The Journey to Sustainability in Fashion

Submitted by: Viet Nam
THE JOURNEY TO SUSTAINABILITY IN FASHION

By Tran Hoang Phu Xuan | 20th May, 2022
AGENDA

Faslink – Our Purpose
Viet Nam Fashion Market Outlook
Faslink Green Strategy
Our stories of Success and Failure
Faslink – What is Next?

By Tran Hoang Phu Xuan I 20 May, 2022
“Viet Nam made a commitment to reach Net Zero emissions by 2050”
MISCONCEPTION:

Green businesses are incredibly difficult to make profit

OUR PURPOSE

Is to prove that Going Green business isn't philanthropy, it is profitability
2008 - Why Viet Nam’s raw materials market retrogress compared to other markets such as Europe, Japan, Chinese Taipei, which were able to be update constantly and sustainable?

2012 - Why have not we be conscious with the negative impacts of fashion industry to the environment, while Europe market had the clear roadmap to legalize eco-friendly policy in fashion business?

2015 – Why Vietnamese consumers have not approached to high-tech fiber application frequently? Additionally, there are many limits in our garment and fashion market because of lacking transparency in the garment features and accessibility to the qualified raw material resources.
As a part of Viet Nam Fashion supply chain, we choose Going Green as our responsibility to the future generation. At Faslink, we believe there is an untapped potential niche market of the sustainable business, that’s why Faslink embrace this mission of Going Green.
Established in 2008, with more than 14 years of experience in textile industry, FASLINK specializes in providing and consulting Green materials for local market and overseas as well.
As young business, I decided to choose the niche market to enter the untapped business potential of the Vietnamese fashion market.
USD 6.5bn
Real total consumer spending on clothing & footwear on local market

2nd
Ranking of Viet Nam among apparel exporting worldwide

2.8%
Our share in global clothing exports market

Source: https://www.statista.com/
The leading local brands in Viet Nam

The market is very fragmented and concentrated in the casual (ready-to-wear)

Top 50 leading fashion brands count lower than 30% of total sales volume

The global brands in Viet Nam

ZARA, H&M, MANGO, Massimo Dutti, UNIQLO, Calvin Klein, Levi's, GAP, Banana Republic, adidas, Nike, ARMANI EXCHANGE
Viet Nam’s garment and textile industry consist of 3 sub-sectors:

Sub-sectors that produce fibers or fabric are mainly used for domestic consumption because of the low quality.

Downstream sector of garment manufacturing accounts for around 70 percent of the total apparel and textile sector in Viet Nam with Cut-Make-Trim (CMT) models being the main activities.

Current model in Downstream sector

In 2019, CMT accounted for about 65 percent of total exports, while the more advanced business models, like Original Equipment Manufacturer (OEM) and Original Design Manufacturer (ODM) accounted for only 35 percent.
There is an imbalance between fiber and fabric production and garment manufacturing.
As a young businesswoman, I decided to choose the niche market to enter the untapped business potential of the Vietnamese fashion market.
INNOVATIVE TECHNOLOGY & SUSTAINABLE MATERIALS
**OUR VERY FIRST STEP – 2009**

**OUR COMMON RECIPE**

**Ideation**

1. **Bamboo Textiles** applied for Men Shirt.
2. **Researching** insights and demands of the consumer to understand unmet needs (weather, habit, context...)
3. **R&D the appropriate application** for the fiber and fabric for Vietnamese consumers

**Production**

1. The fiber technology of **Chinese Taipei to customize and produce** the trial sample from our R&D formula.
2. Connecting the **YARN** supplier, **WEAVING factory** and **GARMENT factory**.
3. We carry-out the **function AUDIT** by 3rd parties (Intertek, TUV...) regional and global test lab.

**Lab to market**

1. **Commercialization** procedures for Viet Nam market (from fabric to garment and accessories)
2. Proactive to produce **Marketing materials to promote and educate** Leaders in fashion Retail brands
Green Fabric

70% product in the portfolio of Faslink is the result of our exclusive Green technologies.

Be the 1st in the world

Provide green garment materials with affordable price and as quickly as possible.

Modern technology
Millions people enjoy

- **Lotus**
- **Mint**

- **S-Café**: coffee grounds + PET
- **Recycled Oyster**: Oyster Shell + PET
- **Recycled Polyester**: PET
- **Coconut Charcoal**: Coconut Shell + PET
OUR RECENT COMPREHENSIVE AND UNIQUE GREEN PORTFOLIO

2015 Nano
2017 Lotus
2018 Eco shell
2019 Cafe
03/2021 Coconut Charcoal
06/2021 Mint
FIRST CAFÉ CLUB
• Café Polo
• Café Innerwear
• Café Socks
S.Café is made from a combination of used coffee grounds and PET. In a low-temperature, high-pressure and energy saving process.
LOTUS FIBER

“The new generation Lotus Fiber breaks through the traditional technology and combines with the modern spinning technology”

<table>
<thead>
<tr>
<th>Kinds and quantity of Amino Acids in Lotus Fiber</th>
</tr>
</thead>
<tbody>
<tr>
<td>Test items</td>
</tr>
<tr>
<td>aspartic acid</td>
</tr>
<tr>
<td>threonine</td>
</tr>
<tr>
<td>serine</td>
</tr>
<tr>
<td>glutamate</td>
</tr>
<tr>
<td>glycine</td>
</tr>
<tr>
<td>alanine</td>
</tr>
<tr>
<td>valine</td>
</tr>
<tr>
<td>methionine</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Negative Oxygen Ion in Nature Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site</td>
</tr>
<tr>
<td>waterfall</td>
</tr>
<tr>
<td>forest</td>
</tr>
<tr>
<td>desert</td>
</tr>
<tr>
<td>park</td>
</tr>
<tr>
<td>street</td>
</tr>
<tr>
<td>room</td>
</tr>
</tbody>
</table>
LOTUS FIBER

Raw material
- Lotus leaf
- Lotus seed
- Cellulose

Spinning
- Spinning
- Dope
- Wet Spinning

Raw material
- Regenerated Cellulose Fiber modified by plant protein

Nature and Safety materials

<table>
<thead>
<tr>
<th>Test items</th>
<th>Detection method</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>formaldehyde</td>
<td>GB/T 2912.1-2009</td>
<td>Non-detected</td>
</tr>
<tr>
<td>heavy metals (lead, cadmium, arsenic, mercury)</td>
<td>GB/T 17593.4-2006</td>
<td>Non-detected</td>
</tr>
<tr>
<td>carcinogenic aromatic amine dyes</td>
<td>GB/T 17592-2011</td>
<td>Non-detected</td>
</tr>
<tr>
<td>phenol compound</td>
<td>GB/T 18414.1-2006</td>
<td>Non-detected</td>
</tr>
</tbody>
</table>

Degradable and Renewable
Lotus Fiber can be naturally degradable in soil for about 90 days.
LOTUS GARMENT - BIG LEARNING FROM A SMALL FAILURE

The Mistakes:

B2B mindset: We applied Lotus material on Menswear while Lotus material is relevant to femininity.

We changed on-time:

We shifted to B2C mindset, Lotus material was applied for new categories such as Knit garments, Kids & Infants, essential clothing...
ECO SHELLS

#materials

From discard oyster shell and wasted PET

#processing

Oyster Shell → Contact
Oyster Tablet → Pulverization of Nano
Oyster Yarn → Burn
Recycled Oyster Fabric

#functions

Antibacterial
Color Control
Antistatic
Wicking
Eco-Friendly
The combination of outstanding elements from cellulose-based fibers and organic cotton fibers creates a distinctive Mint fabric. Mint essence is extracted from frozen mint leaves, then compressed into each cellulose fiber by Nano crushing and Microcapsule technology, creating a natural cool and antibacterial mint fiber. On the other hand, cotton will make fabric surface softer by smooth hairy layer, get better absorbent and extremely UV protection as well.

#MINT FUNCTIONS

UV protection  Cooling Touch  Antibacterial  Excellent Absorbent

Mint fiber is good for the health. If the Mint essence brings freshness to your breath, the Mint fabric will bring freshness to your body.

#TEST REPORT

3.1 Cool Feeling Test (Q-max) *
(KES-F7 Thermo Labo II)

<table>
<thead>
<tr>
<th></th>
<th>001</th>
<th>Specification</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 10°C</td>
<td>0.167</td>
<td>-</td>
</tr>
</tbody>
</table>

Note:
1. Test Conditioning: Temperature difference between the temperature detector and the test specimen at 10°C in 65% RH.
2. ** This test is subcontracted to other accredited laboratory.

TEST ORGANISM(S):
Staphylococcus aureus ATCC 6538, Escherichia coli ATCC 25922

TEST RESULT(S):

<table>
<thead>
<tr>
<th>Name of test organism</th>
<th>The number of bacteria recovered (CFU/mL)</th>
<th>Reduction %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0 contact time</td>
<td>24h contact time</td>
</tr>
<tr>
<td>Staphylococcus aureus ATCC 6538</td>
<td>Inoculum only</td>
<td>2.0 x 10^5</td>
</tr>
<tr>
<td></td>
<td>Sample (1g)</td>
<td></td>
</tr>
<tr>
<td>Escherichia coli ATCC 25922</td>
<td>Inoculum only</td>
<td>1.8 x 10^3</td>
</tr>
<tr>
<td></td>
<td>Sample (1g)</td>
<td></td>
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</tbody>
</table>

Remark: The reduction calculations are based on values from inoculum only control.
GREEN FABRIC CONSUMPTION GROWTH

Unit: 000 m

<table>
<thead>
<tr>
<th>Year</th>
<th>Fabric</th>
<th>ODM/FOB Products</th>
<th>Accessorises</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>1,100</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2017</td>
<td>1,600</td>
<td>0</td>
<td>0</td>
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<tr>
<td>2018</td>
<td>2,200</td>
<td>0</td>
<td>0</td>
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<tr>
<td>2019</td>
<td>3,000</td>
<td>120</td>
<td>0</td>
</tr>
<tr>
<td>2020</td>
<td>3,800</td>
<td>200</td>
<td>0</td>
</tr>
<tr>
<td>2021</td>
<td>4,500</td>
<td>300</td>
<td>100</td>
</tr>
</tbody>
</table>

GREAT NUMBER IN Q1, 2022

- **Fabric**: 2,500,000 (fabric m)
- **ODM/FOB Products**: 400,000 (fabric m)
- **Accessorises**: 200,000 (fabric m)

INCREASING 200% vs. Q1, 2021

and more Sales revenue from new applications
Ms. TRAN HOANG PHU XUAN
Chief Executive Officer, Faslink

As a young business, I decided to choose the niche market to enter the untapped business potential of the Vietnamese fashion market.
<table>
<thead>
<tr>
<th>Local</th>
<th>Overseas</th>
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<tbody>
<tr>
<td>viettienn</td>
<td>Happychic</td>
</tr>
<tr>
<td>HOATHO</td>
<td>CASH BERRY</td>
</tr>
<tr>
<td>DUGARCO</td>
<td>CLOTHING</td>
</tr>
<tr>
<td>ROITINE</td>
<td>ITOCHU</td>
</tr>
<tr>
<td>Belluni</td>
<td></td>
</tr>
<tr>
<td>yody</td>
<td></td>
</tr>
<tr>
<td>IVY moda</td>
<td></td>
</tr>
<tr>
<td>OWEN</td>
<td></td>
</tr>
<tr>
<td>NINO MAXX</td>
<td></td>
</tr>
<tr>
<td>concept</td>
<td></td>
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<tr>
<td>TNG</td>
<td></td>
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</tbody>
</table>
GO GREEN - COLLABORATIONS

CASUAL WEAR

#PROUDLY MADE IN VIETNAM
GO GREEN - COLLABORATIONS

FASHION SHOWCASE THE GREEN PATH
(Fabric: Lotus, Mint, Cafe, Coconut Charcoal, Ecoshell)

University of Architecture
Van Lang University
VIET NAM INTERNATIONAL FASHION WEEK 2022

#ReFashion

Introduce designs in natural and recycled materials

“it’s time for us to rethink and regenerate to create a revolution towards sustainable development in fashion”

*Designs by famous designer in Viet Nam featuring dozens of ready-to-wear
FASLINK GO GREEN
FOREST PLANTING
50,000 TREES
IN 3 YEAR
GO GREEN - COLLABORATIONS

G.LAB HUB
CONNECTING & DISPLAYING GREEN AND TECH FABRIC
LEADING SUPPLIER FOR SUSTAINABLE FASHION SOLUTIONS
As a young business, I decided to choose the niche market to enter the untapped business potential of the Vietnamese fashion market.

WHAT'S NEXT IN OUR GREEN JOURNEY?
1. Continue to develop strategic partners (local vs global)

2. Create and Commercialize more applications on special yarn

3. Moving to One-stop HUB for supplying fashion solutions

4. Promote latest, sustainable & functional fashion to markets beyond Viet Nam

5. Invest in research activities in Universities & Creative Communities in Viet Nam
I’M HERE TODAY WITH THE PURPOSE OF BUILDING NETWORK WITH THE LIKE-MINDED PEOPLES IN THE SUSTAINABLE FASHION BUSINESS. TOGETHER WE WILL MAKE THE WORLD A BETTER PLACE."

Ms. TRAN HOANG PHU XUAN
Founder / Chief Executive Officer
Faslink Company

See us at:
• Website: https://faslink.vn/
• Email: xuan.thp@faslink.vn
THANK YOU

Join us in our journey. You are welcome!