

# GOOD FASHION FUND'S FIRST INVESTMENT DEMONSTRATES IMPACT

5 December 2022

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**AMSTERDAM -** The Good Fashion Fund, the Fashion for Good and Laudes Foundation initiated fund to drive sustainable manufacturing practices, signed its first deal with Indian manufacturer Pratibha Syntex Limited in 2020 for a 4.5 million US dollar, long-term loan. With the final disbursement of the loan made in June of this year, and the first on-site monitoring visit this week, the investment is already showing fruitful results and positive financial, environmental and social impact in Pratibha's spinning, processing and garmenting divisions.

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Solar panel installation at a Pratibha Syntex Limited facility. Image by Nitya Work

The USD 4.5 million investment committed by the Good Fashion Fund to Pratibha Syntex is to replace machinery in the spinning, processing, and garmenting divisions, as well as provide new equipment for the expansion of their activities and facilities.

***“With the capital provided by the Good Fashion Fund, Pratibha Syntex can invest in securing a sustainable future for our processes which will have positive, compounded effects along the value chain. We’re extremely pleased with the partnership and excited to continue on our journey for positive impact.”*** – Shreyaskar Chaudhary, Managing Director, Pratibha Syntex Limited

This week, the first on-site monitoring visit took place in which the Good Fashion Fund was supported by its advisors Sphera, Fairwear Foundation, Global CAD and Adelphi to be able to establish progress made since the investment. As expected, the impact results of the equipment comfortably surpass the threshold of 50% savings in all key areas (specifically the three Goods: Energy, Water and Materials). All parties were impressed with the progress made on the environmental and social action items and particularly with the roadmap developed by Pratibha Syntex Limited for further improvements as part of their vision 2025 and beyond.



Left to right; **Ms Ankita Saxena** (Pratibha Syntex Limited), **Mr. Mukesh Matta** (Pratibha Syntex Limited), **Gemma Verhoeven** (Good Fashion Fund), **Bernadette Blom** (Good Fashion Fund), **Ms. Nina Retzlaff** (Global CAD), **Mr. Sameer Bhand** (Pratibha Syntex Limited), **Mr. Mrinal Bose** (Pratibha Syntex Limited). Image by Nitya Work

***“We are very pleased with the partnership with Pratibha Syntex Limited, a frontrunner in terms of sustainability. The first environmental, social and financial impact resulting from our investment are above expectation and in line with our mission to connect impact technologies to the industry to collaboratively tackle its challenges. It is clear from the results of the monitoring visit that sustainability is ingrained in their DNA and thus fully aligned with the objectives of the Good Fashion Fund. We will continue to invest in apparel manufacturers in India and Bangladesh to deliver good fashion practice, economic growth and fair jobs - demonstrating how to invest beyond sustainability and towards a restorative and regenerative apparel supply chain.”*** - Bernadette Blom, Director of the Good Fashion Fund

Since the investment has been made, Pratibha Syntex has installed new spinning equipment, solar panels, a continuous tumble dryer, and made enhancements to effluent treatment. The new spinning equipment (card chute, comber, ringframe, autoconer) operates significantly more efficiently than the legacy machinery, both in terms of energy usage and waste generated. Investment in solar panels is ongoing but already more than 30% of usage is met by renewable energy and additional installations are planned aimed at increasing that share to 50%. The continuous tumble dryer has replaced several pieces of equipment used for treating fabrics and has fully eliminated the need for water and has significantly reduced power usage in this process.

The Effluent Treatment Plant has been enhanced with new filters allowing for additional recycling of water, reclaiming most of the water used (some water is lost to evaporation), the elimination of chemical sludge generated (reducing landfill waste) and reducing energy consumption. In order to achieve complete circularity and reduce the need for freshwater, Pratibha is setting up a process whereby neighbouring wastewater is treated in addition to their own, using the resulting clean water in their process. The impact of the investment thus touches upon freshwater use, waste (water) discharged, and chemical usage.

***“Laudes Foundation supports brave action to inspire and challenge industry to harness its power for good through initiatives like the Good Fashion Fund. The environment and social impact that Pratibha Syntex has been able to make with this investment is a great example of how finance can rapidly accelerate apparel manufacturing decarbonisation and help provide safe and dignified jobs for all apparel workers.”*** - Kelly Clark, Director Finance and Capital Market Transformation at Laudes Foundation

Apart from manufacturing cotton, fibres, fabrics and apparel, Pratibha Syntex is also engaged in social initiatives to generate employment for women in rural communities. They are actively promoting women empowerment and diversity with the aim to increase the number of women in supervisory roles and others engaging directly with senior management to understand and become involved in the entire business.