

Good for Nevada. Great for Business.

MERCHOLOGY BUILDS A BETTER WAY WITH SUSTAINABILITY

March 2021



Merchology, pronounced Murchol-uh-jee, focuses on the science of merch and the art or skill of preparing custom apparel and gifts. The Minnesota-based, familyowned business opened a small manufacturing facility in Sparks, Nevada in March of 2019. The facility employs 23 people that run the apparel embroidery production process and machines, receiving, packaging, and shipping.

Founded in 2014, Merchology considers itself as a co-brand partner. It brings together an organization's logo with world-class retail brands like Patagonia. In 2017, the company expanded its purpose to build a better way to do business, a more sustainable way by joining 1% For the Planet. The fashion industry is the second most polluting industry in the world, following the oil industry. Small gains can have tremendous benefits to water resources, air quality, and ecosystems.

Upon better understanding these industry problems, the Merchology team went a step further in 2019 and created their own sustainable apparel and lifestyle brand called <u>Zusa</u>. Zusa apparel is produced from practices with big benefits, including:

 100% of factories are WRAP Certified (Worldwide

- Responsible Accredited Production).
- 93% of Zusa line is made with recycled materials.
- Over 2 million recycled plastic bottles are used to manufacture recycled polyester resulting in 75% lower CO2 emissions.
- Shipping boxes are made from 100% renewable and recycled fibers and certified by the Sustainable Forestry Initiative.

Merchology's story is making a difference and is an inspiration to others. In Nevada, they were the first Small Business Manufacturing company to become a Certified Green Business at the Innovator status, the highest tier of certification.

It all started with employee volunteer engagement with Keep Truckee Meadows Beautiful (KTMB). Merchology selected KTMB as its local environmental nonprofit partner. Employees volunteer for cleanup events and help plant trees in our community. KTMB also benefits as one of three partner organizations that receive donations from Merchology through its membership in 1% for the Planet, a commitment to give 1% of gross sales to environmental nonprofits. It was through this relationship that Merchology learned about the Nevada Green Business Program.

GREEN BUSINESS PRACTICES

Merchology began the green business certification during its busiest season leading up to the holidays. Because most of the staff were focused on fulfilling orders, the operations team took on the responsibility of implementing green business measures with support for the corporate team and contractors. KTMB's Green Business Advisor also provided technical assistance.

All Sparks operations and product team members were engaged through weekly updates during meetings. Everyone learned through the process and team members were excited about the ways they could contribute through behavioral changes and new practices.

Merchology learned that the company was already implementing many of the program's green business measures.

In some areas, only small changes were needed. Merchology expanded its sustainable purchasing practices to source more recycled-content paper products. The facility reduced energy use by installing new LED light fixtures and motion sensors and setting computer defaults to go into sleep mode after 15 minutes of inactivity.

The operations team also worked with the janitorial service provider to switch to certified green cleaning products and to mix concentrated cleaning products at time of use to reduce waste.

And the team made better signage to improve their internal recycling program.

GREEN BUSINESS BENEFITS

The Nevada Green Business
Program offered a framework for
measuring Merchology's progress.
Certification further demonstrates
their commitment to employees
and customers, and suppliers, and
they hope to inspire others to join
them.

Sustainability has become integral to Merchology's DNA. In 2020, 16% of Merchology's total sales were from eco-friendly brands, including Zusa, Patagonia, Osprey, and other brand partners. Gaining certification as a Nevada Green Business helps to bolster their recognition as a leading sustainable brand in the apparel industry.

MERCHOLOGY 2020 ENVIRONMENTAL IMPACT REPORT OR CODE





MERCHOLOGY 2020 ENVIRONMENTAL IMPACT REPORT

One of the most significant outcomes was a renewed Environmental Policy Statement that captures the range of green business measures implemented and opportunities for continuous improvement. The policy is shared in Merchology's first Environmental Impact Report. A few highlights of Merchology's 2020 efforts:

- Became certified as a Nevada Green Business Network member at the Tier 3 Innovator level!
- Donated \$55,000 USD to three environmental non-profits through 1% for the Planet.
- Planted 2,347 through partnership with Woodchuck – one tree was planted for every Woodchuck product sold by Merchology.
- Recycled over 40,000 pounds of cardboard per month in operations.
- Shipped over 90,000 packages in cardboard boxes made from recycled corrugated fiberboard.
- Volunteered 99 hours collectively at 1% for the Planet partner organizations.