

GOOD FASHION FUND PARTNERS WITH SRI KANNAPIRAN MILLS IN INDIA FOR SUSTAINABILITY- LINKED INVESTMENT ACROSS THREE FACTORIES

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AMSTERDAM - The Good Fashion Fund, the Laudes Foundation and the Fashion for Good initiated fund, has made an investment in Sri Kannapiran Mills Limited - a leading Indian producer of cotton yarn and sustainable denim fabrics. The 2.5 million US Dollar loan will support Kannapiran Mills' investment in the replacement and expansion of key sustainable equipment in two of their spinning factories (KG Naidu Mill, Balaji Mill) and a Denim fabric weaving & processing factory (KG Fabriks).



The investment in Sri Kannapiran Mills will replace legacy equipment and add key machinery (new and used) across the spinning and post-spinning processes, including auto blenders, high speed rotor spinning machines, auto doffers for existing ring frames and high-speed winding machines.

Within the denim weaving and fabric production process, the investment will add capacity to the existing airjet looms and replace fabric singeing equipment.



This will enable SKML to meet the manufacturing demands of its clients and support the company on scaling their holistic sustainability approach and become more competitive in the global supply chain as brands adapt to upcoming regulations and move towards more stringent sustainability standards.

Significant positive savings are expected as a result of the planned modernisation, especially in the areas of energy consumption and material waste reduction – subsequently expected to derive net positive economic savings over the duration of the partnership with the GFF.

Speaking on the partnership, **Srihari Balakrishnan, Managing Director of Sri Kannapiran Mills Limited**, “We are delighted to be working with Good Fashion Fund and this investment helps us dig deeper into sustainable practices. The positive impact investment will help our company nurture growth and make it stronger. We continue to be an example in sustainability for other denim manufacturers and this investment will help us move to the front and center of sustainable fashion.”

Bob Assenberg, Fund Director of Good Fashion Fund commented “We are happy to formalize the relationship through this investment with Sri Kannapiran Mills, based in the important Coimbatore/Tirupur textile cluster. SKML has thoughtfully integrated sustainability across its operations and is committed to improving continuously. We greatly appreciate the positive cooperation and are excited to begin this new partnership.”

Anita Chester, Managing Director of Laudes India, emphasised that “The urgency of the climate crisis requires brands and their suppliers to be working together to address key sustainability challenges in materials processing and apparel production. Investments like this are a critical enabler, allowing producers to take their sustainability efforts to the next level in apparel manufacturing in India while scaling their production.” Laudes Foundation is the initiator of the Good Fashion Fund.

The [Good Fashion Fund \(GFF\)](#), is initiated by Fashion for Good and is a collaboration between Laudes Foundation, The Mills Fabrica and FOUNT complemented by Rabobank as lender to the Fund. The Fund provides long-term USD loans in addition to technical and environmental and social expertise to manufacturers in Asia, primarily India and Bangladesh. Financing is to be used to invest in impact equipment that deliver both economic growth and good fashion practice. The Good Fashion Fund has

a blended capital structure with an actual fund size of USD 19 million. The Fund is managed by FOUNT, a leading impact investment firm from the Netherlands.

Current partners of the GFF also include Pratibha Syntex, a vertically-integrated 'farm-to-fashion' textile and garment producer in India and Progress Apparels, a ready-made garment producer in Bangladesh.

Sri Kannapiran Mills Limited (SKML) is a sustainability-oriented cotton yarn and denim fabric producer founded in 1946 in Coimbatore, India. The company employs over 2500 workers, of which more than 45% are female workers and more than 50% are migrant workers from other states. The company's operations are spread across seven manufacturing facilities in and around Coimbatore city in the state of Tamil Nadu. SKML, through its fabrics division ([KG Fabriks](#)) supplies to Tier 1 factories of brands such as TESCO, Sainsbury, Lucy & Yak, Next, ASOS and Levi Strauss. It leads the way on several sustainability initiatives such as:

- World's only CII GreenCo Gold rated denim facility
- First-of-its kind Zero Indigo Discharge facility to the ETP (ZSD and ZLD)
- Part of Ellen MacArthur Foundation's Jeans Redesign programme (only 6 litres of water consumed per metre of denim fabric produced)
- Yarn and Fabric products are CII GreenPro certified and recognised in 36 countries
- Certified 'Great Place to Work[®]' amongst Top 50 // Large India's Best Workplaces
- Only textile company in Tamil Nadu to adopt a government Industrial Training Institute (ITI); rated amongst top 10 ITIs in India

ABOUT FOUNT

FOUNT is a leading impact investment firm providing Investment and Fund Management expertise to drive social and environmental impact alongside reasonable financial return in emerging markets. FOUNT is active in various sectors across emerging economies including sustainable apparel, sustainable agriculture and clean cooking. For more information, please visit: www.fount.eu

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