



Unlocking Investor Action for a Just Transition in India's Fashion Sector

Case Study Feature

With insights from



About the Programme and Case Study

India's textile and apparel sector sits at the intersection of global supply chains, domestic industrial growth, and climate transition. It is both a major contributor to livelihoods across millions of farming households and rural communities, and a sector increasingly exposed to the pressures of a global shift toward more sustainable raw materials.

Over the past year, the Impact Investing Institute and Impact Investors Council jointly implemented the programme ***“Unlocking Investor Action for a Just Transition in India's Fashion Sector.”***

The programme adopted a value-chain approach, examining transition challenges across production, manufacturing, consumption, and recycling to identify where climate and community outcomes converge and where investment opportunities may emerge.

The programme engaged over 100 stakeholders across four major convenings in India and the UK, alongside more than 25 in-depth interviews with investors, financial institutions, brands, policymakers and entrepreneurs. A consistent finding emerged throughout the programme - **'The constraint is not a lack of capital, nor a lack of solutions, but how both are structured, aligned, and deployed.'**

As part of this programme, we wanted to document impactful initiatives across the value chain - identifying practitioners who are actively working to address these gaps and capturing their experiences in a format that is beneficial to investors, entrepreneurs, and ecosystem actors. These case studies are the result of that effort. Each features an initiative or fund that is doing meaningful work at a specific point in the value chain, and each of the case studies was developed through direct engagement with the practitioners behind it.

Each case study is structured in two parts:

1. The first provides a snapshot of the fund or initiative, covering its overview, financing structure, funding amounts, partners involved, and the impact measurement frameworks in use.

2. The second part presents practitioner insights, structured as an interview, in which they share their on-ground experiences, the emerging pathways, the challenges they have encountered, and the lessons that have emerged from working in this sector.

The first section is intended to give readers a clear understanding of what the initiative is and how it is structured; the second is designed to surface the on-ground nuances.

This case study features **Omnivore Venture Capital** and its investment in **STCH**, a fabric and material innovation enterprise developing agri-derived fibres, including banana, hemp, and Himalayan wild grass. It explores how early-stage equity investment in alternative materials can create pathways that are simultaneously commercially compelling and structurally connected to farmer livelihoods and rural supply chains and what the broader ecosystem still needs to enable this segment to scale.

This case study is part of a series accompanying the learning report *Unlocking Investor Action for a Just Transition in India's Fashion Sector*. The report will be published in May 2026. Visit [Impact Investing Institute Publications](#) to access the full report.

To explore other impactful case studies from this programme, visit [Impact Investing Institute](#). We continue to add to this collection as part of our ongoing effort to showcase what is working on the ground and what the ecosystem needs to build further momentum toward a just transition.



Omnivore Venture Capital

Inside This Case Study

Part 1 - Case Snapshot - Page 4

Part 2 - Practitioner Insights - Page 5



Omnivore Venture Capital



Case Snapshot

Overview

- Omnivore is an impact venture capital firm that supports visionary founders advancing agrifood innovation, climate action, and rural transformation. Since its inception in 2011, Omnivore has pioneered agritech investing in India, backing startups that build technology-driven solutions to strengthen agricultural productivity, improve food systems, and enhance climate resilience.
- Through its portfolio, Omnivore seeks to generate both environmental and social outcomes by improving the livelihoods of smallholder farmers, expanding opportunities for rural enterprises, and enabling more sustainable value chains. Across its investments, portfolio companies have collectively reached millions of farmers and rural households, created thousands of jobs, and enabled significant economic value for smallholder communities while advancing resource-efficient and climate-smart solutions.
- Omnivore's impact strategy is guided by four core pillars - food security, agricultural prosperity, resource efficiency, and rural resilience, which together aim to strengthen rural livelihoods while promoting sustainable production systems.¹
- Through this approach, Omnivore's investments contribute to a more inclusive and sustainable transition across value chains, ensuring that innovation and climate solutions also create tangible benefits for farmers, workers, and rural communities.

1,2. https://omnivore.vc/uploads/OACSF_Impact_Report_2025_f03226b09d.pdf

Fund Size and Capital Structure

- **Type of Capital:** Equity
- **Stage Focus:** Seed to Series B
- **Ticket Sizes:** \$3 million to \$7 million
- **Geographic Focus:** India
- **Fund Vintage:** 2018 (Fund II), 2023 (Fund III)
- **Fund Size:** Fund III - \$215 million, Fund II - \$75 million

Total Number of Active Investments by the Fund

- **15 (Fund III), 18 (Fund II)**

Number of investments into enterprises across the textile value chain, which also consider the interests of the marginalised communities, or empower them

- **STCH** - STCH is building an **asset-light, fabric and material innovation platform**, with a focus on the global apparel industry. The company is focused on using **organic and agri-waste fibers as a key material to create fabrics** for apparel brands, both global and domestic, who are increasingly adopting sustainable materials.

Frameworks Used for Impact Measurement

- UN SDGs, Impact Management Project, IRIS+, Operating Principles for Impact Management, Principles for Responsible Investment²

How often does impact measurement & reporting happen publicly at your fund?

- **Annually**

Practitioner Insights

QE 1. Investing at the Intersection of Commercial Viability and People Impact

For venture and early-stage equity investors, scalability, strong market demand, and clear pathways to commercial growth are key considerations when evaluating investments. At the same time, there is often a perception that business models incorporating environmental or social considerations may be harder to scale commercially.

From Omnivore's experience investing in innovations across sustainable textile materials, how do you evaluate business models that operate at the intersection of environmental performance and livelihood or community outcomes?

What types of enterprise models or technological innovations have you seen show strong potential for both scalability and meaningful impact within the textile and apparel value chain?

When we assess enterprises in sustainable textiles and alternative materials, commercial viability remains the primary filter, but we have found that the impact lens consistently surfaces structural advantages rather than trade-offs.

Omnivore's investment thesis is organised around four pillars: **food security, agricultural prosperity, resource efficiency, and rural resilience**. Enterprises operating at the textile-agriculture intersection tend to activate multiple pillars simultaneously and that convergence is often a signal of a more defensible and durable business model.

India's textile sector directly employs 45 million people, contributes around 13% of total manufacturing output, and sits at the centre of one of the world's most integrated supply chains; spanning cotton cultivation, spinning, weaving, processing, and garmenting.

As the world's largest cotton producer, accounting for roughly a quarter of

global output, India also has the agricultural base to supply next-generation natural and agri-derived fibres at scale. Few geographies can take early-stage materials science and move it through to commercial-scale fabric as readily. That combination is central to how Omnivore thinks about the intersection of climate innovation and people impact in this space.

Portco STCH develops fabric recipes that allow agri-derived fibres - banana, Himalayan wild grass, hemp to perform at parity with synthetics. Their work connects agri processing with textile innovation, with early commercial partnerships with global brands already validating demand. The livelihood dimension is built into the model: farmers and rural supply chains become input providers for a premium textile segment, advancing both **agricultural prosperity and rural resilience**.





QE 2. Investment Decision-Making and Pipeline Development

Omnivore's investment strategy has historically focused on agriculture and climate innovation, with agriculture playing a central role in many emerging sustainability solutions. As innovation across the textile and fashion ecosystem increasingly intersects with agricultural value chains, particularly through areas such as alternative fibres, agri-residue utilisation, and sustainable materials, the scope of opportunities within your mandate has expanded.

How has this evolution influenced Omnivore's pipeline of investment opportunities?

Have there been challenges in sourcing or evaluating enterprises operating at the intersection of climate innovation, agriculture, and the textile value chain, particularly when business models also incorporate livelihood or community outcomes?

Omnivore's focus on agriculture and climate innovation has always placed us close to the materials that underpin textile value chains: cotton, jute, natural fibres, agri-residues. In that sense, the expansion into sustainable textiles is only a natural progression: the agricultural systems we invest in are often the same ones that feed into fabric production.

The commercial logic has strengthened considerably too - the global sustainable fabrics market stands at around \$37 billion today and is growing at over 12% annually, driven by binding sustainability commitments from major fashion brands. As India targets a \$350 billion textile industry by 2030 with sustainability as a stated priority, the domestic opportunity is real and expanding.

That said, the ecosystem remains early. The number of companies that are simultaneously technically credible, commercially validated, and venture-ready is still limited. Sourcing in this space requires more active work than in more mature segments - closer engagement with research institutions, manufacturing clusters, and early-stage founders navigating the distance between a promising material and a scalable business. The gaps are not primarily in ambition or innovation; they are in the infrastructure that connects materials science to commercial supply chains - testing facilities, mill partnerships, and the patient brand relationships that take time to build.

On the question of livelihood and community considerations: for the enterprise models we find most compelling, this is not a separate evaluation layer. Businesses anchored in agri-derived fibres are structurally connected to agricultural supply chains - which means farmer participation, rural input sourcing, and community economic linkages are built into the model rather than added on. When livelihood outcomes are embedded in how a business creates value, they tend to strengthen the investment case.

QE 3. People & Livelihood Outcomes

Omnivore's investments across agriculture and climate innovation have historically incorporated a strong impact lens, with several portfolio companies tracking outcomes related to farmer livelihoods, income stability, and broader community benefits.

As Omnivore increasingly explores innovations in sustainable materials and textile-linked value chains, how does this impact perspective extend into this segment?

India generates over 500 million tonnes of agricultural residues every year. The majority is burned or discarded; a disposal cost for farmers rather than an income opportunity. Banana cultivation alone produces an estimated 30 million tonnes of biomass annually in India, with the potential to yield 1.5 million tonnes of commercial-grade fibre. The livelihood case for agri-derived textile innovation starts here: converting what is currently a waste management problem into a raw material supply chain.

Research on banana fibre valorisation in India indicates that farmer incomes can increase significantly when pseudo-stems enter commercial supply chains rather than being cleared at cost after each harvest cycle.

For Omnivore, this is the livelihood mechanism we aim to track most closely in textile-linked investments; the degree to which farming households transition from bearing disposal costs to earning from residue supply.

STCH's work with banana, hemp, and Himalayan wild grass fibres draws rural communities into supply chains that previously had no place for them. The indicators we monitor include the number of smallholder farming households supplying raw fibre inputs and income improvements relative to conventional residue disposal.

These outcomes are early-stage and measurement is still developing alongside the commercial models. What is already clear is the direction: innovations that embed agricultural communities into premium textile supply chains create income pathways that did not previously exist and as these businesses scale, the impact case will become as quantifiable as the commercial one.



QE 4. Early Learnings for Investors Exploring Climate and People-Aligned Textile Innovation

Given that innovations across sustainable materials and textile-linked climate solutions are still at an early stage, what early learnings or evolving hypotheses have emerged from Omnivore's exploration of this space?

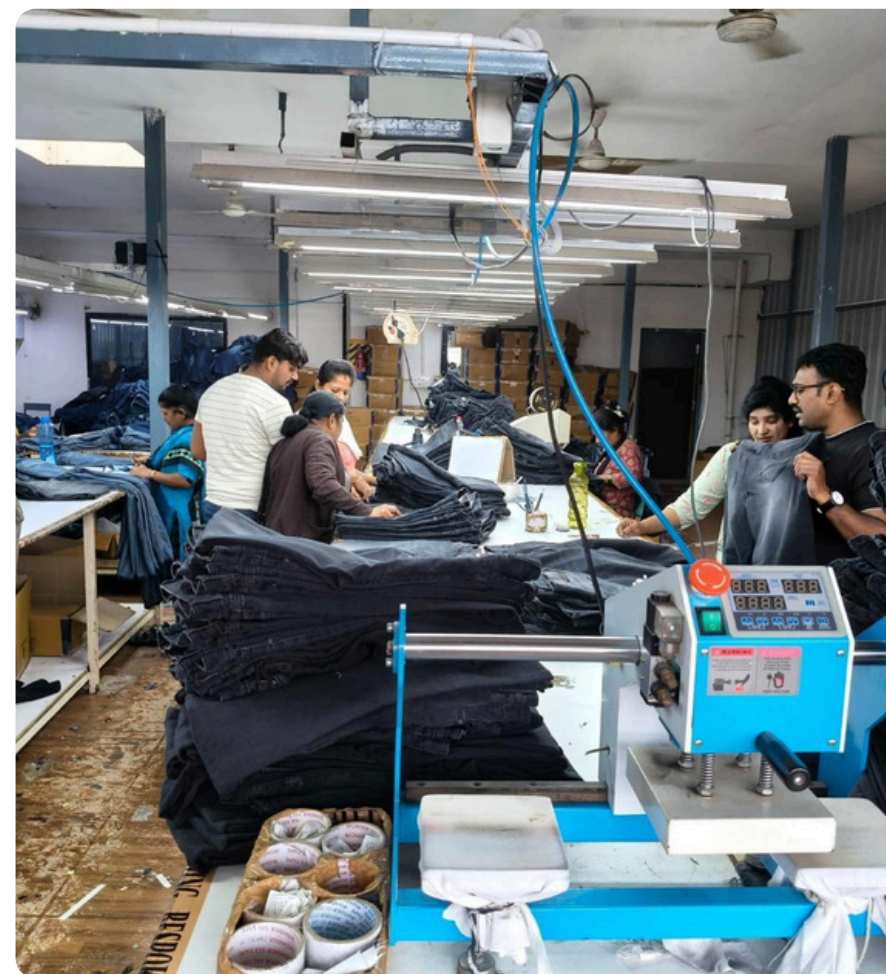
Were there any assumptions about the textile or materials value chain that proved more complex in practice, particularly when considering the intersection of environmental innovation and livelihood or community outcomes?

More broadly, what should other investors be aware of when exploring opportunities in emerging areas such as sustainable textiles and apparel that aim to address both climate goals and people-centred outcomes, and what conditions may be required to help these innovations scale more effectively?

The most important learning is that in this industry, capital is not the primary constraint. The more binding bottlenecks are infrastructural: the absence of standardised testing facilities for alternative fibres, the limited number of mills equipped and willing to experiment with new inputs, and the shortage of R&D infrastructure that can take a promising material from lab to loom at commercial speed. Investors entering this space should calibrate their expectations accordingly. Writing a cheque into a technically credible company does not automatically unlock scale if the surrounding ecosystem cannot absorb the innovation.

A second learning concerns the gap between brand interest and brand commitment. Sustainability targets from global fashion houses are genuine and hardening; H&M, Zara, Adidas, and others have made public commitments on recycled and sustainable materials by 2030. But the distance between a brand expressing interest in an alternative fibre and placing a committed purchase order is longer than it appears. For early-stage enterprises, navigating that gap requires patience and working capital that investors need to plan for.

What the sector needs to mature faster is a coordinated push across three fronts: investment in shared R&D and testing infrastructure, deeper mill participation in early-stage material development, and stronger intermediary structures that help brands move from sustainability commitments to sourcing decisions. Capital will follow when those conditions exist. The investors who help build them, not just fund into them, will be best positioned in this space.



Source: Omnivore VC & STCH

Contact Us

For more information about this case study or the programme, please get in touch with the team below.

More details about this case study

- Anubhav Shrivastava, anubhav@omnivre.vc
- Priyal Jain, priyal@omnivre.vc

More details about the programme

Unlocking Investor Action for a Just Transition in India's Fashion Sector

- Aisling McCaffrey, aisling.mccaffrey@impactinvest.org.uk
- Ranjna Khanna, ranjna.khanna@iiic.in

