# Reshoring for Real

## The future of UK domestic manufacturing

# Executive summary

This report explores opportunities for growing domestic fashion manufacturing. It presents a comprehensive analysis of current sourcing trends as well as future prospects for apparel manufacturing in the UK. The research is based on insights from eight leading UK retailers with a combined turnover of £26.1 billion and operations in 180 countries. It explores current sourcing behaviours, global supply chain dynamics, circularity initiatives, and provides recommendations to boost domestic UK manufacturing.

## SUMMARY OF KEY FINDINGS

- **Current UK sourcing landscape:** While sourcing from the UK has been utilised historically, it currently accounts for a small portion of overall sourcing activity—primarily serving niche or agile needs such as printing, knitwear, and test-and-react models. Order volumes remain relatively low, often with minimal planning and or long-term commitments.
- **Ethical concerns as a major barrier:** Ethical compliance challenges, including historical labour violations, continue to impact perceptions of UK sourcing. Manufacturers with strong ethical credentials often face reputational consequences due to broader industry issues, despite meeting high compliance standards—a challenge that is more actively managed in offshore sourcing contexts through dedicated oversight and investment. Without targeted support, these compliant manufacturers face ongoing risk of attrition. Rebuilding trust in UK sourcing will require transparent, robust ethical practices, alongside strategic partnerships and a clearer understanding of how to navigate and maximise the UK sourcing model, including purchasing practices and the unique value proposition it offers.
- **Global disruptions driving reassessment:** Brexit, geopolitical tensions, global shipping delays and increased transport costs have increased the appeal of near shoring. However, brands are not yet shifting strategic volume production back to the UK, instead leveraging UK suppliers for speed, flexibility, and special projects.
- **Appetite for UK production:** Brands would like to expand UK sourcing in knitwear, jersey, Cut, Make and Trim (CMT), and printing—but only if the cost model and ethical standards rise. Most plan to continue using UK for responsive, low-volume production, with only a third considering long-term planning at this time. For costs to reduce factories need to be efficient and flow consistent volumes. Brands have a huge part to play with capacity planning and behaviour. The same buying practices should be applied to on shore as well as offshore buying.
- **Rising demand for circularity:** Brands place high priority on recycling excess stock, using recycled materials, and gaining traceability through reliable data. There is growing support for a fully circular UK supply chain, but limitations in recycling infrastructure at scale and commercial viability of recycled inputs remains a challenge.
- **Regulatory/ legislation readiness:** All respondents are preparing for Extended Producer Responsibility (EPR), and most are aware of upcoming EU Sustainability Reporting Directive (CSRD). However, awareness and readiness for the UK's proposed Garment Code Adjudicator (GCA) are limited.

## SUMMARY OF STRATEGIC RECOMMENDATIONS

- **For brands:** Strengthen relationships with UK factories for agile supply needs, support compliance upgrades, and collaborate on sustainability initiatives to future-proof operations. Recognise the net cost of shipping and markdown both financially and in terms of carbon footprint accounting. Gain transparency and visibility of a level playing field by which to judge UK manufacturing.
- **For UK garment manufacturers:** Focus on strengths—speed, quality, transparency— and invest in cost-reducing technologies, ethical certification, and circular capabilities to win trust and business. High ethical standards and quality are the most important motivators to gain commitment.
- **For policymakers:** Incentivise and support sustainable manufacturing, support innovation in supply-chains to make the UK a global leader in sustainable fashion and facilitate textile recycling infrastructure at scale. Creating the right manufacturing ecosystem will help attract inward investment into UK apparel manufacturing to build regional capabilities, unlock new technologies and accelerate the transition to a circular economy. This includes both domestic and international investors seeking ethical, transparent, and technologically advanced production ecosystems.
- **Future viability:** With the right approach and engagement of all parties - brands, suppliers, government and the wider industry network support - alongside, investment and education, the UK can play a huge part in the future of a retailers blended sourcing strategy that could deliver a world leading on shore manufacturing capability. Creating green growth, jobs and investment while reducing carbon and environmental impacts.

# Acknowledgements

**SP&KO** consultancy have strongly contributed to the delivery of this report contributing in-depth industry research and ESG expertise.

## WHAT SP&KO DO

Founded in 2023 by Kathy O'Driscoll and Simon Platts, SP&KO delivers practical, impactful ESG solutions for fashion and textiles businesses. They support brands in adopting circular design, responsible sourcing, and supply chain transparency while avoiding greenwashing. Their services include strategic ESG planning, training, and implementation aligned with current legislation and industry standards.

Kathy brings over a decade of leadership through KO inc, having shaped major sustainability initiatives like ASOS's "Fashion with Integrity," N Brown's SUSTAIN strategy, and UKFT's blockchain-enabled Digital Sustainable Supply Chain Platform. Her earlier career includes senior roles at JD Sports, The Very Group, Next and George at ASDA.

Simon, with nearly 40 years in fashion, was ASOS's Responsible Sourcing and ESG Director until 2023, where he co-led "Fashion with Integrity." He's now also Repurpose Lead and Advisor at Recomme, helping retailers recover and recycle old clothing and footwear. His sourcing career spans Next, Blacks, Millets, and Lazzati UK.

In their words:

Kathy: *"Achieving circularity requires investment in local innovation and uncompromising ethical standards. With smart planning and tech-enabled transparency, the industry can enhance sustainability, efficiency, and profitability."*

Simon: *"This project highlights how a strong UK-based circular textiles industry can deliver quality, affordability, and impact reduction. It's time to turn theory into action."*

*Note: This report is based on research conducted prior to the introduction of the new Global Tariffs imposed by the United States in 2025. At the time of data collection, these trade measures were not in consideration and therefore do not factor into the analysis presented.*

## PROJECT SPONSOR

UK Research & Innovation (UKRI) as part of the Circular Fashion Innovation Network (CFIN) to accelerate the UK towards a Circular Fashion Ecosystem.

## CIRCULAR FASHION INNOVATION NETWORK (CFIN)

The Circular Fashion Innovation Network (CFIN) is an industry-led programme led by UK Fashion and Textile Association (UKFT) and the British Fashion Council (BFC) and in partnership with UK Research and Innovation (UKRI) to accelerate the UK towards a Circular Fashion Ecosystem. It aims to convene industry, academia, and innovators to accelerate work and expertise needed to create a circular fashion ecosystem in the UK with an innovation-led mindset. The programme explores ways to reduce waste and lower the environmental impact of production, consumption and end-of-use in the UK, while creating new opportunities for the UK fashion and textile industry. It also engages with existing projects to harness best practice and develop emerging technologies.

This report belongs to the Sustainable Manufacturing pillar under the Circular Fashion Innovation Network.

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# Scope and context

This report includes insights from eight UK retailers/etailers with total operations representing:

- **Total Turnover = £26.1 Billion**
- Total number of physical stores =3852
- Total number of active online customers £60.6 Million
- Number of countries operating in = up to 180

# Current UK sourcing trends

Historically there was a high adoption of UK Sourcing as all participants had sourced in the UK in the past. Of this, 75% currently source in the UK, and a deeper analysis was conducted around:

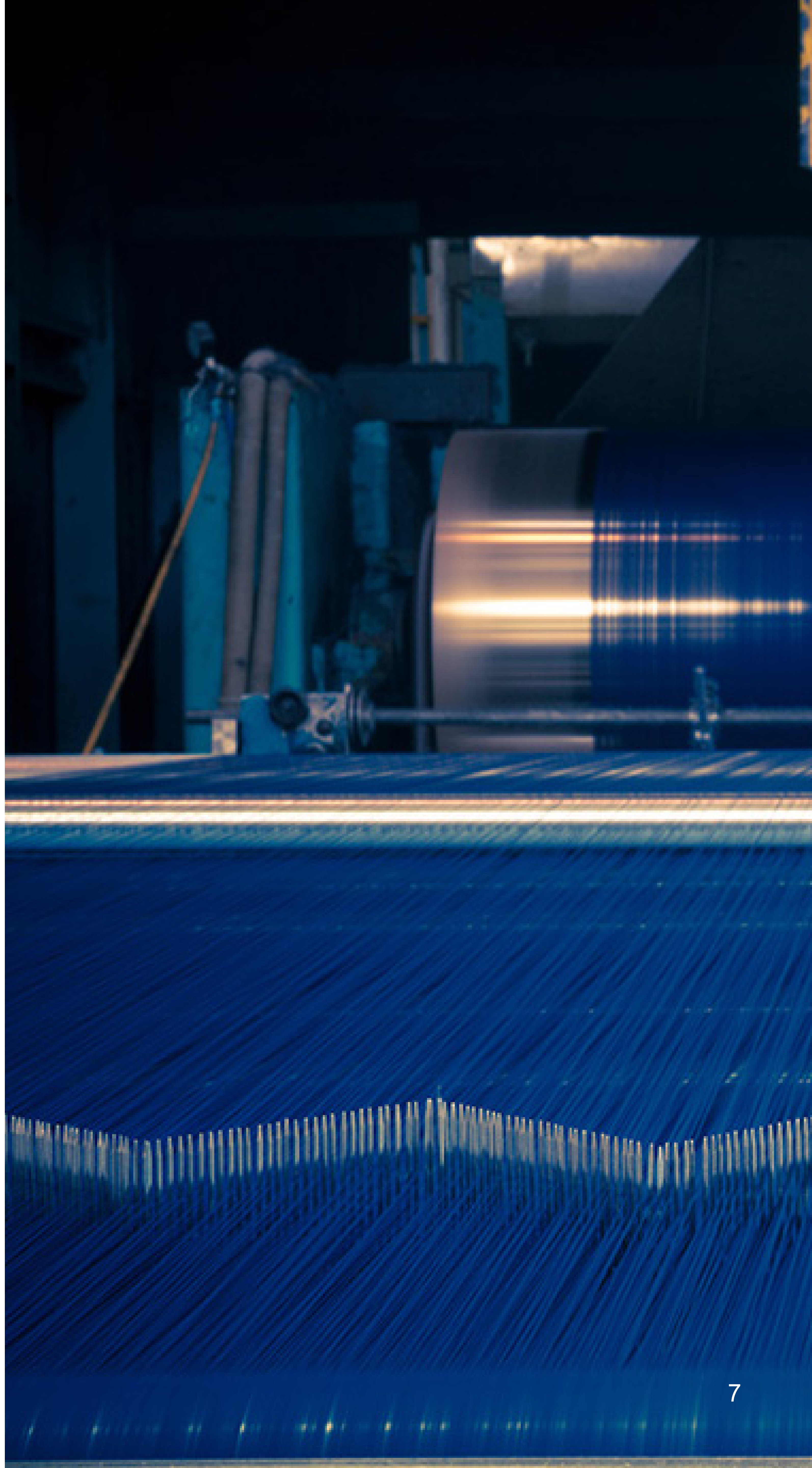
- Manufacturing categories.
- Type of buying: ad hoc, test and react or volume.
- Strategic Partnerships and commitment planning vs Ad Hoc buying.

All brands/retailers (whether they sourced from the UK or not) were also asked about ethical concerns and risks in regard to UK apparel manufacturing.

## MANUFACTURING CATEGORIES

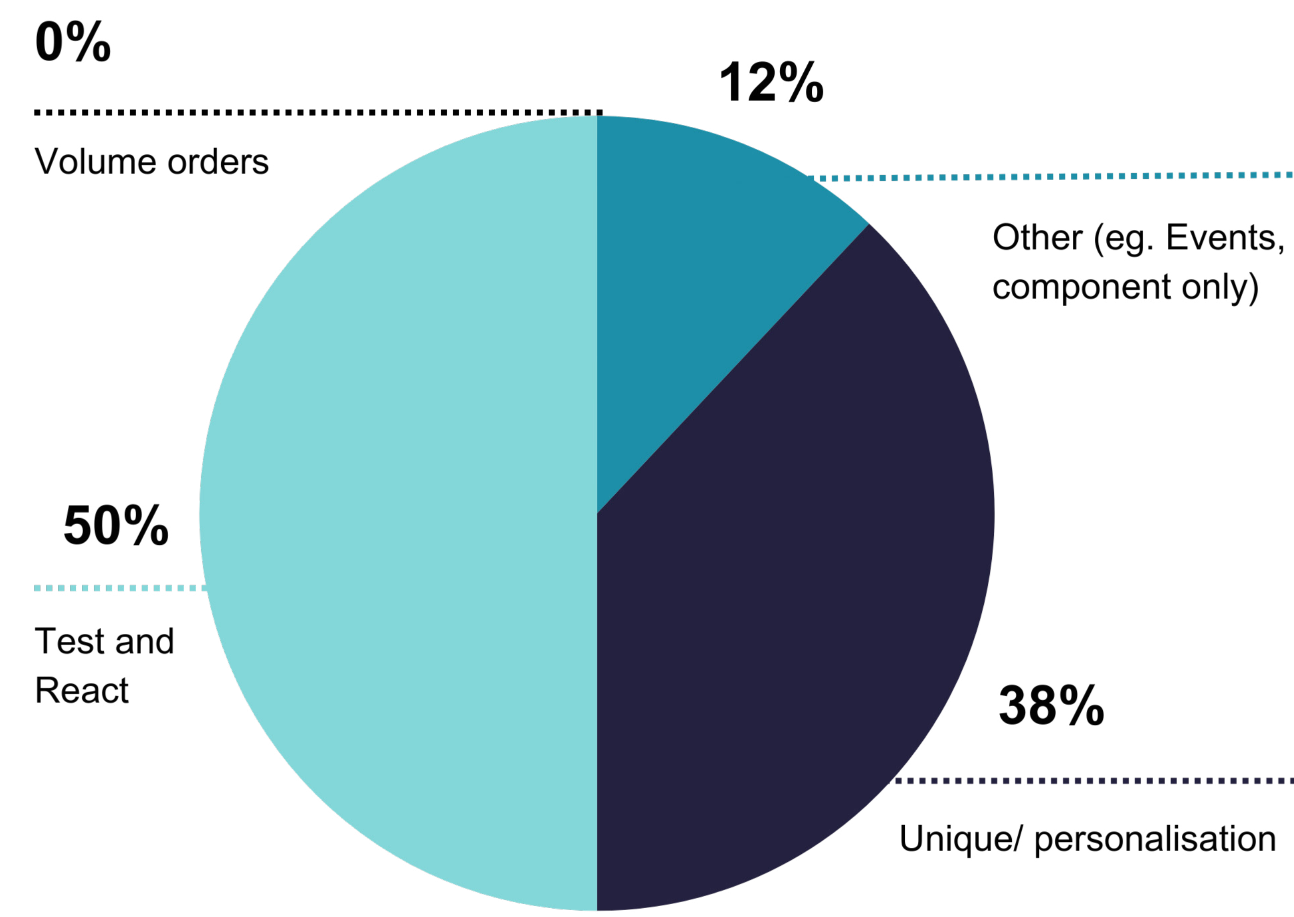
Currently, companies utilise UK manufacturing mostly for certain processes or product categories:

- **Printing: The most common UK-based used activity is printing on garments (selected by 80% of those sourcing in UK).** Brands reported they use UK printers for printing and relabelling stock garments, or they import their own designs made abroad and imported for printing only.
- **Knitwear: 60% use UK knitwear factories, Knitwear is a standout used category in the later analysis around future aspirations**. That analysis shows that all companies would like to source knitwear from the UK. This is influenced by the risk associated with knitwear from abroad which is subject to both high minimums and high seasonality unpredictability.
- Dyeing, 60%, finishing 40% and Fabric knitting 40%: These associated processes are currently used in the UK and a strong processing and fabric knitting industry exists in the UK. The existing players in this part of the industry have invested heavily in technology for sustainable water, dye chemical and energy uses to meet UK environmental standards. The smaller CMT level is testimony to the fact that these fabrics are often exported for further production rather than being used in the UK.
- Fabric weaving 20%: This was specifically tailoring fabrics which are shipped abroad for CMT construction. Brands see an opportunity in tailored goods given “strong fabric mills already in UK” for suiting.
- Cut-Make-Trim (CMT) 20%: This is currently very low, however, in the future aspiration scenario 60% wish they could source CMT domestically.



## TYPE OF BUYING

UK garment manufacturing is primarily used for quick turnaround and specialised production, not high-volume output. Key patterns include:




- **Test & React: 50% of respondents use UK factories for "test and react" orders.**
- "Unique or personalised" products: 38% use factories for one offs or personalisation such as printing.
- 12 % of brands selected "other" siting products for events, retail openings or where they only buy components from the UK (eg, fabric, labels etc).
- Volume orders: All brands reported they do not place any volume orders in the UK Both in the current supply status section and when asked about future aspirations.

## AVERAGE ORDER VOLUMES

The Average order volumes are generally between 500-1000 units (60%) with 20 % being very small (between 1-500 units.) One branded noted the quantities being over 2000 but this was a garment equivalent of fabric runs for tailoring fabrics ultimately exported. So, in terms of general garment production the average order volumes are below 1000 units. **This agile, small-batch capability could be major driver for UK sourcing.**

## STRATEGIC PARTNERSHIPS

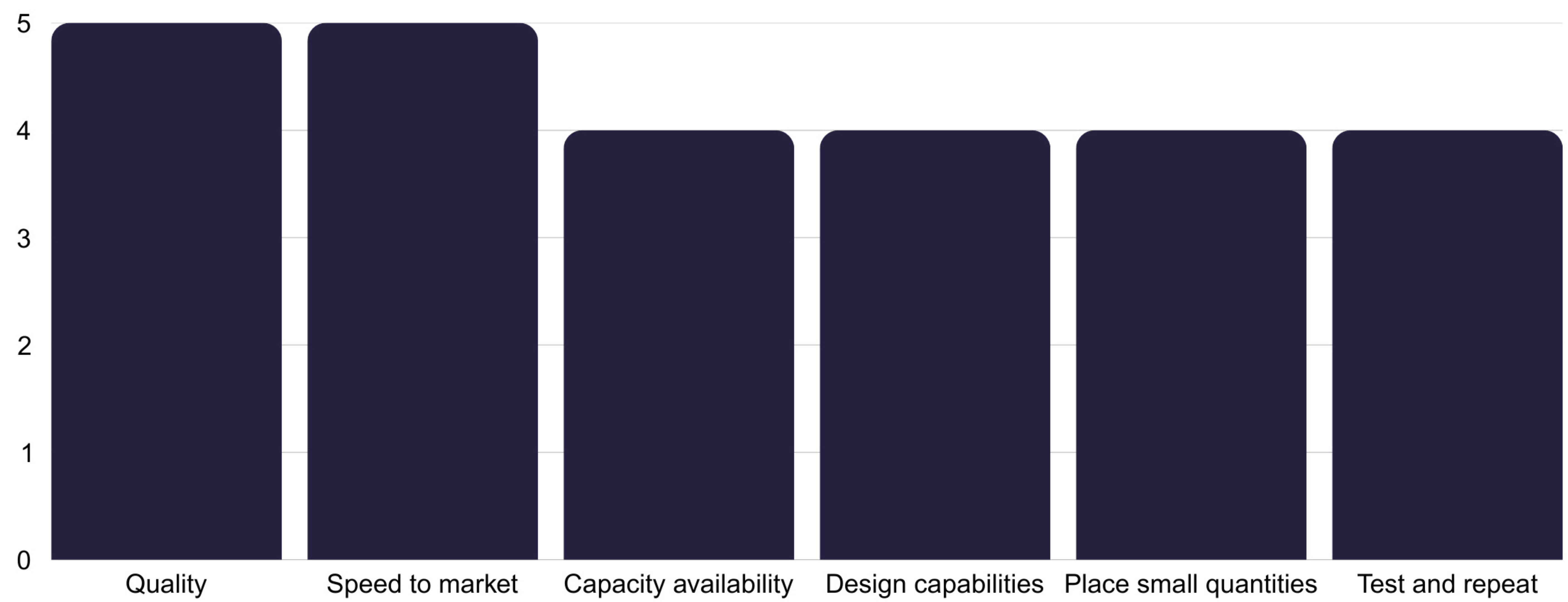
Relationship longevity: Brands currently sourcing from the UK generally work with between 2-5 factories extending to 10 when including tier 2 suppliers. The majority of these relationships have endured over 6 years with 40% established for over 10 years.

**Most relationships with UK suppliers are on a short-term, flexible basis rather than deeply integrated partnerships.** 63% described their UK sourcing as ad hoc or responsive ordering, while far fewer (25%) engage in long-term capacity planning with UK manufacturers.

Some adopt a "Mix of both" (12%) with some factories used with considered commitment planning and others for shortfalls or quick response. **This indicates that UK factories are treated as a flexible overflow or quick response option rather than core long-term partners in the supply chain.**

## KEY MOTIVATIONS IN SUPPLIER SELECTION (UK AND GLOBAL)

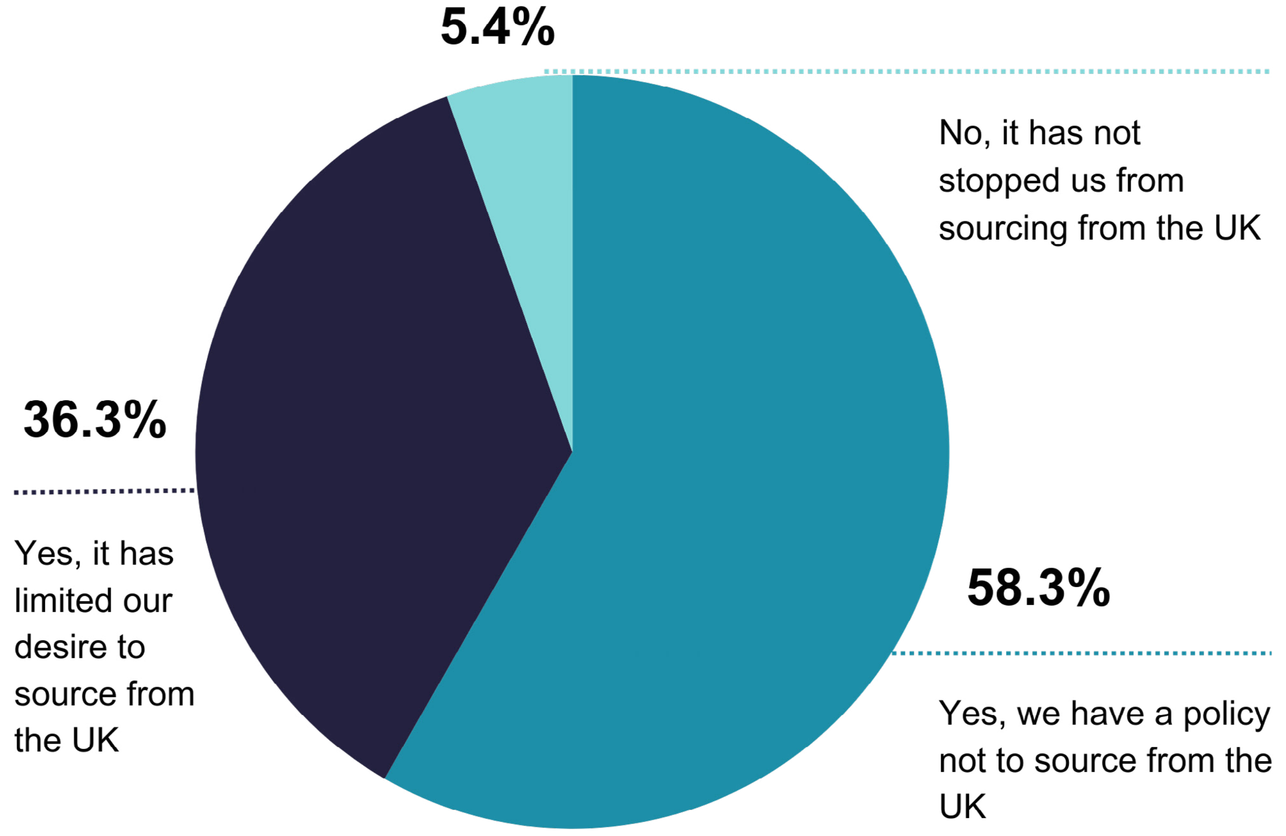
When choosing suppliers, respondents prioritise quality and reliability across the board, but there are clear differences in emphasis for UK factories versus global/offshore factories:




- **Quality is king: "Quality" is a top criterion for both UK and global sourcing. Any UK supplier must meet high quality standards to be considered.**
- **Speed and flexibility - A UK Advantage: Speed to market and ability to handle small orders or quick repeats are critical factors when selecting UK factories.** The ability to produce smaller runs and support frequent reorders is a major reason to use UK suppliers. In contrast, speed and small-batch flexibility are less important in global factory selection, since offshore production is used more for planned, larger orders.
- **Cost sensitivity: Price is currently a lower priority in UK sourcing decisions implying companies accept a price premium for UK manufacturing when seeking speed or special products.** However, price is a much bigger factor for global sourcing. In other words, firms go overseas largely for cost efficiency but turn to UK suppliers despite higher costs for other benefits. Notably, in a future scenario price is expected to become a more important factor in future UK factory selection. However, given that UK labour costs will remain relatively high, manufacturers and retailers must shift their focus from purely cost-cutting to maximising net margin — balancing competitive pricing with ethical standards, and value-added benefits.
- **Design collaboration: The ability of suppliers to interpret and realise design ideas is quite important in both contexts (especially for the UK).** Participants value UK manufacturers' close communication and understanding of their design vision.
- **Transparency and ethics:** Supply chain transparency is highly valued and is seen as a benefit of local sourcing. With UK factories, brands place very high importance on being able to closely monitor production and ensure compliance. This reflects reputational concerns in the UK garment industry and a desire for visibility into operations. Globally, transparency is also important, but often harder to achieve.

## ETHICAL CONCERNS

**95 % of the brands (by turnover) acknowledged that reports of unethical trade limited or eliminated their use of UK manufacturers.**




We know that some major brands have a policy not to allow manufacturing in the UK. The Brands that have a clear policy not to source from the UK represents 58.3% of the sample.

It is important to note that of the 5.4% of brands that do source from the UK, they report they spend less than 3% of their available budgets in the UK, some as low as 1%. This shows a huge potential to release buying power of UK brands into UK manufacture.

Historic Reports of unethical labour practices in the UK have tangible effects on sourcing decisions. Only 5.4% stated that reports of poor practices “have not stopped us sourcing from the UK.” This underscores that ethical reputation is a major challenge for UK manufacturing – it has already driven some firms away and made others cautious. This is well documented and recognised and we should acknowledge the failings of the past and safeguard against them in the future. The industry has voluntarily attempted to set standards and police them.

# Global supply-chain challenges & shifts

External disruptions in recent years have put strain on global supply chains, which in turn make local (UK) sourcing more attractive for certain needs:

**SHIPPING DELAYS**

**PRICE INFLATION**

**LABOUR COST INFLATION**

**INCREASED SHIPPING COSTS**

**PRICE UNPREDICTABILITY**

## THE ONGOING IMPACTS OF BREXIT

- **Two-thirds of participants experienced Brexit-related challenges in their import supply chains.** The most common issues were increased administrative costs and shipping delays. 75% reported higher admin expenses (tariffs, customs paperwork) and 75% saw delivery delays post-Brexit. About half also faced administrative bottlenecks causing delays in orders. These added frictions can erode some cost advantages of importing, thereby making local sourcing relatively more appealing for time-sensitive orders.
- Shipping costs: Only 25% noted significantly higher international shipping costs due to Brexit – so cost inflation was less uniform than delays. However, some companies did comment that operations in the EU and Ireland were impacted, suggesting complexity in serving European markets from a UK base after Brexit. Overall, Brexit's bureaucracy has been a headache, but not all companies have seen dramatic cost spikes – it's mostly about time and complexity.

## GLOBAL SUPPLY CHALLENGES AND SHIFTS

All respondents have felt effects from recent global crises (geopolitical conflicts like the Suez Canal blockage and Middle East unrest). **The biggest impact by far has been shipping delays – two-thirds indicated "high impact" from global disruptions on transit times.** One company described the past year as "incredibly challenging from a shipping perspective due to the closure of the Suez Canal."

**Many also experienced cost inflations in materials and products:** Most saw high impact from price inflation on imports.

## IMPLICATIONS

These external pressures have raised interest in near-shoring or on- shoring certain production. When ocean freight can no longer guarantee quick replenishments, the flexibility of a local supplier becomes more valuable. Likewise, extra Brexit paperwork may tilt the scale toward a UK vendor for serving the domestic UK market quickly. However, it's notable that no respondent explicitly plans to massively shift volume back to the UK yet (as seen in the volume intentions). Instead, they are maintaining their global sourcing while using UK for agility. This implies that **unless global disruptions worsen or UK significantly improves cost and capacity, the balance will remain – global for cost efficiency, speed, agility and quality.**

# Future UK sourcing trends

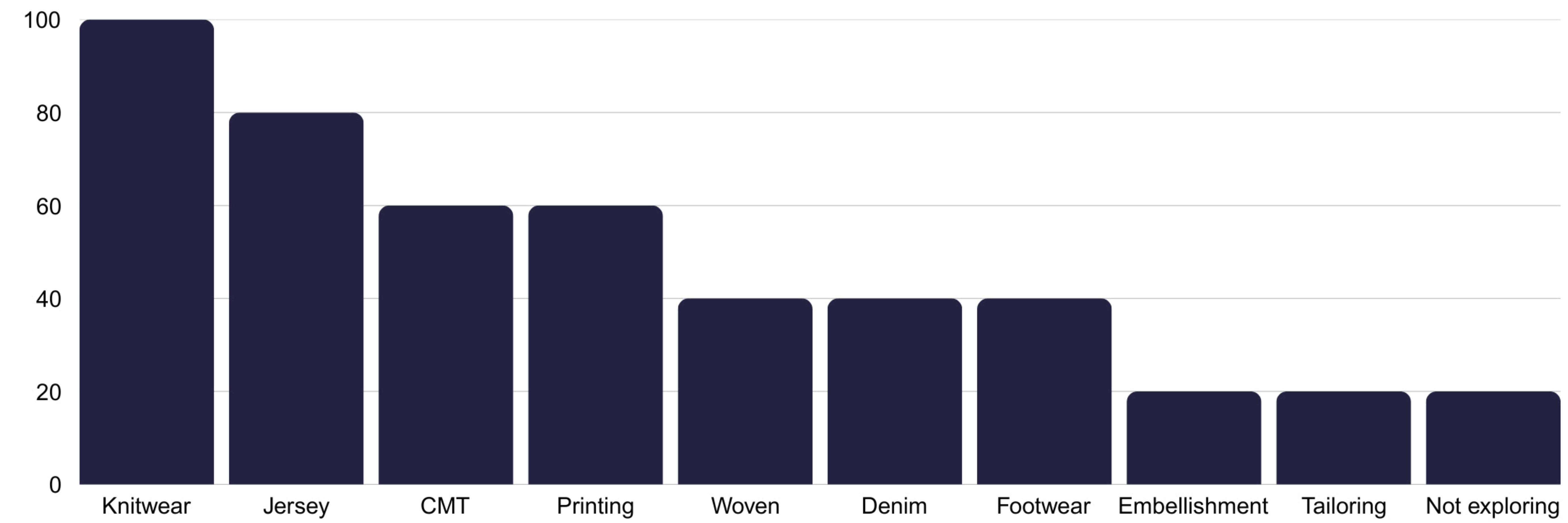
## FUTURE PLANS AND OPPORTUNITIES FOR UK SOURCING

Looking ahead, the survey results point to a cautious yet optimistic outlook for increasing UK-based manufacturing.

Companies generally plan to maintain or modestly increase UK sourcing. 80% expect their UK sourcing volumes to stay about the same in the near term, and 20% plan to increase it (none plan to reduce). The one company eyeing growth in UK production noted it is “dependent on changes in UK infrastructure including tier 2 and tier 3 suppliers – and textiles recycling developments.” In other words, expansion will require improvements in upstream materials (fabrics, trims) and circular capabilities in the UK. This foreshadows the importance of developing a deeper supply network to support any significant shift to local manufacturing.

## 1. DESIRED CATEGORIES FOR UK PRODUCTION

When asked which product categories they would like to source (or source more of) from the UK, the top answers were:




- **100% knitwear:** These were the most desired; all respondents chose knitwear.
- 80% chose jersey (cut-and-sew knit garments): This aligns with the current heavy use of UK knitwear and could grow further if capacity allows.
- Garment assembly (CMT): 60% would like to do more full garment manufacturing in the UK. Currently only one company does, so this signals a latent demand to bring more assembly onshore – likely contingent on cost competitiveness and available skilled labour.
- Printing and finishing: 60% are interested in UK printing (on fabrics/garments), reinforcing that this will remain an important domestic service.
- Denim and woven: Some interest exists (40% each) in sourcing denim products and general woven fabric products from UK suppliers, even though these are not widely done today. This might be aspirational, as UK has limited denim manufacturing at present.
- Footwear: 40% expressed interest in UK-made footwear (two companies – possibly those already doing footwear). Niche footwear manufacturing (e.g. bespoke or limited runs) and printing or collabs could be an opportunity area if skills and facilities exist locally.

Overall, these choices imply that if UK manufacturing capacity were improved, brands would first expand in the categories where UK already has strengths (knitwear, jersey, printing), and gradually in more complex product categories.

## 2. FUTURE SELECTION CRITERIA

In a scenario where UK supply chain becomes more robust and circular, respondents indicated a shift in how they would choose UK factories:

- **Price would matter more:** As noted, price moves from a low concern to a moderately high concern in future UK factory selection. However, given that UK labour costs will remain relatively high, manufacturers and retailers must shift their focus from purely cost-cutting to maximising net margin — balancing competitive pricing with ethical standards, and value-added benefits.
- **Transparency and traceability:** Already important, these remain critical in future considerations (nearly all respondents would require full transparency if they were to scale up UK production). Any future UK supply chain initiative must maintain strict auditability and data sharing, especially if it touts circularity (brands will want proof of recycling, etc.).
- **Quality and speed remain non-negotiable:** Even in the future vision, quality stays at the top, and fast lead times continue to be very important. Brands won't trade off the existing benefits of UK sourcing; rather, they expect to gain environmental and cost improvements on top of the current strengths.
- **Environmental factors gain importance:** Currently, using recycled materials or reducing carbon footprint wasn't a top deciding factor in choosing a UK supplier (likely because options are limited). However, if a "fully circular" UK supply chain existed, companies would place greater weight on those capabilities. For example, "ability to use recycled materials from the UK" rose in importance in the future scenario Similarly, interest in factories helping to "reduce waste/overbuying" and provide carbon data increases. This indicates an opportunity for UK suppliers to differentiate in sustainability – e.g. offering products made with locally recycled fibre, renewable energy usage, and zero-waste processes could become a selling point that brands actively seek out.

## 3. USE OF UK PRODUCTION IN THE FUTURE - LONG-TERM PLANNED PRODUCTION VS SHORT-TERM AD-HOC

When asked how they would use UK manufacturing in the future (given ideal conditions), all companies still intend to use it for responsive and test orders. In fact, every respondent said they would use UK production for ad hoc responsive buying, and almost all (83%) for test-and-react cycles. Only one-third foresaw using UK for long-term planned production. This signals that even in the best case, UK manufacturing might predominantly serve a quick response function in the supply chain. Some companies may integrate it slightly more into regular planning (e.g. for certain product lines or core replenishment if costs allow), but broadly the strategic role of UK production is seen as supplementing, not replacing, offshore production. **For UK industry stakeholders, this means the goal shouldn't necessarily be to compete head-on with low-cost mass production abroad, but to focus on agility, creativity, and sustainability – areas where local production excels and adds value.**

## 4. REGULATION PREPAREDNESS

The dataset reveals how aware and prepared these companies are regarding upcoming legislation that could affect sourcing and circularity operations:

| Incoming legisation | Not aware | Aware - no work in progress | Aware - preparing | Ready |
|---|---|---|---|---|
| Extended Producer Responsibility (EPR) | | | 100% | |
| EU Sustainability Reporting Directive (CSRD) | 17% | | 66% | 17% |
| Garment Code Adjudicator (GCA) | 50% | 50% | | |

**Garment Code Adjudicator (GCA):** Awareness of the proposed "Garment Code Adjudicator" is mixed. About one-third of respondents were not aware of this potential UK law, and half are aware but have "no work in progress" to address it yet. **This could become a risk if it catches brands unprepared; there's an opportunity for education and proactive compliance once details finalise.**

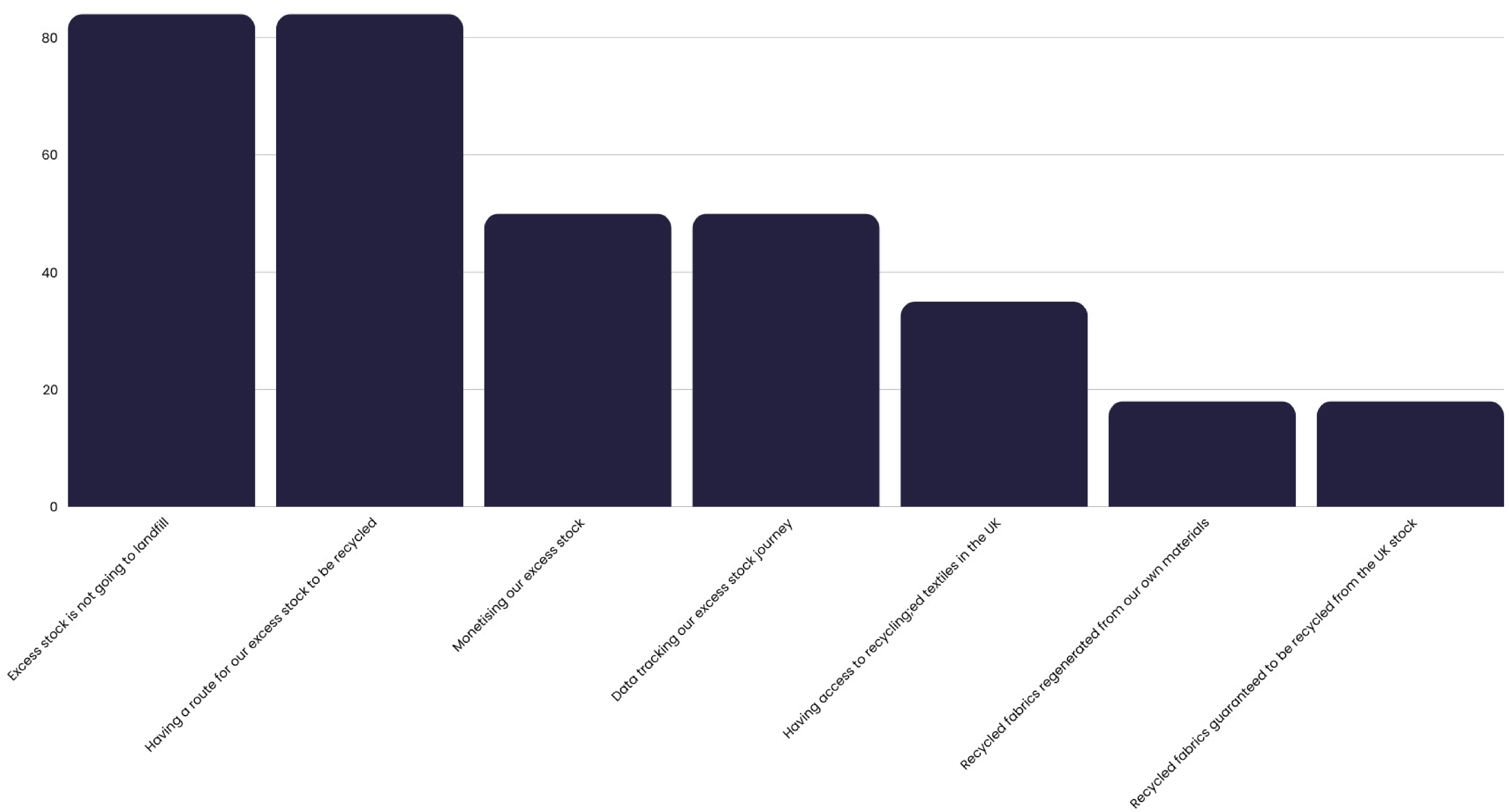
**Extended Producer Responsibility (EPR):** In contrast, 100% of respondents are aware of EPR for textiles and are actively preparing for it. EPR, which will make producers responsible for the end-of-life of products (likely through fees or take-back mandates), is clearly on every brand's radar. All surveyed companies said they are in preparation mode for EPR implementation, though none consider themselves fully "ready" yet (reasonable, as final regulations are still pending). This aligns with earlier findings that recycling and excess stock management are a huge focus – EPR is likely driving companies to set up programs to reclaim or recycle products, to minimise future fees and comply with the law. The high preparedness here shows the industry's recognition that circularity will soon be legally required, not just voluntary.

**Corporate Sustainability Reporting Directive (CSRD):** This EU legislation has strong relevance even for UK-based companies (especially larger ones or those selling in Europe). Most respondents (≈67%) are aware and in the process of preparing to meet CSRD requirements, and one is already "ready." However, (17%) was not aware of CSRD – possibly a smaller enterprise that hasn't encountered it yet. Given CSRD's broad scope for sustainability reporting, the fact that the majority are preparing indicates a trend towards more rigorous ESG data collection and assurance. Companies see the writing on the wall that transparent reporting on environmental and social metrics will be mandatory, dovetailing with their internal desire for data on excess stock, carbon footprint, etc.

In summary, **regulatory drivers are reinforcing the push toward ethical, transparent, and circular operations.** Brands are ahead of the curve on EPR and sustainability reporting preparation but may need to catch up on potential UK-specific regulations like the GCA. Keeping abreast of these developments is itself becoming a key aspect of supply chain strategy.

## 5. TOWARDS CIRCULARITY

**A major focus of the dataset is the future vision of a circular UK supply chain** and how companies would respond. **The insights reveal that brands are very enthusiastic about integrated circular solutions in the UK suply-chain, primarily to tackle waste and meet sustainability goals:**




**Excess stock and circular solutions:** Every company strongly prioritises finding solutions for excess inventory in a circular economy scenario. In a fully circular UK supply chain, the most critical aspects according to respondents are:

- Recycling unwanted stock: “Having a route for our excess stock to be recycled” was rated Extremely important by 6 out of 8 companies (the remaining ones rated it Very important). Similarly, “knowing our excess stock is not going to landfill” is almost unanimously essential. This highlights that avoiding landfill and enabling recycling for unsold products is a top sustainability priority. Current practices likely leave brands with excess goods they must discount or destroy; a circular system offering a recycle option would be highly valued.
- **Companies also care about “monetising our excess stock”** – half rated this extremely important, though a couple viewed it only somewhat important. So, while environmental benefit is key, recovering value from excess products (through resale, recycling credits, etc.) is an attractive bonus. Brands want circularity to make financial sense if possible.
- **There is strong interest in data tracking for the fate of excess stock**. Companies want “quality, immutable data” on their stock’s recycling journey, with half rating this extremely important and the rest somewhat/very important. This ties into both internal goals and reporting needs (ESG and CSR accountability). Essentially, if they engage in a take-back or recycling program, they want proof and transparency that products were indeed recycled and not wasted.
- A high priority is “having access to recycled textiles in the UK”. **In other words, they would like a circular loop where their waste becomes new raw material.**
- Most companies did not insist on closed-loop recycling of their own products back into new fabric. Having recycled materials is crucial, but whether those fibres originated from their brand’s old stock or from general UK waste is less important. This suggests a practical approach: brands are happy to use recycled inputs, even if it’s not a one-to-one loop with their returns. **The priority is that materials are kept in circulation overall.**

# Challenges, opportunities and actions

## CHALLENGES

- **Cost & scale constraints:** High cost of UK manufacturing and limited capacity (especially in upstream materials) constrain wider adoption. Brands want to buy more from the UK but need prices to "stack up" commercially. Without scaling up facilities and improving efficiency, UK production will remain mostly for small runs.
- **Ethical compliance gaps:** Past labour compliance issues in UK factories have damaged trust. Some companies are wary or have policies against UK sourcing until they are confident issues are resolved across all tiers (not just first-tier factories). This is both a social responsibility concern and a reputational risk that must be managed. Strengthening compliance frameworks and extending oversight deeper into the supply chain (tier 2, tier 3 suppliers like fabric mills) is crucial.
- **Infrastructure for circularity:** There is currently a lack of infrastructure to recycle textiles at scale in the UK and feed it back into production. Respondents highlight that they need local recycling and reprocessing facilities to achieve circular goals. Until those exist (for example, large-scale textile recycling plants, sorting and chemical recycling for fibres), much of the circular economy vision will remain aspirational.
- **Brexit and global logistics and geopolitical risk Issues:** Continued customs frictions and shipping unpredictability add complexity to operations. While brands are coping, these issues underline the importance of building more responsive supply chains. In the short term, companies must invest time and resources into customs compliance and buffer inventory to offset delays – which is inefficient.

## OPPORTUNITIES

- **Agility and near-shoring:** The innate agility of UK production is a strength to build on. Brands highly value quick response manufacturing – an area that global competitors often cannot match due to distance. Investing in rapid production technologies (like automation for quick changeovers) and lead-time reduction can cement the UK's role as the go-to for fast fashion turnaround and personalisation.
- **Ethical manufacturing as a brand asset:** If UK manufacturers can assure world-class labour standards, there is an opportunity to turn past challenges into a selling point. For instance, factories could obtain strong certifications or adopt new worker welfare programs, and brands can highlight "Made in UK under fair conditions" to consumers. Coupling ethical production with the local origin story could strengthen customer loyalty (since we saw "Made in Britain" boosts trust). Essentially, make UK production synonymous with quality and integrity. This may involve continuing to support audit programs (Fast Forward or others) but also pushing for improvements in those schemes based on feedback (e.g. more robust auditor training, covering subcontractors and material suppliers).
- **Reshoring is realistic as part of a New Blended Global supply chain Matrix** incorporating Far, Near and UK.
- **There is a clear appetite from brands for a circular supply chain ecosystem** driven by external and legislative pressures.
- There is a **clear opportunity to develop transparency, traceability and verification** tools using QR, Blockchain, AI and RFID systems. Templates exist in other industries. When traceability and data verified ethical manufacturing can be assured this can be a brand asset.
- Circular economy leadership: Government priorities of increasing jobs, reducing reliance on benefits and achieving net zero goals can all be met by reshoring and building a circular supply chain manufacturing park. There is a clear appetite from brands for a circular supply chain ecosystem in the UK. This presents an opportunity for innovators and policymakers: setting up textile collection, recycling, and regenerated fibre production domestically. If the UK can create a closed-loop system (collect used garments, recycle fibre, and supply it back to manufacturers), brands are ready and waiting to participate. This could differentiate UK-made products as truly sustainable – a powerful proposition as EPR comes into effect. Collaboration between brands, recyclers, and manufacturers (possibly with government incentives through EPR funds) can jump-start this infrastructure.

## ACTIONS

For industry stakeholders, here are some concrete takeaways from the data:

- For brands: Continue using UK suppliers for agility and invest in those relationships. Consider partnering with UK factories on automation or training programs to help them reduce costs – this will pay off in the long run if you can shift more production onshore. Also, actively engage in policy discussions (GCA, EPR) and collaborate in setting up take-back and recycling schemes ahead of regulations; being a first mover in circularity could become a competitive advantage.
- For UK garment nanufacturers: Focus on your strengths (speed, quality, craftsmanship, transparency) and communicate them. Work on scaling sustainably – maybe form cooperatives or networks to offer greater capacity together. Show brands you are ready for their “test and repeat” and can also handle larger orders when needed. Improving cost efficiency is key: explore lean manufacturing and new tech to bring quotes closer to offshore prices for basics. And since sustainability is the future, invest in capabilities like using recycled yarns, renewable energy, and providing detailed audit data – these will attract more business as brands prepare for CSRD and seek low-carbon suppliers.
- For policymakers and industry bodies: There’s a mandate from brands for better recycling infrastructure and enforcement of labour standards.
- Innovation and infrastructure investment is required in building the “missing links in the circular chain” However this is only a small section of the circle namely recycling plants, spinning and weaving if we can maintain our knitting, finishing, dying, CMT and printing businesses.
- Transparency and traceability is required both deeper upstream into Tier 2, Tier 3 etc. and onwards downstream to account for retailer excess stock and post-consumer waste. This will ensure trust for both the brands and the consumers.
- Immutable data to verify both raw fibre origins and recycled credentials and DPP required. QR, Blockchain, AI as well as garment and label verification required.
- Systems: new AI/Blockchain system (e.g. Galaxius/Ameba/Segura) to be built to facilitate fabric and production planning, order placement etc. Objective to achieve efficiencies, capture data and reduce cost.
- Infrastructure –recycling plants (both mechanical and chemical) and spinning plants for new forms of recycled materials need investment.
- Direct EPR funds or grants to build textile recycling plants in the UK.
- Support training programs to address any skills gap in ethical compliance and modern manufacturing.
- A coordinated approach can make the UK a leader in sustainable fashion production, capitalising on brands’ expressed willingness to source more locally if conditions improve.

## CONCLUSION

In conclusion, the future of sourcing and circularity in the UK holds much promise. Companies are not looking to abandon global supply chains wholesale, but they clearly see the UK as a crucial part of a resilient, sustainable supply network – one that can quickly adapt to trends, reduce waste, and meet new ethical standards. The UK will play an important role in a matrix of Far, Near and Onshore sourcing strategy.

By addressing current challenges, UK operations can evolve from a niche, ad-hoc solution into a strategic pillar of fashion sourcing in the years ahead. The data shows the interest and intent are there; now it’s about turning opportunity into reality through collaboration and innovation.

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