



The State of Sourcing Report

Sourcing and Sustainability in 2025



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The State of Sourcing Report

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If you want to understand something, you need to go to the source.

For us, what we wanted to understand was sourcing itself – where are retailers sourcing from, why, and is this likely to change in the next 12-18 months?

But, we also wanted to explore what's really happening in sustainability away from the public statements. Because how products are made, and how they get from factory to shop floor in the UK, and their environmental impact are intrinsically linked.

Are retailers moving forward in terms of sustainability and why? Is sustainability becoming deprioritised or are retailers planning to invest more in 2025? What are the barriers to becoming a more sustainable, and responsible, business?

To answer these questions, we have conducted a new survey of UK retailers, both large and small, to gain a true picture of what's happening in sourcing and sustainability today and what this means for the coming year. And we will do the same thing next year, to create an index of whether things are moving in the right direction.

We hope you find these insights as interesting as we did.

Suzanne Ellingham
Director, Source events
December 2024



The State of Sourcing Report

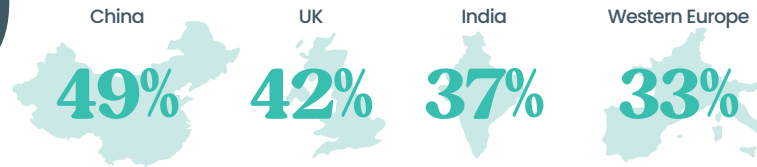
Sourcing and Sustainability in 2025

We surveyed UK retailers, both large and small, to gain a true picture of what's happening in sourcing and sustainability today and what this means for 2025.



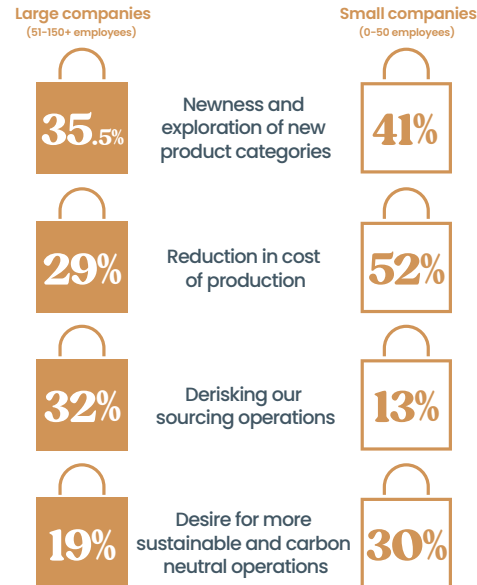
70% of UK retailers who aren't sourcing internationally don't see this changing in the next 12-18 months

Most popular sourcing regions for UK retailers



* respondents could select multiple answers

Primary reasons UK retailers choose to source from specific regions



* respondents could select multiple answers

31% have a dedicated sustainability department with a head of sustainability setting the policy and targets

UK retailers are divided on responsibility for setting sustainability strategy

31% say their sustainability strategy is managed as a responsibility of another team

What's stopping UK retailers progressing on sustainability?



* respondents could select multiple answers

78% of UK retailers feel they've moved forward in terms of sustainability compared to 12 months ago

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- Survey of UK retailers conducted by Source, Sept–Oct 2024
- Small companies (0–50 employees)
- Large companies (51–150+ employees)

What are the current sourcing practices of retailers?

Our survey found that the majority of respondents (74%) are sourcing internationally. This story is the same when we split the results by size of business. 71% of companies with 0-50 employees (small companies) said they source internationally, compared to 84% of companies with 51-150+ employees (large companies).

The fact that the figure for large companies is higher isn't surprising given that big businesses tend to operate at an international level. What is perhaps unexpected is that smaller companies aren't far behind them.

Even when we break the results down further to look at companies with 0-10 employees, around two-thirds say they source internationally. This suggests that international sourcing is within the reach of all businesses – no matter their size – and a vital part of retailing today.

As to which regions retailers are sourcing from, China is leading the way at 49% across all respondents. The UK is close

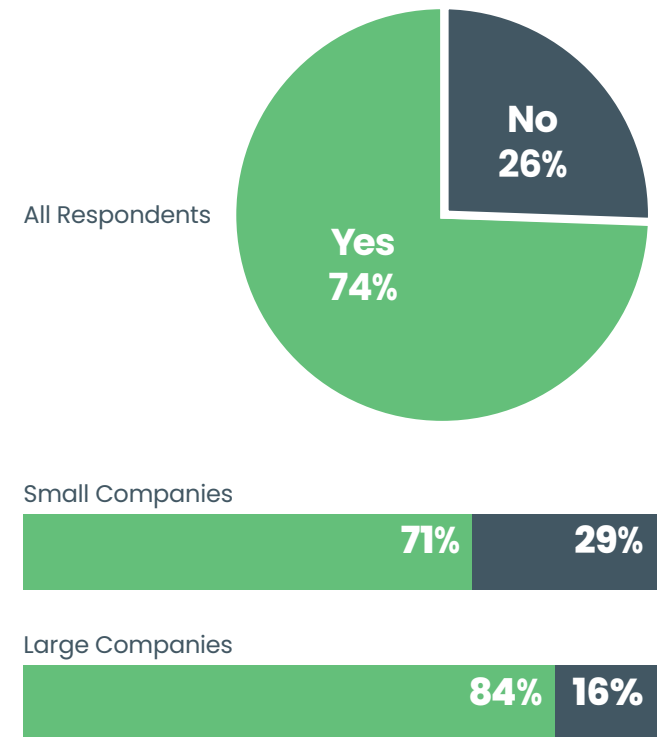
behind at 42%, followed by India (37%) and Western Europe (33%).

These same four regions take the top spots when we look at the responses from companies with 0-50 employees. However, the gap between them is reduced with China and the UK at 45% and 44% respectively and India and Western Europe both at 37%.

The international sourcing picture looks a little different when we look at larger businesses (51-150+ employees). China is still the biggest region at 61%, followed by the UK (35%) and India (35%), but South East Asia (29%) and Turkey (29%) are above Western Europe (19%).

This suggests that smaller UK-based companies are looking closer to home for their sourcing needs than larger ones. This may be due to preference, shorter lead times, or because they face barriers to sourcing from further afield. However, only 22.5% of respondents at companies with 0-50 employees said they chose their primary sourcing regions out of a desire to

Question 1: Do you source internationally?



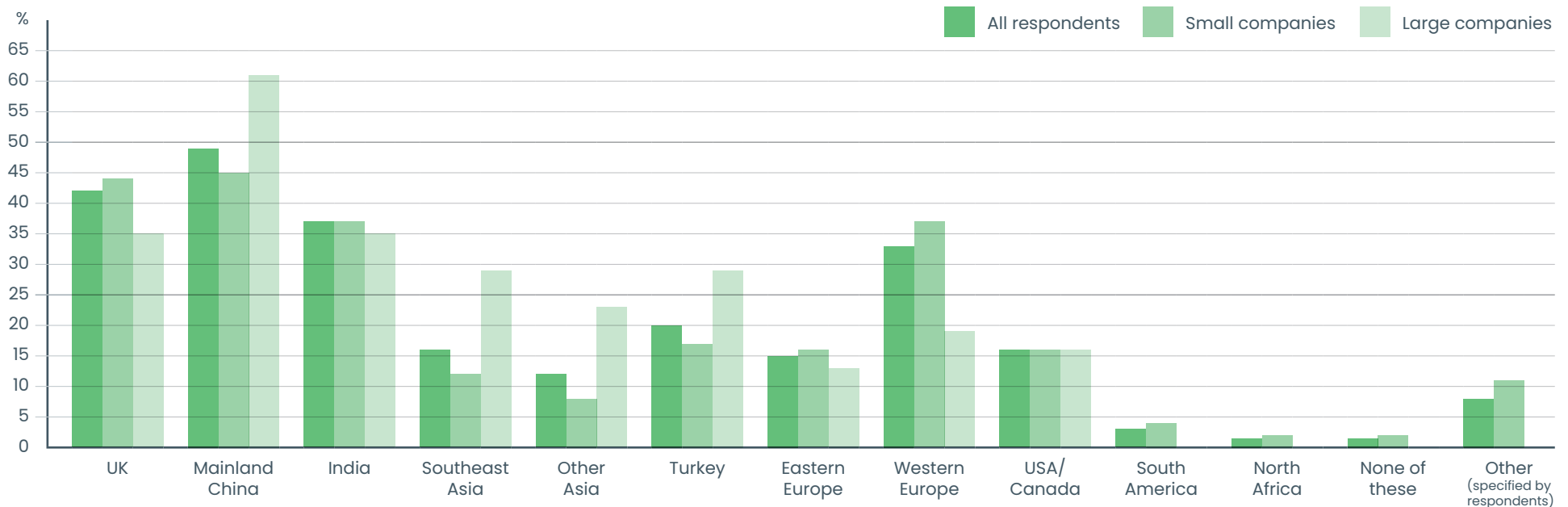
bring production closer to home. Clearly, there are other reasons behind their choice of sourcing destination than just localisation.

Meanwhile, the fact that China dominates the responses for larger businesses indicates that these companies still appreciate China's well established production capabilities and supply chains. Despite all of those public statements of intent to near shore or bring production closer to home, perhaps making this a reality has not been as easy, or as instantly profitable as retailers and brands need it to be.

Cost of production is also likely to be a key factor. When asked about why they source from their chosen regions, this was the number one result with 46% of respondents across businesses of all sizes choosing it.

That being said, cost of production actually wasn't the biggest reason cited by large businesses for choosing to source from certain regions. Newness and exploration of new product categories was the top response at 35.5%, followed by desire to derisk sourcing operations (32%), and then cost of production (29%).

Question 2: Which regions do you primarily work with (when sourcing internationally)?*



*Respondents could choose multiple answers.

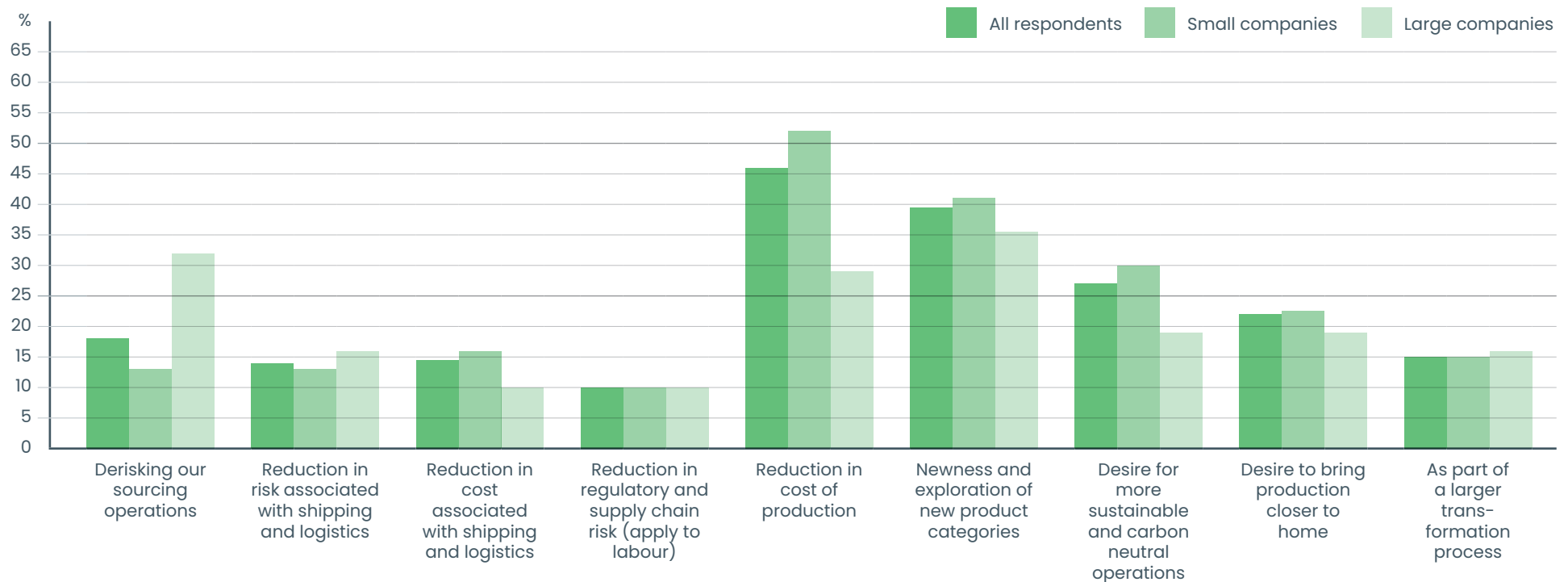
Newness and exploration of new product categories was also the second most popular reason for choosing certain sourcing regions among smaller businesses (41%). This suggests that companies are constantly looking for opportunities to expand their business into new areas. It's also likely to be a response to the speeding up of consumer trends which influence buying behaviours.

Overall, derisking sourcing operations is a much higher priority for larger businesses (32%) than it is for smaller

ones (13%). This is likely to be because of the scale of their operations and sourcing from further afield. These brands will also have experienced the global supply chain challenges created by the Covid-19 pandemic, which will have made them aware of vulnerabilities in their logistics operations.

Despite this, moving production closer to home doesn't appear to be a priority for larger businesses with just 19% of respondents choosing this option.

Question 3: What is your primary reason for exploring this region (when sourcing internationally)?*



*Respondents could choose three answers.

This is surprising as social media has made it easier than ever for new trends to appear and take off very quickly. This alongside the normalisation of the drop model, where limited edition and small volume products appear suddenly on the market, means that it would make perfect sense to have more production options closer to home to service this micro trend need. This would give retailers a more reactive source and supply model to work from.

Interestingly, sustainability is a higher priority for smaller businesses when it comes to choosing where they source from at 30% compared to 19% for larger companies.

This may be because new businesses are placing more emphasis on sustainability from the start, while larger and longer established companies are having to rethink the way they do things - as we often hear, it's difficult to turn an oil tanker!

It's also likely that smaller businesses, being closer to their customers, feel greater pressure from them to be sustainable, particularly as consumers actively look to smaller and independent companies to be a sustainable alternative.

When it comes to larger businesses, consumers may find it harder to tell exactly how sustainable large companies are because of their size and complexity.

There may also be an element of cynicism around the claims these companies make. Consumers may also assume that large businesses are required to operate sustainably. In addition, they may have other priorities when buying from larger retailers, such as cost, and overwhelming choice.

Either way, larger businesses don't seem to feel the pressure from consumers to pursue real transformation and change, especially in a challenging business environment.

"We are still finding that consumers won't spend any more money on something that we tell them is more sustainable."

That doesn't mean we aren't committed to sustainability, but it does mean that approval for sustainability-focused initiatives is getting harder. The current economic climate compounds this too."

Head of Retail EMEA
Global coffee brand



Why aren't some retailers sourcing internationally?

Not every retailer who responded to our survey is currently sourcing internationally. The main reason given for this is that they are comfortable/happy with the region they currently source within (42%). This was the number one response for both small and large businesses.

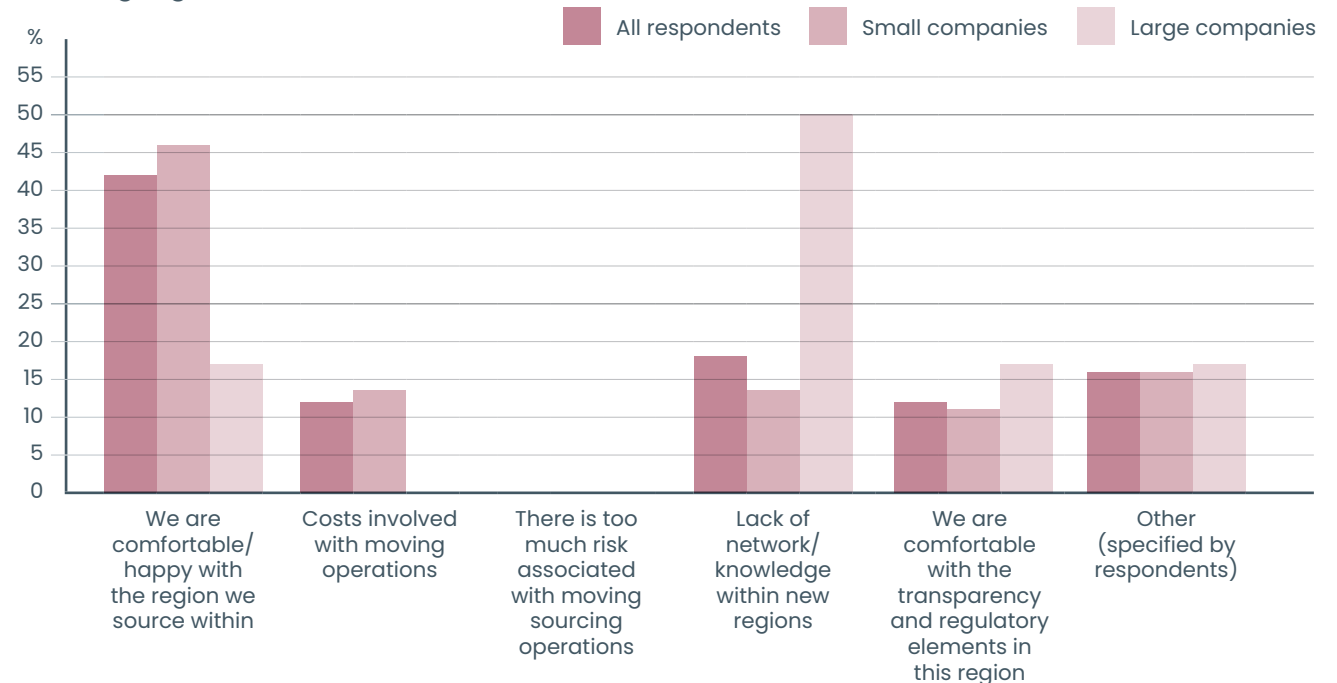
Another big factor for all sizes of business is a lack of network/ knowledge within new regions (18%).

From the responses, it was also clear that the cost of moving operations has a much bigger impact on small businesses (13.5%) compared to large ones, where it was one of the least popular reasons (0%). This is understandable as small businesses often are working with tight margins and smaller amounts of capital.

Of those who responded 'other' to the question of why they don't source internationally (16%), a higher number were small businesses. This shows that every business faces different challenges and choices depending on where they are

in their journey. Several of the respondents cited wanting to remain local and to source UK based goods, which indicates a desire to stay close to home.

Question 4: If you're not sourcing internationally, what is the reason for not exploring other sourcing regions?



Notably, the majority of businesses who aren't sourcing internationally currently don't plan to start in the next 12-18 months (70%). This was the case for both small and large businesses and suggests that they don't see their circumstances changing dramatically in the near future.

Additional comments from respondents focused on the challenges involved in international sourcing, particularly for smaller businesses. Several referred to their size and inability to meet the volume requirements for sourcing internationally. They also highlighted challenges around sustainability and risk of supply chain disruption.

"It all boils down to the cost and shipping expenses."

"Global sourcing is great when actioned responsibly; however, the costs involved are extremely high."

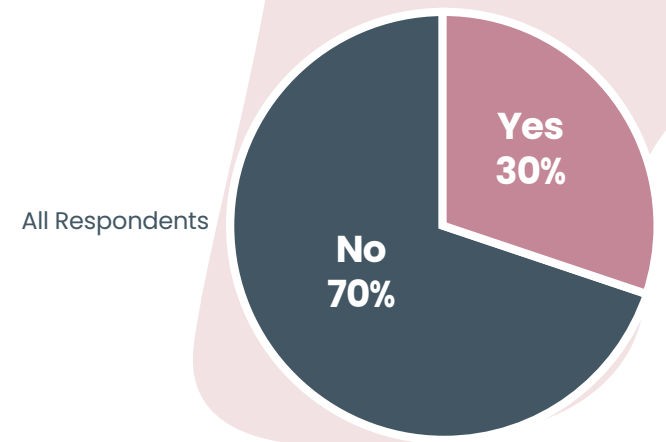
"We are a small team so cannot manage importing/factory checks."

"Insurance costs for importing are too high. Profit margin is lower. Quality is often worse from global sources. Quantity needed to import is too much for our storage facilities."

"Challenges are transport costs and recognising "green washing". Often claims of sustainability are made with no proof."

Those businesses that are planning to move to sourcing internationally over the next year highlighted the UK (58%) and Western Europe (33%) as the main regions of interest. These regions make sense for UK businesses who may be looking closer to home for sourcing or find it easier to dip their toe into the world of international sourcing on more familiar territory.

Question 5: Do you think you will start sourcing internationally in the next 12-18 months?

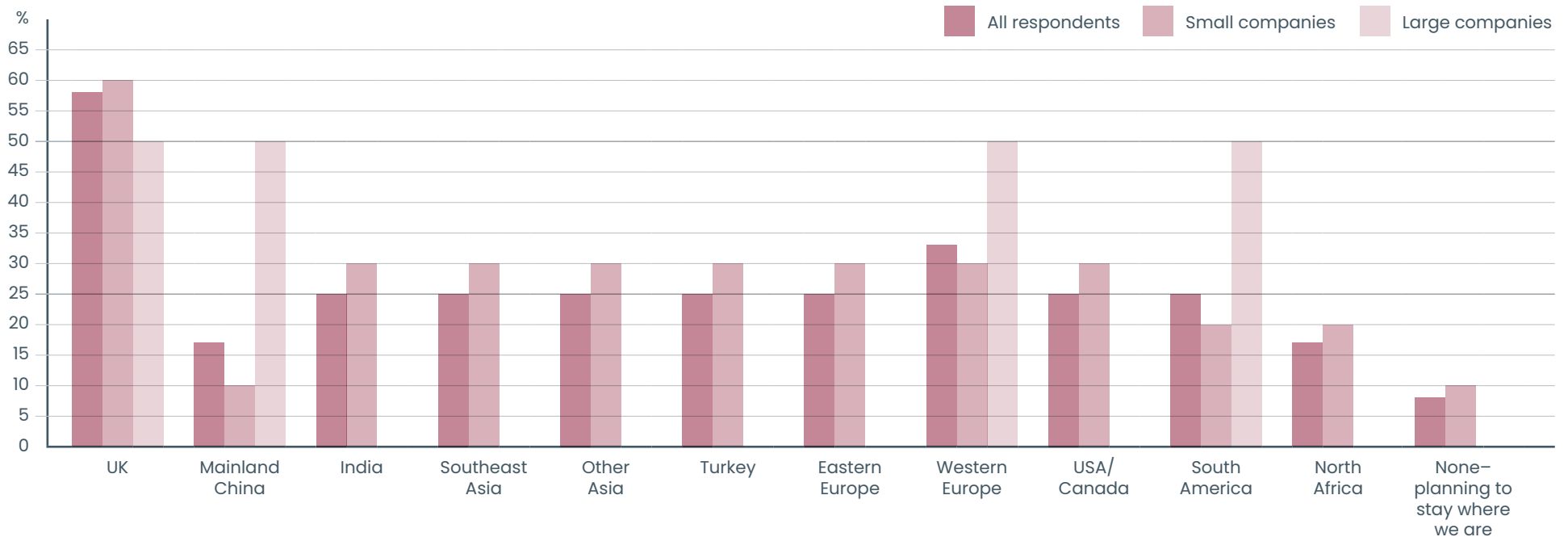


China had one of the lowest response rates (17%) overall as a destination for companies looking to start sourcing internationally over the next 18 months.

Interestingly, this figure jumped to 50% when looking at large companies only and suggests that – as already noted – China’s well established production capabilities and supply chains remain attractive to large companies who may have higher capacity and capability requirements.

All other regions have relatively similar response rates at 25% for India, South East Asia, Other Asia, Turkey, the US and Canada, South America, and Eastern Europe. This indicates that there isn’t a single global sourcing destination that makes sense for all retailers and that decisions must be made on an individual basis.

Question 6: If you will start sourcing internationally, which regions would you like to explore in the next 18 months?*



*Respondents could choose multiple answers.

How are retailers approaching sustainability?



Sustainability and sourcing practices should be moving in the same direction, which is why the second part of our survey delves into sustainability and businesses' approaches to it.

One of the most telling questions was about who is responsible for setting the sustainability strategy in the business with the responses demonstrating how fragmented the approach to sustainability is.

Overall, an equal number of businesses said they have a dedicated sustainability department with a head of sustainability setting the policy and targets (31%) as businesses who have sustainability managed as part of another team (31%). This second figure is somewhat skewed by the smallest businesses who may only have one or two employees who have responsibility for everything.

If we look specifically at 0-50 employee businesses, the top response is that sustainability is managed as part of another team (31%). The smallest

percentage of responses were for a head of sustainability/ ESG that coordinates cross functionally and is visibly supported by executive management (13%). Again, this makes sense in the context of small operations.

Question 7: Who is responsible for setting the sustainability strategy in your business?



Equally though, it's impressive that in total over 50% of small businesses have some sort of dedicated sustainability department or head of sustainability. This shows how seriously these businesses are taking their impact on the environment.

Whereas for large businesses, a dedicated sustainability department with a head of sustainability setting the policy and targets was the most common response (40%), followed by a head of sustainability/ESG that coordinates cross functionally and is visibly supported by executive management (24%). This isn't surprising given that consumers would expect large businesses to have more formal sustainability functions. These businesses also have more resources, in terms of funds and staff, to dedicate to this.

A positive outcome from the survey is that most businesses (78%) - both large and small - feel that they have moved forward on sustainability in the last 12 months. This increases to 88% when you look at large businesses specifically.

Among businesses who feel they have moved forward on sustainability, there isn't much difference between large and small businesses when it comes to what they attribute this progress to.

All sizes of business are feeling some pressure from consumers to operate in a better way (12%). They also cite the value

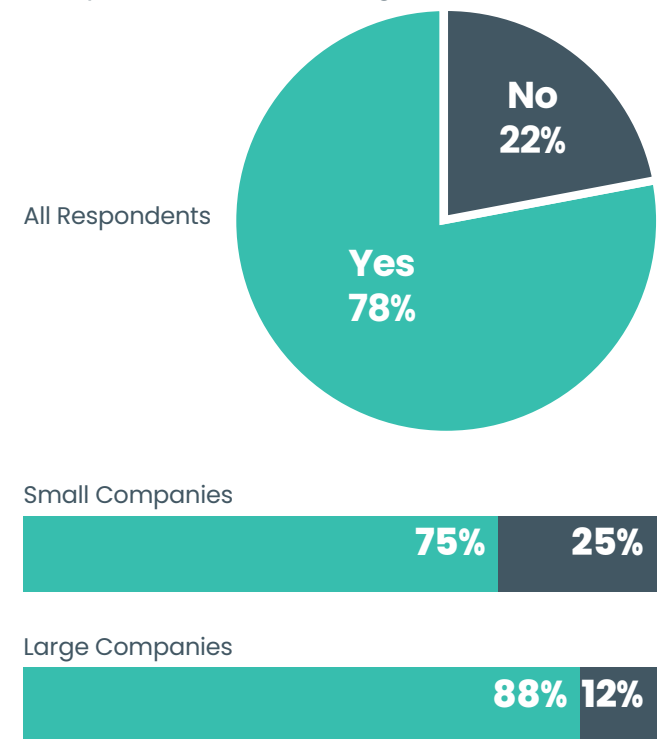
of having a clear strategy and goals in place, with people accountable for progress (11%) and measuring that progress as part of a long-term journey (14%).

More small businesses report that they have authentic leadership and support from the top (29%) than large ones (21%). This may be due to smaller and closer business structures. It could also indicate that while larger businesses talk about sustainability being important, genuine leadership from the top isn't there. This makes it harder for sustainability to become part of a business's DNA rather than a checkbox exercise.

An interesting outcome is that the same percentage of small (3%) and large (3%) businesses said they had clear targets linked to Net Zero. This is something that you'd expect to be led by larger businesses, but clearly small companies are adopting a sustainable mindset from the very beginning.

Likewise, the only company who reported that they were a B-Corp was a smaller business. Again, this is the type of sustainability leadership that the industry would expect from the biggest players, but given the investment and transformation needed to become a B-Corp, many larger businesses may be much further away from this than they would like.

Question 8: Do you feel your business has moved forward in terms of sustainability compared to 12 months ago?



Looking at the businesses that felt they hadn't moved forward on sustainability, the biggest reasons vary between the size of business. For small companies, a lack of consumer pressure (52%) was the biggest reason they hadn't made progress. This is despite the fact that for some businesses consumer pressure was one of the things that drove their sustainability progress.

This discrepancy may be because different industries face different levels of consumer scrutiny around sustainability, and it may be expected more in some sectors over others. Additionally, some

businesses will want to take the lead on sustainability to meet demand from environmentally-conscious consumers.

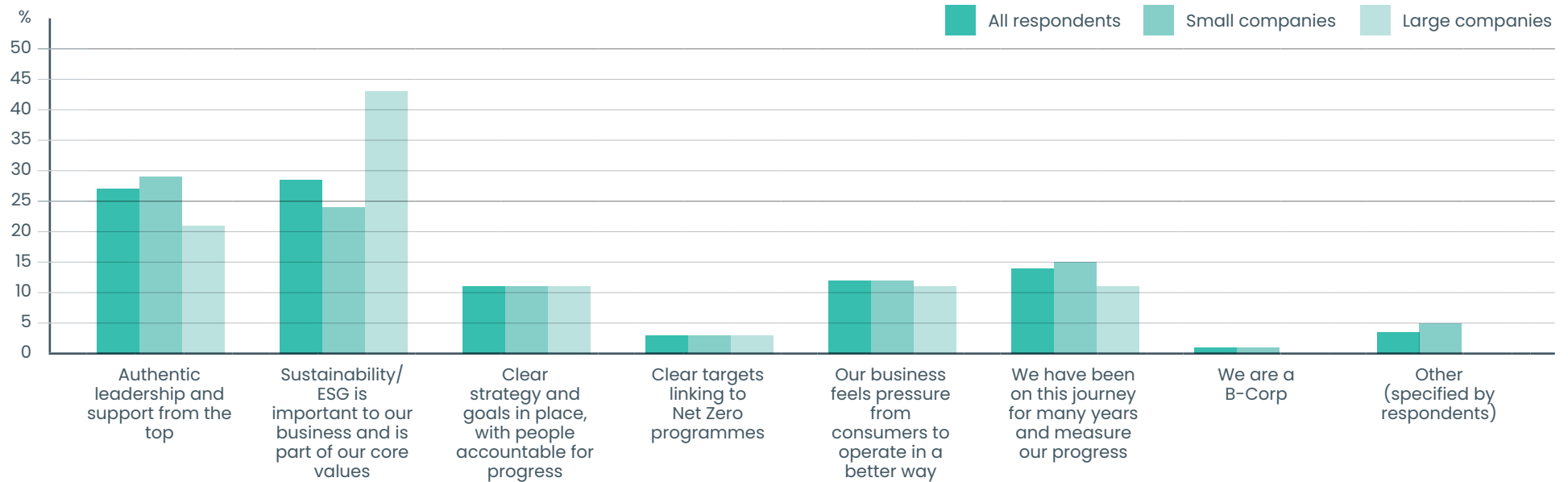
They also cited a lack of financial incentives (30%), shifting and competing priorities (33%), and the size of the task (44%) as issues. These are all understandable concerns for small businesses who have fewer resources to put into making company wide changes. They also have more to lose from putting their investment into the wrong places, which may be why they're putting off making sustainable changes to their business.

" We reduced emissions by 21% in 2023, and that isn't possible without a business-wide focus on sustainability."

And sustainability is an integrated part of our business - it has a presence in every team and in every meeting."

Anna-Karin Dahlberg
Chief Sustainability Officer, Index

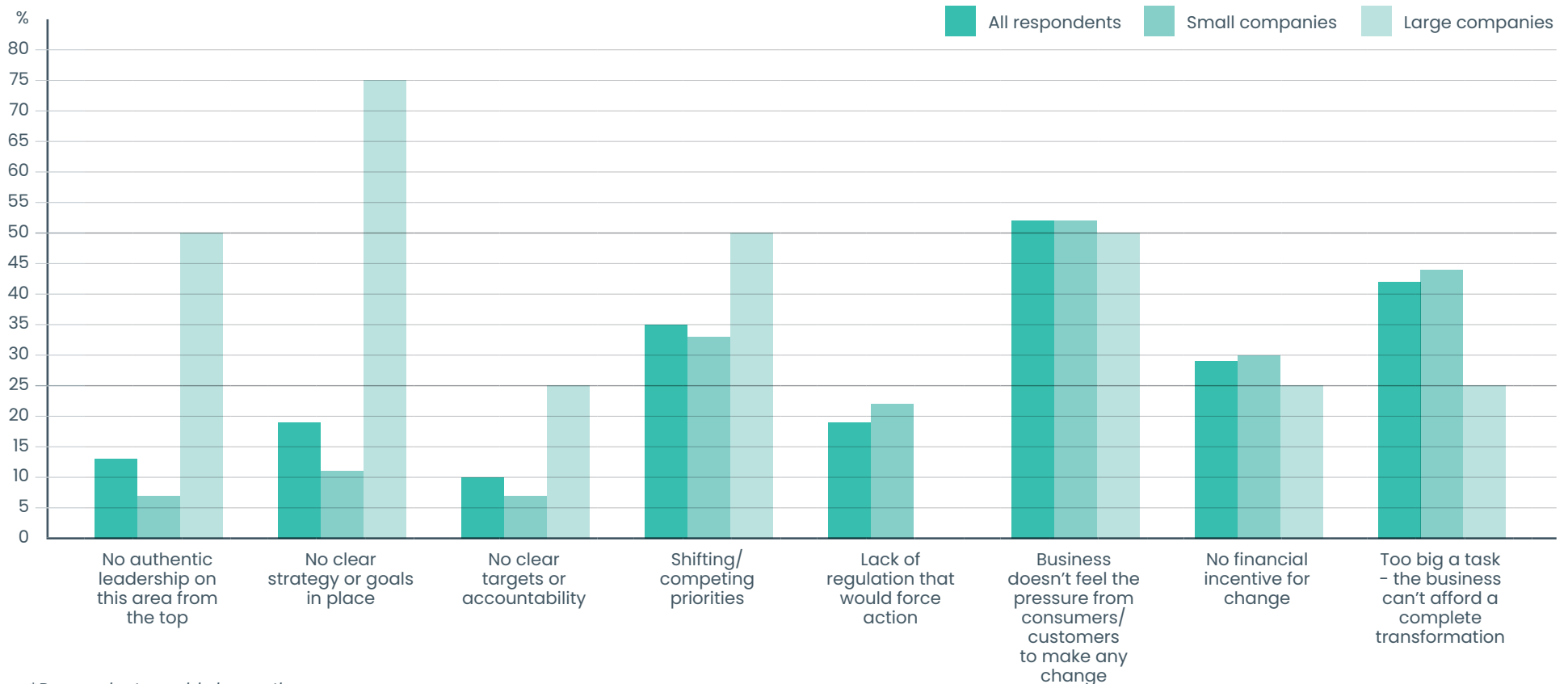
Question 9: If your business has moved forward in terms of sustainability compared to 12 months ago, what do you attribute this progress to?



Larger businesses cited a lack of a clear strategy or goals (75%) as the biggest reason they hadn't moved forward in their sustainability activities. Shifting and competing priorities (50%) and a lack of consumer pressure (50%) were other primary reasons. Notably, 50% also said their business was lacking authentic leadership from the top when it comes to sustainability.

With such a mixed approach to sustainability, it's no wonder that the retail industry is also divided when it comes to sustainability funding over the next 12-18 months. Across all sizes of business, there's an almost even split of those who will be increasing funding into sustainability and ESG (54%) and those who won't (46%).

Question 10: If your business hasn't moved forward in terms of sustainability compared to 12 months ago, what do you feel is stopping your business from getting to where you want to be?*



*Respondents could choose three answers.

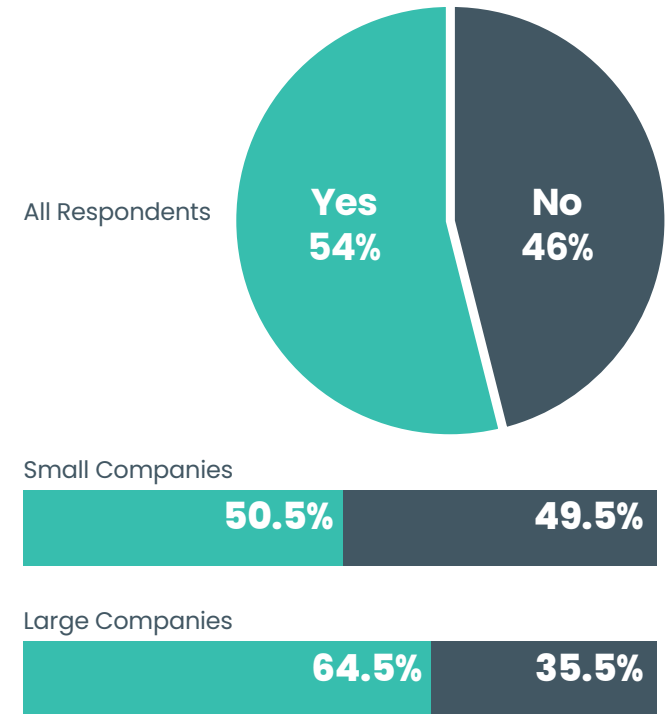
There is a gap though between the approach of small and large businesses with almost twice as many large companies saying they plan to invest more in sustainability than those who said they aren't. Again, this may be down to the fact that large businesses are better resourced but also more likely to be able to seek support from external experts when it comes to creating a plan for improvement.

More than 50% of businesses who are increasing their investment in sustainability plan to spend roughly 0-40% more. 12% plan to invest as much as 81-100% more, essentially doubling their current sustainability spending - although for some this could mean going from nothing to something.

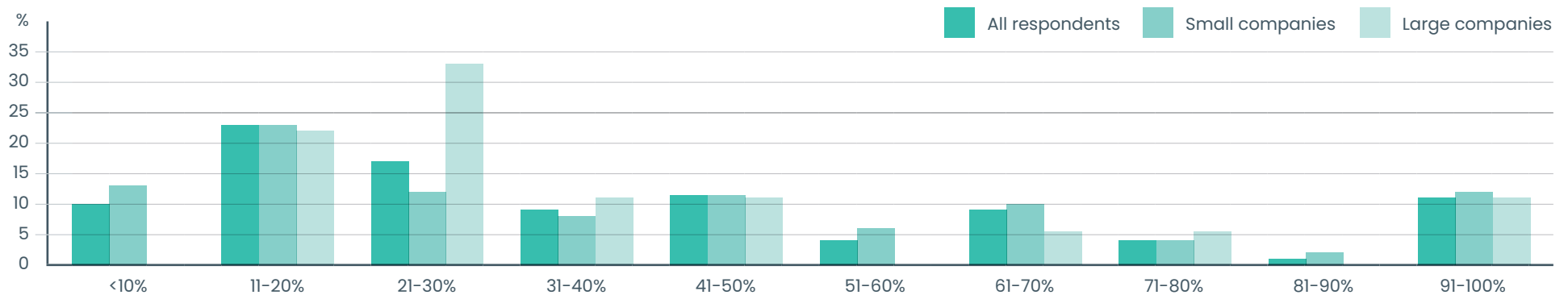
In terms of businesses who aren't investing in sustainability, the difference between the approach of smaller and larger businesses is also clear. The most popular response from small businesses was that they felt they are already doing enough to make real improvements (55%). They also felt there was a lack of financial justification (18%), and that sustainability wasn't a priority (12%).

For large businesses, the main reasons cited are that sustainability isn't a priority (36%) and that companies have competing priorities for investment (36%). This ties into the lack of strategy and goals highlighted previously.

Question 11: Is your business increasing funding into sustainability and ESG over the next 12-18 months?



Question 12: What percentage are you looking to increase sustainability and ESG spending by in the next 12-18 months (roughly)?



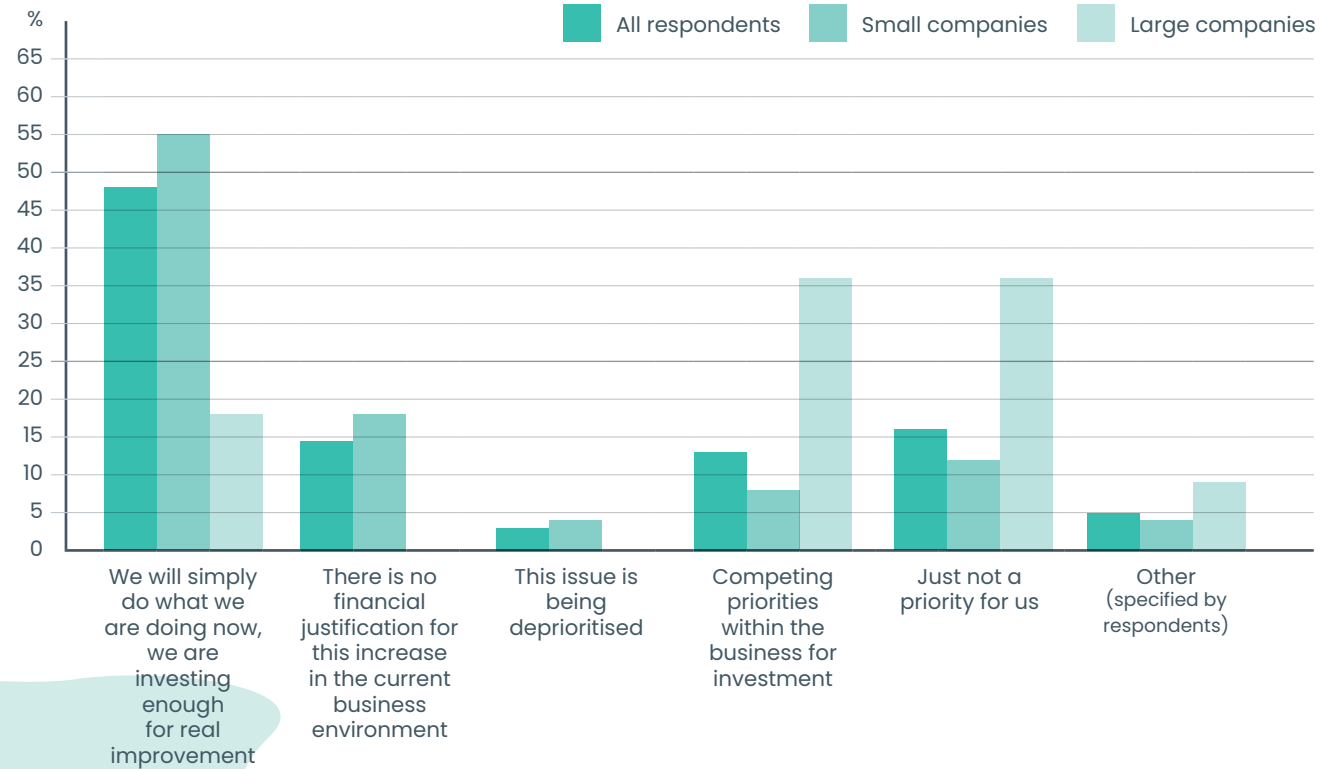
Additional comments from respondents back up these concerns:

“Increasing costs in other areas are killing investment.”

“Whenever we find sustainable manufacturers, we are interested but the costs are always higher and the end result means setting retail prices that do not match with customers’ willingness to pay.”

“The cost to source sustainably is much more expensive, yet customers are not willing to pay more.”

Question 13: If your business is not increasing funding into sustainability and ESG over the next 12-18 months, why do you feel this is the case?



What this means for Sustainability and Sourcing in 2025

The results of our survey show that sourcing and sustainability are in two different places as we head towards 2025.

Overall, retailers seem to have a fairly good handle on their sourcing practices.

While cost is a concern, a willingness to explore new product categories means retailers are taking more of a global approach to sourcing.

Large businesses are also focusing on derisking their sourcing operations having experienced disruption from global events in recent years. The potential for political and climate disruption is likely to have an impact on sourcing decisions going forward, and could see retailers adopting a more agile approach to their supply chains.

What is notable is the growing importance of India as a key sourcing region for businesses of all sizes. It was the third biggest sourcing region overall in our survey and for large businesses it was the joint second biggest sourcing region

alongside the UK. This growth trend is likely to continue over the coming 12-18 months as pressures on China continue to chip away at its appeal.

One factor that may influence sourcing operations in the near future are changes to tariffs and customs. In February 2024, the EU adopted a proposal from May 2023 for a reform of the EU Customs Union, which included removing the current customs duty exemption for goods valued at less than €150. Reportedly, 2.3 billion items that fell below this €150 duty-free threshold were imported into the EU in 2023.

Donald Trump, who has recently been elected as the next US President, has also proposed tariffs on goods imported into the US from overseas, particularly from China. If these come into effect, they could impact supply chains in the US and make near shore sourcing more of a necessity for US retailers.



Looking at sustainability, strategies seem far less defined. There's a sense that large and small retailers are deprioritising sustainability – at least in terms of meaningful change – or are at the very least treading water while they wait for direction.

Nobody wants to get sustainability wrong because they can't afford to – not just from a financial perspective but also a reputational one.

As we move into 2025, the retail industry needs to tackle this reluctance to improve without being forced to and find ways to make sustainability more manageable through collaboration.

“ The State of Sourcing Report gives real insight into where businesses are focussed when it comes to sourcing and sustainability. It was interesting to read how much focus companies still place on the more traditional sourcing routes and countries such as China.

Diversification into other countries and regions we would now say is an essential risk management exercise to mitigate rising shipping costs and in some cases to make more sustainable choices.

With global events such as Covid and the Ukraine conflict, you never know what might be around the corner that could impact sourcing routes and to only wait until these events happen to look at where else you could produce your products places a lot of risk into your supply chain.

Those with flexible near and far sourcing options will ultimately win out when you need to react quickly. Making time to do this can often feel unnecessary if you have established and reliable sourcing partners but being aware of your options and the potential to achieve more across many metrics from pricing to sustainability shouldn't be ignored.”

Sara Allbright

Co-Founder and Director,
Retail 100



Individualist sustainability strategies need to stop

The responses from our survey paint a picture of businesses deprioritising sustainability or viewing it as too big a thing to tackle.

Part of the issue is that there is no single approach being adopted across the retail industry that everyone – from large to small businesses – can follow. Rather than one collective way forward, it seems that every retailer is doing their own thing or stepping back from sustainability out of fear of getting it wrong.

Trying to incorporate sustainable practices into a business that wasn't designed to be environmentally friendly is another challenge. Not only can it be costly, but day-to-day operations tend to suck up a lot of resource, which doesn't leave capacity for companies to get to grips with a sustainable operational shift.

“ We are a small, fairly young (5 years) company, and there are a lot of things that need sorting with the supply chain and wider business, so unfortunately sustainability takes a back seat. We are a very small team, so there just isn't the time or headspace to look into this yet. If I were starting my own business from scratch, it would be a priority from the start, but this was not on our founder's agenda when they set up.”

Respondent comment in our survey.

Many feel that there is a lack of guidance and leadership at a government level – particularly when it comes to practical implementation of sustainability requirements. Legislation is either vague, non-existent, or complex and requires significant operational changes.



Earlier this year, a survey conducted by YouGov, on behalf of waste management company Biffa, about the circular economy found that retail businesses identified the need for support with financial incentives (42%), clearer legislation (36%), incentivised partnerships (25%), and reduced regulation (26%).

A recent survey of consumer goods, food and retail (CGFR) companies by DLA Piper also found that 66% of companies don't have the financial resources to keep up with new regulation. 68% of leaders surveyed admit that they can't meet all of their existing sustainability obligations.

In our survey, one participant expressed concerns that sustainability legislation around reporting could be damaging to the supply chain:

“ There is an increasing demand to get full transparency about the sources of the products and suppliers involved across the value chain. This is very much to the disadvantage of the European producers in general and the facilitating wholesalers these companies need to sustain their quick-response business.

If wholesalers provide the requested information to their customer, they will lose some of their sales because the customer will source some of his demand directly afterwards. This will kill the wholesaler in the long run. If they are gone the remaining textile industry in Europe will vanish. Not only will we lose thousands of jobs and tax paying companies, the environmental impact will be significant for many reasons.”

Respondent comment in our survey.



Industry collaboration is required

Retailers talk about sustainability when it relates to something that their business is doing that paints them in a good environmental light. But rather than trying to win the sustainability PR war, big name brands should be talking sustainability with one another.

Even though these businesses may be competitors, when it comes to sustainability they need to collaborate, share and learn from one another, so that the industry can improve as a whole.

When everyone is just doing their own thing, they end up spending unnecessary time and money doing the same thing. Instead of scaling a single sustainable material alternative that the manufacturing industry can adopt, they create four, five, six options, which erodes any benefits of mass volume.

Manufacturing partners become reluctant to bear the cost of updating machinery and processes to work with alternative materials which could be dropped

suddenly in favour of something else. Or they have multiple brand partners all wanting them to use different materials.

A collaborative approach is more important than ever as tighter regulations, such as the upcoming Digital Markets, Competition and Consumers Act, are introduced. Coming into effect in April 2025, the act will strengthen the powers of the Competition and Markets Authority (CMA), the UK's competition regulator. This will allow it to now enforce financial penalties – of up to 10% of a company's global annual turnover – without having to go to court if that company fails to follow consumer laws and misleads customers, including environmental claims.

While the policy is intended to support consumers in making more sustainable buying choices, an unfortunate consequence is that brands and retailers may decide not to publicly talk about their sustainability activities in case they are accused of greenwashing.



It's an approach that is already being taken by some businesses. DLA Piper's survey found that 52% of companies are reportedly reining in sustainability commitments and targets to minimise the claims they'll need to validate and defend.

The industry needs to collaborate to make real progress on more sustainable sourcing and operational practices. Rather than everyone starting at the same point, and trying to tackle the same problem, change can be sped up through sharing resources and what worked and what didn't work.

This shouldn't just be limited to collaboration within one sector, such as fashion to fashion brands, but also cross-industry. There's much that grocery retailers, for example, could share with fashion and vice versa.

On the sourcing side, our survey found that there is a knowledge gap preventing some retailers from sourcing internationally or expanding into new regions. Industry collaboration and sharing of learning is one way of helping retailers to become more global businesses.

“The overriding challenge is that of sourcing sustainable materials to the high street within their cost framework – buyers are not incentivized to tackle this and the approval and audit process (Scope, HIGG and ZDHC) is costly for factories, which acts as a further disincentivizing factor. Because of this, the development of biobased synthetic materials is slow and expensive. The sector needs some legislation to be passed by the government to kickstart this process.”

Respondent comment in our survey.

While DLA Piper's survey found that 63% of companies surveyed say they are collaborating with competitors and peers to standardise supplier data, a larger percentage (68%) say they're locking in sustainable suppliers with exclusivity agreements.

This is the type of individualist thinking that could hold the retail industry back from closer collaboration in 2025.

“I can't comment too much on the wider market, but if there is a de-prioritisation of sustainability goals that sits in opposition to what we are doing.

Sustainability is front and centre now, in both a back-end and front-end sense. Whether it's Black Friday or how we design regional ecommerce platforms, sustainability, and more specifically circularity, is the thing everything else hinges on.”

Head of Sustainability
Global Furniture Business

“ The State of Sourcing report clearly highlights the tension between the cost of sourcing responsibly and sustainably which is stretched in tougher times.

It is critical that profits are to be protected but also key the focus on sustainability is maintained. This often requires support from the C Suite/leaders of the business to drive the agenda through.

Retail is driven by short term sale and profits and the longer term requirements for responsible sourcing can feel tough to deliver which is why collaboration across business is helpful.

A number of businesses will continue to invest in sustainability whether this is looking at different sourcing options nearer to home that require less volume and less impact on the carbon footprint.

A blended strategy of far and near sourcing can support sustainability ambitions with less waste on markdown and the ability to be agile to strong sales.

Regulation is coming on sourcing on both packaging and materials but the government also needs to support rather than add to administrative costs and impact margins.

Visibility of supply chains is growing with a number of technology companies gathering the information – this could eventually cut the costs of having to provide this – and brands could do this collaboratively.

The food and fashion suppliers are further forward on this agenda but it is important that it remains a key focus now.

There needs to be real focus on the sustainability agenda now. It will need to be interwoven into each business – the trick will be to try and protect profitability which is tough for smaller businesses but more collaboration may help to cut the cost. How can you focus on the people and the planet in your business?

A key question to ask – If consumers knew what you were doing in your business what would they think?”

Anna Berry
Co-Founder and Director,
Retail 100



Sustainability guidance needs tackling

Comments from respondents to our survey capture a very real sense of frustration from the industry around sustainability.

“Sustainability has become more and more a vague term and for all the consulting and certifying companies very good business. Change can come only out of your personal effort and entrepreneurial belief to do the best you can to bring the matter forward without killing the business you are in.”

Another cited concerns around genuine transparency and being able to trust the sustainability claims made by companies:

“A lot of stuff in our sector is marketed as sustainable but when you look at the research, data and information there is nothing to support this and sometimes there’s evidence to contradict it.”

“It is largely box ticking compliance.”

summed up another.

At this point, the industry needs to be asking what do retailers want in terms of sustainability guidance and – crucially – where will this guidance come from.

One potential step in the right direction comes from the CMA.

In 2021, the Green Claims Code was launched in the UK, which helped set out principles for brands to follow when making sustainability claims for their products in the UK. Although not legislation in itself, by not following the Green Claims Code brands could find themselves in breach of actual UK consumer laws.

The CMA has now followed this with the publication of new practical guidance that brands can follow to ensure they are following the Green Claims Code. Written

in plain language, the guidance also features numerous examples to support understanding.

It comes off the back of an investigation the CMA held into possible greenwashing by ASOS, Boohoo and Asda’s George fashion range. Earlier this year, all three brands voluntarily signed undertakings that commit them to an agreed set of rules around the use of green claims.

By creating the new guidance, the CMA shows that it wants to collaborate with retailers and help them to understand and follow sustainability legislation.

It’s this type of partnered approach that we will need more of in 2025.

About the originators of this report

Source Fashion is a fashion tradeshow held at Olympia Events in London. The event hosts exhibitors across the entire fashion supply chain, with garment manufacturers, fabric suppliers, technology specialists and more exhibiting across three days, in February and July each year. The next event taking place will be on 18–20th February 2025.

Focusing on transparency, sustainability, and ethical practices, Source Fashion invites buying and procurement professionals to explore a diverse range of global exhibitors from 25+ countries. Attendees also have access to expert-led seminars, trendsetting catwalk shows, and other networking opportunities.

To learn more about Source Fashion visit www.sourcefashion.com or get in touch with PhilippaS@goodresults.co.uk

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Source Home & Gift is designed to connect global buyers with trusted manufacturers, artisans, and producers of homeware and gift products. Focused on ethical and sustainable sourcing, this event is the go-to destination for retailers and brands seeking high-quality, responsibly made products with transparent supply chains.

From handcrafted home décor to unique gift items, Source Home & Gift showcases an impressive range of exhibitors. With its emphasis on education and innovation, the event also features the opportunity to connect with industry experts in one-to-one advisory sessions. Held twice a year in February and September at The NEC Birmingham, the next show is held on the 2–5th February 2025.

To learn more about Source Home & Gift visit www.sourcehome&gift.com or get in touch with PhilippaS@goodresults.co.uk

Source
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Insider Trends is a leading retail trends consultancy. Everything Insider Trends does is about the future of retail and helping the world's biggest brands spot what's coming next. Our expertise covers all aspects of retail, from stores and supply chain to commerce and sustainability.

We've provided insights and strategic support for the biggest retailers and businesses on the planet, including McKinsey, Puig, Nespresso, Hugo Boss, Walmart, Microsoft, Nike, LVMH, and Galeries Lafayette.

We deliver our expertise in any way that suits our clients the best - whether through retail safaris, trend presentations, research, reports, workshops, or our deeper consultancy work.

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