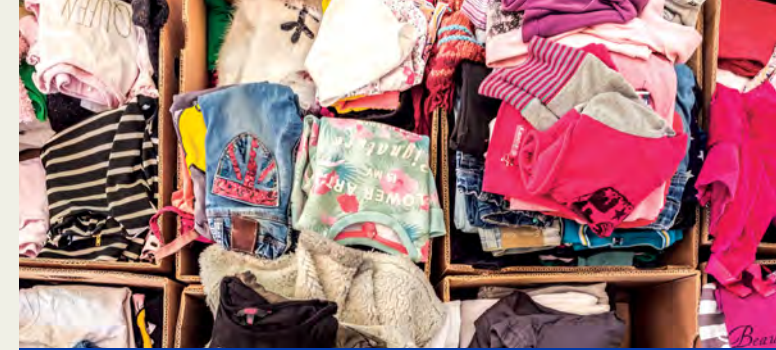
Progress requires more than individual company efforts. Structural change and consolidated action are needed, so improvements can move beyond policies and sustainability commitments. This includes changing the system which underpins how companies engage with and pay suppliers, rather than individual policies and commitments.

SO LONG AS COMPETITIVE PRESSURES CONTINUE TO REWARD LOW PRICES AND FAST TURNAROUND TIMES, **RESPONSIBLE SOURCING OBJECTIVES ARE LIKELY TO REMAIN SUBORDINATE TO COMMERCIAL PRIORITIES.**



²⁴ Squeezed Dry, Pricing pressure in the global fashion industry, Clean Clothes Campaign, 2026 ²⁵ https://finance.ec.europa.eu/financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en ²⁶ <https://www.walkfree.org/global-slavery-index/>

²⁷ Global Estimates 2024: Child Labour - Trends and the Road Forward, International Labour Organisation 2025. ²⁸ Global Garment Workers Count: Estimating the Size & Composition of the Global Garment Workforce, Katalyst Initiative, 2025; How to achieve gender equality in global garment supply chains, International Labour Organisation, 2023. ²⁹ Unravelling Exploitation: Exposing the Need for Responsible Business Laws in Fashion Supply Chains, Oxfam Australia, 2025



HAVE WE SET THE BAR TOO HIGH?



If company performance remains low, does that mean that the expectations that the survey sets are simply too ambitious?

The reality is that almost 50 million people around the world are in modern slavery,²⁶ and 54 million children are engaged in hazardous work.²⁷ In light of this, asking companies to trace suppliers, protect worker rights, and address purchasing practices is not an unreasonable expectation.

The garment production industry alone directly employs an estimated 72 to 94 million workers, most of them women and girls.²⁸ It is considered to be one of the sectors with the highest risk of modern slavery. The true scale of forced labour remains unknown, obscured by complex supply chains and informal working arrangements. Common experiences include 96-hour work weeks, withheld wages, gender-based violence, and use of chemicals and dangerous machinery without safety training.²⁹

It's easy to talk about regulations and supply chains, but harder to remember that it's workers, and their families, that continue to be exposed to risks that companies have long acknowledged.

Without renewed momentum, industry commitments are unlikely to deliver the transformation needed across global supply chains. The industry, as it stands, is built on the exploitation of millions of workers. It is up to all of us—governments, companies, and consumers—to decide if 31 out of 100 is 'good enough'.

Recommended Actions

FOR GOVERNMENT

New Zealand currently has no legislation requiring businesses to identify and address modern slavery risks across their operations and supply chains. For some New Zealand companies and brands, reporting is already part of doing business under overseas modern slavery laws, either directly or through their wider corporate groups. Others are taking voluntary action.

These efforts provide a foundation to build on. But protecting workers cannot depend on overseas requirements or the willingness of individual businesses. Government has a critical role in setting clear expectations and holding companies accountable for taking action.

We call on the Government to:

Introduce modern slavery legislation

Successive governments in New Zealand have failed to introduce modern slavery legislation. Sustained advocacy from civil society and many businesses has helped advance a Modern Slavery Bill partway through New Zealand's legislative process. This Bill would establish

a transparency regime, requiring businesses to report on modern slavery risks and their response, with penalties for failing to meet reporting obligations. This is an important step towards greater accountability. The new Government must ensure this progress translates into law post-the November 2026 election.

Embed mandatory Due Diligence into modern slavery legislation with clear supporting guidance.

New Zealand's modern slavery legislation must go beyond transparency and require companies to address exploitation risks and raise the minimum expectations for companies. In accordance with longstanding recommendations, reporting entities should be required to carry out Human Rights Due Diligence to "identify, prevent, and assess modern slavery risks in their operations and supply chain."³⁰ This could include clear standards for risk assessment and monitoring across the entire supply chain, as well as obligations to provide accessible grievance mechanisms and remediation.

Develop measures to prevent goods made with forced labour

entering New Zealand's market

New Zealand risks becoming a dumping ground for goods made with forced labour by lagging behind other jurisdictions with tighter import controls. Rather than revisiting a like-for-like copy of US import bans, the Government should work with stakeholders to develop a mechanism to identify and restrict high-risk goods entering New Zealand that is appropriate and effective within the New Zealand regulatory context.

Align New Zealand with emerging international standards.

As trading partners strengthen supply chain accountability and human rights due diligence requirements, New Zealand must keep pace. Close alignment between New Zealand and Australian modern slavery laws would give businesses operating across both countries clearer expectations and reduce duplication in reporting and compliance. Both countries should build on international experience to strengthen their approaches, including through mandatory human rights due diligence. Alignment should support responsible businesses while raising standards of protection for workers.

SUPPORTING ACTIONS

For consumers

Contact your [local Member of Parliament](#) and urge them to support the Modern Slavery Bill's remaining progress through Parliament. Show the government that you value robust regulations for companies when it comes to ethical and sustainability practices.

For companies

Too many times, we have seen strong legislation diluted because industry voices purport that business is already overregulated. Companies committed to tackling modern slavery should support stronger due diligence laws, and start implementing robust measures now, placing themselves in a stronger position as regulation evolves. They should also share experiences and best practices to help inform effective, practical regulation that levels the playing field.



³⁰ https://www.antislaverycommissioner.gov.au/system/files/2026-01/OAASC_initial_position_paper.pdf

³¹ <https://www.antislaverycommissioner.gov.au/news/forced-labour-allegations-supply-chain-australian-company>

Fariha's Story

Fariha is one of the millions of garment workers living in Dhaka, the capital of Bangladesh and the second-largest exporter of ready-made garments worldwide. When the factory she had been working at for 12 years suddenly closed, many workers were left with outstanding unpaid wages. Fariha spoke up and asked for the money she was owed, but she was labelled a troublemaker and blacklisted from other factories using her fingerprint records.

Fariha eventually found work at a subcontracted factory which employs girls as young as 13. It's a high-risk environment for workers: subcontracted facilities commonly have less oversight from buyers in the fashion industry, making it easier for human rights abuses, harmful practices, and hazardous working conditions to go unnoticed. Fariha earns approximately AUD \$178 a month, which is far below a living wage and not enough to support her family. Her pay is often late, and sometimes she is paid in instalments rather than all at once. To cover rent, food, and her children's school fees, she's been forced to take out a loan and rely on her brother for financial support.

Like many garment workers, Fariha regularly works for long periods with no fixed hours or proper breaks. In one month alone she worked 175 hours

of overtime, which is far beyond the legal limit. Her factory has no parental leave or sick leave. After undergoing surgery, she was pressured to continue working long hours, even when her health worsened. Her workplace is kept in an unsafe condition with no drinking water and unsanitary toilets.

Fariha is exhausted and anxious, but she has no way to speak out about her working conditions as the factory doesn't have a grievance mechanism, and there is no union to help her advocate for her rights.

Fariha dreams of working at a safe workplace, where she can earn enough to break the cycle of poverty for her family.

Fariha eventually found work at a subcontracted factory which employs girls as young as 13.

If companies hold factories and subcontracted facilities in their supply chains to a higher standard, they can challenge the systems that allow exploitation to stay hidden. This means workers like Fariha are more likely to earn a living wage from work in safe, dignified conditions.

Fariha's name has been changed to protect her identity. Her story has been shared with permission from Oxfam Australia and their Bangladesh research partner, Karmojibi Nari. Fariha's story was first shared in Oxfam's 2025 Unravelling Exploitation report.



KEY QUESTION

Will Workers Ever Get Their Fair Share?

Baptist World Aid Australia created the Ethical Fashion Report in pursuit of a fairer fashion industry: one that enables workers to participate in the global economy with dignity and contributes to sustainable and flourishing communities.

Our survey results show that the industry is a long way from this vision. Worker empowerment, including living wages, collective bargaining, grievance mechanisms, and training workers on their rights, was the lowest-scoring section, with companies only achieving an average of 13 percent of available credit, compared to 68 percent for policies and governance.

IT WILL TAKE

30-60 YEARS

FOR ALL ASSESSED COMPANIES
TO ACHIEVE FULL CREDIT ACROSS
THE HUMAN RIGHTS SECTION.

It's clear that progress across companies follows a consistent order. Like climbing rungs on a ladder,



WORKER EMPOWERMENT
MUST BE PURSUED AT EVERY STAGE OF PROGRESS,
NOT LEFT UNTIL THE INDUSTRY HAS 'ARRIVED'.

policies and governance are addressed first, followed by environmental sustainability, and then supply chain tracing. Worker rights and living wages sit at the top of the ladder, making them the areas that are least likely to be addressed. Companies simply aren't progressing far enough to reach them.

If this trend continues, it is estimated that it will take between 30 to 60 years for all assessed companies to achieve full credit across the survey's supplier relationship and human rights section. For living wages, there is no discernible progress to chart, leaving this benchmark well out of reach.

Will workers ever get their fair share? On the industry's current trajectory, not soon enough.

Workers should not have to wait six decades to be afforded their basic rights, or indefinitely to receive a living wage.



What Are Workers Missing Out On?

Sadly, Fariha's experience as a garment worker is an all-too-common story that speaks to the human cost of stalled progress towards worker rights.

IN THIS YEAR'S REPORT:

- **72%** of companies could not provide adequate evidence of effective and timely systems for raising and resolving worker rights breaches through Corrective Action Plans for workers.
- Only **7%** of companies could provide evidence that most of the workers in their Final Stage facilities had been trained on their rights.
- Only **43%** of companies monitor for unauthorised subcontracting across most of the Final Stage facilities. Beyond this stage, the number drops to below 10 percent, despite subcontracted facilities often carrying higher risks for workers, and receiving less scrutiny from auditors.
- **17%** of companies had a strategy in place to address gender inequality at Final Stage facilities, even though women make up the majority of workers in the garment sector and are vulnerable to discrimination.

Progress in worker empowerment ultimately delivers workplaces where

workers feel safe, respected, and able to exercise their rights. It delivers effective channels to raise concerns and collective bargaining agreements that give workers a voice. And it delivers wages that are enough to support a family, meet basic needs, and create opportunities for the next generation.

Why Is Worker Empowerment Out Of Reach?

The fashion industry faces several structural barriers to improving worker rights.



Worker empowerment is harder to achieve than sustainability initiatives, and far less marketable.

In early 2026, consumer interest in natural fibres peaked with global interest up 170 percent compared to the last five years, according to Google Trends data. Similarly, many brands have seen great commercial success from rebranding their materials without needing to make any changes to the manufacturing process, for example, rebranding petroleum-based synthetic leather as 'cruelty-free vegan leather'.³²

It's in a company's best interest to focus on highly applauded sustainability actions that lead to higher profit, rather than the less marketable realities of addressing worker exploitation across their supply chain. Human rights initiatives, such as living wages and safe



CASE STUDY

CAMBODIA SHARES LIVING WAGE RESPONSIBILITY

A significant barrier to living wages is the imbalance of power within supply chains, as currently, facilities and workers have little influence over the purchasing decisions that directly affect wages and working conditions.

ACT Cambodia is tackling this challenge head on. Rather than relying on voluntary commitments from brands to secure living wages, the programme brings together employers, workers, unions, and global companies to jointly negotiate higher wages and better working conditions for garment workers in Cambodia. This is the first known model in the fashion industry that connects collective bargaining agreements with legally binding commitments from international buyers.

ACT Cambodia seeks to deliver outcomes for both workers and employers, with workers gaining higher wages, stronger protections for freedom of association, family leave provisions, and improved dispute resolution mechanisms, while facilities benefit through more stable commercial relationships and support for increased labour costs. According to Ken Loo, Secretary General of the Textile, Apparel, Footwear and Travel Goods Association of Cambodia, "The industry used to operate on a zero-sum logic—the ACT approach has fostered a win-win-win."³³

By sharing responsibility across the supply chain and creating legally enforceable commitments between workers, facilities, and companies, the programme serves as a blueprint for achieving systemic change in the fashion industry that delivers tangible outcomes for workers.

³² <https://www.abc.net.au/news/2026-04-07/vegan-leather-not-as-sustainable-eco-friendly-as-claimed/101622944>

³³ <https://actonlivingwages.com/act-for-cambodia/>

working conditions, are more likely to alert consumers to the darker realities of clothing production, making them less palatable for brand marketing.



Company purchasing behaviours also play a role in the lack of progress in worker empowerment.

Behaviours such as aggressively negotiating on price, cancelling or changing orders, or failing to forecast accurately have a direct impact on how facilities treat their workers, and the amount they are paid.

Our survey found that while 93 percent of companies have a Code of Conduct for their suppliers, only 63 percent monitor their own purchasing behaviour and how their practices impact the suppliers' ability to uphold code obligations. If companies don't acknowledge their own role in achieving financial stability for workers, progress in this area will be severely limited.



**ONLY
63%
OF COMPANIES
MONITOR
THEIR OWN PURCHASING
BEHAVIOUR.**



Good intentions aren't being backed by tangible plans for action.

Our research finds most companies are failing to make voluntary commitments backed by tangible actions or timelines, with only four percent* of companies having a credible time-bound commitment to paying a living wage at the Final Stage of the supply chain.

Making progress for workers takes long-term partnerships with suppliers, collaboration with competitors who share the same facilities, and structural change in the way payments are negotiated. Without concerted effort across the industry, a transition towards worker-centred practices remains out of reach.

Progress Starts And Ends With Workers

Pursuing a fairer fashion industry cannot happen without empowering workers. If the industry waits until it reaches the top of the ladder before addressing exploitative practices, then stories like Fariha's will continue to be the norm for millions of garment workers around the world. While this is hard, complex work, giving workers

a voice drives even further progress. In the global economy, once workers are: free to participate in unions; active in collective bargaining; trained about their rights; and paid a living wage; then more meaningful opportunities for dignified worker participation can be realised. When considering the fashion industry's progress towards ethical supply chains, meaningful worker participation must be viewed as both the means and the end.



IF THE INDUSTRY WAITS UNTIL IT REACHES THE TOP OF THE LADDER TO ADDRESS EXPLOITATIVE PRACTICES, STORIES LIKE FARIHA'S WILL REMAIN THE NORM FOR MILLIONS OF GARMENT WORKERS AROUND THE WORLD.



Recommended Actions

FOR COMPANIES

As ethical sourcing programmes mature, companies often strengthen their existing practices, making them more efficient, data-driven, or supported by more sophisticated reporting. Vague public commitments and seldom used sourcing policies do not address supply chain injustice. Here are our recommendations for company decision-makers:

1 Be accountable to your stakeholders.

Publish information such as total production volumes, supply chain traceability and visibility gaps, and instances and remediation of worker rights violations. While companies may fear backlash, this transparency is a critical component to understand the scale of the problem, and the barriers that prevent change. Comprehensive and accurate reporting enables industry schemes, regulators and civil society to maintain accountability and design solutions that will work.

2 Collaborate with peers.

Given companies source from the same suppliers and

regions, it is most effective to also share in the responsibility and implementation of solutions. The industry can continue to compete on other features, but Environmental, Social and Governance (ESG) progress must be viewed as pre-competitive. Companies must establish structures that create safety and accountability to work together effectively towards shared aims. See examples of strong collaborations on pages 22 and 30 of the report.

3 Seek worker voice at every opportunity.

Initiatives that seek progress and safety for workers without consulting them, even if well intentioned, risk undercutting workers' agency or failing to meet intended outcomes. Workers should have input on the structures that are designed to protect them, and be able to voice their opinions through grievance mechanisms and worker sentiment surveys.

4 Treat suppliers as partners.

Supplier relationships can default to being transactional and punitive, even in their approach to

ethical practices. Companies must build transparent and supportive relationships with suppliers that enable buy-in and foster security. This doesn't just rely on rapport with an ethical sourcing team; a supportive relationship is built on tangible factors such as fairness in negotiations, timely and favourable payment terms, and collaborative management of audit non-compliance.

5 Build a complete understanding of what you do and don't know.

Companies that are more effective at creating change are those who are committed to continual learning and improvement. The work of tracing, monitoring, assessing risks, and implementing improvements throughout the supply chain is never complete. If concerns are not being raised through audit or grievance pathways, question whether this truly reflects an absence of issues, or whether this is a sign the mechanism is not structured effectively.

SUPPORTING ACTIONS

For governments

Set clear and enforceable regulatory structures that hold leaders and laggards to the same standards. Incentivise or mandate action from companies, rather than reporting alone.

For consumers

Urge companies to make these changes by speaking out to brands, asking them to be transparent about their progress in ethical sourcing, so you can make informed decisions and advocate for change.



Are Sustainability Gains Being Cancelled Out By Overproduction?

Sustainable fashion has become increasingly popular in recent years, with 'eco-friendly' capsule collections, vegan alternatives, organic fibres, and recycling claims routinely highlighted in marketing campaigns.

Any efforts in this space, though, are vastly outpaced by the fashion industry's relentless growth in production.

Between the 2024 and 2026 report, the average company's total sustainable fibre use increased from 30 percent to 38 percent. This is a welcome increase, indicating faster progress in sustainable materials compared to other areas assessed in the research.

BUT ANY ENVIRONMENTAL GAINS ARE BEING ECLIPSED BY THE INDUSTRY'S INCREASING RATE OF PRODUCTION.



According to Textile Exchange's 2026 *Materials Market Report*, global fibre production grew by around five percent in a single year, from 132 million in 2024 to 139 million in 2025.³⁴ The same pattern is seen in our survey data, with average yearly garment production per company increasing from 105.4 million garments in 2024 to 109.5 million garments in 2026.*

As the volume of clothing continues to grow, the benefits of sustainable fibres pale in comparison to the environmental harm caused by rampant overproduction.

Up to 10 percent of global emissions comes from the fashion industry,³⁵ more than the emissions from international flights and maritime shipping combined.³⁶ Textile production is the world's second biggest consumer of water, with processes like dyeing and tanning using large quantities while contributing heavily to water pollution.³⁷ Each year, 92 million tonnes of textile waste are produced

annually, a lot of which gets sent offshore to countries such as Ghana.³⁸

At the same time, the industry seems to be doing very little to address overproduction. In our research, 57 percent of companies had not assessed the risk of overproduction or implemented any strategies to reduce their impact.

Many companies set sustainability targets that are independent of production volume, allowing them to meet reduction goals even as they produce more garments. For example, a company might set emissions targets measured 'per garment' and tell consumers they've reduced the footprint of each t-shirt. Meanwhile, their overall emissions continue to grow as the company's production increases.

Overproduction is a Human Rights Issue

Overproduction doesn't just impact the environment; it also normalises the exploitative treatment of workers in the interest of profit.

Demand for more garments at faster turnaround times and lower costs means that excessive overtime, unsafe production methods, and low pay have become normal practices in supplier facilities. While 60 percent of companies assessed in our survey have a Code of Conduct that prohibits excessive overtime, anecdotally, we know that working too many hours is one of the biggest recurring issues found in Corrective Action Plans.

Companies might pay lip service to reasonable working hours, but they also expect suppliers to complete production with short lead times (for ultra-fast fashion brands, as little as a couple of days)³⁹ and last-minute changes. In a hyper competitive market, this effectively compels employers to demand excessive overtime from workers, or risk losing the buyer to a facility that can complete the order at a faster rate. Paying workers a piece rate (pay earned per garment instead of hourly or salaried) is becoming more common in this market too. When these rates are set unrealistically low, workers are driven either to rush and risk unacceptable workmanship, or to work longer hours to make a basic income.

³⁴ Market Materials Report, Textile Exchange, 2026 ³⁵ <https://unece.org/forestry/press/un-alliance-aims-put-fashion-path-sustainability>; https://www.oneplanetnetwork.org/sites/default/files/from-crm/measuringfashion_globalimpactstudy_full-report_quantis_cwf_2018a.pdf ³⁶ <https://www.weforum.org/stories/climate-action/fashion-industry-carbon-unsustainable-environment-pollution/> ³⁷ <https://www.fairplanet.org/story/how-the-fashion-industry-pollutes-our-water/> ³⁸ <https://globalfashionagenda.org/resource/pulse-of-the-fashion-industry-2017/> ³⁹ <https://www.oecd.org/en/blogs/2025/10/hitting-the-headlines-the-ultra-fast-fashion-business-model-and-responsible-business-conduct.html>

*The figure cited for average garment production only reflects the companies that disclosed this in our survey. 33% responded to this question in the 2026 Survey.

The same gap between intentions and reality is seen in price negotiations. This year, 63 percent of companies surveyed had some form of Responsible Purchasing Practice policy in place, but facilities often report aggressive 'take it or leave it' price negotiations that don't separate the cost of labour from other manufacturing costs.⁴⁰ Under these conditions, facilities face intense pressure to accept prices that don't factor in the cost of paying living wages, legal working hours, and safe work environments.

Companies can have profound impacts on human rights by changing their purchasing practices, forecasting accurately, and paying enough to ensure that suppliers can fulfil orders without relying on exploitative conditions for workers.

Lack of Data Impedes Progress

It's estimated that the fashion industry produces anywhere between 80 to 150 billion garments a year, with between 10 and 40 percent going unsold.⁴¹ Companies typically don't disclose their volumes of production, so the exact number of garments being produced and discarded without use is largely unknown. In our survey, only one third of companies disclosed their production volume, making our average figure an estimate at best.

Without reliable data, it's impossible to understand the full extent of overproduction, or take steps to address fashion waste. Governments can't implement accurate effectiveness measures in their policies, advocates can't hold brands accountable to their reduction targets, and consumers can't make informed purchasing decisions, as without knowing a company's overall production volume, environmental claims are effectively meaningless.

In lieu of data, companies are often quick to tell us (and their consumers) about their certifications. Programmes included in our survey, such as Better Cotton, Leather Working Group or the Global Organic Textile Standard, do contribute to better environmental outcomes. Increasingly, we're finding that companies expect the certification to tick every box for environmental impact or workers' rights, particularly at the Inputs and Raw Materials tiers.

Certifications provide increased monitoring, but they don't cover every aspect of sustainable or ethical practice. For example, companies often assume that certified facilities guarantee payment of a living wage, but our research shows that this is not the case: not a single certifier assessed in our survey received a credit for paying a living wage. While certifications play an important role, companies must not fully rely on them to protect workers' rights, nor should they outsource responsibility for what's happening in their supply chains.



BETWEEN 2024 AND 2026, THE AVERAGE COMPANY SCORE IN OUR SURVEY INCREASED BY JUST 0.2 POINTS AND SUPPLIER TRACING BY 2 PERCENT (AT FINAL STAGE), YET THE AVERAGE NUMBER OF GARMENTS PRODUCED GREW BY 4 MILLION.

The volume of production occurring at suppliers that remain untraced and unmonitored (as referenced on page 25) weakens the impact of any marginal company improvements. Even if companies are monitoring some of their sites more effectively and implementing programmes to improve worker rights, there are still many more facilities hidden in their supply chains where numerous workers are at high risk of exploitation.

The industry's sheer scale has outpaced the systems designed to govern it.

Companies, certification schemes, and regulators must monitor and rein in production volumes if there is to be tangible change for workers in the fashion industry.

We are more than consumers. We are also citizens and agents of change, and now is the time to challenge a system built on overproduction. We can demand greater transparency, hold brands accountable, support stronger regulation, and make purchasing decisions that align with sustainable production models. As long as

consumers continue to 'reward' the fast fashion business model with their spending, there is little incentive for companies to change. When multiplied across millions of consumers, small choices can change the story of fashion.



⁴⁰ Squeezed Dry: Pricing pressure in the global fashion industry, Clean Clothes Campaign, 2026 ⁴¹ <https://www.business-humanrights.org/en/latest-news/fashion-brands-lack-of-transparency-about-overproduction-contributing-to-the-industrys-human-rights-and-environmental-issues/>

Recommended Actions

FOR CONSUMERS

As consumers, we value fashion that's better for people and the planet, but when it comes to purchasing decisions, our preference for bargain prices and convenience can too often take priority. Here are some steps we can all take to help drive change in the industry:



Buy less

Most of us wear far less of our wardrobes than we think, so before buying something new, consider whether you really need it. Embrace second-hand shopping and set boundaries around purchasing and exposure to advertising. The most sustainable wardrobe is the one you already own.



Buy better

Use the Ethical Fashion Guide when you do need to buy something new. Look for the best available option within your budget and availability. For everyday basics like t-shirts or underwear, choosing a higher-scoring brand can be a practical place to start. Look for reputable third-party certifications that support company claims and consider certified natural fibres or recycled options when purchasing synthetics.



Give freedom

When we buy less and use the Ethical Fashion Guide to inform our consumer choices, we help rewrite the future of fashion. But we can't stop there. To create a fairer world for all, we must also tackle the root causes of exploitation that make people vulnerable in the first place. Donating to causes like Tearfund New Zealand helps to address exploitation at its source and strengthen communities to better protect themselves from harmful practices.



NO CHOICE WILL BE PERFECT, BUT BEING INFORMED CAN
HELP YOU MAKE BETTER CHOICES.

SUPPORTING ACTIONS

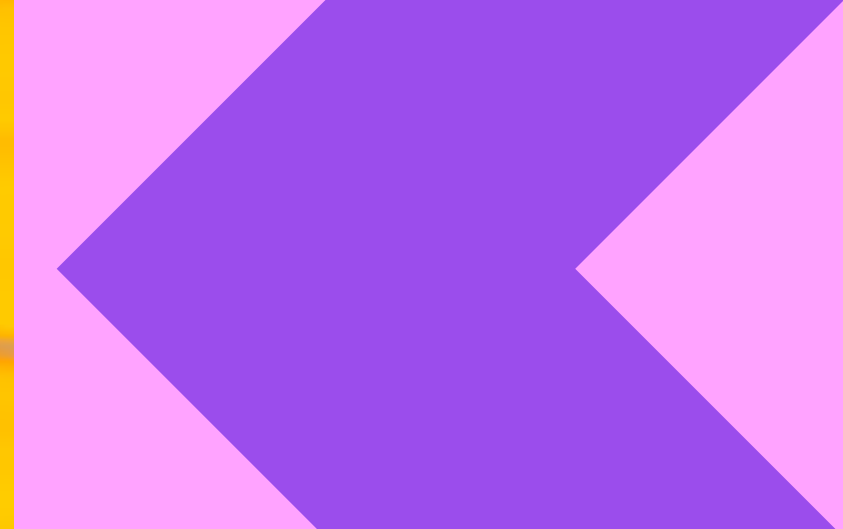
For companies

Market responsibly, understand the limits of certifications used, be transparent about the gaps in their ethical sourcing programmes, and address those gaps.

For governments

Set requirements for companies to actively reduce production volumes, and help consumers make choices that reflect their values by strengthening protections against greenwashing.





METHODOLOGY

Methodology

The 11th Edition of the Ethical Fashion Report and Guide are built on Baptist World Aid Australia's Ethical Fashion research methodology, which has been developed and refined over the last 13 years. Our research approach focuses on thorough, independent assessment of company practices, taking into consideration all information shared either directly with us or publicly with consumers, and applying consistent assessment criteria across both.

We follow a two-year reporting cycle to allow for the slow pace of progress in the areas we assess. Survey questions and associated validation criteria are refined for each release, based on insights gained and ongoing industry developments. A more comprehensive review drawing on external expertise occurs every four years; the next review will occur in 2027.

Who is Assessed in the Report

Research includes companies that meet the following criteria: they own clothing or footwear brands operating in Australia and/or the UK; they are financially solvent; and they have an estimated annual revenue exceeding AUD \$50 million.

This year's Ethical Fashion Report assesses 138 companies representing 543 brands. Of these, 110 companies were also included in the 2024 report. The 28 new entrants include 16 UK-based brands that were selected in partnership with BMS World Mission to broaden the report's reach internationally. Ten companies assessed in 2024 were not included this year because they no longer met the report's inclusion criteria.

The 2026 Ethical Fashion Report features one smaller company that was invited to participate as a case study of good practice.

Responsive vs Public Information Assessments

Some companies were assessed based on public information only (indicated by an asterisk in the report). Assessments that are conducted based on publicly available evidence result in scores that reflect the information that the company has made known to the public, but may not reflect the entirety of the company's ethical sourcing practices.

All evidence—whether publicly disclosed or provided directly to the Ethical Fashion Report research team—is evaluated using the same validation criteria.

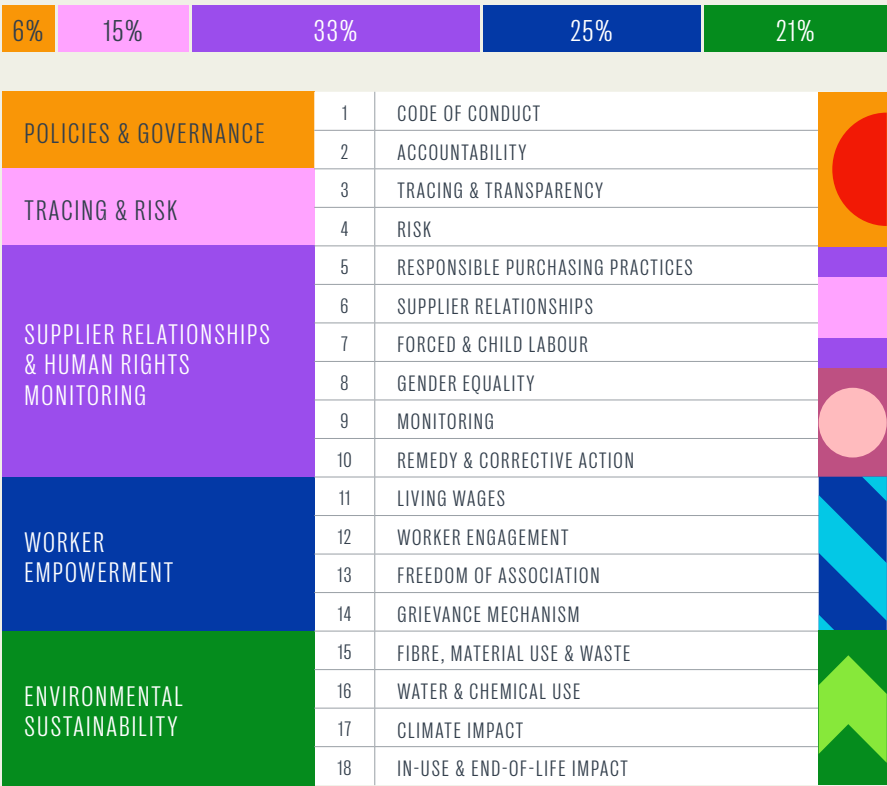
58 percent of companies were assessed on their public information and 42 percent on their company submission.

How We Assessed Companies

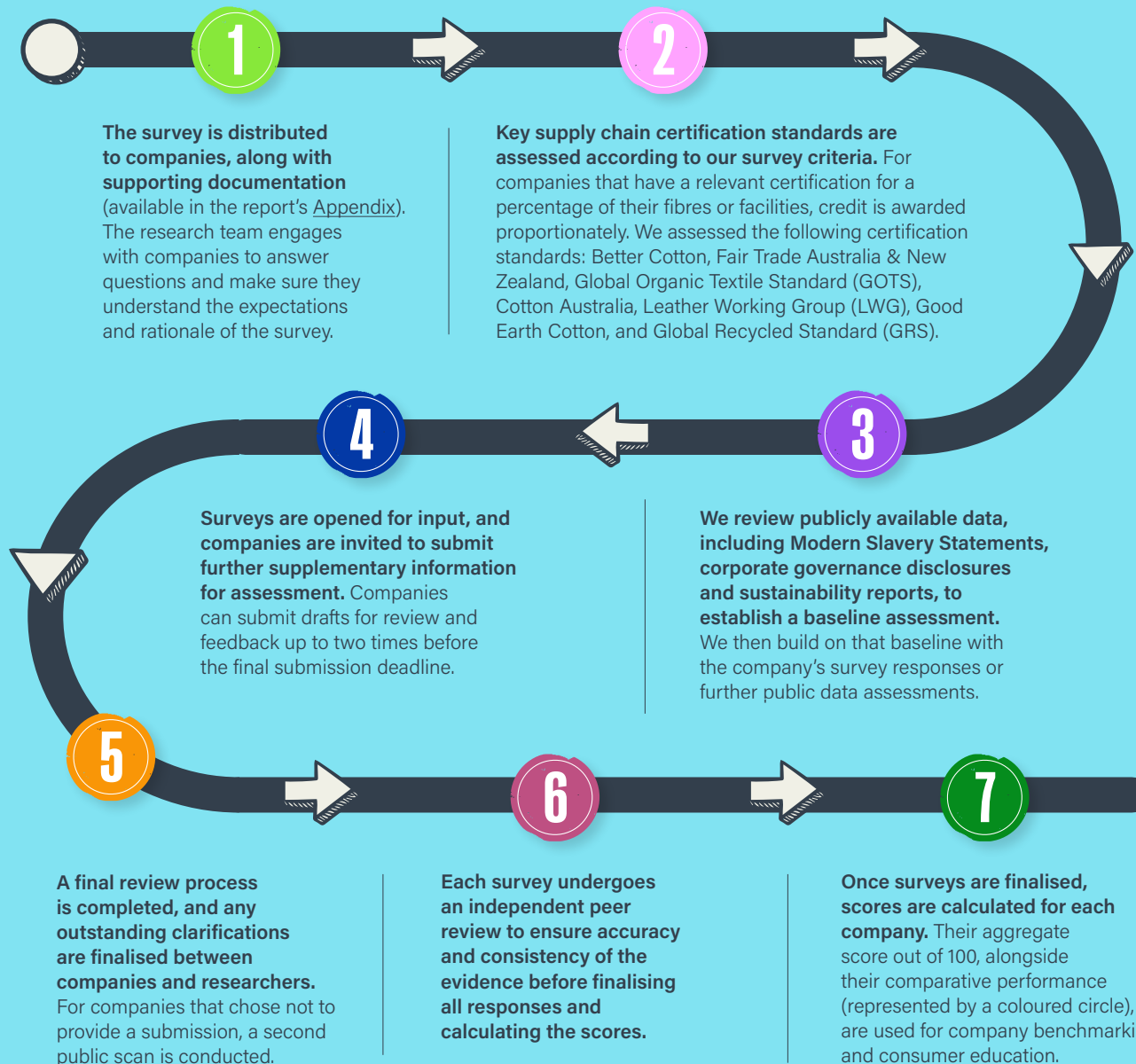
Ethical Fashion Report research data was collected through direct and

indirect engagement with companies between January and July 2026. We use a survey of 48 questions covering 18 indicators of supply chain practice. (See The Assessment Process on page 38.)

Each section of the survey is assigned a weighting based on how it contributes to the final aggregate score a company receives. **The weightings are:**



The Assessment Process



We also assess the company's sustainability and ethics across three key stages of the supply chain. The greatest weighting has been given to Final Stage production, as this is the stage where most fashion brands have direct relationships with suppliers and the greatest leverage for change. These weightings are:

FINAL STAGE	45%
INPUTS	35%
RAW MATERIALS	20%

For a more comprehensive description of the Ethical Fashion research methodology, including all question criteria and company responses, please refer to the 11th Edition [Ethical Fashion Report Appendix](#).

About Baptist World Aid Australia

Baptist World Aid Australia is a Christian community development and humanitarian agency with a vision to see a world where poverty has ended, and all people enjoy the fullness of life God intends. We partner with Christians globally to support communities as they address poverty and injustice, building lives of dignity, hope, and enduring transformation.

The Ethical Fashion Report and Guide is a key part of this work. Since 2013, the report has been shining a light on injustice and environmental harm within supply chains, holding companies to account, equipping advocates and policymakers, and helping consumers make informed choices. This independent and robust research is Baptist World Aid Australia's distinctive contribution to our collective pursuit of a fashion system that treats people and the planet justly.

We are committed to refining and adapting our approach to our Ethical Fashion research in line with industry knowledge and developments. Your feedback is always appreciated and can be sent to hello@baptistworldaid.org.au.

To continue this work, we rely on donations from generous supporters. If you would like to support our research, help grow the report's impact, and keep the Ethical Fashion Guide free for consumers, please donate at bwaa.co/donate-now.

We are all part of a global system that has the power to uphold human rights and dignified conditions for millions of workers, or perpetuate exploitation for generations to come.

Creating a better world requires all of us. Thank you for playing your part.

About Tearfund New Zealand

Tearfund is a Christian development and humanitarian organisation with a vision to see all people around the world transformed by hope, opportunity, and dignity. We partner with churches and communities to find local solutions that address the root causes of poverty and exploitation.

Through our 5P Approach (prevention, prosecution, protection, policy, and partnership) Tearfund tackles modern slavery by helping

people living in low-income communities know their rights, rescuing victims and hold perpetrators accountable, providing trauma-informed care to survivors, and advocating for stronger institutions and laws.

Your financial support towards this vital work will help people living in poverty who are vulnerable to exploitation, abuse, and trafficking live free with dignity and hope. Donate today at tearfund.org.nz/Modern-Slavery.



THANK YOU

ACKNOWLEDGEMENTS

We'd like to thank all the companies and certifier representatives who engaged with the research conducted by our friends at Baptist World Aid Australia. Your contribution is invaluable for moving the fashion industry towards fairer practices, greater transparency, and improved worker conditions.

Thank you also to all the individuals and groups who have financially supported their Ethical Fashion project, including Vocare Law whose generous support has helped bring the 11th edition of the Ethical Fashion Report to life.

Finally, we wish to acknowledge the incredible work of our longstanding partner, Baptist World Aid Australia, whose time, expertise, and passion made this research and advocacy work possible. And for their steadfast commitment to building a better, fairer world for all. You can learn more about their work globally at: baptistworldaid.org.au.





**BAPTIST
WORLD
AID**