

# Apparel Impact Institute (Aii)

## Climate Solutions Portfolio (CSP) Application Guidance

Version 1.0 | Last Updated: 12/12/2025

**Please follow submission instructions and deadlines on Aii's website.**

**Applications are confidential, and details will not be shared outside of Aii & the Advisory Council.**

**If you are successful, project learning and impact data will be communicated externally.**

### 1. Climate Solutions Portfolio Grants

Following the publication of our Low-Carbon Thermal Roadmap, we have seen an increase in interest from brands and suppliers on the topic of electrification. It is clear that more practical examples of electrification and electrification-supporting technologies are needed in order to enable the scaled deployment of those technologies. Suppliers looking to implement these pilot or demonstration projects may apply for funding to support project capex.

We have \$1.25m available in targeted grant funding for suppliers that are pursuing electrification or electrification-supporting pilot and demonstration projects in 2026.

Suppliers may apply for a maximum of \$250,000 per year of the project. Please note that funding is disbursed according to milestones achieved.

## Priority Technologies

We are looking for certain electrification and electrification-supporting processing technologies that need pilots & demonstrations to enable scale by 2030.

We define eligible solution types as:

- **Reducing process demand for energy** – a technology that reduces the amount of energy you need to deliver a process (e.g., low temperature processing). Water use is closely linked to energy use, and some waterless processing may lead to emissions reductions in certain circumstances. We are interested in piloting and learning from these types of innovations as well. All solutions in this category can be implemented by factories seeking to prepare for electrification by reducing the amount of heat and steam the factory uses.
- **Renewable electrifying processes** – a solution that was previously powered by thermal energy is now powered by electricity (e.g., electric printing). These solutions can be implemented where factories will power them with green electricity.
- **Renewable electrification of energy delivery** – transitioning a facility’s fuel source from fossil to electrical energy through a heat pump, electric boiler, or thermal storage, powered by certified green electricity (ideally onsite generation and/or Corporate Power Purchase Agreement). The threshold for renewable electricity must be a minimum of 50% for heat pump solutions.

## Eligible Technologies

We have outlined example types of technologies that are eligible for a CSP grant. If you are interested in applying for a solution that is innovative but not listed here, please reach out to [CSPHelp@apparelimpact.org](mailto:CSPHelp@apparelimpact.org) to check eligibility. We are aiming to support solutions that have less than 10 implementations globally and/or continue to have technical and commercial obstacles or risks to implementation.

When submitting your application, the impact of these technologies should be assessed in consideration of the full process energy, not just one machine replacement.

| Area                 | Specific tech area                | Decarb / Elec           |  |
|----------------------|-----------------------------------|-------------------------|--|
| <b>Processing</b>    | Digital coating                   | Support electrification | Will likely require new production lines/ significant engineering            |
| <b>Dyeing</b>        | Spray dyeing                      | Energy Load Reduction   | Will likely require new production lines/ significant engineering            |
| <b>Dyeing</b>        | Rope Dyeing                       | Thermal Load Reduction  | Will likely require new production lines/ significant engineering            |
| <b>Dyeing</b>        | Low Temperature Dyeing            | Thermal Load Reduction  | Will likely require new production lines/ significant engineering            |
| <b>Dyeing</b>        | Digital spray dyeing              | Support electrification | Will likely require new production lines/ significant engineering            |
| <b>Dyeing</b>        | Digital dyeing (pigment dyeing)   | Support electrification | Will likely require new production lines/ significant engineering            |
| <b>Pre-treatment</b> | Ozone & low temperature bleaching | Support electrification | Will likely require new production lines/ significant engineering            |
| <b>Pre-treatment</b> | Low temperature pre-treatment     | Thermal load reduction  | Will likely require new production lines/ significant engineering            |
| <b>Factory-wide</b>  | Heat pumps for steam              | Electrification         | Will likely require new production lines/ significant engineering            |
| <b>Processing</b>    | Electric singeing                 | Electrification         | Should be relatively simple to add to existing factory operations/ processes |
| <b>Finishing</b>     | Low temperature finishing         | Thermal Load Reduction  | Should be relatively simple to add to existing factory operations/ processes |

We are keen to learn about technologies we have not yet heard of, but please note that they must be aligned with the theme of this call for grants and have underlying data that proves their potential impact. The purpose of this grant is to pilot technologies in a factory setting.

## Excluded Technologies

Mature technologies such as rooftop solar installations, biomass boiler replacements or retrofits, and standard energy efficiency projects are not eligible.

Technologies that are proven but hard to implement may be eligible for a Deployment Gap Grant (DGG) instead of a Climate Solutions Portfolio grant. Additional information on DGGs can be found [here](#).

## Considerations for Electrification Projects

All heat pump electrification projects must clearly demonstrate the existing factory % of RE and include a roadmap to source at least 50% – and ideally 100% – Renewable Energy (RE) by 2030. For electric boilers, this must be 100%. Ideally, any increase in electricity consumption from the investment is matched by International Renewable Energy Certificate (IREC), while on-site solar is expanded/built or corporate Power Purchase Agreement (PPA) is finalized. Decarbonization investments should also aim for a 20% minimum reduction in emissions (linked to reduction in steam/ gas/ non-renewable electricity usage).

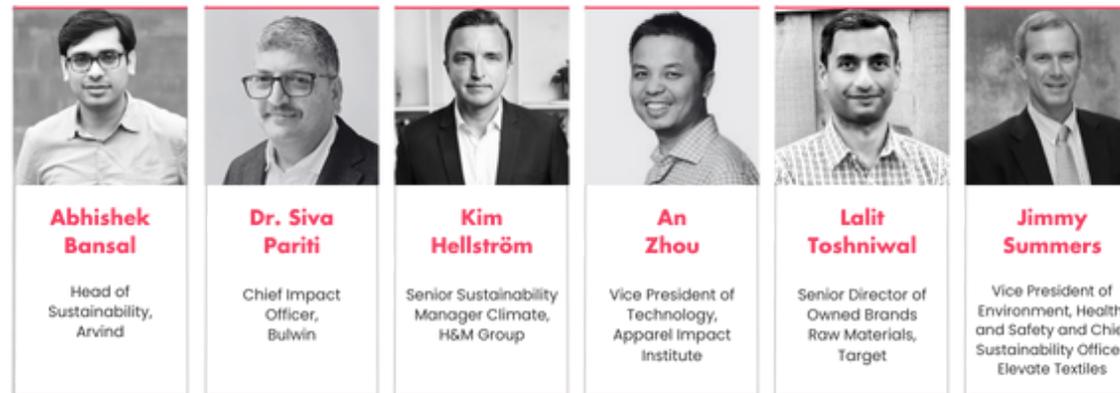
## Project Requirements

- The maximum funding amount is \$250,000 per year and should not exceed more than 50% of the total project cost. If successful, grant funding will be given in installments of 50%, 30%, and 20% according to project milestones.
- Textile manufacturers must be prepared to share data, outcomes, and learnings from the project with Aii for dissemination to the sector.
- The project must be replicable across other facilities. While the risk of undertaking a pilot may be high, the solution should be close to or at commercialization, such that once the learnings are disseminated, they can be replicated by comparable textile manufacturers. (The solution's scalability refers to the technology itself – not the enabling conditions, which we know will take time to be realized. For example, we recognize that ultimately replication will also depend on a facility's energy mix. )

- The applicant is not responsible for scalability, but should present a project scope such that other textile manufacturers can follow the learnings and implement the technology when the conditions are right for them to do so.
- All projects must deliver CO<sub>2</sub> savings. Applications must include projected savings data aligned to the feasibility study, with auditable baseline and projection data.
- Applications require a feasibility study and a pricing quote from a named vendor.

## 1.1. CSP Advisory Council (CSPAC)

The CSPAC is composed of Aii staff, apparel/textile experts, and industry representatives. When the CSPAC's expertise is limited, it will engage subject matter experts to help evaluate applications.



## 1.2. Application Process

The application process will follow the following timeline. Please note: We will be in touch if we need additional information. All applicants will be notified of their status by the end of February.

| Application Opens | Application Closes | Screening & Technical Evaluation | CSPAC Evaluation | Supplier & Vendor Calls | CSPAC Decision | Project Kick-off |
|-------------------|--------------------|----------------------------------|------------------|-------------------------|----------------|------------------|
| April 1           | May 15             | Early June                       | Mid-June         | End June                | Early July     | End July         |
| October 1         | November 13        | Early December                   | Mid-December     | End December            | Early January  | End January      |

- **Application Opens** – Aii releases the CSP application to the public. Applicants review the materials and send any clarifying questions to [CSPHelp@apparelimpact.org](mailto:CSPHelp@apparelimpact.org). Applicants have two months to complete the application.
- **Application Closes** – Application period ends. No new applications are accepted.
- **Screening & Technical Evaluation** – Aii assesses the CO<sub>2</sub>e reduction potential of eligible and complete applications through a deep technical review of the feasibility assessment and corresponding calculations. Applications are scored according to the process outlined in sections 2.2 - 2.5 of this document. The ranked applications are shared with the CSP Advisory Council.
- **CSPAC Selection** – The CSPAC reviews the applications and decides which will move forward to the supplier & vendor call.
- **Supplier & Vendor Calls** – Selected applicants present their project alongside the vendor. The purpose of this call is to further understand the details of the project and its projected impact.
- **CSPAC Selection** – The CSPAC reviews all materials to determine grantees.
- **Aii Executive Team Leadership Sign Off** – CSPAC submits recommended finalists to Aii’s Executive Leadership Team for approval and, subsequently, the Aii Board for sign off. Successful applicants are notified.

## 2. Application Questions

In this section, we list all of the application questions and guidance on how to respond to them. Please refer to this guidance as you fill out the application form. **We have also included the scoring matrix for this application.**

### 2.1. Organizational information

| Contact Information  |
|--|
| 1. Textile manufacturer submitting application:  |
| 2. Textile manufacturer website:   |
| 3. Factory address:  |
| 4. Higg ID   |
| 5. Joint applicant/sub-grantee organizations:  |
| 6. Primary contact full name:  |
| 7. Primary contact email:  |
| 8. Primary contact phone number:   |
| 9. Primary contact location (city, country)  |
| 10. Other relevant personnel associated with the Solution (include email contact information if you want them included in follow-up communication from Aii): |

## 2.2. Eligibility Criteria

The eligibility criteria for the CSP ensure funding is only given to suppliers that reach minimum standards of social and environmental performance. It also supports evaluating supplier maturity in performance to help us objectively assess applications and compare them against one another.

| Question  | Explanation   | Response & Scoring   |
|---|---|--|
| <p>11. Please confirm that neither you nor the government has plans that could force the factory to relocate?</p> | <p>Ensures longevity of measurable impact. Especially relevant for Dhaka and Chinese suppliers.</p>   | <p>Cannot confirm: 0</p> <p>Can confirm no movement for 5 years: 1</p> <p>Can confirm no movement for &gt;5 years/ not applicable: 2</p>   |
| <p>12. Please upload evidence that demonstrates minimum standards of human rights have been met.</p>              | <p>Factory to share one or more valid social audit(s). Accepted formats: SMETA, Amfori BSCI, verified FSLM, SCLP, Sedex/SMETA, WRAP, Better Work, brand audits, and similar.</p> <p>Minimum standards to be met are no forced labor, no child labor, and safe working conditions.</p> | <p>No valid social audit available/ valid social audit not meeting minimum requirements: <b>Ineligible for grant</b></p> <p>Valid social audit with major Non Conformities: 1</p> <p>Valid social audit with minor/ no Non Conformities: 2</p> |

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|--|--|---|
| <p>13a. Please demonstrate that minimum environmental standards have been met.</p>     | <p>The factory already provides VFEM data to support the minimum data baseline. The upload should show the VFEM level achieved, with Level 1 reached in all topics as the minimum requirement. The onsite ETP must be assessed as fully functional through ZDHC testing as part of the VFEM process.</p> | <p>No Higg/ Failed onsite ETP:<br/> <b>Ineligible for grant</b></p> <p>VFEM above level 1, clear stream report without any conventional parameters exceeding foundational limits:<br/> 1</p> <p>VFEM above level 2 and no detection of MRSL substances, heavy metals not exceeding foundational limits and conventional parameters or have Zero Liquid Discharge: 2</p> |
| <p>13.b Does your factory use any of these sources for fuel? Select all that apply</p> | <p>It is important for us to understand the current fuel sources of the factory.</p>   | <p>Sludge, textile waste, uncertified biomass, certified woody biomass, agricultural waste biomass, coal, natural gas.</p>  |

### 2.3. Solution Overview

All applications require a feasibility study completed with the vendor of the technology/equipment. This feasibility study will be reviewed in detail to ensure the technical specifications align with projected energy and emissions savings. The study should be created by an accredited engineering firm and/or approved by your factory’s head of engineering.

Please make sure the feasibility study includes the following:

- Summary of the project – overview of the technology and how it works; objectives of implementation; and summary of expected CO<sub>2</sub>e, energy, and cost savings
- Baseline assessment – current technology being used and baseline emissions assessment
- Detailed overview of the project – process map, description of how the solution works, scope, and boundaries of the project

- Engineering analysis - anticipated risks and challenges, compatibility (or lack of compatibility) with existing infrastructure.
- Energy & CO<sub>2</sub>e savings (saved in a separate document) - boundary, emission factors, baseline, and assumptions that drive the projected emissions savings
- Economic assessment - technology capex, opex, ROI, any economic co-benefits.

| Question   | Explanation  | Response & Scoring  |
|--|--|---|
| 14. Please select the technology's category:   | Here we are looking to make sure the technology for which you are applying matches our categories. Please note, if you submit "other," the technology may not be eligible.   | Steam-generating heat pumps (provide steam above 120 degree and good COP, aiming > 2.5) (2)<br>Thermal energy storage (2)<br>Digital spray dyeing (1)<br>Spray dyeing (1)<br>Low temperature dyeing (1)<br>Electrification of bleaching (1)<br>Electric singeing (2)<br>Digital dyeing & coating (1)<br>Foam dyeing (1)<br>If selecting other, please specify |
| 15. Please state the vendor of the technology, the equipment's name/specifications and the number of installations the vendor has. | Only applications with a feasibility study and a confirmed quote from a named vendor will be accepted. If your application progresses to the next round, the vendor will join a meeting to discuss and evaluate the project. | Vendor name:<br>Equipment specifications:   |
| 16. Please describe the project.   | What process or equipment will the project change or replace? How will this reduce emissions? How does this electrify or support the electrification of your operations?   | This will be scored 1-3 based on how innovative and sectorally relevant the technical review  |

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|--|---|--|
|  |   | believes this project to be. 150-word limit.   |
| 17. Why is this technology difficult to implement? How will this grant help to solve those difficulties?                           | Please provide a clear explanation of the challenge(s) to implementation.   | New technology<br>Permits<br>Equipment delay<br>Land acquisition<br>Training staff<br>Other, specify   |
| 18. How will emissions savings be measured?  | Does the specific equipment to be replaced - or, at minimum, the factory area - already have dedicated energy metering? Can the new investment be suitably metered to give confidence in impact claims? <b>If you do not have meters in place, please include the cost of meters in the grant request.</b> This question gives us an indication of data quality and where meters still need to be installed.                                | No existing meters<br>Factory area is metered<br>Specific equipment already metered<br>Equipment cannot be metered, Not Applicable)<br>We will install meters for this project |
| 19. Please upload a Feasibility Study that includes technical project design, estimated tCO <sub>2</sub> e savings, ROI, and cost. | These may be separate documents, but all of this information must be captured and formally presented with vendor support. This section will be scored according to the strength of the study and project, leveraging the experience of the engineer reviewing the application. We will communicate any questions or opportunities to improve.<br><br>As a core part of the application, this question is more heavily weighted than others. | Weak project/feasibility study: 0<br>Good project/feasibility study: 2<br>Great project/feasibility study: 4   |
| 20. Please upload a quote from the technology vendor associated with your capex request.   | We will confirm that the funding ask, quote, and feasibility study are consistent.  |  |

|   |   |                  |
|---|---|------------------|
| <p>21. What is the estimated project timeline - from purchase order to machine being operational?</p> | <p>Please take a conservative approach when predicting the timeline of this project. This should include the time the vendor will take to deliver the equipment, installation, and making the equipment fully operational. Please note this will also be included in the grant contract.</p> <p>This question gives us an indication of the project length.</p> | <p>In months</p> |
|---|---|------------------|

## 2.4. Impact

| Question   | Explanation   | Response & Scoring |
|--|---|--------------------|
| <p>22a. What is the % reduction in GJ from heat energy use?</p> <p>22b. What is the % reduction or increase in GJ from electricity energy use?</p> <p>22c. List the processes/ sub-processes this project impacts.</p> <p>22d. What is the project's estimated emissions reduction (tons CO<sub>2</sub>e/year)?</p> <p>22e. What % of the facility's annual emissions does this project's savings represent?</p> | <p>This should come from the feasibility study and calculations from the vendor.</p> <p>For example: polyester fabric dye wash off or cotton continuous dye application &amp; wash off.</p> <p>This helps us to assess and compare the magnitude of the project's impact in relation to the facility's total emissions.</p> <p>22c: For example, polyester fabric dye wash off or cotton continuous dye application &amp; wash off.</p> |                    |
| <p>23. Please upload a spreadsheet that shows your baseline energy usage and carbon emissions, and the energy and carbon savings you project to have as a result of installing the equipment.</p>  | <p>Please attach a file that clearly demonstrates the baseline emissions of your factory or process line/machinery if you have submeters. In this document, we wish to clearly see the emission factors, any assumptions used, and the methodology to arrive at the emissions projections. These will be audited in detail, and these projections will also form part of the contractual agreement for successful</p>                   |                    |

|   |   |   |
|---|---|---|
|   | applicants. Please make sure this matches the information on the feasibility study. |   |
| <p>24a. What percentage of renewable electricity do you use today? Which sources?</p> <p>24.b What will the percentage be at the end of the project and from which sources?</p> |   | <p>24a. 0-49% regardless of source - 0 points</p> <p>50-100% iRecs - 1 point</p> <p>50-100% PPA, Solar, Green Tariff - 2 points</p> <p>24b. 0-49% regardless of source - 0 points</p> <p>50-100% iRecs - 1 point</p> <p>50-75% PPA, Solar, Green Tariff - 2 points</p> <p>76-85% PPA, Solar, Green Tariff - 3 points</p> <p>86-100% PPA, Solar, Green Tariff - 4 points</p> |

## 2.5. Funding Request

Below, applicants must specify details on the requested grant funding. Please provide a summary of the funding request (in USD), duration, and the added value it may generate (e.g., match funding from other sources). Proposals with anticipated or existing matched funding will receive preferential consideration. Please include any exchange rate, tax, and travel needs in your pricing, as decisions can only be made based on the full funding amount. If invited to pitch, the applicant will be asked to provide line-item costing for detailed auditing of the funding request.

| Question   | Explanation  | Response & Scoring                                      |
|--|--|---|
| 25. What is the total project capex (USD)? Please include not only the equipment cost but also any supporting infrastructure costs.  |  |   |
| 26. What is the project's Return on Investment (ROI)?  | How many years is the payback for the project?   | 3, 4, 5, 6, 7, or 8 years (this question is not scored) |
| 27. Please list your funding request by project year and category.   | <p>The maximum funding amount is \$250,000 per year and /or 50% of the total project cost. Successful grantees will receive funding in installments of 50%-30%-20%</p> <p>A table will be provided to split the funding request into:</p> <ul style="list-style-type: none"> <li>● Solution capex</li> <li>● Personnel costs</li> <li>● Solution opex</li> <li>● Hard expenses (e.g., fabric)</li> </ul> |   |
| 28. How will you fund additional capex needed for the project?   | Please list any other funding sources secured for this project in the table. If you need financing, Aii can explore support.   | Balance sheet, loan, brand, etc.                        |
| 29. If your solution has any other benefits - such as reducing water consumption, chemistry, or social - please describe these here. |  |   |