



RENEWABLE ENERGY PILOT LAUNCH IN VIETNAM'S APPAREL SECTOR

Transitioning manufacturing to clean energy is a key driver in the apparel industry's ability to meet science based climate goals. But navigating complex procurement processes, dedicating capital, and arranging financing are barriers faced by many manufacturers exploring clean energy procurement. An innovative solution is to aggregate suppliers' clean energy procurement interests to drive procurement efficiencies through bundled demand, promote sharing of knowledge and best practices, and ultimately, significantly scale renewable energy use across the apparel supply chain. This concept is being put into practice through a new renewable energy pilot program launching in Vietnam.

The **Apparel Impact Institute (Aii)**, the **Clean Energy Investment Accelerator (CEIA)**, and **IDH – The Sustainable Trade Initiative** are excited to announce the launch of a rooftop solar energy pilot project in Vietnam. The pilot introduces an aggregated procurement approach to enable greater use of clean energy in the apparel industry supply chain.

Major brands, **Arc'teryx**, **Columbia**, **Gap Inc.**, **Icebug**, **lululemon** and **Target Corporation**, are demonstrating their leadership through this pilot, which aims to bring together 10-20 manufacturing suppliers into a group request for proposals (RFP) process for rooftop solar solutions in Vietnam. Philanthropic funders, HSBC Holdings plc. and IDH – The Sustainable Trade Initiative, are supporting the development and dissemination of publicly-available apparel sector tools and resources created through this project.

This collaborative approach to seeking rooftop solar solutions for several apparel manufacturers in one joint RFP offers several benefits. Process efficiencies are created and time is saved for the brands and suppliers by using a standardized approach to site evaluation and RFP preparation. Solar vendors also see efficiencies due to the package of several pre-vetted customer sites offered in the RFP. Increased cost-savings are enabled for the apparel manufacturers, and better financing options are opened for the solar providers, thanks to economies of scale created by bringing together several megawatts of projects into one procurement.

The aggregated procurement approach not only accelerates the decarbonization of the industry, but also opens the renewable energy procurement opportunity up to a wider range of sector stakeholders that might have previously been too small or under-resourced to secure attractive power purchase agreement (PPA) offers by themselves.

In parallel to organizing and executing the aggregated procurement process in partnership with brands and suppliers, this Aii-CEIA-IDH partnership will develop a publicly available methodology, best practices, and knowledge products (tools, templates, etc.) to enable deeper knowledge sharing and replication across the apparel industry supply chain in Vietnam, as well as in other targeted countries. Establishing a widely replicable model for scaling renewable energy across the apparel sector in key manufacturing countries is a core goal of the project.