Carbon Reduction Plan

Supplier name: Merit Holdings Limited

Publication date: October 2025

Commitment to achieving Net Zero

Merit is committed to achieving Net Zero emissions by 2040.

Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

Baseline Year: 1st July 2020 – 30th June 2021	
Additional Details relating to the Baseline Emissions calculations.	
In 2022, Merit partnered with expert sustainability consultants to develop the company's first carbon baseline and Roadmap to Net Zero. Our baseline year is 1st July 2020 to 30th June 2021, as this is the period in which we have the most accurate data for our emissions.	
Baseline year emissions:	
EMISSIONS	TOTAL (tCO_2e)
Scope 1	293.7
Scope 2	70.8
Scope 3 (Included Sources)	4,940.8: • Upstream Transportation & Distribution: 4,652; • Downstream Transportation & Distribution: 70; • Waste: 2; • Business Travel: 20.6 • Employee Commuting: 196.2
Total Emissions	5,305.3

Current Emissions Reporting

Reporting Year: 1st July 2024 – 30th June 2025	
EMISSIONS	TOTAL (tCO_2e)
Scope 1	770.4953
Scope 2	197.9212
Scope 3 Quantity Based Estimations	14055.7051 • Waste: 2.7393 • Transmission & Distribution Losses: 14.1117 • Business Travel: 63.4005 • Employee Commuting: 313.918
Scope 3 Spend Based Estimations	• Upstream Transportation & Distribution: 516.9945 • Downstream Transportation & Distribution: 305.13 • Purchased Goods: 12,582.9347 • Upstream Emissions of Purchased Fuels: 157.1664 • Upstream Leased: 99.3156
Total Emissions	15,024.1216

Emissions reduction targets

Following our baseline data submitted in October 2022, Merit continue to develop both near and long term emission reduction targets in our aim to achieve Net Zero by 2040. All targets will be consistent with the SBTi's latest guidance.

This reporting period has seen an increase in scope 1, 2 & 3 emissions compared to the Baseline year. However, there is a marked decrease in Scope 1 emissions compared with the last reporting period, along with a 6.6% rise in Scope 2 emissions, which was to be expected from an increase in factory production in comparison to the previous reporting period.

Scope 3 Emissions

Of our Scope 3 emissions, the largest contributor resulted from our Purchased Goods and Services, which is to be expected.

Upstream & downstream transport & distribution are the second largest contributors to our Scope 3 emissions. We are continuously working towards reducing these emissions by ordering from local suppliers to reduce travel distance and ordering to stock to reduce the frequency of deliveries to our factories.

We have purchased several curtain side trailers, meaning we no longer rely on external logistic companies to make unnecessary journeys to our factory with empty trailers before starting any of our own deliveries.

The employee commute figure has seen an increase due to an increase in employee numbers between the reporting periods and this figure now accounts for working from home emissions, which were not previously included.

Business travel has seen an increase as it is believed hire cars were counted in scope 1 emissions in previous years, which would explain the decrease in scope 1 and increase in business travel emissions this year.

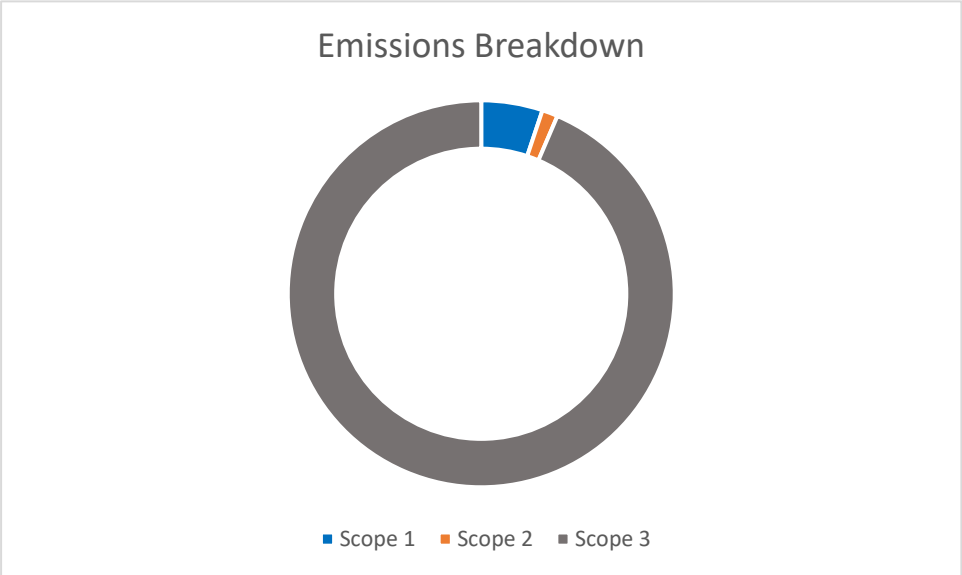

Figure 1: Emissions breakdown by Scope

Scope 1 Emissions

We are engaged with our embedded fuel supplier, Crown Oils, and have enrolled in their Carbon Offsetting program for fuel deliveries. For each fuel delivery, we pay a contribution, which goes towards global projects such as wind farms and tree planting.

77% of our scope 1 emissions are from Crown Oil diesel, meaning an equivalent of 596 tCO2e is carbon offset.

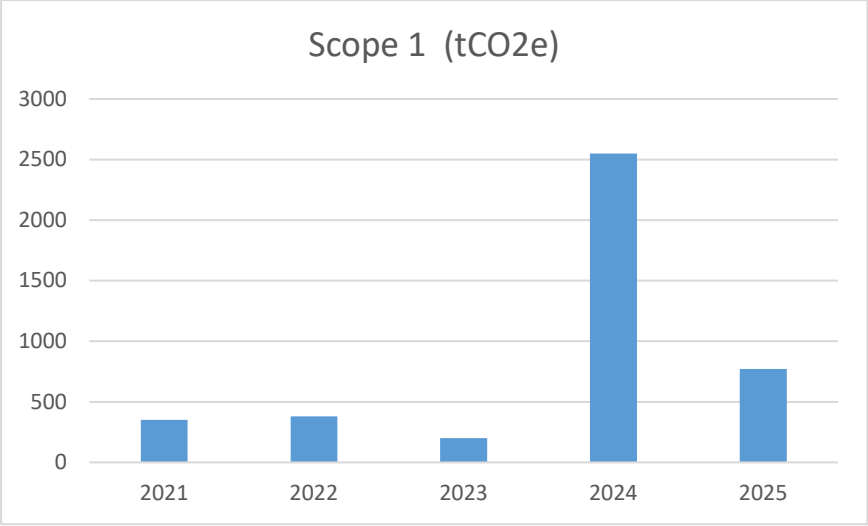

Figure 2: Scope 1 Emissions

As can be seen in Figure 2, 2024 was an exceptional outlier. This may be due to double counting in some of the data collected.

Current Carbon Reduction Projects

Completed Carbon Reduction Initiatives

Merit has implemented various initiatives in recent years to enable us to achieve our target of Net Zero Carbon by 2040. The carbon emission reduction achieved by these schemes have not been quantified yet, but we plan on monitoring these reductions in future. We have detailed our current and future initiatives below:

As a business, we have been accredited to ISO14001 since 2007.

Zero Carbon Emissions 2020

In 2019 we introduced our own 'Zero Carbon Emissions 2020' strategy to design and build zero carbon emission facilities. Since this time, we have eliminated fossil fuel designs for heating and hot water systems, replacing them with heat recovery and heat pumps.

We completely redesigned an 80,000ft² facility for a prestigious client, providing them with a unique solution to eliminate all natural gas from the facility and generated £160,000 in annual energy savings through heat recovery.

The client had a target to build their first zero carbon emissions facility by 2030. Through our innovative zero carbon initiatives, we were able to provide them with their first zero carbon emissions building in terms of operational energy, 9 years ahead of target.

In addition, we have worked extensively with our supply chain, including specialist suppliers, to remove gas from their product offerings.

We have also implemented a buy British policy, reducing emissions due to transportation and have in place an advisory board for our carbon emissions.

Pre-Manufactured Value (PMV)

Through our offsite manufactured approach, Merit can provide facilities to clients with a PMV of up to 95%, dependent on product and project specifications. Through this initiative, we have reduced travel to sites and reduced material usage and waste.

Our product-based approach is fundamentally different to any other tier 1 contractor in the UK. Merit has spent years of research and development time and expenditure to develop a pre-designed platform that can be adapted to a completely diverse range of facilities.

Our POD and PAM approach allows us to complete up to 95% of a project completely offsite in our factories, with onsite works consisting of groundworks and structural connections.

Onsite works usually coincide with factory works, meaning less contractors on site, reduced health and safety issues and quicker programmes. Because manufacturing is undertaken in our factories, we are able to plan material throughput and minimise waste. Cut lengths are planned in advance to minimise waste and reuse where possible, or alternatively recycled/disposed of responsibly.

Electric Car Scheme

We have in place an electric company car scheme and have installed electric car charging points at most of our parking bays at our head office which employees can use free of charge.

Hybrid Working

We operate a hybrid working scheme for head office staff to reduce travel and improve work-life balance.

Environmental Targets and Reporting

Merit maintains an Environmental Impacts Register which includes environmental impact targets, a risk rating, plans for improvement and any updates. This is reviewed regularly by our HSE team who will add any comments or further targets. We comply with a variety of regulations, including the Clean Air Act 1993, Climate Change Act 2008, Environmental Protection Act 1990, Landfill Tax Regulations 1996; and Pollution Prevention and Control Act 2000, to name a few. Our targets are monitored and reviewed annually.

Waste

We use Go Green for waste management and recycling solutions on our projects. For every project, waste management targets are set and our Zero Carbon Emissions strategy is implemented. Go Green provides a breakdown of waste and waste recycled on each of our projects.

Company Vehicles

We have increased our fleet of company electric vehicles and hybrid vehicles by 50%, with electric charging bays at our head office free to use for all employees and visitors.

Upstream Deliveries

We have increased the number of bulk orders delivered to the factories, instead of piece meal, reducing the frequency of upstream deliveries which previously arrived in a piecemeal fashion.

Our actions for the next year will focus on automating the data collection process across all scopes to ensure we have accurate and up to date data available at all times, which will show us any areas that require immediate improvement.

Future Carbon Reduction Projects

Scope 1

Switch to low carbon fuels on site and expedite the process of hooking up to the grid sooner, instead of relying on diesel generators.

Driver behaviour training – highlight the importance of smoother acceleration and braking and reduce idling, which could reduce fuel consumption by 5-10%.

Look at electrifying site and factory machinery (compressors, forklifts, small plant etc), which would result in zero scope 1 tailpipe emissions from these machines.

Scope 2

Replace factory and office lights with LED's, cutting lighting electricity by at least 40%.

Staff awareness campaigns, such as switch off lights, computers and machinery when not in use.

Investigate feasibility of solar PV on head office roof.

Scope 3

Quantity Base Emissions-

Employee Commute: Encourage carpooling, public transport and cycling to work through incentives.

Waste: Optimise design to reduce material offcuts to minimise factory waste.

Business Travel: Encourage train travel where possible.

Spend Based Emissions-

The main objective for these categories is to improve the data collection and reporting of these emissions a currently these are estimated using spend based methods, which only gives an approximate estimate. Over the next 12 months this will pivot to quantity based methods where possible.

For upstream and downstream transport, we are in discussions with a third party to track and report on all site and factory deliveries, which would provide highly accurate and reliable emission data for these activities.

Goods and Services: Improve engagement with key suppliers to reduce their carbon intensity and replacer high carbon materials with low carbon options. Identify a clear shared set of values and sustainability standards with suppliers and gather emissions data from key suppliers to identify carbon hotspots which need improvement.

Once the data collection and reporting are up to a sufficient standard, it is highly likely that a new baseline year will be calculated for Merit, to better represent the current carbon emissions whilst providing an accurate benchmark for our carbon reduction strategy.

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard[1] and uses the appropriate Government emission conversion factors for greenhouse gas company reporting[2].

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard[3].

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

Signed on behalf of the Supplier:

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Date: 17/10/25

[1] https://ghgprotocol.org/corporate-standard
[2] https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting
[3] https://ghgprotocol.org/standards/scope-3-standard