2026

Oritain Supply Chain Intelligence Report

Market intelligence on risk, verification, and trust

ORITAIN

Contents

Foreword

Global supply chains are facing three main risks: regulatory, reputational, and integrity.

Alyn Franklin, CEO, Oritain

Regulatory expectations are tightening in an effort to increase transparency, from sanctions and tariffs to forced labor legislation and Digital Product Passport (DPP) requirements. Companies must now disclose more information about their products in both regulatory and public settings; those disclosures are expected to withstand scrutiny at the time they are made, as well as under investigation, audit, and enforcement action. Reputational exposure is moving just as quickly. Brand trust that has been earned over decades can be blunted by a single issue traced back to the supply chain. In many cases, that issue does not sit with a direct supplier.

Activity further upstream, which often occurs outside immediate visibility, can have severe consequences for the brand once it comes to light. The assumption that established brands inherently know where their materials come from creates a false sense of security: when verification gaps are exposed, the trust that once cushioned the brand becomes its greatest liability.

Integrity risk sits just beneath the other two. If a product is not what the company believes it to be, every claim built on top of it is called into question. Much of the data underpinning origin and sustainability claims is generated upstream by suppliers, processors, and manufacturers. Often, that information is incomplete, reconstructed, or not consistently captured across tiers. Once a product is revealed to be misrepresented — even if the brand is just as shocked as the consumer — the associated claims become impossible to defend.

The question is no longer whether companies know their Tier 1 (direct suppliers). The question is whether they can verify what happens throughout Tier 2 (fabric mills and component suppliers), Tier 3 (yarn spinners and raw material processors), and Tier 4 (farms and raw material sources), where substitution, blending, and mislabeling most often occur.

For over 40 years, government services have used isotopic analysis and trace element profiling to fingerprint materials in criminal investigations. The technology has been proven, accepted, and upheld to the Daubert standard, making it admissible in courts of law. We have taken this established forensic science and applied it to materials flowing through global supply chains, including cotton, wool, leather, timber, and food commodities, among others.

By measuring products' naturally occurring chemical elements as they are grown or produced, we build immutable origin fingerprints unique to specific geographies. These fingerprints cannot be altered by fraudulent documentation, falsified certificates, or manipulated audit records; they provide ground truth independent of any paperwork trail.

Independent verification matters because it addresses what documentation-based systems cannot solve: confirming that materials are truly what suppliers claim them to be, regardless of how sophisticated the paperwork appears.

This report will explore where risk concentrates, how rapidly it is distributed, how consumer trust collapses when brands cannot back claims with evidence, and why companies that rely solely on documentation without verification continue to face exposure — despite substantial investments in traceability. Against the backdrop of an uncertain supply chain and skeptical consumers demanding proof over promises, brands must make an important decision: will they act now, or wait until pressure forces reactive adoption?

Research and methodology

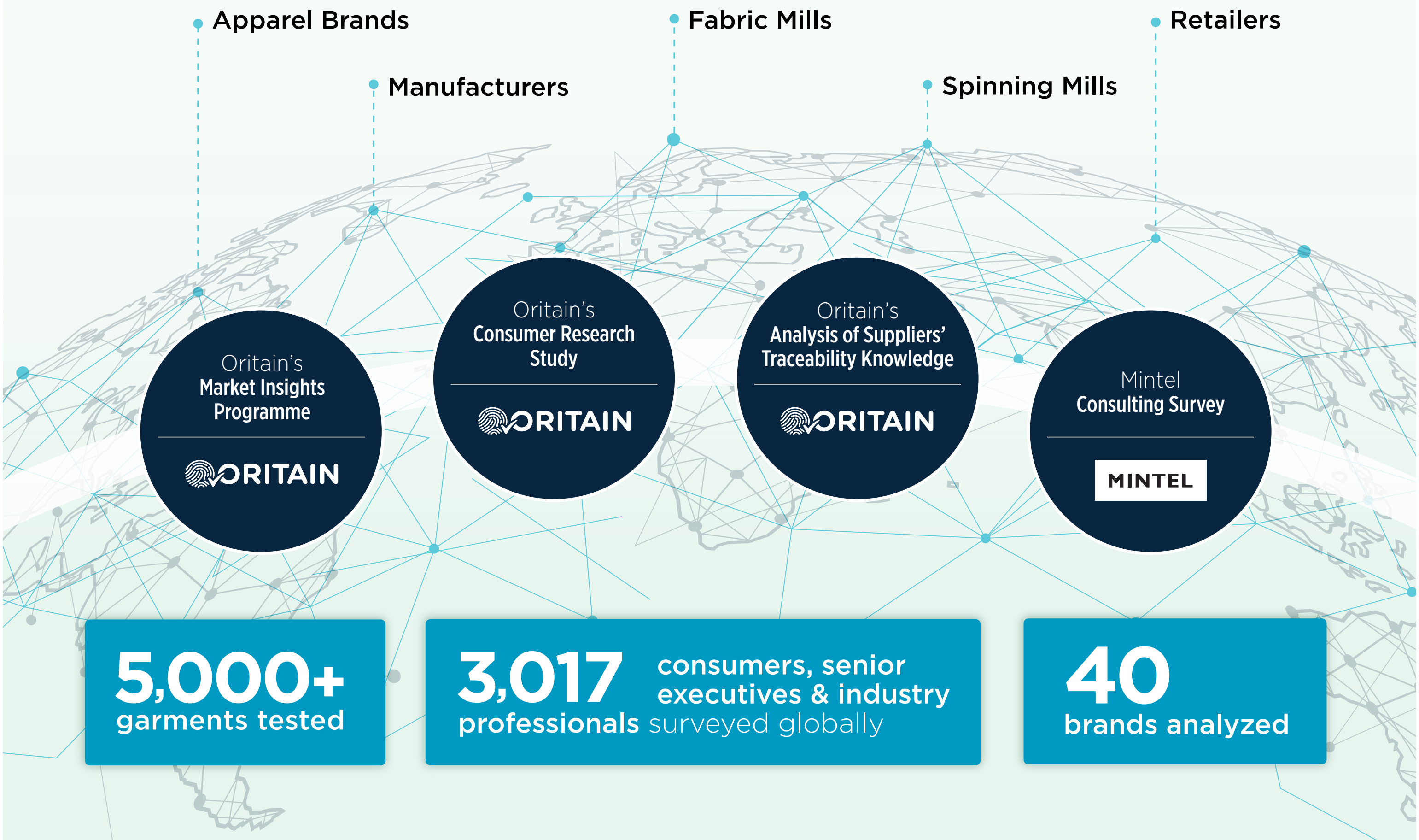
The report draws on four primary research sources to provide a comprehensive view of supply chain risk, verification practices, and trust dynamics across the value chain.

Oritain's *Market Insights Programme* conducts anonymous retail sampling of approximately 1,000 finished garments annually for the last five years across major global markets (USA, Canada, Europe, Australia, and New Zealand), spanning approximately 40 brands across various garment types.

Oritain's consumer research study (2025), *Global Consumer Consciousness & Shopping Behaviors*, surveyed 2,595 respondents across Asia, Australasia, Europe, North America, and the United Kingdom, exploring consumer attitudes, awareness, and preferences related to product origin, sustainability, and ethical sourcing.*

Oritain's *Analysis of Suppliers' Traceability Knowledge* (2025)* surveyed 122 suppliers based in Asia's largest textile manufacturing markets – China, Vietnam, India, Indonesia, South Korea, Turkey, and Hong Kong. Six in-depth interviews with senior executives in Asia provided richer insight into how suppliers are responding to rising traceability demands.

Mintel Consulting Survey 2025 captured the downstream view from Western brand and retailer markets. The study surveyed 300 industry professionals across the U.S. and the UK in roles directly involved in sourcing, supply chain management, and compliance at apparel brands, retailers, and vertically integrated firms.



*2025 Consumer Survey - Ethical Shopping (NZTE)
* Analysis of Cotton Suppliers' Traceability Knowledge, Prepared for Oritain in 2025 - NZTE

Executive summary

Tariff-driven sourcing shifts, intensifying regulatory enforcement, and collapsing consumer trust are creating challenges for global supply chains on a scale not seen in decades.

These forces are changing how companies manage risk, verify origin claims, and maintain market access across materials and categories.

After three years of progress, prohibited-cotton risk reversed in 2025. The proportion of brands with at least one risk-consistent result climbed from 64% in 2024 to 90% in 2025.[1]

This reversal occurred despite strengthening regulatory frameworks, widespread traceability adoption (87% U.S., 94% UK)[2], and substantial investment in supply chain transparency.

Trust has collapsed on three fronts simultaneously

1. Market dynamics are breaking down supply chain visibility. Tariff-driven sourcing shifts are redistributing manufacturing capacity across regions, but prohibited materials do not disappear, they move through new hubs. Since China produces most of its cotton in Xinjiang, brands relocating to Vietnam, Bangladesh, and Cambodia still face exposure. Investigations launched in the U.S. pursuant to Section 301 (b) of the Trade Act of 1974 are examining whether 60 trading partners adequately prevent forced labor goods from entering their markets.
2. Regulators are coordinating across jurisdictions to close loopholes that documentation alone can no longer cover. Recent trade agreements with Malaysia and Cambodia include mutual recognition of withhold release orders.
3. Consumer skepticism has reached crisis levels. Sixty percent actively avoid products of untrustworthy origin, the single most powerful purchase deterrent, exceeding concerns about price or quality. Scientific traceability ranks second in consumer trust (23%), second only to government regulation (27%). Marketing claims rank last at 3%.[3]

The business impact is measurable and escalating:

- In the U.S., 37% of brands have faced regulatory challenges, 34% experienced lawsuits, 34% incurred fines, and 32% lost partnerships.[4]
- In the UK, 80% have faced regulatory challenges, 65% cannot meet sustainability goals, and 44% suffered reputational damage.[5]
- While 87% of U.S. companies and 94% of UK companies trace cotton supply, reliance on supplier declarations remains prominent: 84% of UK companies use supplier declarations as part of their traceability approach, and 44% view them as the most credible form of cotton origin proof.[6]

Programmatic verification drives results:

Brands running sustained, multi-year programs maintain oversight into supply chain patterns and can identify issues before they escalate. One-time or periodic testing creates temporary pressure but does not provide the ongoing visibility needed to track how risk evolves over time. Programmatic testing with a plan in place enables consistent oversight and changes supplier incentive structures when materials face verification at unpredictable intervals, making compliance more reliable than substitution.

The window is closing:

EU Forced Labour Regulation (EUFLR) takes effect December 2027, coordinated enforcement is expanding across jurisdictions, and CEOs and CFOs are now facing personal liability even when not directly involved in violations. Brands that invest in programmatic material verification can effectively isolate problematic suppliers, preempt forced labor allegations, and credibly attest to origin claims with evidence independent of documentation. Those that delay will implement under pressure while competitors with established programs capture market access advantage.

[1] Oritain Market Insights Programme (2021-2025)
[2] Mintel Consulting Survey 2025
[3] Oritain consumer research study (2025)
[4] Mintel Consulting Survey 2025
[5] Mintel Consulting Survey 2025
[6] Mintel Consulting Survey 2025

Chapter 1

Industries under pressure

Supply chains have always absorbed disruption. What's different right now is just how many challenges are overlapping: tariffs, geopolitical shifts, regulatory evolution, raw material shortages, unpredictable demand, and a consumer base that's more cautious and more values-driven than ever, all hitting at once.

Transparency and traceability, once positioned as sustainability initiatives, are now closely tied to market access, regulatory compliance, and reputational risk. Governments across major economies are introducing legislation that requires companies to understand the origin of materials, labor conditions within supply chains, and the environmental impact of production.

Market Dynamics

Across the globe, trade relationships are shifting under the weight of tariffs and legislative frameworks. Cost pressures are building, pushing brands to restructure sourcing, production, and supplier strategies throughout the value chain.

Tariffs are driving sourcing decisions

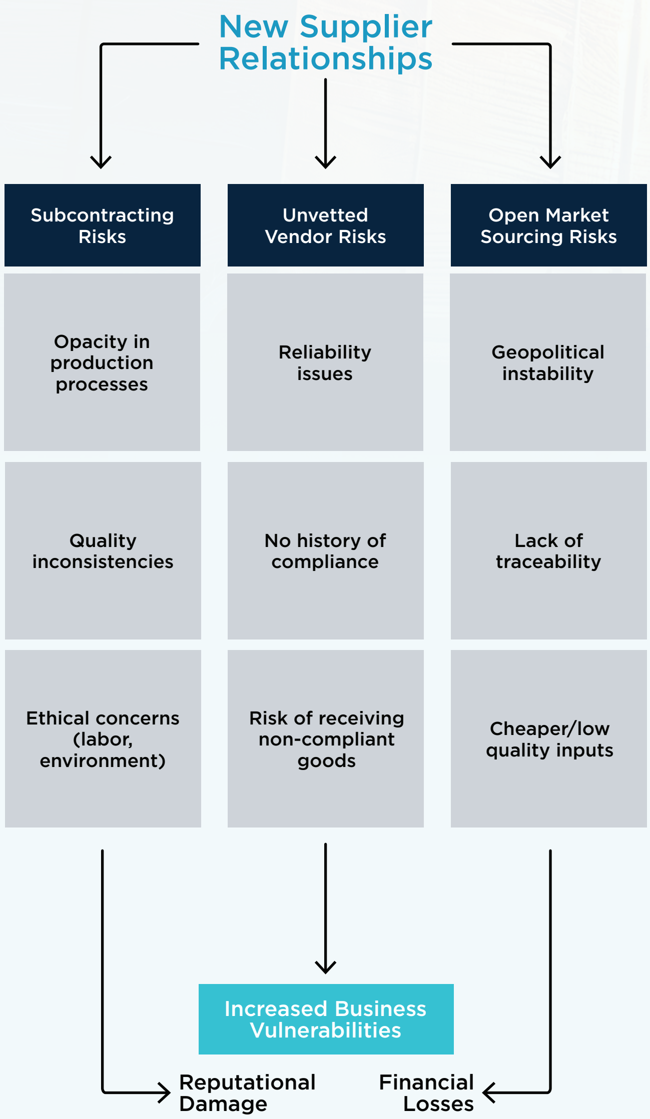
Brands are moving to new sourcing hubs, cutting down on the number of stock-keeping units (SKUs), re-engineering products to fall under lower-taxed classification codes, and renegotiating terms with suppliers. Large manufacturers are shifting capacity to countries with more favorable terms, like Cambodia and Vietnam, while smaller players scramble to maintain their margins in an increasingly volatile environment.

Strategy	Key insight
Shifting manufacturing locations	Apparel and textile capacity is moving to Cambodia, Vietnam, Bangladesh, and parts of Latin America. Several large manufacturers have also expanded in Turkey and Morocco to service European markets with shorter lead times.
SKU rationalization	Brands are cutting low-margin lines and concentrating orders with fewer, larger suppliers.
Re-engineering for tariff codes	Products are being redesigned to qualify under different HTS classifications, reducing duty exposure without changing the underlying sourcing geography.
Supplier renegotiation	Brands are pushing cost pressure down the chain, shortening payment terms, and demanding price concessions from suppliers who are themselves absorbing higher input costs.
Near-shoring for flexibility	Some brands are moving a portion of production closer to primary retail markets to reduce lead times and more easily respond to demand shifts.
New subcontractor relationships	Overflow production is being routed to subcontractors with no prior relationship to the brand, widening visibility gaps outside normal audit cycles.

Capacity pressure is creating a new layer of risk

Favorable tariff status has driven demand into certain manufacturing hubs faster than capacity can absorb it. Factories that were already running at near-full utilization are fielding orders exceeding their production capabilities; to keep pace, manufacturers are hiring subcontractors outside their usual supplier base, who source yarn, cotton, and other inputs from the open market.

These new subcontractors with no established relationships or proven track records feed more risk into the supply chain. Production processes become opaque, quality becomes inconsistent, and the risk of receiving non-compliant goods increases as materials flow through unverified channels.



Subcontractors

Third parties hired by manufacturers to absorb overflow.

Unvetted vendors

New suppliers brought in without compliance history or due diligence.

Open market sourcing

Raw materials bought on commodity markets, with opaque origin and minimal traceability.

Stricter legislation is tightening market access

Above all, brands are experiencing direct pressure from increased due diligence and ESG regulations that impact market access. Key Western markets are tightening requirements for firms to identify, assess, and remediate human rights and environmental risks across their value chains.

The Corporate Sustainability Due Diligence Directive (CSDDD), the EU Deforestation Regulation (EUDR), and the U.S. UFLPA punish non-compliance with fines, import bans, and product seizures. The onus is therefore on brands to ensure they stay up-to-date and in line with current regulations or face financial and operational consequences.

Forced labor compliance is fast becoming a **baseline requirement** for **market entry.**

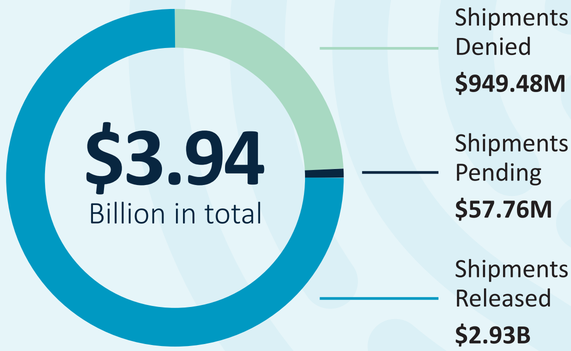
As of early 2026, the U.S. Customs and Border Protection (CBP) has **stopped 41,857 shipments worth $3.94B**, of which **22,879 have been denied entry into the country**. These enforcement actions trace back to the UFLPA, which was first implemented in June 2022.

Starting December 14, 2027, the European Union Forced Labour Regulation (EUFLR) will ban companies from selling products made with forced labor. Products found to be made in violation of this law must be withdrawn and destroyed, even if already on retail shelves.

Canada and Mexico have also implemented forced labor and child labor import bans under the U.S.-Mexico-Canada Agreement (USMCA) obligations, and Australia's Modern Slavery Act requires large companies to report on supply chain risks.

> *"Whether it's forced labor, evasion of anti-dumping duties, or illegal transshipments to hide the true origin of a raw material or a finished product, the expectation of transparency and traceability in the supply chain has to be acknowledged as a must, a requirement. It's not a choice anymore."*
>
> **Rebecca Brocato,**
> **Chief Government Affairs Officer, Oritain**

Shipment Value (USD) by Industry and Exam Result[7]



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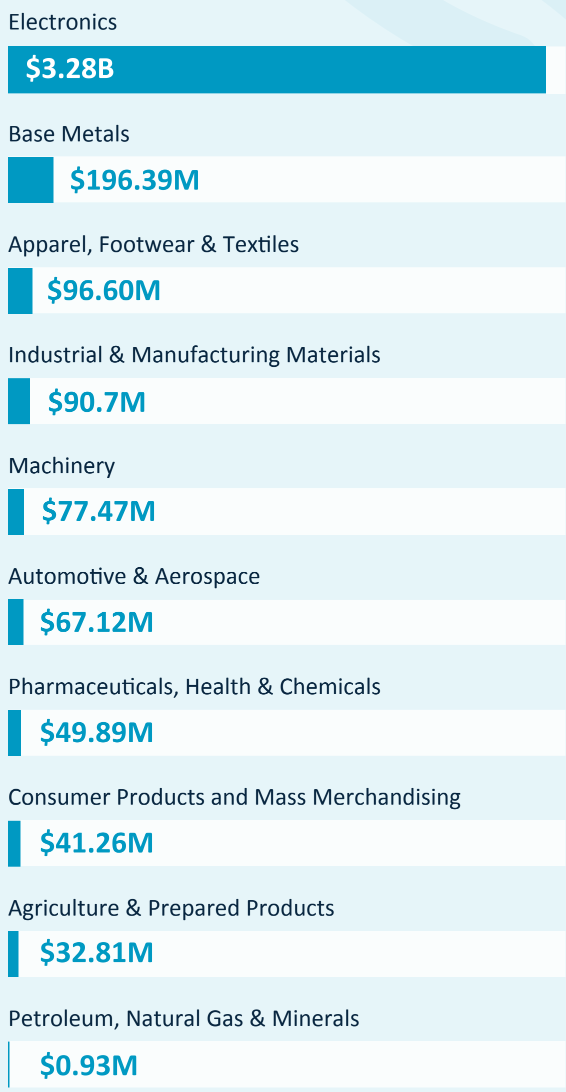


[7] https://www.cbp.gov/newsroom/stats/trade/uyghur-forced-labor-prevention-act-statistics

Global investigations are expanding forced labor enforcement

Regulatory scrutiny is now extending beyond individual shipments to examine trading partners' policies top-to-bottom. On March 12, 2026, the Office of the United States Trade Representative (USTR) opened investigations into 60 trading partners under Section 301(b) of the Trade Act of 1974. This Act allows the U.S. government to look into foreign practices that may burden or restrict U.S. commerce and to impose tariffs or other trade measures in response.

The investigations cover major manufacturing economies including Bangladesh, Cambodia, China, Guatemala, India, Indonesia, Mexico, Pakistan, Sri Lanka, Thailand, Türkiye, and Vietnam.

They aim to determine whether governments have implemented and effectively enforced measures that block forced-labor goods from entering their domestic markets, rather than examining labor conditions within those countries alone.

> *"Section 301 investigations reintroduce the possibility of new tariffs and trade restrictions linked to excess manufacturing capacity and forced labor risks. These investigations increase exposure for brands sourcing globally, particularly from jurisdictions under formal review. In this environment, understanding supply chain origin and risk is critical to effective compliance and broader risk management."*

Rebecca Brocato,
Chief Government Affairs Officer, Oritain

Countries included in the Section 301 investigation[8]

Region	Countries Names
North America	Canada, Mexico
Latin America & Caribbean	Argentina, Bahamas, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Nicaragua, Peru, Trinidad and Tobago, Uruguay, Venezuela
Europe	European Union, Norway, Türkiye, Switzerland, United Kingdom
Middle East	Bahrain, Israel, Jordan, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates
Africa	Algeria, Angola, Egypt, Libya, Morocco, Nigeria, South Africa
Asia-Pacific	Bangladesh, Cambodia, China, Hong Kong, India, Indonesia, Iraq, Japan, Kazakhstan, Malaysia, Pakistan, Philippines, Singapore, South Korea, Sri Lanka, Taiwan, Thailand, Vietnam
Oceania	New Zealand

[8] https://ustr.gov/about/policy-offices/press-office/press-releases/2026/march/ustr-initiates-60-section-301-investigations-relating-failures-take-action-forced-labor

The False Claims Act is creating personal liability at the top

Alongside the customs enforcement framework, a separate legal mechanism is generating penalties that seem to be overtaking most regulatory fines: the False Claims Act (FCA), which dates back to 1863, allows private citizens to file suit on behalf of the government and collect a share of the recovered penalties.

The law has become a powerful tool for prosecuting tariff evasion, origin misrepresentation, and customs fraud.

In FY 2025, the U.S. government recovered **more than $6.8 billion** in settlements under the FCA, with trade fraud emerging as a growing enforcement priority.[9]

Types of violations Department of Justice (DOJ) pursued

Violation type	Description
Transshipment	Routing goods through a third country to conceal true origin
Country-of-origin misrepresentation	Declaring incorrect manufacturing origin
Undervaluation	Reporting artificially low import values to reduce duties
Product misclassification	Using an incorrect tariff code to lower duty exposure

[9] https://www.justice.gov/opa/pr/false-claims-act-settlements-and-judgments-exceed-68b-fiscal-year-2025

Trade fraud enforcement cases

Case: **Ceratizit USA**
Allegation: Transshipping Chinese goods through Taiwan to evade tariffs
Settlement: $54.4M

Case: **Allied Stone**
Allegation: Mislabeling quartz imports to evade duties
Settlement: $12.4M

Case: **Evolution Flooring**
Allegation: False country-of-origin declarations
Settlement: $8.1M

Case: **Global Plastics / Marco Polo Int.**
Allegation: Misrepresentation of product origin
Settlement: $6.8M

Case: **Grosfillex**
Allegation: Disguising aluminum extrusion parts to avoid AD/CVD duties
Settlement: $4.9M

The whistleblowers who trigger these cases are usually current or former employees who observed practices they believed misrepresented what was being declared to the government.

In one case, a **$54 million settlement** paid the whistleblower **$9.75 million.**

"When the DOJ is involved, it is the CEO or CFO who is held accountable for financial penalties and potential criminal liability, even if they were not the ones making the decisions that led to the problem. Boards and investors are paying attention in a way they were not before."

Rebecca Brocato,
Chief Government Affairs Officer, Oritain

Coordinated enforcement is closing loopholes

For several years, brands with goods detained under U.S. enforcement could redirect the same shipment to Canada, the UK, or European markets. That gap is closing. With Canada and Mexico implementing their own forced labor import bans with mutual recognition provisions, a U.S. Withhold Release Order (WRO) has weight across the North American market.

Recent U.S. trade agreements with Malaysia and Cambodia[10] include provisions requiring both countries to:

- **Implement their own forced labor import bans**
- **Recognize U.S. WRO**
- **Take action to detain imports flagged by CBP**

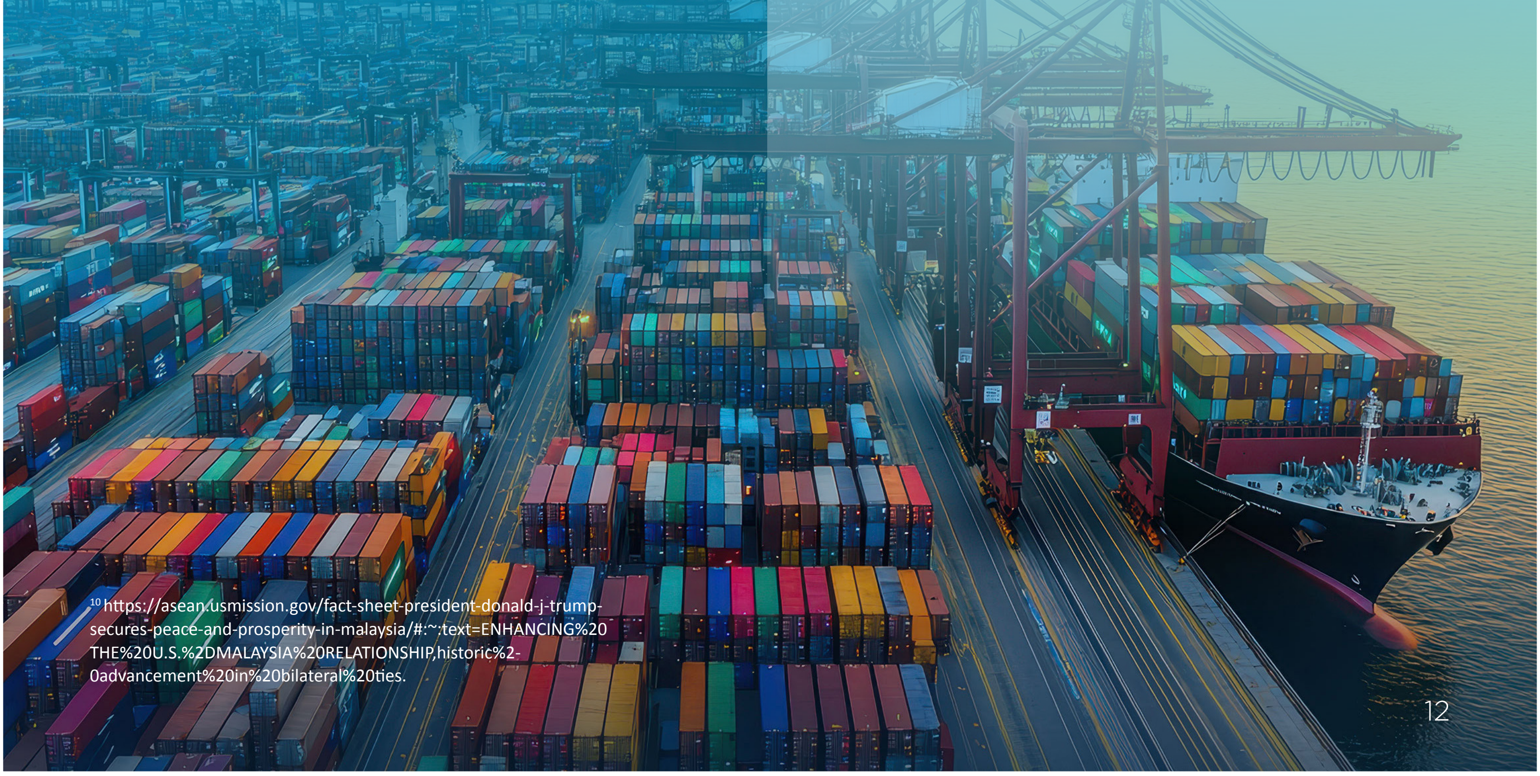
When CBP issues a WRO against a specific entity or region, these countries "may recognize" it and "take action" to detain those imports.

Thailand and Vietnam are finalizing similar agreements with provisions for mutual recognition. Indonesia has also committed to developing enforcement mechanisms as part of its broader trade framework with the United States.

The pattern suggests a deliberate strategy to create overlapping enforcement jurisdictions that make geographic arbitrage increasingly difficult for companies attempting to route prohibited goods around enforcement barriers.

What is a WRO, and what happens when it is issued?

A Withhold Release Order (WRO) is an instruction from the U.S. government to ports to detain imports from a specific entity, region, or country. When a WRO is issued, all ports of entry are notified, and any matching goods found are stopped immediately. The importer then has just 30 days to submit clear and convincing evidence that their products have no connection to forced labor. If that evidence cannot be provided, the goods are excluded from the U.S. market, and if they are not removed within 60 days, they are considered abandoned and destroyed, with no option to donate or redirect them elsewhere.



[10] https://asean.usmission.gov/fact-sheet-president-donald-j-trump-secures-peace-and-prosperity-in-malaysia/#:~:text=ENHANCING%20THE%20U.S.%2DMALAYSIA%20RELATIONSHIP,historic%2-0advancement%20in%20bilateral%20ties.

Oritain Market Insights

Cotton remains one of the clearest examples of how supply chain risk behaves under pressure. It is the world's most widely traded natural fiber and sits at the center of forced labor enforcement frameworks.

Oritain's Market Insights Programme unlocks a stream of exclusive insights on supply chain risk through independent retail sampling. Between 2021 and 2025, Oritain independently collected its own proprietary dataset by anonymously purchasing and testing 1,000 finished garments each year across a selection of major global retail markets (USA, Europe, Canada, Australia, and New Zealand). This consists of c.40 brands sampled across various garment types and manufacturing origins, providing a benchmark for market-wide cotton-origin risk.

The programme delivers data-driven insights by manufacturing country, risk prevalence, price point, and garment type that enable companies to guide due diligence with precision, benchmark their performance against industry-wide data, and measure compliance progress over time toward credible origin claims and verification.

> *"The purpose of our study was to obtain an independent and objective snapshot of the prevalence of prohibited cotton in key western apparel markets. What the data shows us, year on year, is that risk does not completely disappear when brands change their manufacturing location."*
>
> **Anjali Gupta, Head of Data Science, Oritain**

Global risk: Three years of progress reversed in one

After three consecutive years of declining prohibited-cotton levels, 2025 marked the first year-on-year increase in global risk prevalence since 2022.

A clear upward shift in results consistent with prohibited cotton appeared from 2024 to 2025 across almost all sampled markets in the Market Insights Program (Figure 1). The results for 2025 show the global market trend returning to similar levels previously seen in 2021/22, prior to key legislative changes (UFLPA in USA, FLR in EU).

The prevalence of prohibited cotton is further evidenced by the substantial rise in sampled brands showing at least one result consistent with prohibited cotton, increasing from 64% in 2024 to 90% in 2025 (Figure 2).

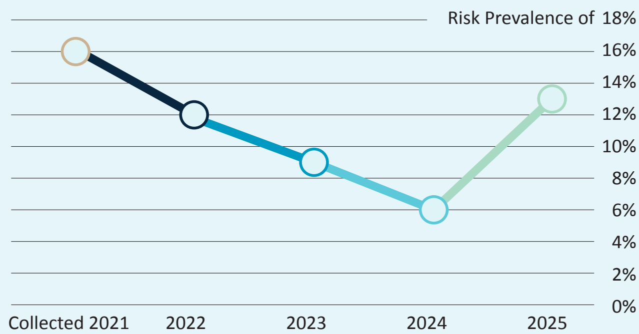


Figure 1: Global average risk prevalence in finished garments collected and tested as part of Oritain Market Insights 2021-2025

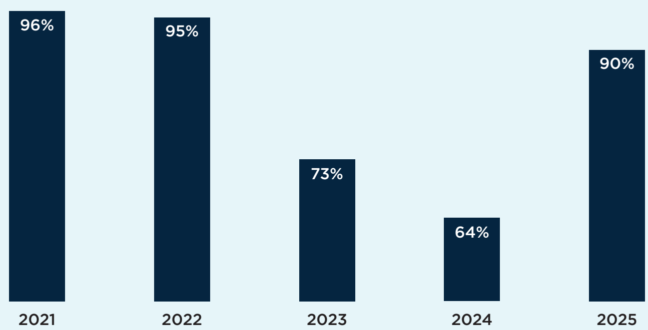


Figure 2: Percentage of brands tested with at least one risk-consistent result (Oritain Market Insights 2021-2025)

Rising non-compliance across manufacturing hubs

As brands pursue agility and cost optimization in response to tariff pressure, a new pattern has emerged: **risk is correlated with dependence on imports.**

Nearly every major manufacturing country also experienced an increase in prohibited cotton prevalence between 2024 and 2025. China returns close to levels of risk last seen in 2021, almost doubling to 40% with the largest risk prevalence in the industry. Meanwhile Bangladesh's risk nearly quadrupled to 15%, and the Americas, a relatively "safe" manufacturing region, now sits at risk levels of 13%. (Figure 3).

The Market Insights data illustrates that even when brands diversify sourcing regions, prohibited cotton doesn't disappear from the market but is likely distributed across traditionally lower-risk regions. Tariffs intensify this dynamic as rising cost pressures from import duties often push brands and suppliers toward other cotton inputs, which disproportionately originate from higher-risk markets. Vietnam, Bangladesh, and Cambodia saw some of the strongest proportional rebounds in risk in 2025, marking them as growing areas of exposure across global supply chains.

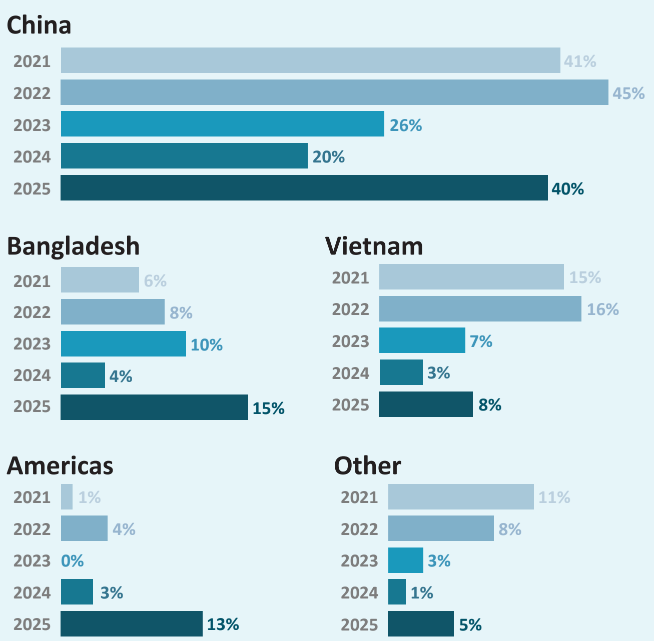


Figure 3 - Risk prevalence by manufacturing country (Oritain Market Insights 2021-2025)

China's role in global cotton production explains this pattern

Based on the USDA Cotton: World Markets & Trade Data, China's textile exports continue to grow, driven by extremely high cotton production in Xinjiang, which now supplies 92% of China's cotton.

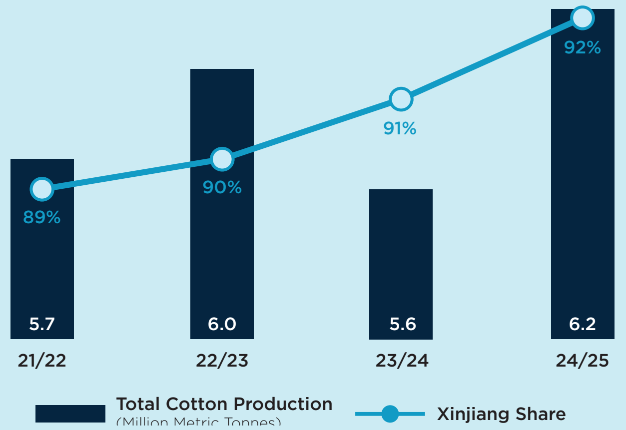


Figure 4 - China annual cotton production w/ Xinjiang share. Adapted from USDA's China cotton and products update, December 2025. Quotes NBS final production volumes.

Despite US tariff pressure encouraging brands to diversify production, many of these alternative manufacturing countries still import large volumes of Chinese fabric and act as intermediaries, indirectly supporting China's export position. Key importers include Bangladesh, Vietnam, Indonesia, the Philippines, and Cambodia. The Market Insights observations are corroborated by trends in the Trade Flow Data (Figure 3). These markets depend heavily on imported yarn and fabric.

> *"The program included well-known brands, many of which are making concerted efforts to source sustainable and ethical cotton for their product by working with their suppliers. The trust placed in suppliers by brands is huge, considering the financial and reputational implications of being caught using forced labor cotton."*
>
> **Anjali Gupta, Head of Data Science, Oritain**

Why do brands that think they are sourcing U.S. cotton remain exposed to substitution risk?

“ Once a bale of cotton gets past the mill door, brands become vulnerable to substitution. For decades, the industry has been trying to identify what happens to the cotton after it enters the mill. Only in the last five to seven years has verification technology, like Oritain’s, allowed us to scientifically substantiate our fiber claims. Nowadays, there are consequences for substitution, so these verification methods are required.

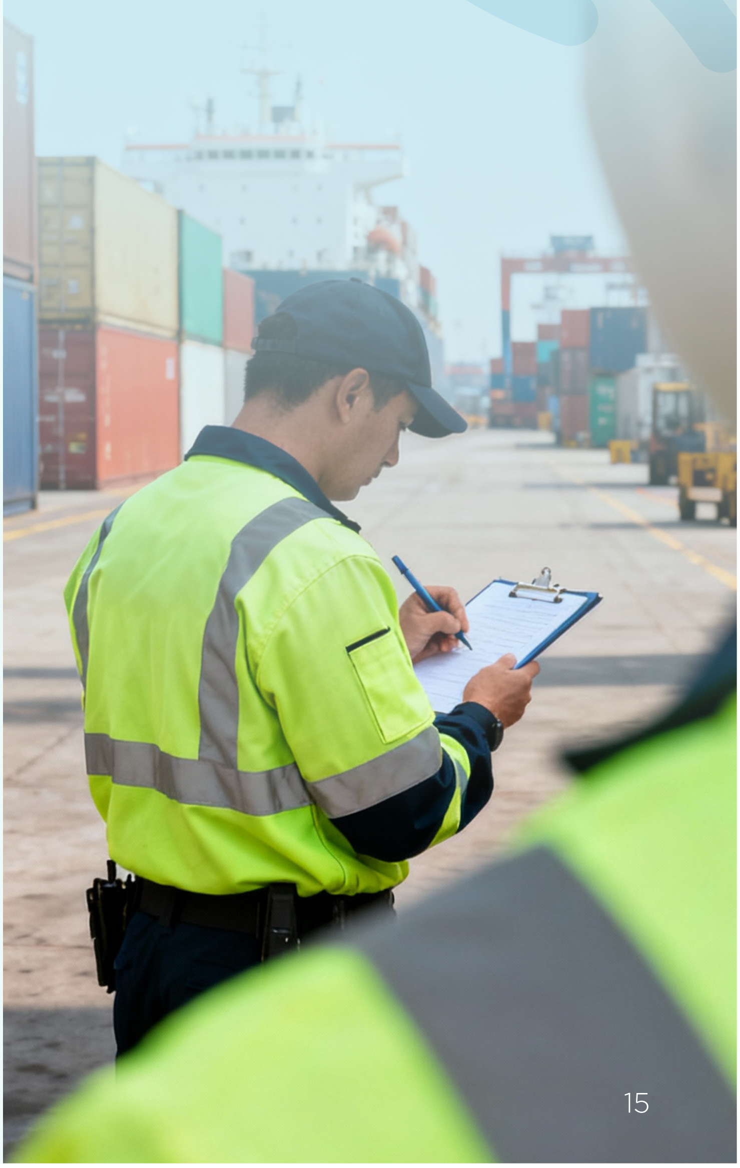
Cost savings is a big driver for substitution. A brand that purchased U.S. cotton is not necessarily getting it in the finished garment. Supply chain disruptions can also play a role; if the cotton you needed does not arrive on time and you are on a tight schedule, a vendor might blend in a different fiber to meet the deadline. It can also happen by accident when bales are opened, and something else gets into the production funnel.

The main issue is that substitution is happening, and we have known this for a long time. The difference now is that there are significant consequences for these substitutions, so brands need a way to catch them and engage the supply chain before they face consequences. ”

Jason Thompson, Vice President of Brand Development at Supima

“ The tariff environment has exacerbated substitution. Mills are under greater margin pressures than they were two years ago, which increases the financial incentive to quietly source cheaper inputs into a production run. You are accountable and will be under fire if these other sources are not declared in finished products. ”

Rebecca Brocato, Chief Government Affairs Officer, Oritain



Chapter 2

Consumer skepticism reaches new heights

While regulatory pressures mount from the top down, a parallel crisis of credibility is brewing from the bottom up. Consumers are growing increasingly skeptical of brand claims, and their purchasing decisions are beginning to reflect this distrust. The insights in this chapter draw from the Oritain consumer research study (2025), *Global Consumer Consciousness & Shopping Behaviors*, where we surveyed 2,595 global consumers across Asia, Australasia, Europe, North America, and the United Kingdom.

Shopping Behavior

Consumers care about ethics but delegate verification to brands

“Consumers want products to come with proof they can trust, but they do not want to do heavy investigative work at the shelf. They are delegating the verification burden to brands and expecting it to be handled before products reach retail.”

Gemma Lynch, Chief Customer Officer, Oritain

Nearly 60% of consumers rate ethical production and sustainability as important factors when making purchasing decisions. However, in practice, only around 40% report actively checking these attributes when shopping. That 20% gap is a combination of information overload, economic constraints, and deep skepticism about whether brands’ own claims can be trusted.

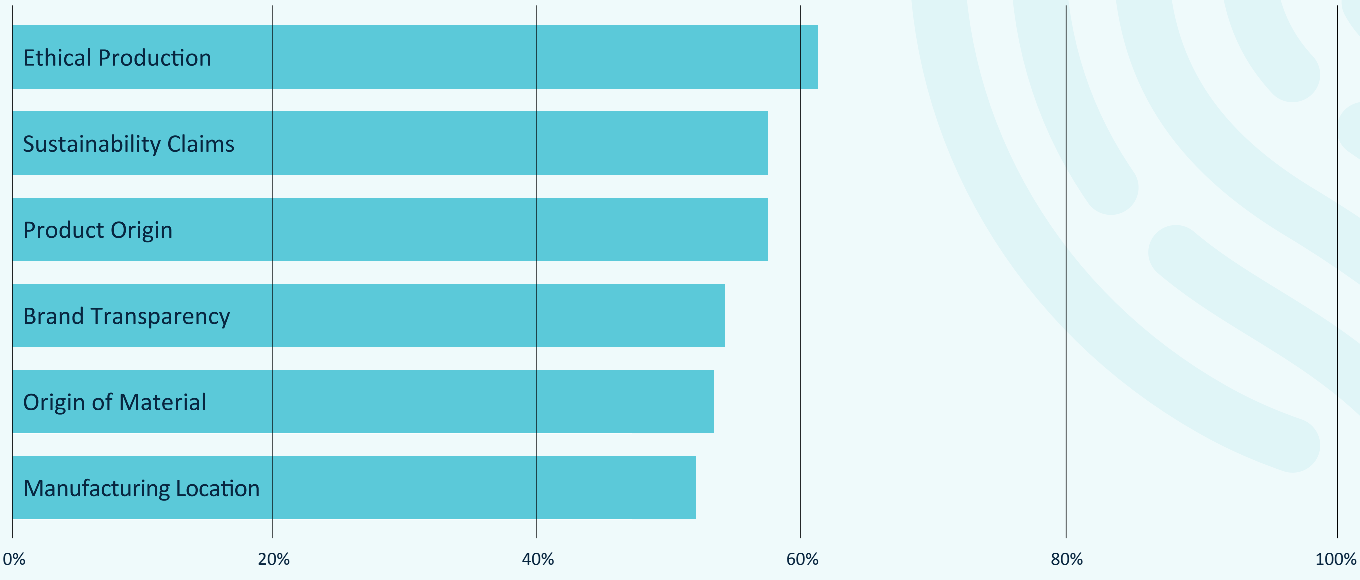
Changing purchasing priorities

When consumers evaluate what matters before they purchase, ethical production is at the top of the list:

61% of respondents view it as important or extremely important, followed by sustainability claims and product origin at 57%, brand transparency at 54%, origin of materials at 53%, and manufacturing location at 52%.

Asian respondents consistently score above the global average on every transparency metric. By contrast, UK respondents consistently score below average, showing the largest negative variance of any market. These differences point to meaningful variation in how consumers interpret and act on transparency claims in different regions.

Purchase Priority Rankings



	Total Sample	Asia	Australasia	Europe	North America	United Kingdom
Price	80%	+6%	+4%	-3%	+1%	-2%
Authentic Labeling	75%	+5%	+1%	-3%	0%	-3%
Animal Welfare Standards	74%	0%	+4%	+2%	-2%	+1%
Fair Labor Practices	69%	+2%	+3%	+1%	0%	-1%
Country of Origin	68%	+14%	+2%	+1%	-2%	-6%
Environmental Impact	68%	+8%	0%	+3%	-3%	-3%
Deforestation Free	65%	+7%	+1%	+4%	-3%	0%
Supply Chain Transparency	64%	+10%	+1%	+1%	-2%	-2%
Verified Traceability	63%	+9%	+2%	+6%	-3%	-6%

Where consumers look for proof

When consumers do engage with transparency information, they rely heavily on traditional methods. Product labeling remains the dominant source, with 73% of respondents reporting they use labels to assess ethical and origin claims.

Where consumers look for proof

Product Labeling
73%

Company Websites
52%

QR Codes
27%

Advertising/Marketing
27%

Digital Product Passports
13%

The premium paradox

More than 55% of respondents claim they would pay more for verified ethical attributes, but the data suggests this willingness rarely translates at checkout.

How likely are you to pay a premium for the assurance of the following attributes?

Ethical Sourcing
Very Likely 16% Likely 40%
Other 44%

Label Claim Accuracy
Very Likely 14% Likely 42%
Other 44%

Sustainability Certification
Very Likely 15% Likely 39%
Other 46%

Country of Origin Accuracy
Very Likely 12% Likely 39%
Other 49%

Ethical sourcing and material transparency

When making purchasing decisions, consumers value ethical sourcing above all. Not surprisingly, products that are ingested or applied to the body receive the highest scrutiny for ethical sourcing. With consumers noting important or extremely important with regards to ethical sourcing in relation to pharmaceuticals (80%), cosmetics (70%), and food and drink (80%).

There is also significant concern around automotive products at 65 to 70% importance*, while clothing, textiles, furniture, and leather goods still register over 60% concern among respondents. The relatively narrow range across categories shows that ethical sourcing is no longer confined to high-risk sectors; consumers expect transparency across nearly all products they buy.

Importance of ethical sourcing by product category

When shining a spotlight on industries with increasing regulatory scrutiny, consumers also demonstrate an interest in ethical sourcing.

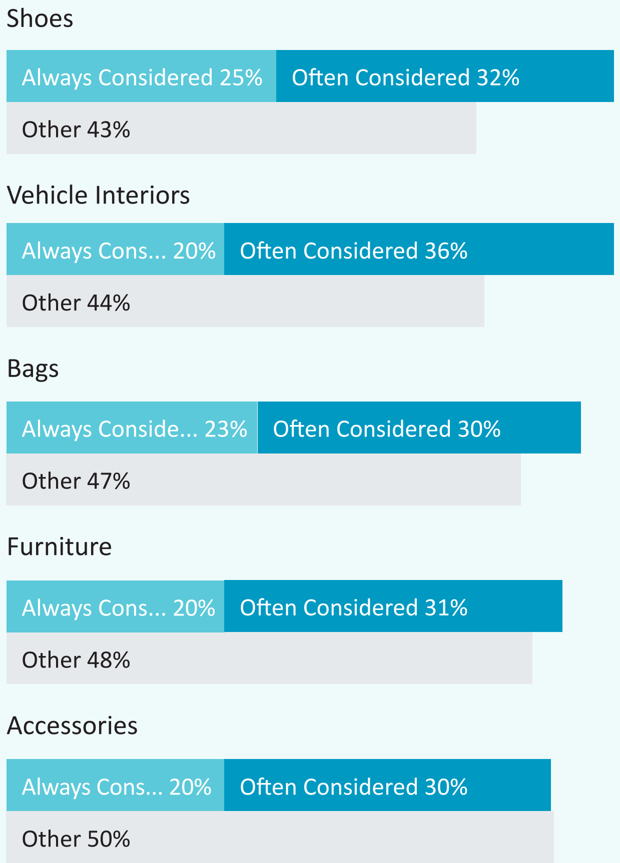
Product category	Ethical sourcing importance*	Key insight
Food & drink	80%	Strong concern linked to ingestion risk
Automotive	65–70%	Safety and material sourcing influence trust
Clothing & textiles	60–65%	Ethical sourcing remains important despite being non-essential
Furniture	60%	Transparency expected even for lifestyle products
Leather goods	60%	Ethical material sourcing remains a consideration

* noted as important or extremely important

Leather under the microscope

Leather products are subject to heightened ethical and authenticity scrutiny, particularly for high value consumer goods such as footwear and bags, where trust in material claims is critical.

For what leather products would you make transparency and ethical considerations the most when purchasing?

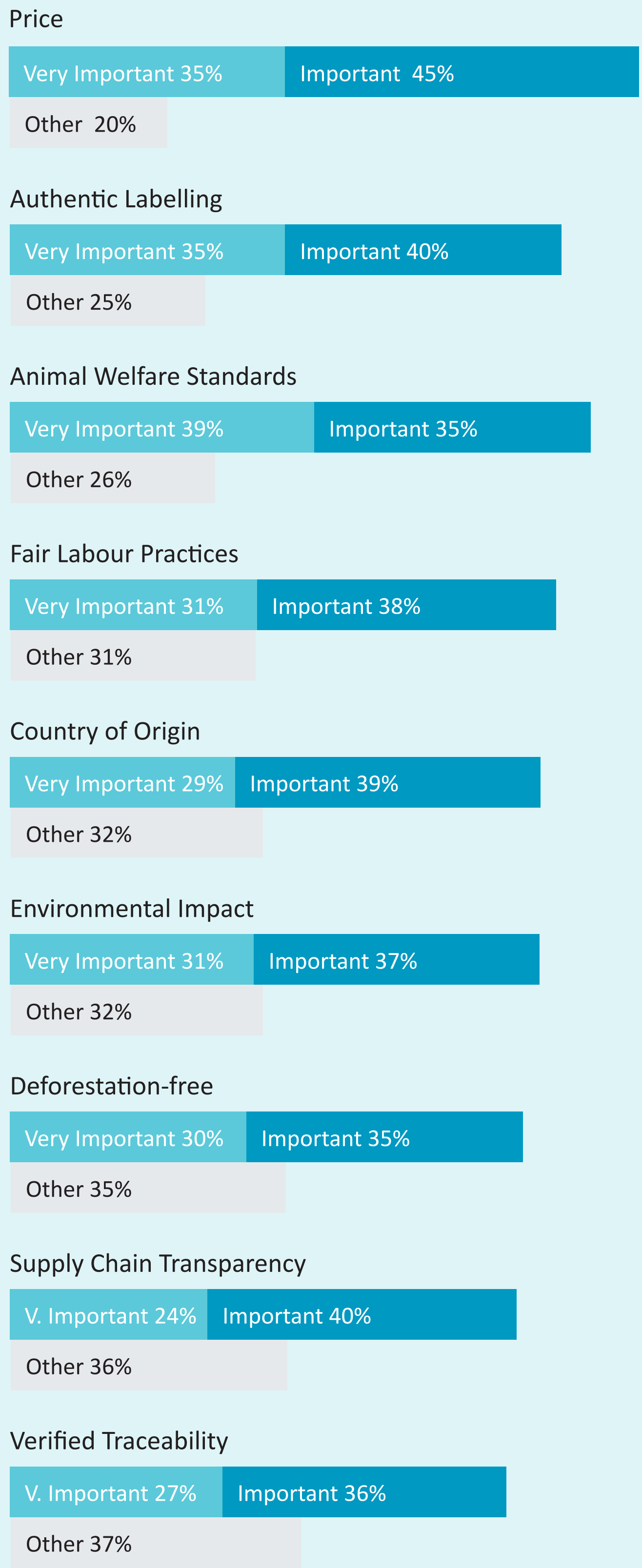


55% of respondents frequently question whether **leather products are genuine** versus synthetic.

45% have **concerns** about ethical sourcing and **origin claims**.

Only 40% report **purchasing** leather products **without any concerns** whatsoever.

When purchasing any leather product, how important are the following factors in making a decision?



Personal accessories like shoes and bags receive the highest scrutiny: 75% of respondents considered transparency and ethics when purchasing, and 69% supported mandatory proof of ethical sourcing for all leather products. When it comes to trusted verification methods, government regulation and scientific traceability to country or farm of origin ranked highest, while marketing claims were universally rejected as the least credible verification method.

> *“Authenticity and quality are central to material trust, and both begin with visibility into origin. If you can’t prove where your product comes from, then you can’t substantiate the claims supporting it. At Oritain, we ensure the products our clients bring to market are what they believe them to be.”*
>
> **Gemma Lynch, Chief Customer Officer, Oritain**

Leather category	% Regularly consider ethics	Key concern
Shoes/footwear	57%	Authenticity (genuine vs. synthetic)
Bags/handbags	53%	Ethical sourcing & origin
Vehicle interiors	56%	Animal welfare standards
Furniture	52%	Deforestation link
Accessories	50%	Mislabeling risk

Regulatory landscape for leather

The EU Deforestation Regulation (EUDR)* prohibits products produced on illegally deforested land from being placed on the EU market. While leather products are not subject to the same direct reporting obligations as certain forest risk commodities, the regulation still shapes expectations around due diligence, documentation quality, and traceability - particularly where leather supply chains are linked to cattle sourcing in deforestation sensitive regions.

Similar measures are under development in other markets, with the existing UKTR (UK Timber Regulation), EUTR (EU Timber Regulation), and the U.K.’s proposed Forest Risk Commodity Regulation, which would further increase scrutiny of deforestation linked materials. Alongside this, product level transparency initiatives such as the EU Digital Product Passport (DPP) will introduce new expectations around disclosure of material origin, processing stages, and supporting evidence over time.

** As of May 2026, leather still included in EUDR scope*

Timber leads on deforestation concern

Timber supply chains face a distinct set of risks, driven by both regulatory pressure and high levels of stakeholder concern. Wood products consistently rank among the categories most closely associated with deforestation risk, with more than a third of consumers stating that it is “extremely important” that their purchases are not linked to deforestation, and nearly 70% expressing elevated concern overall. Beyond geography, a key challenge in timber is species misdeclaration, where higher risk or regulated species are intentionally or inadvertently declared as lower risk alternatives to avoid scrutiny. This type of taxonomy fraud is difficult to identify through documentation alone and remains a known issue across domestic and international timber markets. As regulations such as the EU Deforestation Regulation (EUDR), UKTR, and EUTR increase expectations around due diligence, there is growing emphasis on independent, science-based approaches that can help verify timber species and origin, supporting more robust risk management and enforcement outcomes.

The trust crisis

Declining confidence in claims

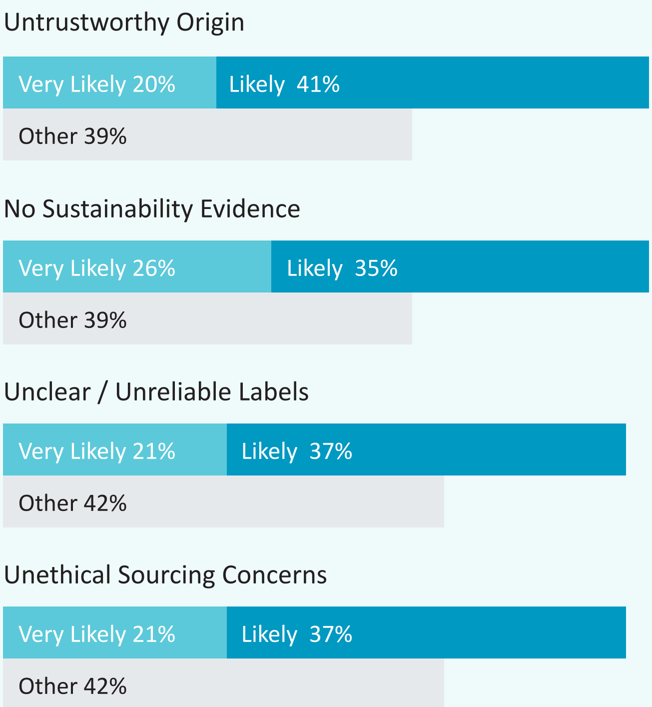
Consumer confidence in product labeling is in structural decline. Approximately 30% of respondents report being distrustful of label claims regarding country of origin or product contents. Only 15% expressed full confidence that current regulations protect them from false labeling. The remaining 85% sat on a spectrum of moderate confidence, uncertainty, or outright skepticism.

The Australasian market showed the highest incidence of suspected mislabeling at 40%, followed by Asia at 32%, North America at 26%, Europe at 26%, and the UK at 23%. These regional differences likely reflect both differing levels of regulatory trust and different baseline expectations about product authenticity.

Distrust drives decisions more than trust

Consumers are more likely to abandon a purchase over a transparency failure than they are to seek out and reward a transparency success. Approximately 60% of respondents reported they were actively avoiding products with untrustworthy origins or unethical sourcing concerns.

How likely are you to not purchase a product on the basis of the attributes listed below:



60% of respondents reported they **would not purchase** a product with an **untrustworthy country of origin**, the highest deterrent of any factor tested.

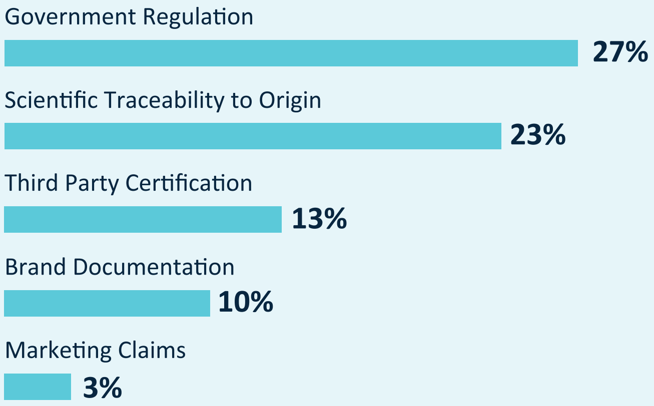
Unethical sourcing concerns and **unclear label claims** each **deterred approximately 58% of respondents.**

65% of consumers advocated for **strong consequences for mislabeling**, with near-universal consensus that **fines must exceed "cost of doing business"** to act as effective deterrents.

Consumers understand that if a company can make more profit from fraudulent labeling than they lose in occasional fines, the rational economic choice is to continue misleading consumers. Deterrence requires making violations more expensive than compliance.

Rebuilding trust

Rebuilding trust requires verification that is deemed credible by regulators and consumers alike. Government regulation and scientific traceability sit at the top of the hierarchy of consumer trust.



Country of origin is now a **baseline expectation**

Country of origin and material sourcing appear consistently among the most influential purchase attributes.

Consumers associate origin with:

- Product quality
- Ethical production standards
- Environmental responsibility
- Authenticity

57% of consumers said **country of origin is an important factor** in their purchasing decisions.

37% check country of origin frequently when shopping

Key takeaways:

The trust-action paradox

60% of respondents expressed ethical concerns, but only 40% acted on them. Information overload, economic constraints, and brand skepticism create a persistent gap between values and purchases.

Personal impact drives urgency

Personal accessories like shoes and bags are scrutinized by 75% of consumers.

Premium demands ethics

Expensive equals ethical in consumers' minds. Luxury leather, high-end cosmetics, and branded goods face elevated transparency expectations. Price signals responsibility.

Verification beats declaration

Respondents rejected brand claims alone. Government regulation and scientific traceability ranked highest for trust. Marketing messages earned the least consumer confidence.

Knowledge gaps undermine progress

Majority of respondents could not identify deforestation-risk products. Without education, even motivated shoppers can't make informed choices.

Penalties must hurt to work

Token fines won't change behavior. Respondents demanded penalties that would make violations costlier than compliance, fundamentally shifting corporate risk calculations.

Chapter 3

Transparency is the new currency

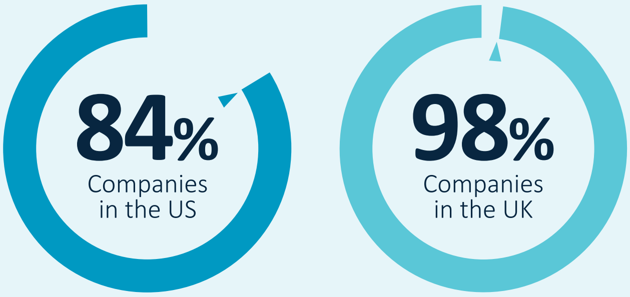
Industries have poured resources into traceability in an effort to secure trust and loyalty. But investing in a system and being able to stand behind its outputs are two very different things. With regulatory scrutiny at record highs and consumers demanding proof over promises, transparency has moved from a brand value to a business requirement — and companies that cannot back up their claims are feeling the heat.

Traceability adoption: strides and gaps

Companies have made substantial progress in implementing traceability into their supply chain processes. In the U.S. market, 87% of companies report tracing all or most of their cotton supply. In the UK, the figure has hit 94%.[11] These numbers represent significant investment in supply chain visibility systems, supplier onboarding, documentation protocols, and chain-of-custody tracking.

And many companies are planning to increase their investment in traceability in the coming years.

84% of U.S. companies and 98% of UK companies plan to increase their traceability efforts in the next three years.

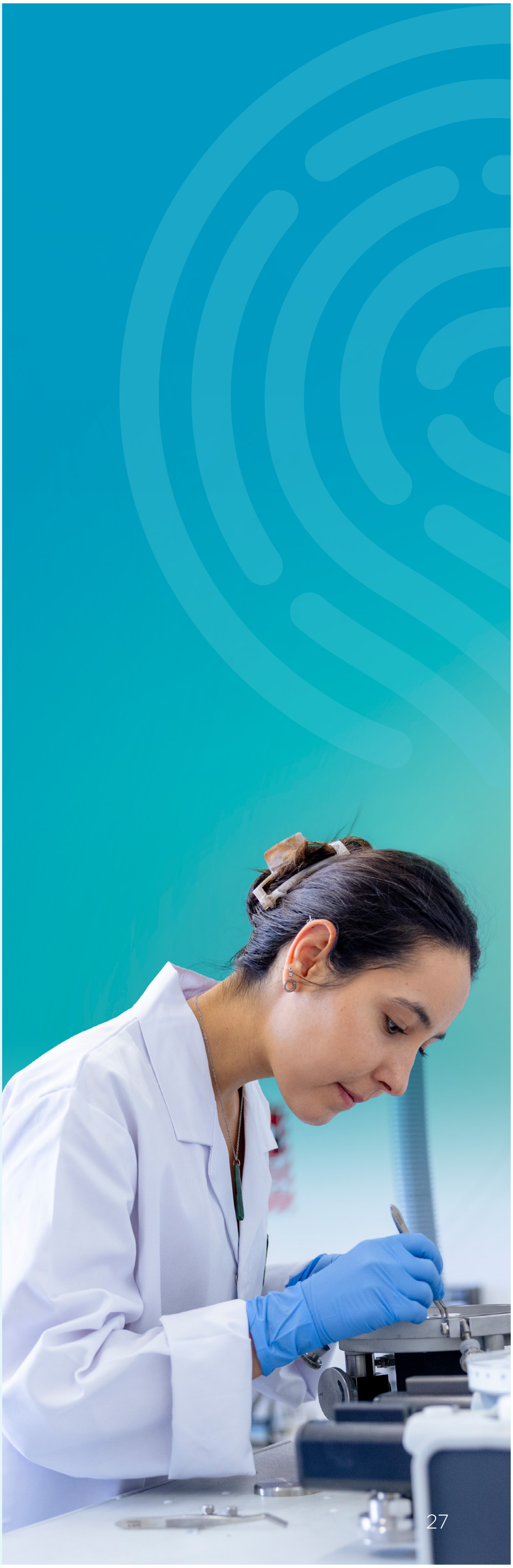


But investment in traceability alone has not been enough to mitigate risk, and the penalties for falling short are mounting.[12]

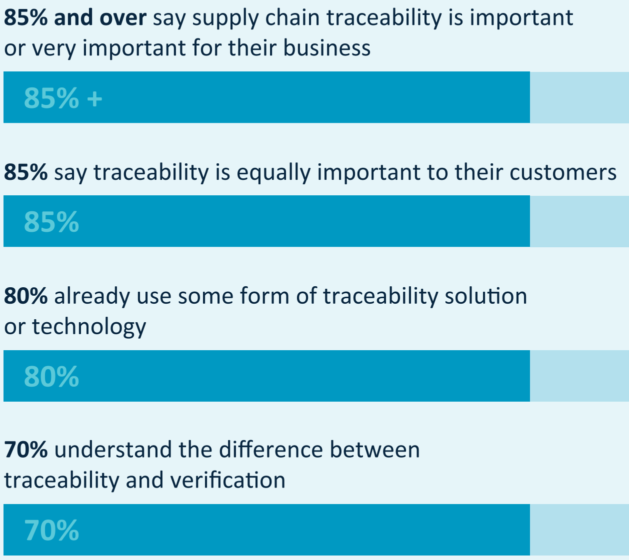
U.S. market impact	UK market impact
37% faced regulatory or compliance challenges	80% faced regulatory or compliance challenges
32% lost contracts or partnerships	65% were unable to meet sustainability goals
34% faced lawsuits or legal disputes	44% suffered reputational damage or PR crises
34% incurred fines or financial penalties	41% encountered border delays
33% encountered border delays	

84% of surveyed UK companies reported relying heavily on supplier declarations.[13]

[11] Mintel Consulting Survey 2025
[12] Mintel Consulting Survey 2025
[13] Oritain Analysis of Suppliers' Traceability Knowledge (2025)

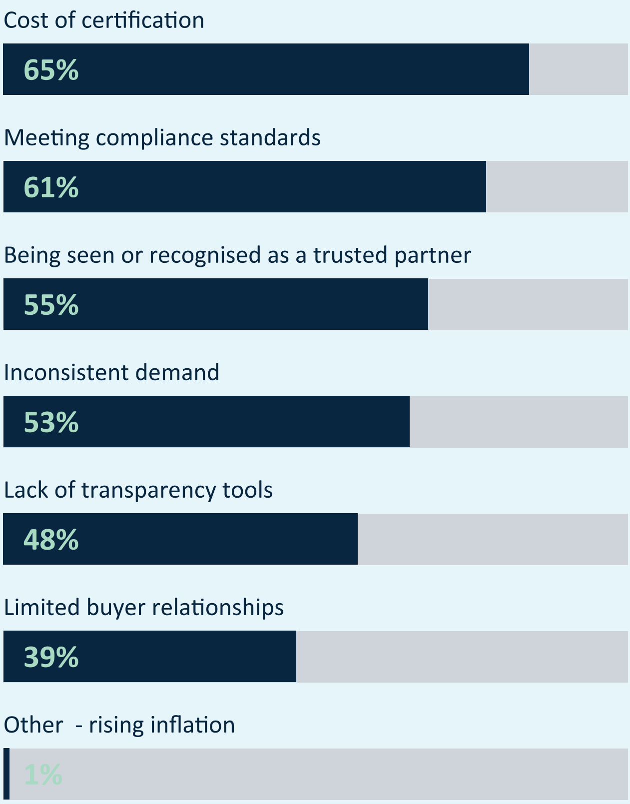


Similarly, suppliers value transparency, but implementation is lagging behind.[14]



More than half of suppliers reported certification costs and compliance standards as the leading barriers to becoming trusted suppliers.

What is the biggest challenge in becoming a trusted supplier for retailers?



In China, India, and Indonesia, the cost of certification is the single biggest obstacle. In Vietnam, two-thirds of suppliers point to a lack of transparency tools — a structural access problem rather than a lack of resolve. In Turkey, the primary concern is recognition: over 60% of respondents said that being viewed as a trusted partner by retailers is their greatest challenge. Indonesia stands out as the only market where transparency tools were not raised as a concern at all.[15]

However, suppliers showed a strong appetite for collaboration. Of 122 respondents, 94 (77%) were either interested or very interested in collaborating with others on product origin verification or traceability initiatives. Vietnam, China, and Indonesia showed the highest levels of interest.[16]

77% interested or very interested in collaborative traceability initiatives

[14] Oritain Analysis of Suppliers' Traceability Knowledge (2025)
[15] Oritain Analysis of Suppliers' Traceability Knowledge (2025)
[16] Oritain Analysis of Suppliers' Traceability Knowledge (2025)

The rise of a trusted ecosystem

Trade policies and tariffs are materially readjusting supply chains overnight, unearthing new sourcing risks and requiring coordinated enforcement across borders. Without trust, this modern supply chain framework would simply break down.

The answer is not one tool or one actor, but a trusted ecosystem of verified buyers and suppliers powered by forensic science and continuous data intelligence. This level of verified transparency addresses both risk and opportunity, helping brands avoid regulatory penalties, prevent reputational crises, and maintain market access.

At the same time, it enables credible provenance stories, demonstrates verified sourcing practices, and builds consumer trust. When companies can confidently back their quality claims with objective evidence, they're cultivating their brand value alongside a competitive advantage.

Oritain's membership model brings brands, manufacturers, retailers, and suppliers together on a shared platform, where verified results create visibility across the value chain. Suppliers and manufacturers demonstrate verification capability, gaining market access to brands that are actively seeking verified partners. Brands can easily connect with suppliers that value traceability as much as they do, instead of reviewing individual policies one by one. Through programmatic verification and continuous data intelligence, the network gains early detection of non-conformances and enables proactive action across the entire ecosystem.

Through the membership model, this programmatic approach helps validate paperwork, supports sustainability claims with real data, and is aligned with regulators' suggestions for a secure supply chain underpinned by actual testing.

“Consistent oversight depends on consistent visibility. In our view, risk cannot be effectively managed through one-off or ad-hoc testing, which only offers a snapshot of your supply chain in time. Programmatic verification, with a plan in place, is the clear pathway to achieve sustained visibility, track trends, and manage risk as supply chains change.

Trust takes hold when all parts of the ecosystem are connected by credible, independent evidence. Good intentions or paperwork alone won't cut it. Full accountability now requires defensible evidence, and what brands and supply chains need are trusted partners who can demonstrate a recognized standard of due diligence, regardless of manufacturing country. The future of global supply chains depends on building networks, creating community, and basing trust on science. That is how confidence scales for compliance and for long-term resilience.”

Alyn Franklin, Chief Executive Officer, Oritain

Conclusion

The proprietary data from the Market Insights Programme, as well as the Oritain consumer research study (2025) and Mintel, reveals a supply chain system under chronic and debilitating strain.

- Between 2024 and 2025, the number of brands experiencing risk increased from 64% to 90% despite widespread traceability adoption
- Consumers have lost confidence, with 85% doubting current regulatory protections and 60% avoiding products with unclear origin
- 32% of U.S. firms lost partnerships, 80% of UK firms faced regulatory challenges, and 65% could not meet their own sustainability commitments due to verification gaps

At the same time, traceability awareness among the supplier community is also incredibly high.

- 85% value transparency
- 80% already have some traceability system in place
- 77% interested or very interested in collaborative traceability initiatives

Verification solutions that are credible, highly resistant to fraud, and compatible with existing supply chain infrastructure are the clear path forward for companies under the microscope. The global market demands it.

While technology providers can organize supply chain data and create digital records, they cannot confirm that the data is accurate. A blockchain shows a documented chain of custody, but it cannot detect when materials were substituted, mislabeled, or fraudulently certified before entering that chain.

Products like leather and timber, for example, are high-risk categories under EUDR due to their link to cattle and deforestation. Brands and tanneries sourcing leather from regions with weak traceability systems will need specialized solutions to prove origin and compliance in time for enforcement. At the same time, DPP requirements will require brands to disclose even more sourcing information.

Regulatory frameworks are beginning to address this gap, putting brands on a tight timeline. If they fail to meet transparency and sourcing expectations, they will lose consumer trust and loyalty while finding themselves paralyzed by regulatory fines.

Supply chains are being judged on the strength of what can be proven.

How confidently can you stand behind your products?

Calculate your supply chain risk

Responses across all sections are used to calculate your overall risk score

The questions below help identify potential exposure across your materials, sourcing, documentation, and claims. Your answers are used to calculate an overall risk score and pinpoint areas of vulnerability. Check all that apply to your organization:

Materials & Categories

- ☐ We source cotton, leather, timber, or other EUDR/ UFLPA-regulated materials
- ☐ We sell premium/luxury products where consumers expect verified ethical claims
- ☐ We make sustainability or ethical sourcing claims
- ☐ Our products may contain recycled content from unverified sources
- ☐ We have publicly committed to sustainability goals we currently cannot verify with evidence

Manufacturing & Sourcing

- ☐ We source materials or products from China, Vietnam, Bangladesh, or Cambodia
- ☐ We have shifted manufacturing locations in the past 2 years due to tariffs and other reasons
- ☐ We have increased sourcing volume from a single country/region in the past year
- ☐ We work with subcontractors or second-tier suppliers we do not audit directly
- ☐ We do not know if our suppliers' suppliers source raw materials from the open market
- ☐ Our suppliers have been flagged in industry risk databases or NGO reports

Verification & Documentation

- ☐ We rely primarily on supplier declarations and certificates for proof of origin
- ☐ Our traceability system relies on blockchain or digital records without physical verification
- ☐ We do not trace materials to Tier 3 or Tier 4 suppliers
- ☐ We currently cannot confirm which specific mills or farms our materials came from
- ☐ It has been 12+ months since we last tested finished products forensically
- ☐ We do not have a programmatic verification plan in place

Compliance & Exposure

- ☐ We sell into U.S., EU, or UK markets with strict forced labor/deforestation regulations
- ☐ We operate in multiple jurisdictions with different compliance requirements
- ☐ We have experienced customs delays, detentions, or regulatory challenges in the past few years
- ☐ We do not have documented evidence to defend against potential False Claims Act violations
- ☐ We have lost partnerships or contracts due to compliance concerns

Consumer Trust

- ☐ Customer complaints or questions about product origin have increased
- ☐ We do not provide robust evidence to back our origin claims
- ☐ Our brand reputation depends heavily on ethical sourcing credentials

Your total risk score:

- **Low risk** (0-4)
  You are in a stronger position than most, but don't get complacent. Regulatory requirements are tightening.
- **Moderate risk** (5-9)
  You have foundational systems, but significant gaps remain. Prioritize programmatic verification for your highest-risk materials and manufacturing regions.
- **High risk** (10-15)
  Immediate action required; compliance gaps are significant.
- **Critical risk** (16+)
  You are exposed to regulatory penalties, reputational damage, and potential shipment detentions. Act now.

Assessed your risk?
Take the next step.

Contact Oritain to discuss how forensic verification and programmatic testing can strengthen your supply chain, protect your brand, and build a defensible compliance program to move from vulnerability to verified compliance.

About Oritain

Oritain is a global leader in **forensically verifying the origin of products and raw materials.**

We work with leading brands, retailers, and manufacturers from across the globe to achieve regulatory compliance and meet market demand by proving the provenance of their products.

If trustworthy traceability is important to you, let's talk.

Ready to protect your business?

Talk with us today

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