



ANNUAL REPORT 2024–2025

*Living wages gain momentum
on the political stage*

Table of contents

Ranking of companies	3
Preface	4
Key message from the Platform	7
1. Introduction	8
2. The PLWF in 2025	10
3. Assessment results Garment & Footwear Sector	12
4. Assessment results Food Agriculture and Food Retail sectors	16
5. Conclusion	23



Ranking of companies

Garment & Footwear

Company	Category	Category change ¹
Puma	Leading	→
Adidas	Leading	↑
H&M Group	Leading	↑
ABF ² (Primark)	Advanced	→
Gildan Activewear	Advanced	↑
Industria de Diseño Textil (Inditex)	Maturing	→
Hugo Boss	Maturing	→
Fast Retailing	Maturing	→
PVH Corporation	Maturing	→
Moncler	Maturing	↑
Ralph Lauren	Maturing	→
Marks & Spencer	Maturing	→
Kering	Maturing	↑
Next	Developing	→
VF Corporation	Developing	→
Burberry Group	Developing	→
ASICS Corporation	Developing	→
Compagnie Financière Richemont	Developing	→
Anta Sports Products	Developing	↑
NIKE	Developing	→
ASOS	Developing	↓
Zalando	Developing	→
GAP	Embryonic	→
LVMH Moët Hennessy Louis Vuitton	Embryonic	→
Shenzhou International	Embryonic	→
Prada	Embryonic	→
LPP	Embryonic	New company
The TJX Companies	Embryonic	→

Food Agriculture

Company	Category	Category change
OLAM (ofi)	Advanced	→
Unilever	Advanced	↑
Nestlé	Maturing	→
The Hershey Company	Maturing	→
Barry Callebaut	Maturing	↑
Mondelēz International	Developing	→
Lindt & Sprüngli	Developing	↓
Starbucks Corporation	Developing	→
Orkla	Developing	→
The J.M. Smucker Company	Developing	→
The Coca-Cola Company	Embryonic	↓
Carlsberg Group	Embryonic	→
Ajinomoto	Embryonic	→
The Kraft Heinz Company	Embryonic	→

Food Retail

Company	Category	Category change
J Sainsbury	Advanced	New company
Tesco	Maturing	→
Carrefour	Maturing	→
Koninklijke Ahold Delhaize	Maturing	↑
Loblaw Companies	Developing	→
Walmart	Developing	↑
Casino Guichard-Perrachon	Developing	→
Dollar General Corporation	Embryonic	→

1 The arrows indicate whether a company has moved up or down a category. This assessment is based on the PLWF methodology. Companies with → have possibly moved in scoring within their existing category.

2 ABF is short for Associated British Foods

Preface

Living wages can be addressed from many different angles, and the number of stakeholders driving this work forward is extensive. For an organisation like the Platform Living Wage Financials, whose members primarily engage with portfolio companies on the topic of living wages using a top-down approach, it is important to pause occasionally, zoom out, and recognise the progress made on the topic, especially when you also take into account other stakeholders' perspectives.

From a worker's perspective, notable progress has been made this year regarding collective bargaining agreements within the Garment & Footwear industry, which further strengthens the bottom-up approach to achieving the payment of living wages. At the same time, we acknowledge that translating these developments into tangible improvements for all workers across global supply chains remains complex and may take time.

Among the investee companies covered and engaged by the Platform's members, we see resilience and ambition in delivering long-term results relating to living wages and living incomes, even in times when tariffs and potential trade wars make uncertainty the new norm. In addition, we appreciate the efforts of trade unions, NGOs, benchmark providers, and supranational organisations, many of whom we are proud to call Friends of the Platform. The political momentum backing the concept of living wages and living incomes has further increased during the year, most notably at the Second World Summit for Social Development.

Insights from the Second World Summit for Social Development

In November 2025, the global community reconvened for the Second World Summit for Social Development (WSSD), bringing together leaders, advocates, and organisations committed to advancing equity, resilience, and inclusive growth. Representing the PLWF was Fransje Puts, who is the Client Manager & Advisor Responsible Investment at MN and a member of the PLWF's Management Committee. She attended the summit and contributed directly to the dialogue as a panellist. In this interview with Fransje, we explore key takeaways from the summit, the significance of PLWF's participation, and the next steps for turning global commitments into meaningful action.



Why did you attend the Second World Summit for Social Development in Doha?

Attending this summit was a unique opportunity to influence the global agenda on social justice. Unlike the Climate Summit, which is held annually, this was only the second time that the Summit for Social Development has taken place, 30 years after

the first in Copenhagen. When the United Nations brings together governments, businesses, trade unions, and NGOs to address poverty eradication, decent work, and inclusive societies, investors must be part of that conversation too.

For PLWF, our focus is clear: ensuring that living wages are recognised as a priority. Ahead of the summit, we collaborated with partners such as IDH, UN Global Compact, and the World Benchmarking Alliance (WBA) to call on UN Member States to include living wages in the political declaration³. This effort paid off; living wages were incorporated into the final text, reinforcing the shared responsibility of states and businesses to guarantee living wages for all workers.

Participation was not only about policy influence, but also about making connections. The summit provided a platform to strengthen our network and identify new opportunities for collaboration. Real progress requires every link in the system, and investors play a critical role in driving systemic change.

In short, attending the summit allowed us to advocate for our objectives, contribute to shaping international standards, and deepen partnerships that will help accelerate impact.

What was the role of living wages during the summit?

The inclusion of living wages in the political declaration set the tone for the summit. UN Secretary-General António Guterres even highlighted living wages and the role of the private sector in his opening remarks. Furthermore, living wages were featured in multiple panels, with two sessions dedicated entirely to the subject.

The first was hosted by the International Labour Organization (ILO) and focused on its living wage programme and how to operationalise living wages in practice. The panel brought together diverse voices, including a representative from the

European Commission and the General Secretary of Bangladesh. Workers' perspectives were powerfully represented by Riefdah Ajam, General Secretary of the Federation of Unions of South Africa, who reminded everyone that wages are the foundation of dignity.

The second session was organised by IDH, WBA, the World Business Council for Sustainable Development (WBCSD), and the governments of the Netherlands and Germany. This discussion zoomed in on implementation, what effective action on living wages looks like for different stakeholders, and how to turn commitments into real change.

What was your role during the summit?

Beyond the valuable insights from all panels during the summit, I had the privilege of representing PLWF and MN in the aforementioned second session on living wages alongside Unilever and union representatives from the Congo and Somalia. I shared why living wages matter to investors, the concrete steps we've taken, how they can become part of mainstream investment decisions, and how the political declaration can strengthen accountability.

I explained the origins of PLWF, our focus on living wages as a critical enabler for other human rights, and our assessments and engagement with investee companies in Garment and Agrifood sectors. For long-term responsible investors, the case is clear: better wages reduce risks like poor working conditions, excessive overtime, and child labour, while potentially boosting productivity, lowering turnover, and cutting recruitment and training costs. Improvements that can enhance business performance and, ultimately, investment value. We also discussed how living wage data could further integrate this topic into investment decision-making. Reliable, standardised data would make it easier for investors to incorporate living wage performance into strategies.

³ For the political declaration, please refer to: <https://social.desa.un.org/world-summit-2025/documents/doha-political-declaration-of-the-world-social-summit-under-the-title>

While the growth in PLWF members and Unilever's concrete actions show rising attention on living wages, the union representatives reminded us that impact on the ground remains limited. They stressed the importance of social dialogue and trust between employers and workers to drive progress. These insights underscore the urgency to accelerate change on this critical issue. The incorporation of living wages in the political declaration is an important step in acceleration.

What is the effect that you expect from the inclusion of living wages in the political declaration that was formally accepted during the summit?

The inclusion of living wages in the political declaration could spark stronger global governmental accountability and speed up corporate action. But it's crucial that the prioritised themes in the declaration don't remain just words on paper, they need to translate into real change. The ILO-led Global Coalition for Social Justice is seen as a key platform to advance the principles and goals agreed upon in the political declaration. That's why I'm glad that PLWF became a member of this coalition this year. It brings together a diverse range of stakeholders, each with a unique role to play in driving progress.

The Paris Climate Agreement illustrates how global commitment and a shared goal can drive decisive global action. I hope that the inclusion of living wages in the political declaration will inspire a comparable leap forward on this vital issue.



Fransje Puts

Client manager & Advisor Responsible Investment at MN
Member of the PLWF's Management Committee



Key message from the Platform

In 2025, the Platform Living Wage Financials (PLWF) has once again pushed for normalising the implementation of living wages in global supply chains. Living wages seem to be as relevant as ever; this year, the topic was highlighted during the Second World Summit for Social Development and included in the formal political declaration. This shows that the appetite for living wages is still very much existent.

Looking at the work of the Platform, this 2025⁴ report presents the annual assessments of investee companies on their progress towards facilitating living wages and living incomes in their global supply chains.

Key findings

Garment & Footwear sector:

- Six companies have moved up a category. With two new companies reaching the Leading category, there are now three companies in this category. On the other hand, six companies are in the lowest Embryonic category.
- Access to remedy saw the highest increase in scores this assessment cycle, showing that there has been progress on this topic.
- Most companies are affiliated with at least one multi-stakeholder initiative (MSI) focused on living wages. While this level of participation is encouraging, active engagement remains limited, and examples of collaboration leading to tangible wage improvements are scarce.
- Every company in scope is at least upholding the rights to freedom of association and collective bargaining and the majority can show that they have communicated this to their suppliers.

- While responsible purchasing practices are well developed in many companies under assessment, nine companies do not disclose any responsible sourcing policy referring to living wages.
- Nearly 80% of companies do not provide information on the length of their relationship with their main suppliers.
- Nearly two thirds of companies show no or very limited use of indicators to track the effectiveness of their efforts relating to living wages.

Food Agriculture and Food Retail sectors:

- Two Retail companies moved up a category this year (Ahold Delhaize moved to Maturing and Walmart moved to Developing) as did two Food Agri companies (Unilever moved to Advanced and Barry Callebaut moved to Maturing).
- All Retail companies have minimum wages embedded in their policies. However, only three companies include living wages and incomes for their supply chains. For the Agri sector, 10 of the 14 companies have a formal living wage policy.
- Only one Retail company has formalised a definition for a living wage covering all fundamental elements of a living wage/ income definition, but eight Food Agri companies have formalised such a definition.
- Both Food Agri and Retail sector companies need to improve their performance on the indicators about 'tracking performance' of their living wage actions.
- All companies in the Food Agri sector have a complaints mechanism in place which, in most cases, can be used by external stakeholders. However, evidence of the promotion of such mechanisms to build trust is lacking.
- The scores for food retailers improved this year, with only one company failing to set out that their complaints mechanism can be used by external stakeholders.

⁴ The PLWF Annual Report 2024–2025 reports PLWF's findings from the assessments performed in 2025. However, these assessments are based on corporate reports of investees covering 2024.

1. Introduction

The PLWF is a coalition of 22 financial institutions that engage with and encourage investee companies to address the non-payment of living wages and incomes in global supply chains. As an investor coalition, the PLWF represents over €7 trillion AUM. In 2025, we covered assessments and engagement efforts across 50 companies in three sectors: Garment & Footwear, Food Agriculture, and Food Retail.

As of December 2025, the PLWF consists of the following financial institutions (in alphabetical order): ABN AMRO, Achmea Investment Management, Aegon Asset Management UK, Aegon Investment Management, Allianz GI, Amundi, AP2, APG, a.s.r. asset management, AXA, Cardano, CCLA, Columbia Threadneedle Investments, Ethos Foundation, ING, LBP AM, LGIM, MN, NN Group, PGGM, Robeco, Storebrand, and VGZ.

Collaborating as a Platform

One of the biggest strengths of working as a Platform is that the members can increase their leverage on investee companies by working together. Every two months, a plenary session provides the opportunity to share updates and to discuss challenges. Civil society organisations are invited to share their expertise with Platform members on new developments regarding the work towards living wages and living incomes. This helps investors get a perspective on what is happening on the ground. The main work of the PLWF, which is shared between members, is the assessment of investee companies on their performance on enabling a living wage and/or living income in their supply chains. The outcomes of these assessments are reported in chapters 3 and 4. Assessments are shared with the investee companies, giving opportunity for feedback and discussion. Engagement is also conducted with the aim of seeing the assessment score of the company increase over time.

All companies assessed by PLWF members have been contacted in order to discuss the results of the assessment. This is done both as a way to openly discuss the topic of living wages and how we as investors can help, and as a way for the assessed company to address any issues with the assessment itself. From PLWF's side, we care a great deal about both fairness and openness and are fully aware that this goes both ways. This is why we always strive to have fruitful conversations with all companies in scope. While most companies respond positively to this request, reviewing the assessment and giving us time for an engagement call, some companies are less responsive to our request to engage.

Collaborating with key stakeholders

When engaging companies on the topic of living wages and living income, the Platform also serves as a space for capacity-building and exchanges on all aspects related to living wages and living incomes. To facilitate this, experts and Friends of the Platform are often invited to the plenary or working group meetings to explain their activities, suggest collaboration opportunities, and provide expert advice on the development of our methodology. One of the most important contributions of the Friends of the Platform is their insights on the ground. As previously mentioned, the PLWF has noticed that companies are improving on developing policies and guidelines on living wages and living incomes. However, by talking to the Friends of the Platform, PLWF members get a better sense of what is happening in real-world settings and how policy commitments are not necessarily resulting in concrete and effective living wage and living income outcomes. This highlights the need for structural change, where living wage and income goals are embedded into the operational and financial frameworks of companies, not just their policies. Without systemic shifts, the gap between commitments and measurable progress on the ground will persist, limiting meaningful improvements for workers and communities.

Escalation mechanisms

As part of their engagement activities, each Platform member may individually decide to use engagement escalation mechanisms, which are integrated in their own investment stewardship strategies. These include but are not limited to:

- Raising its concern in a letter to the investee's CEO and/or board
- A public statement on escalation of engagement with the company
- Asking a question at the company's annual general meeting (AGM)
- Voting against directors at the next AGM and submitting and/or supporting shareholder resolutions
- Exclusion of a company from the investor's investment universe

The PLWF only provides general guidance, and these decisions are made individually by each Platform member.

LBP AM JOINS THE PLWF

This year, LBP Asset Management has joined the PLWF. We asked Camille Bisconte De Saint Julien, Human Rights and Social Lead at LBP AM, how the work of the PLWF aligns with LBP AM.

“At LBP AM, responsibility is at the heart of our strategy. By joining the PLWF, we reaffirm our determination to take concrete action for decent working conditions and living wages across global supply chains, in full consistency with the objectives set out in our human rights policy. This commitment also reflects our ambition to promote inclusive growth and strengthen the resilience of communities and territories.”



LIVING WAGES, HUMAN RIGHTS PERFORMANCE AND COMPETITIVENESS: EVIDENCE IN SUPPORT OF PLWF EXPECTATIONS

The PLWF expects investee companies to adopt and implement living wages in their supply chains, supported by robust human rights due diligence, stakeholder engagement, and transparent reporting. A recurrent barrier to these expectations is the belief that wage-related improvements increase labour costs and undermine the competitiveness of investee companies.

UNDP's 2025 study *Human Rights vs. Competitiveness – A False Dilemma*⁵ provides new evidence that challenges this assumption. Analysing five years of Corporate Human Rights Benchmark (CHRB) data from 235 large firms in high-risk sectors, the study finds no financial penalty associated with improving human rights performance, despite the upfront investments required for improved labour practices, purchasing reforms, and responsible sourcing.

⁵ www.undp.org/publications/human-rights-vs-competitiveness-false-dilemma



2. The PLWF in 2025

Aside from the assessment and engagement of companies that the members of the PLWF undertake, the Platform and its members also engage in numerous other living wage and human rights-related activities. This chapter gives an overview of the activities that the PLWF undertook in 2025.

In 2025, the PLWF:

■ Had its annual conference in January

During our annual conference, we presented our latest report and listened to:

- A keynote by the ILO
- A panel on escalating engagement
- IDH on the Dutch Initiative on Sustainable Cocoa (DISCO), of which it is Secretariat
- Adidas on data collection transparency

■ Joined the Global Coalition for Social Justice

After the inspiring keynote from Patrick Belser during our annual conference, the platform joined the Global Coalition for Social Justice (GCSJ).

■ Went to the first GCSJ forum in Geneva

The PLWF was represented at the first GCSJ forum. The forum united governments, businesses, employer organisations, worker organisations, and financial institutions. Over 350 partners advanced a shared mission: ensuring that social justice becomes a reality for all of us.

- **Participated in a call to action to UN member states to advance living wages at the Second World Summit for Social Development**

The PLWF helped to draft the [call to action to UN member states⁶](#) to prioritise the issue of living wages at the summit. Multiple members also individually signed this call to action, and it resulted in living wages being formally included in the draft declaration for the summit.

- **Participated in the Second WSSD in Qatar**

The PLWF was represented at the WSSD in Qatar. During the summit, UN member states formally adopted the political declaration. The declaration outlines key priorities for advancing global social justice worldwide, including the eradication of poverty, decent work for all, and inclusive societies.



- **Participated in a public consultation survey on the draft amended European Sustainability Reporting Standards (ESRS)**

We participated in this EFRAG consultation to share the Platform's point of view on ESRS S1 regarding the approach to calculating adequate wages outside the European Union (EU). We underlined the importance of using globally recognised living wage definitions, in this case those of the ILO.

- **Attended the IDH Roadmap on Living Wages meeting in Utrecht**

The PLWF was well represented at the [IDH Roadmap⁷](#) on Living Wages meeting in Utrecht, where roadmap partners convened to discuss the strategy of the initiative for the coming years. This platform is a multi-stakeholder initiative, including companies, sustainability organisations, and coalitions, which guides companies to close wage gaps in global supply chains through a collaborative framework.

Aside from these events, the PLWF is constantly learning more from its Friends of the Platform and experts in the living wage field. This year, we had representatives from the following organisations present at our plenary meetings:

- EFRAG
- Open Supply Hub
- ShareAction
- Shift
- WageIndicator
- Living Wage US
- Oxfam
- World Benchmarking Alliance

⁶ https://assets.worldbenchmarkingalliance.org/app/uploads/2025/08/Global-Living-Wage-Target-2025-WSSD-Ask-to-Member-States_1_August_2025.pdf

⁷ www.idhsustainabletrade.com/living-wage-platform

3. Assessment results

Garment & Footwear Sector

Introduction

The Garment & Footwear sector remains one of the most labour-intensive industries globally, employing millions of workers in low-income countries.

Research by the World Benchmarking Alliance shows that the Garment & Footwear sector is taking more action on the topic of providing and promoting decent work compared to other industries.⁸ These findings are encouraging, but more progress can still be made, and recent events underscore the urgency of this issue. The ongoing unrest among garment workers in Bangladesh illustrates the global need for decisive action on living wages across the whole sector. Strikes and protests over inadequate pay and poor working conditions have disrupted production and attracted international attention. These developments highlight the risks brands face, including supply chain instability and reputational damage.

Persistent wage gaps create exposure to operational disruptions, litigation, and heightened scrutiny from regulators and consumers. For investors, these dynamics represent systemic risk across portfolios.

As part of its annual cycle to monitor the efforts of brands held in its portfolios, the Garment & Footwear Working Group⁹ assessed 28¹⁰ Garment and/or Footwear companies during 2025, including one supplier.

KEY FINDINGS	WHAT IS NEEDED FOR 2026
Six companies have moved up a category. With two new companies reaching the Leading category, there are now three companies in this category.	More progress is needed by companies that have not shown progress in the past assessment cycles, especially by the six companies currently in the Embryonic category ¹¹ . <ul style="list-style-type: none"> More companies should provide effective grievance mechanisms for at least Tier 1 supply chain workers. This involves ensuring anonymity, multilingual access, and awareness among workers. For companies already providing such mechanisms, more progress can be made in showing how these are effective, including how rightsholders are consulted and insights on how complaints are being handled.
Access to remedy saw the highest increase in scores this assessment cycle, which shows that there has been progress on this topic.	To achieve real results, MSIs need to evolve toward more structured, enforceable agreements – such as the ACT initiative – or companies must enter into additional contractual commitments themselves. Being part of an MSI is not enough, active participation and concrete measures must come out of these collaborations to ensure impact for the workers.
The majority of companies are affiliated with at least one MSI focused on living wages. While this level of participation is encouraging, active engagement remains limited, and examples of collaboration leading to tangible wage improvements are scarce.	More examples of companies collaborating with trade unions in their supply chains are needed. These should include concrete examples of wage increase due to this work, including collective bargaining agreements (CBAs).
Every company in scope is at least upholding the rights to freedom of association and collective bargaining and a majority can show that they have communicated this to their suppliers	More companies need to adopt and disclose responsible purchasing practices, in order to enable suppliers to better forecast and receive a fair payment, therefore enabling better wages for workers.
While responsible purchasing practices are well developed in many companies under assessment, nine companies do not disclose any responsible sourcing policy referring to living wages.	More transparency is needed on the length of the relationship with main suppliers, as this shows how the company relies on a more stable supply chain.
Nearly 80% of companies do not provide information on the length of their relationship with their main suppliers.	<ul style="list-style-type: none"> More use of living wage data collection tools and living wage benchmarks are needed to track efforts Transparency is needed from brands using living wage data collection tools on the living wage gap identified, including progress over time.
Nearly two thirds of companies show no or very limited use of indicators to track the effectiveness of their efforts relating to living wages.	

8 https://assets.worldbenchmarkingalliance.org/app/uploads/2025/05/SB-2024-Insights-Report_07052025.pdf

9 Working group members (as per December 2025): ABN AMRO, Aegon AM, Allianz GI, Amundi, AP2, a.s.r. asset management, Cardano, CCLA, Columbia Threadneedle Investments, Ethos Foundation, LGIM, MN, PGGM, Robeco, LBP AM.

10 Companies included in scope are chosen on a yearly basis by the members of the Platform based on the exposure that their portfolios have to these brands.

11 Although one company was newly assessed in 2025, the other five companies have remained in this category since their first assessment by the PLWF.

Results

In 2025, 28 Garment & Footwear companies were assessed. The average score was 19 out of 40, with scores ranging from 3 to 39. Six companies moved up a category, including Adidas and H&M, which both reached the Leading category. While these improvements show best practice is possible, many companies still disclose too little about their efforts to enable a living wage in their supply chains. Concerningly, five companies in the Embryonic phase have not progressed, despite our efforts. The lack of movement by companies in the Embryonic category highlights the need for legislation and international policies to drive progress across the whole sector. If not, there will not be a level playing field among industry peers, and global workers will be the ones who ultimately bear the costs.

ASSESSMENT RESULTS 2024-2025 – GARMENT & FOOTWEAR



BEST PRACTICE – H&M ACHIEVES TOP CATEGORY IN PLWF ASSESSMENT

H&M has been part of the Advanced category for several years, due in part to the company conducting a thorough impact analysis on its wage strategy and how it affects wage levels, its strong wage management systems, and its transparency on wage levels per region compared to local minimum wages. This year, H&M moved up to the Leading category due to concrete outcomes from engagement with MSIs and rightholders. A key driver was H&M's active participation in the Action, Collaboration, Transformation (ACT) initiative¹² for collective bargaining in Cambodia. Through this initiative, three new CBAs, backed by H&M Group, were signed in H&M supplier factories in Cambodia in 2025. These CBAs have led to higher wages and improved working conditions, showing how structured industry partnerships can create tangible impact.

12 <https://actforcambodia.com/>

Focus area 1: Access to remedy

Access to remedy saw the most improvement this year, with eight companies showing better practice compared to last year. This shows that companies in scope are strengthening their grievance mechanisms and disclosing on their effectiveness. This is a great development, and the PLWF encourages more companies to implement effective grievance mechanisms for (as a minimum) Tier 1 supply chain workers.

Access to remedy is essential for enabling a living wage as it provides workers with a safe and effective way to raise concerns when wages fall below agreed standards or when rights linked to wage negotiations, such as freedom of association, are violated. Without grievance mechanisms, wage commitments risk remaining theoretical, as workers lack the means to challenge non-compliance or seek redress. Robust access to remedy ensures accountability and empowers workers, making living wage initiatives credible and enforceable throughout the supply chain. In engagement calls, we heard from companies that are leveraging grievance mechanisms to ensure workers in the supply chain are paid what they are due.

Focus area 2: collaborative action

Achieving living wages requires collective effort. No single company can address systemic wage challenges alone. Collaboration is indeed essential to drive industry-wide change and create lasting impact.

Work with MSIs: Twenty-five companies are affiliated with at least one MSI focused on living wages. While this level of participation is encouraging, active engagement remains limited, and examples of collaboration leading to tangible wage improvements are scarce. MSIs play a critical role by bringing together brands, civil society, and sometimes governments to tackle structural issues that individual

BEST PRACTICE – PUMA’S VOLUNTARY SUSTAINABILITY REPORT: THE IMPORTANCE OF TRANSPARENT GRIEVANCE REPORTING

In addition to its Annual Report 2024, PUMA published a voluntary sustainability report which shares the number of complaints it received from workers through third-party platforms (in China, Indonesia, Türkiye, Cambodia, Vietnam, Bangladesh, and Pakistan) and through its own hotline. The snippet below from the report is a great example of transparency. The report contains information about resolution rates, topics of complaints, top 10 grievances received, and how these grievances have been solved.

“In 2024, we received 2,506 feedback messages through the MicroBenefits and WOVO platforms in China, Indonesia, Türkiye, Cambodia, Vietnam, the Amader Kotha Helpline in Bangladesh, and the Hamari Awaz helpline in Pakistan. Of these, 40 cases were escalated to PUMA because the factory either did not respond within the 48-hour timeline or required PUMA’s intervention. PUMA worked with factory management to address these issues, while other concerns were resolved directly by the suppliers. Additionally, 102 cases were raised through PUMA’s hotline across 12 countries. Together with our suppliers, we resolved 90% of the 142 total cases. The unresolved cases were primarily received in late December 2024, and we will follow up on them in early 2025.”

actors cannot solve. Meaningful participation ensures that commitments translate into measurable progress for workers. We make a distinction between passive participation and active participation. Joining MSIs is a good starting point, but we expect companies to actively participate, showing examples of where their participation led to concrete commitments and changes for workers. For example, we see membership to ACT¹³ as a great first step for brands to show their commitment to enabling long-term improvements in wages and working conditions in the Garment industry. However, not all brands participating in ACT have signed binding agreements to support collectively bargained wages for garment workers in Cambodia. The ones who did include H&M (highlighted at page 13) as well as ASOS, Primark, and PVH.

13 <https://actonlivingwages.com/what-we-do/>

Engagement with trade unions: All assessed companies now state they uphold freedom of association and collective bargaining, an improvement from last year when two lacked formal commitments. Only three companies achieved the highest score in this focus area by disclosing at least two recent, concrete examples of actions that strengthened union engagement or improved bargaining outcomes. As with MSIs, we expect companies to go beyond stating their commitment to respecting freedom of association and to also demonstrate where progress has been made and workers have benefited.

Looking ahead and tracking performance through the collection and analysis of wage data

Other than initiatives such as those highlighted above (which enable an environment that is conducive to achieving progress on the payment of a living wage in the supply chain), the industry still lacks robust systems to measure and track living wage outcomes. Our 2025 assessment shows that over one third of the companies in scope have not defined clear qualitative or quantitative indicators to address living wage issues and less than 20% are showing some evidence that the company has insight into the living wage gap in the countries it mainly sources from. We expect companies to use wage data collection tools for their main suppliers' facilities and compare the data with a living wage benchmark. Without such data, commitments risk remaining aspirational and we therefore urge companies to adopt standardised living wage data collection tools and benchmarks, disclose wage gaps, and report progress over time. Transparent, data-driven approaches are essential if companies are to move beyond policy statements and deliver tangible improvements for workers across global supply chains.

BEST PRACTICE – ADIDAS: EMPOWERING WORKER VOICE THROUGH MULTI-CHANNEL ENGAGEMENT

Adidas also demonstrates best practice by having different channels that enable workers' voices to be heard.

- 1) Adidas uses the Workers' Voice (WOVO) platform as a factory-based grievance mechanism and discloses in its [Annual Report¹⁴](#) the number of grievances received and the percentage which have been successfully closed. A survey is also used to assess worker satisfaction: Complementing our grievance channels, we use the Worker Pulse survey which comprises digitalized short surveys to capture workers' perception and awareness of their labor rights. (...) The results show a steady increase in the number of favorable respondents across all questions since 2020, from roughly 78% to an average of nearly 90% in 2024 (with 100% representing 'strong agreement' and 0% representing 'strong disagreement')."
- 2) Alongside these, Adidas has its Complaint Procedure for Human Rights and Environmental Impacts. On [this page¹⁵](#), a clear overview is provided of complaints received from trade unions and labour and human rights advocacy groups. Information includes complainant, facility concerned, status of the complaint, as well as a summary of the complaint and the outcome.

BEST PRACTICE – GILDAN: ADVANCING FREEDOM OF ASSOCIATION IN GLOBAL SUPPLY CHAINS

Gildan integrates respect for freedom of association and collective bargaining into its core operations, guided by ILO conventions and Fair Labor Association principles. Its Human Rights Policy and Code of Conduct apply across all owned facilities and finished product contractors, and they are supported by regular social compliance audits and transparent reporting. In its [2024 ESG report¹⁶](#), Gildan explains how it conducted training on the topic in its supply chain and it provides an example of where its work on freedom of association and collective bargaining resulted in concrete impact on the ground with workers receiving higher wages and/or benefits.

In this report, Gildan stated, "Completed collective bargaining negotiations at two sewing facilities in Honduras, resulting in wage increases, and one in Nicaragua that increased the value of Christmas baskets and food vouchers."

¹⁴ https://report.adidas-group.com/2024/en/_assets/downloads/annual-report-adidas-ar24.pdf

¹⁵ https://res.cloudinary.com/confirmed-web/image/upload/v1717779242/adidas-group/sustainability/human-rights/cases-recieved-and-actions-taken/Summary_of_Human_Rights_Complaints_Handled_by_adidas_in_2023_-_FINAL_mqfp6f.pdf

¹⁶ https://gildancorp.com/media/uploads/sustainability_reports/bgilidan-2024_esg_report_20may2025_final.pdf

4. Assessment results Food Agriculture and Food Retail sectors

Key findings

In 2025, the Food Agriculture (Agri) and Food Retail Working Group¹⁷ assessed a total of 22 companies within the Food Agriculture and Retail sectors, consisting of eight Retail companies and 14 Food Agri companies¹⁸.

KEY FINDINGS	WHAT IS NEEDED FOR 2026
Two Retail companies moved up a category this year (Ahold Delhaize moved to Maturing and Walmart moved to Developing) as did two Food Agri companies (Unilever moved to Advanced and Barry Callebaut moved to Maturing).	For both Food Agri and Food Retail companies, a key element in a more comprehensive and structural approach is to clearly set out how their purchasing practices help their suppliers. E.g., through long-lead times, prompt payment, etc.
All Retail companies have minimum wages embedded in their policies; only three companies include living wages and incomes for their supply chains. For the Agri sector, 10 of the 14 companies have a formal living wage policy.	Both Food Agri and Food Retail companies should set out the key commodities that their work on living wages/incomes or livelihoods is focused on and include a timeframe on when the work for each commodity will commence.
Only one Retail company has formalised a definition for a living wage covering all fundamental elements of a living wage/ income definition, and eight Food Agri companies have formalised such a definition.	Companies should follow clear definitions of a living wage/income. Some retailers refer to responsible livelihoods, but lack a proper definition. The ILO's definition of a living wage was determined using a tripartite agreement.
Both Food Agri and Retail sector companies need to improve their performance on the indicators about 'tracking performance' of their living wage actions.	Both Food Agri and Retail companies need to carry out a data gathering exercise to understand the current income/wages being earned by workers in their supply chain and what the living income/wages gaps are. The companies should disclose whether they are doing this using an external third party or calculating it themselves.
All companies in the Food Agri sector have a complaints mechanism in place, which in most cases can be used by external stakeholders. However, evidence of the promotion of such mechanisms to build trust is lacking. The scores for food retailers improved this year, with only one company failing to set out that their complaints mechanism can be used by external stakeholders.	The promotion of complaints mechanisms at the farm level needs to be implemented more broadly to ensure that access to remedy is secured. Although companies have a complaints mechanism in place, there is room for improvement in disclosure by setting out how many grievances were received during their reporting period, what type of issue each one related to and how many have been actioned or are still under investigation. They should also set out if any outstanding issues from the previous reporting year have been resolved.

¹⁷ Working group Members (as per December 2025): ABN AMRO, Achmea IM, Amundi, AP2, APG, a.s.r. asset management, CCLA, ING, LBP AM, LGIM, MN, NN Group, PGGM, Storebrand, VGZ.

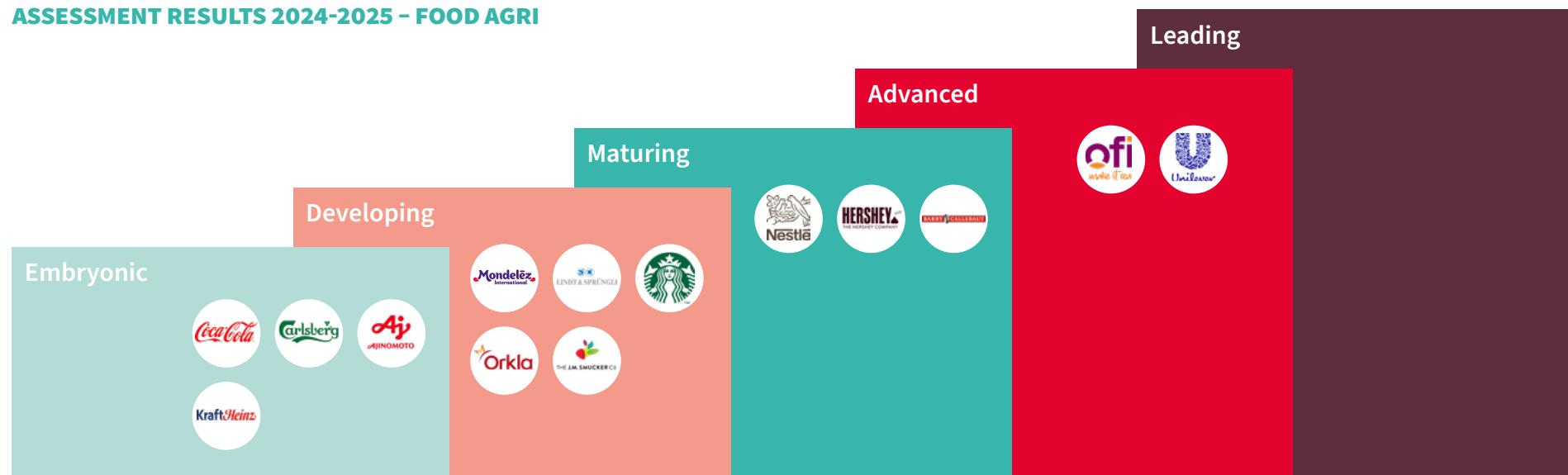
¹⁸ Companies included in scope are chosen on a yearly basis by the members of the Platform based on the exposure that their portfolios have to these brands.

Results

This year, on average, companies in the Retail sector and the Food Agri sector scored respectively 41% and 38% of the maximum score. We noted positive improvements in both the Food Agri and Food Retail sector, with four companies moving up a category.

In the Food Agri sector, the average score is 15 out of 37 points, while in the Retail sector it is 13 out of 34 points. Compared to last year's 13 out of 37 points for Agri and 10 out of 34 points for Retail, companies in scope have improved their scores. Three companies (Sainsbury's, ofi, and Unilever) have reached the Advanced category this year; Sainsbury's got the highest score for Retail and ofi retained the highest score for Food Agri.

ASSESSMENT RESULTS 2024-2025 – FOOD AGRI



Food Agriculture findings

In 2025, the Food Agriculture sector shows clear divergence between companies leading on sustainability integration and those maintaining incremental progress. A growing number of firms have set intermediate and time-bound targets for 2026–2030. These targets translate long-term living wage and living income goals into operational milestones. However, consistency in data quality, external validation, and progress disclosure remains uneven.

Companies are increasingly linking climate action with social sustainability: integrating issues such as living income and smallholder livelihoods into broader resilience strategies. Nonetheless, measurable outcomes and transparent social impact reporting remain limited.

Finally, there is rising momentum for pre-competitive collaboration through sectoral and jurisdictional initiatives, recognising that systemic challenges, especially around land use and farmer livelihoods, cannot be addressed in isolation.

Living wage & income policy

Ten of the 14 Food Agri companies in scope have a living wage and/or income policy. Eight companies use a widely accepted definition of living wages and/or incomes in their policy. The PLWF urges all companies in scope to use widely accepted definitions of living wages and incomes, such as the definition by the ILO, in their policy.

Tracking performance

Tracking performance is an indicator which could see some improvement in the future. Currently, there are four companies that disclose the (estimated) income or wage gaps between the wages in their supply chains and established benchmarks. One company, Ofi, can also show the effectiveness of its policy at closing the gaps. Half of the companies in scope do not track the effectiveness of their living wage and income interventions. This is an interesting finding because 10 of the 14 companies do have a concrete living wage and income policy. Without tracking the effectiveness of policy interventions, it is difficult, if not impossible, to create effective policies to address living wages. The PLWF implores all companies in scope to track the performance of their efforts on closing the living wage and income gaps. Only when companies do this, can they have an effective living wage and income policy.

Access to remedy

All companies in scope in the Food Agri sector have got a complaints mechanism in place where people can submit complaints about human rights issues in the supply chain. Thirteen of the 14 companies have proven that external stakeholders can use

the complaints mechanism and that the mechanism is available in local languages of the company's key sourcing markets. Only one of the 14 companies, Nestlé, has proven that it actively promotes the existence of the complaints mechanism at the farm-level and ensures that this grievance mechanism is trusted. Furthermore, this company has also shown evidence that the grievance mechanism is used. The PLWF implores companies to increase transparency on the usage of grievance mechanisms. Lessons can be drawn from the palm oil sector, where many companies maintain grievance trackers that disclose complaints, investigation status, and remediation actions.

BEST PRACTICE: EXAMPLES OF GRIEVANCE TRACKERS IN THE PALM OIL SUPPLY CHAIN

For the palm oil supply chains, there is more disclosure on the use of grievance trackers. Below is a non-exhaustive list of companies disclosing the usage of their grievance mechanisms in their palm oil supply chain:

- Hershey Company: [The Hershey Company's Palm Oil Grievance Log](#)
- Procter & Gamble: [ESG Palm Grievance Tracker](#)
- Cargill: [Palm Oil, Managing Grievances](#)
- Unilever: [Unilever People and Nature Grievance Tracker](#)
- Golden Agri Resources: [Grievance List & Reports](#)

These grievance trackers can be an inspiration to other companies of how to implement more broad grievance trackers on multiple commodities.

CIVIL SOCIETY AND STAKEHOLDER VIEWS ON PROGRESS IN LIVING INCOMES IN THE COCOA SUPPLY CHAIN

Every three years, the Voice network, a coalition of over 30 civil society organisations linked to the cocoa sector, publishes the *Cocoa Barometer*¹⁹. This report is based on consultations with civil society in cocoa-producing countries and insights from experts working in the cocoa supply chain. Since 2022, the Dutch Initiative on Sustainable Cocoa (DISCO) has published an *Annual Report*²⁰. DISCO is a public-private stakeholder initiative for sustainable cocoa, in which some of our investee companies take part. Both reports largely echo the findings of our annual assessments, but they also provide valuable insights for our work. Key findings from these reports are summarised below:

Progress on living incomes

- The consistent payment of a living income is now a global goal: since 2012, the subject has shifted from a vague aim to a widely accepted sector objective. Clear methodologies and benchmarks are regularly updated for major cocoa-growing regions. Standardised data collection and public platforms have been established.
- Expanded interventions: the sector has moved beyond productivity and certification, and now includes programmes like Village Savings and Loans Associations (VSLA), income diversification, Living Income Differential (LID), cash transfers and living income reference pricing models. Some experts see the cocoa value chain as a leader in living income strategies.

- Corporate actions: more companies recognise that a living income is a human right and a business imperative. Some have committed to gap analyses and action plans, or piloted income accelerator programmes (e.g., Nestlé), combining good agricultural practices with conditional cash transfers. These pilots have increased transparency and learning, although the income gap remains.

Persistent challenges

- Limited impact and reach: only 16% of farmers in company supply chains are known to earn a living income. Of the remaining 84%, companies either know the farmers are not earning a living income or they lack data. Most strategies and plans are not reaching the majority of farmers effectively.
- Marginal results from interventions: decades of agronomic interventions (productivity, training, and diversification) have had limited impact on net income and, in some cases, increased child labour due to higher labour demands.
- Corporate purchasing practices: most companies have not aligned purchasing with living income goals. Only 31% have good purchasing policies; most prioritise cheap cocoa over farmer welfare.
- Scale and power imbalance: farmers bear nearly all risks (price, volume, input costs, climate, contracts, etc.), while companies and traders are insulated. Contracts are often unclear or not respected, and farmers lack grievance mechanisms. Living income reference price (LIRP) systems remain marginal. Most interventions benefit only a small segment of well-performing farmers, leaving many – especially women, tenants, and sharecroppers – behind.

Best practices

- Holistic approach: effective practice requires action on three fronts: good agricultural practices, good governance, and good purchasing practices. All three must be addressed together for living incomes to become reality.
- Fair pricing: some companies and retailers (e.g., Tony's Open Chain, Fairtrade, Colruyt) have piloted or implemented LIRP systems, calculating farm gate prices based on actual costs and living income benchmarks. However, large brands and traders have not adopted these at scale. Conditional cash transfers (e.g., Nestlé's Income Accelerator) and payments for ecosystem services do supplement income, especially for vulnerable groups, but these are not sufficient alone.
- Transparency and accountability: leading companies are publishing data on living income gaps, supply chain traceability, and intervention impacts. The Chocolate Scorecard provides annual rankings and transparency on company performance.

Conclusion

The reports show that progress is underway, but most farmers remain unreach or unaffected. The most effective practices combine fair pricing, risk-sharing, transparency, and inclusive governance. Scaling these practices and embedding them in company and government policy is the sector's greatest challenge. The reports' findings align with PLWF's assessments and expert consultations: while much is being done, greater scaling and mainstreaming are needed to deliver living income benefits to more cocoa supply chain workers.

19 <https://voicenetwork.cc/cocoa-barometer/>

20 [www.idhsustainabletrade.com/initiative/dutch-initiative-on-sustainable-cocoa-disco/](http://idhsustainabletrade.com/initiative/dutch-initiative-on-sustainable-cocoa-disco/)

Food Retail findings

All retail companies include minimum wage requirements in their policies.

Food retailers generally understand the benefits of building good business relationships with their suppliers. However, ensuring those suppliers have workers who are valued and sufficiently compensated will also have a positive impact on the quality of goods received and in the efficiency of their delivery, avoiding strikes, sickness, etc.

Therefore, while all the food retailers require that their supply chain partners are meeting all regulatory minimum wage requirements, we would encourage more

companies to work with their supply chain partners to progress wages to ensure actual wages are higher and sufficient to afford a decent standard of living for workers and their families (as set out by the ILO) and ideally high enough to also provide some discretionary income. Three of the eight companies assessed had a policy on wages (Carrefour, Sainsbury's, and Tesco). However, only Sainsbury's provided a full definition of living wages that included discretionary income.

Food retailers generally source multiple commodities from multiple countries; therefore, deciding where to start can be daunting. However, some food retailers have managed to create an action plan to focus on key commodities that are sourced from high-risk countries, where their volumes are material. Tesco, for example, is

ASSESSMENT RESULTS 2024-2025 – FOOD RETAIL



focusing on bananas, tea, garments, cocoa, rice, and coffee). Others have focused on commodities where there is already a multi-stakeholder initiative in place. Koninklijke Ahold Delhaize, for example, is using the Dutch and Belgian commitments to living wages in the banana sector, the Sustainability Initiative Fruit and Vegetables (SIFAV), DISCO and the Belgian Beyond Chocolate initiative, all of which are built on the IDH Roadmap on Living Wages. These actions can be seen as a good starting point for those who are still developing plans.

Identifying salient living wage/income risks and assessing impacts

Six of the eight retail companies scored less than two points on identifying living wages as a key risk within their supply chains. Two companies out of the eight have improved by starting to assess the regulatory framework and socio-economic conditions in the markets in which their supply chains are located. The Corporate Social Responsibility Directive (CSRD) implemented via the European Sustainability Reporting Standards (ESRS) may have been the catalyst for several companies carrying out a human rights risk assessment. However, disclosure (or a lack thereof) suggests that companies are still assessing their findings.

We hope that the scores for this section will improve next year when more companies are able to report on their findings.

The scores for assessing impacts remained static save for one company whose scores reduced. Two UK companies, Sainsbury's and Tesco, have set out that they pay a living wage to their own employees, while Carrefour is in the process of assessing the wages paid in key countries. We encourage other companies to commence a data gathering exercise and to report that this has been carried out. Most companies collect data as part of their annual audits process; some of that data could be shared with investors without compromising competitiveness. For example,



Sainsbury's has disclosed within its supply chain transparency data, which of its suppliers have adopted worker committees or unions.

Tracking performance

This is another area where there is scope for improvement in disclosures. Two of the seven companies that we assessed last year improved their scores (Carrefour and Loblaw). We would like companies to move away from pointing to stakeholder initiative websites for information on living wage performance as this data is aggregated. We want to understand companies' own progress/challenges. We understand that it may take years to achieve a living wage, but tracking performance over time is key. Tesco reported that over the five years since it entered the Malawi Tea 2020 programme, it has closed the living wage gap by 30%. None of the eight companies assessed have set out clearly what the actual wage or the living wage was at the start of a programme. We look forward to seeing this data in the future in order to understand the progress made at least every three years.

Remedy

We pointed out last year how companies could improve their scores in this section. Therefore, it was encouraging to see an improvement in the scores this year. Five of the seven companies we assessed last year improved their scores. More companies are disclosing how they ensure supply chain workers can access grievance mechanisms such as using posters; some incorporate this into their audits at the farm level. Tesco achieved full marks. Sainsbury's missed out on full marks as it was not clear whether the allegations reported in its 2024/25 Modern Slavery Statement were a complete list of all allegations received during the reporting year or a sample. However, the quality of its reporting of the types of allegations received and the status of each allegation was best in class. We expect more companies to achieve full marks over the coming year.

BEST PRACTICE: SAINSBURY'S DISCLOSURE OF TIER 1 SUPPLIERS

Sainsbury's stands out as the only company to publish a detailed view of its Tier 1 suppliers, including the number of workers, gender distribution, and whether worker committees or unions are in place. We would encourage the company to go one step further by highlighting which of their suppliers they consider to be long-term. We also urge other companies to follow in Sainsbury's footsteps to improve transparency. Moreover, Sainsbury's disclosure of grievances was considered best in class.

Sector initiatives

Finally, we would like to highlight a number of sector initiatives that companies in scope are using to address living wages and incomes and human rights issues in the broader sense. The below list is non-exhaustive but can give a good idea of the initiatives that can help companies to address living wages and human rights issues:

- Dutch Initiative on Sustainable Cocoa (DISCO)
- Tony's Open Chain
- IDH's Sustainability Initiative
- Fruit and Vegetables (SIFAV).
- Seafood Task Force
- Beyond Chocolate
- amfori BSCI (formerly Business Social Compliance Initiative)
- Better Cotton Initiative
- Fairtrade Foundation
- Rainforest Alliance
- Canadian Alliance for Net-Zero Agri-food (CANZA)
- Roundtable on Sustainable Palm Oil (RSPO)
- Action, Collaboration, Transformation (ACT)
- Human Rights Coalition
- Consumer Goods Forum's Sustainable Supply Chain Initiative (SSCI)



5. Conclusion

In 2025, the Platform Living Wage Financials continued to strengthen its role as a driving force for advancing living wages and incomes across global value chains. We saw encouraging progress on living wages across the Garment & Footwear and Food sectors.

In Garment & Footwear, six companies moved up a category, including three that reached the Leading category. This is a clear sign that momentum is building. Access to remedy improved the most, and every company now upholds freedom of association and collective bargaining rights, with many communicating these commitments to suppliers. Responsible purchasing practices are well established among several companies, creating a strong base for further action. Still, challenges remain, particularly around transparency in supplier relationships, disclosure of responsible purchasing practices, and engagement in multi-stakeholder initiatives. In the Food Agriculture and Retail sectors, four companies moved up a category, and most agriculture businesses now have formal living wage policies in place. Complaints mechanisms are widely available across Food sectors, which can be used by external stakeholders in most cases. Despite these positive developments, we hope to see improvements on, among other things, purchasing practices, data gathering on wage and income gaps, and transparency on grievances. With living wages gaining traction on the political agenda, 2026 offers a real opportunity to turn progress into lasting change.

Regulatory developments, most notably the implementation of the Corporate Sustainability Reporting Directive (CSRD), are reshaping disclosure requirements and reporting practices. As part of the Omnibus legislative package, CSRD as well as the Corporate Sustainability Due Diligence Directive have been simplified, leading

to changes in reporting obligations for companies. Despite these adjustments, the frameworks are expected to offer opportunities for investors to advance transparency and accelerate action, particularly in relation to responsible purchasing practices, human rights due diligence, and supply chain traceability.

Finally, the Platform will continue to support sector-wide collaboration and leverage collective engagement to influence corporate behaviour. By harmonising expectations across working groups and deepening partnerships with civil society, trade unions, and MSIs, the PLWF aims to encourage investee companies to embed living wage goals more fully into governance, procurement, and business models.

Looking ahead, 2026 will be a crucial year for moving from policy development to measurable impact. The PLWF will continue pushing the companies in scope to implement living wages and living incomes in their entire supply chains, and to track the effectiveness of these measures.

In the coming year, the Platform's ambition remains unchanged: to normalise the payment of living wages and incomes globally, not only as a social imperative, but as a cornerstone of sustainable, resilient value chains and long-term investor value.





livingwage.nl