### Earth Month 2021 I Better Club @ClubMonaco x PFG & Bombyx

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Andrew Hui
Founder, Owner, and President, PFG



Hilmond Hui Vice President, PFG



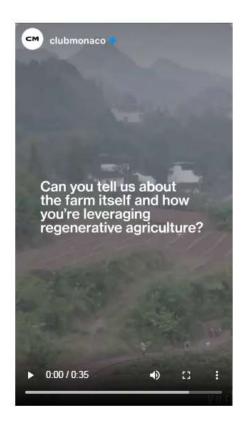
**CLUB MONACO** 

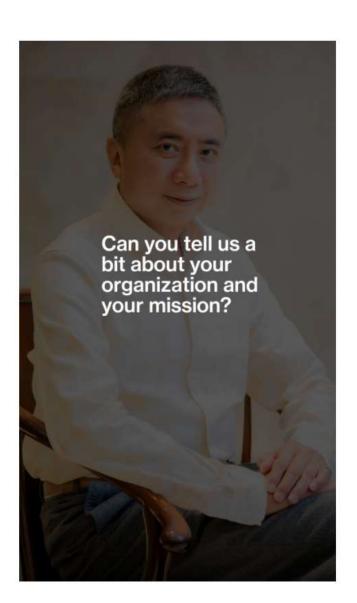




Meet PFG, an organization focused on creating a future in which humanity, the environment, and productivity mutually equate in a cycle of global innovation.

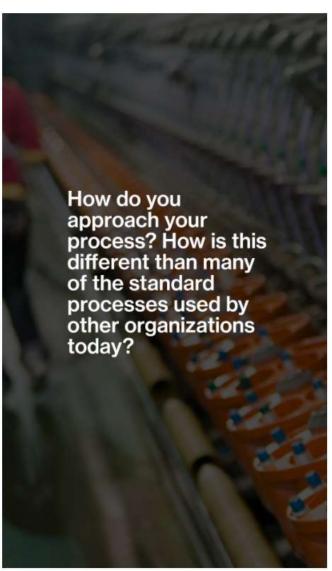






### Can you tell us a bit about your organization and your mission?

AH: Well, the company I started is PFGHL, PFG for short. Under this umbrella, we have Nanchong KaFung Fashion Foundation which is our sustainable garment manufacturing facility that was designed to achieve LEED certification and includes various energy saving technologies as well as being equipped with solar panels. On annual basis, it produces more energy than it consumes as a facility. Also under in the group is Bombyx, our silk project. With this, we plan to complete full verticality in silk production from farming all the way to finished fabric. Our vision is to create a future in which humanity, the environment, and productivity, mutually equate in a cycle of global innovation and our mission is to ensure the highest quality of goods, humanity, and sustainability. Our company is equipped to handle garment manufacturing, merchandising, design and development, sourcing, all the way to logistics. We value creating winning solutions where all stakeholders benefit, including the environment. Most recently, Bombyx is our biggest push toward sustainability and with it, we do a deep dive in silk production and it's issues. What motivates me is not simply delivering high quality product, but really seeing the positive impact it can have on all those along the supply chain, and what's really exciting is that it can be done without being triple the price. What excites me is seeing my company, and everyone in it thrive and succeed in various ways. Their success is my success.



#### How do you approach your process? How is this different than many of the standard processes used by other organizations today?

AH: There are many companies that are just considering sustainability now and are working very hard to introduce this concept into their corporate thinking. With PFG, we have been working with sustainability in mind for many years now. We are used to including sustainability as an element to consider much earlier in our processes, which allows for the foundation and mindset for it requires. When building our new facility in Nanchong, Sichuan, we built it from the ground up which allowed us to consider the intricacies of including sustainability in our strategy and design from scratch. Implementing sustainability in our thinking before execution helps us to avoid issues we would face by implementing after the fact. We started our silk project Bombyx because we saw it as an opportunity to solve problems the industry seemed not fully aware of. Again, with sustainability in mind, we designed our strategy around solutions that came from holistic consideration. We are seeing the consumers hunger for more and more information. They want to understand the product beyond simply the construction of the seams and the content in the fabric. This will only intensify as brands work to out-do one another in sustainable initiatives and traceability. With recent events causing more people to speak up and speak out about various topics, clothing is one of the voices they can use to represent their values. We understand this, and it's part of why we do things the way we do things.



AH: Meetings, lots of meetings. With so many moving parts to the projects we have, there are constantly things we need to solve. There isn't an instruction manual to what we are trying to do, we're trying to pioneer a new way of doing things. Even now, there is no golden standard or "Michelin star" rating that is entirely accepted industry wide. With everything we do, we have to think of many consequences and what may or may not result if we go a certain way, implement a certain process, etc. I have many conversations with various management colleagues to listen to their opinions, observations, suggestions, and we work together for formulate what we think is the best way forward. My son included. Of course, there are the meetings with people from outside my company. Even the banks now are interested in sustainability and are initiating what they call "sustainable investments" and so they are always asking what's new in our to-do list. Other than this, the Chinese government is very supportive in our innovation and sustainability that come with our projects there. They endorse our direction especially after seeing that we truly are doing what we say, and that there is already evident improvement among the local population.



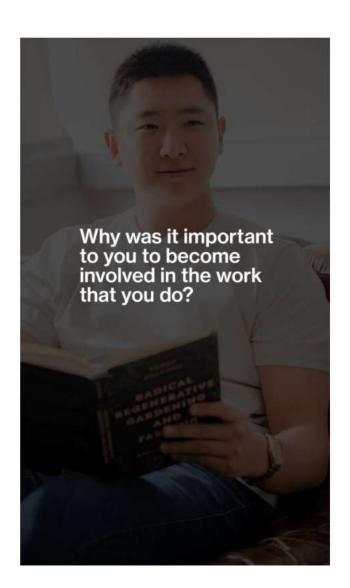


How you're leveraging regenerative agriculture? What are the benefits both throughout the process, as well as to the end consumer?

To us, regenerative agriculture is not only a way to ease transition, but it also helps farmers increase their income in a natural way. Farmers diversify their income into variable sources with intercropping and are no longer bound by the ups and downs of a single crop market. Eventually, as we continue to aid the land in its' regeneration, I personally expect that yield will naturally increase to beyond conventional levels, which in turn further increases farmers' incomes. Not only will we save on having to purchase synthetic inputs, we will be a part of an environment where things protect one another, and support each other's success. As for the consumer, better crops and better environment mean higher quality. These silkworms are true divas. Too warm, too cold, too humid, too dry, they don't perform. The leaves they eat better be of the best quality, otherwise again, they won't give you the best silk. Think of them as athletes and the leaves are their food. If Tom Brady is looks for produce farmed with regenerative agriculture practices to maximise his performance, the finest silk comes from the most comfortable and well spoiled silkworms. That's why our silkworms live on the farm, just steps away from the leaves so, they can have fresh, never frozen, farm to table organic leaves to feast on. Then of course, wouldn't the consumer feel so great if they knew the garment they chose to spend their hard earned money on doesn't just limit the negative impact it has, but plays a part in reversing it?

#### Hilmond Hui





## Why was it important to you to become involved in the work that you do?

HH: Some would say I was born into this industry. Growing up, my father would sometimes take me to the shops and show me the garments we made for various customers. One of our biggest customers at the time had a big focus on sustainability and, holding one of the garments, my father explained to me that there's so much more that goes into this garment than people know. All of the various faces and environments this garment had been with and through are a part of this garment, and they affected this garment as much as it affected them. Coming into actually working in this industry, I felt that it's not enough simply to wait for brand partners to request initiatives but we had to determine our own direction and impact on not only ourselves, but everyone and everything up and down the supply chain.



### You often speak about how clothing particularly silk - is actually quite connected to the land. Can you tell us what you mean?

HH: Yes! That's something we're trying to do with the Bombyx brand under PFG. What I feel most consumers don't really consider when looking at this material is that silk comes from soil. I don't mean that the material you have in your hands are literally dug out from the ground, but this beautiful natural material actually begins as an agricultural product. The process of making silk begins with the planting and farming of mulberry trees, specifically the leaves. These are then fed to silkworms who, when they are ready, begin spinning cocoons. The fine filament they spin round and round enveloping themselves are the very filament you are feeling when you put on a silk garment. This then gets collected and further processed in various facilities to become what we see on shelves and racks. Agriculture is the foundation of silk, and that means that silk actually faces many of the agricultural issues that are discussed and considered among other products like cotton, linen, even fruits and vegetables. The way that silk is currently farmed, the various chemicals we pump into the land for "increased yield" will eventually be the reason the land ceases to provide. The quality of crops will decrease, which causes the quality of the silk to decrease, and ultimately, the income of the farmers and those who work the land to decrease. If the land becomes infertile and unsuitable for agriculture, we would lose a great tool that nature has gifted us in our effort to support carbon sequestration, counteract GHG emissions, and our journey toward sustainability. I think at one point or another, we've all questioned the things that we put IN our bodies, and I think now people are asking the same questions about what goes ON our bodies. What we're trying to do at Bombyx is show you what's actually happening behind the curtains, and try our best to make it better. We are trying to make Silk Enlightened. We are hoping to make Aspirational Silk.



# What about your work or organization has you excited for the future of environmental responsibility?

AH: We have a chance in covering so much of the supply chain to make a real difference. Verticality allows us to ensure that at every stage, things are being done properly and can be traced to it's origins. The industry has changed so much as a whole. It is no longer only about how cheap the product is, but it matters to our customers and their customers how the product was made, who and what it affected while in production. This new mentality allows us to truly partner with our customers on a much deeper level, helping each other do good and well.

### Tell us about the "Holy Trinity of sustainability"

HH: A lot of the discussion we're seeing regarding sustainability is more focused on two kinds, Environment and then Social. Not necessarily in that order. However, the last that tends to be forgotten is Economic Sustainability. As businesses, we have to keep in mind the cost and investment we are making when implementing changes. We also have to consider those within the supply chain and ensure that they too will economically benefit from the journey we are taking them on. Once complete, we will own the entire supply chain from soil to shelf which will cut out all the middle men with commissions compounding on top of one another allowing us to expand our margins for things like bonuses to our workers, research and development, further sustainability innovations, and to offer our product at competitive price. Our regenerative agriculture principles are meant to create an environment where various crops and ecosystems thrive, increasing yield, resulting in higher income for our farmers. In production, we have to find the efficiencies that keeps costs within business sense. It wouldn't make sense for us to do any of what we're doing if our brand partners cannot afford, and it certainly would inhibit progress of the end consumer were unable to afford our product. Our hope is we can offer our product, along with all the impact it's making, at similar prices as conventional so the choice becomes easy. With all three aspect in the same product, The Holy Trinity, championing sustainability becomes easy decision. That's why we call it Aspirational Silk.