

FACT SHEET: **MERCHANDISE**

A hidden emissions trail

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Along with ticket sales merchandise is an important revenue stream for the live performance industry. Many bands as part of their tour will create a range of memorabilia merchandise from t-shirts, sweatshirts and bags to flip-flops, cups and key chains to sell to their fans at shows. These goods all have an environmental impact and therefore a carbon footprint as the result of the material use, its sourcing, manufacturing, distribution, use and eventual disposal. Bands and music companies can reduce the environmental impact of their merchandise by making informed procurement choices. This is an important responsibility on behalf of their audience as they hold the choice on behalf of their fans between purchasing the more or less environmentally responsible goods. Furthermore, procurement choice by bands and music companies towards environmentally (and also socially) responsible goods will help mainstream the 'green' market rather than remaining niche.

This merchandise piece outlines: why it is important to consider the emissions of goods; what mechanisms are available to assess and reduce emissions of goods; and guidance to bands and music companies on how to make informed procurement decisions about what merchandise to offer audiences.

Goods have a big slice of the global emission pie

The greenhouse gas emissions from the goods we buy are significant. Newly published research by the Carnegie Institution of Science in the United States examining the global flow of GHG emissions from goods has found that an additional 30% of developed countries emissions are sourced outside their national boundaries and more often than not are sourced in developing countries that have carbon intensive manufacturing processes (Davis and Caldeira 2010).

Britain was found to be the highest exporter of emissions in Europe, behind only the United States and Japan globally. Britain's emissions from goods imported from abroad was estimated to be 253 million tonnes of GHG emissions a year, in addition to the approximate 575 million tonnes produced within the country's borders (Decc 2010c). Based on population figures this equates to 4.7 tonnes of emissions per person over and above the annual average of 10 tonnes per person.

Therefore, targeting GHG emissions from goods is pivotal if climate change is to be mitigated. At the Copenhagen climate talks in December 2009 developing countries strongly voiced the importance of setting national emissions targets to reflect domestic emissions and therefore to adjust emissions calculations so that they reflect the export of emissions - which should be assigned to the importing countries.

Assessing the emissions of goods

Calculating the emissions embodied in a product is complex as they will be spread across multiple businesses and are rarely contained within a single national boundary. This means the carbon footprint of goods is hidden - unlike direct emissions. For example, it is relatively easily to calculate the emissions released from burning fossil fuels in your car, but much harder to calculate the emissions resulting from the construction of your car because you have to decide how far to look into the manufacturing supply chain, and good quality data is not always available.

However, standard methodologies are being developed which make it possible to assess the GHG emissions produced through the production, distribution, use and eventual disposal of goods known as lifecycle assessment). For example, the UK Carbon Trust has developed and piloted with a number of companies the PAS 2050 methodology for the GHG emissions assessment of goods. This, and other relatively similar methodologies, are in the early stages of development, and therefore only a handful of goods have fully assessed their lifecycle GHG emissions. However, the

advantage of goods following a standardised assessment of GHG emissions is that companies will be able to understand the emissions at each stage, thereby identifying and targeting reduction opportunities. A further advantage is that as more like-for-like goods assess their GHG emissions and make this information available it will be possible to make comparisons between goods. This will be beneficial to the companies as a measure of their product's environmental performance, but also to consumers wanting to make environmentally informed purchase choices. The route for making this information available and transparent is via the carbon labelling of products accredited using a standard GHG emission assessment, such as the PAS 2050 standard.

Continental Clothing Company, a business-to-business clothing company supplying the music industry, participated in the Carbon Trust pilot scheme with companies to test the PAS 2050 standard and be accredited with a product carbon label. Continental Clothing participated in scheme for their Earth Positive clothing range. The t-shirt is made with 100 per cent certified organic cotton produced using natural irrigation. The production facility in India is powered by a local wind farm; cotton waste generated is either used as an organic fertilizer or, for other textile and upholstery products, manufactured locally. Dyes are made in a controlled environment where wastewater is thoroughly treated. All shirts are packed using biodegradable or 100 per cent recycled materials. A 'no airfreight' policy ensures that all goods are shipped by sea (see Figure 1).

Figure 1: B2B Process Map: EarthPositive Shirt Supply Chain

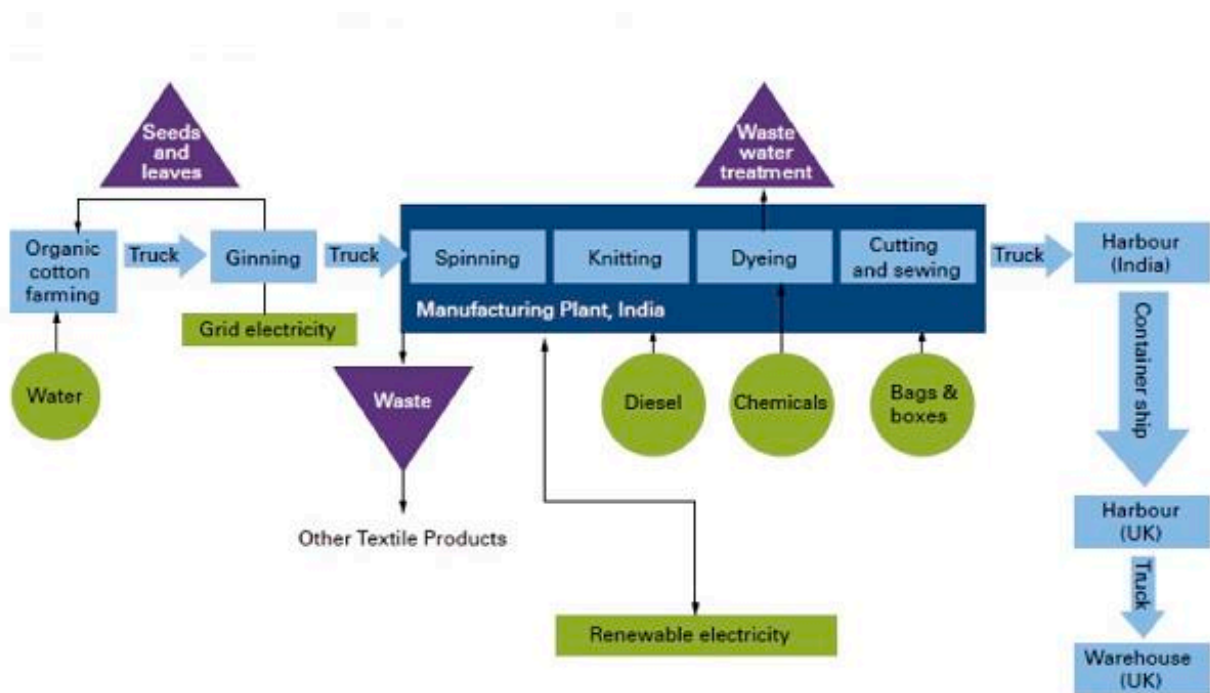


Figure 2: Continental T-shirt carbon footprint



Continental Clothing PAS 2050 assessment set the GHG measurement boundary from the farming of the cotton for the production of a large men's t-shirt through to the delivery of the t-shirt at their UK distribution warehouse. The Earth Positive t-shirt PAS 2050 assessment was able to demonstrate considerable carbon savings compared to a conventional t-shirt with the same emission boundary (which Continental Clothing also produces). An Earth Positive t-shirt has a carbon footprint of 650g CO₂e, which is 90% lower than a conventional t-shirt of 6.5 kg CO₂e (for product comparison a CD in plastic jewel casing is more than 1 kg CO₂e) (see Figure 2). This is primarily due to the Earth Positive t-shirts being manufactured in a facility using renewable energy and the PAS 2050 assessment identifying this phase as having significant energy requirements. The assessment and subsequent carbon label does not include the product use phase, which for a t-shirt is considerable because of the energy used to wash clothing. However, the company has grasped as much control as they can in order to significantly reduce their emissions and, by using the carbon label, engage their customers in the environmental issues embodied in clothing.

Guidance to bands and music companies

The range of goods becoming available with strong environmental credentials will increase in coming years with increasing regulation and with companies seeing the business opportunity of being a brand leader. Bands and music companies, like the goods producers themselves, are likely to gain reputational benefits from being associated with environmentally responsible products. Presently the Earth Positive range is the only merchandise available with a carbon label, but there are a number of other merchandisers that have made serious commitments to addressing environmental (and social) issues.

In deciding a merchandising deal for a tour it is crucial to ask the right questions of suppliers:

- > What steps have they taken to reduce environmental impacts?
- > Have they been awarded any independently verified accreditation for their efforts?
- > Can they provide you with evidence?

Then once the merchandise is on the tour avoid air freighting it to venues.