Carbon Reduction Plan

Supplier name: Merit Holdings Limited

Publication date: May 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 2023 – 30th June 2024	
EMISSIONS	TOTAL (tCO_2e)
Scope 1	2526.99
Scope 2	185.65
Scope 3 (Included Sources)	6984.23 • Upstream Transportation & Distribution: 6646.34; • Downstream Transportation & Distribution: 150.91; • Waste: 2.96; • Transmission & Distribution Losses: 16.06; • Business Travel: 2.33; • Employee Commuting: 165.63;
Total Emissions	9696.88

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. This is largely due to an increased accuracy in data collection, meaning we have captured more data leading to an increase in carbon emissions across all scopes.

As we improve the data collection in the next 12 months to automate the process, scope 1, 2 & 3 emissions may see small increases again, however our plan remains on setting absolute reduction targets that are consistent with the level of decarbonisation required to keep the global temperatures increase to 1.5'C compared to pre-industrial temperatures.

Progress against Baseline Emissions

In 2021, Merit carried out an assessment of our baseline emissions in order to provide a clear roadmap to achieving Net Zero by 2040. It was apparent from the initial assessment that our largest contributor to emissions was from Scope 3 emissions, accounting for in excess of 72% of total emissions.

Scope 3 Emissions

Of our Scope 3 emissions, the largest contributor resulted from our Upstream Transport emissions from our suppliers to our factory in Cramlington. We are continually working with our supply chain in order to reduce these emissions with a policy of local procurement and maximised efficiency in deliveries by combining deliveries, where possible. We have also introduced ordering to stock, as opposed to specific deliveries on a project-by-project basis. This has allowed us to reduce the number of, but increase the delivery vehicle size in order to reduce some of the CO2 emissions from these deliveries.

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.

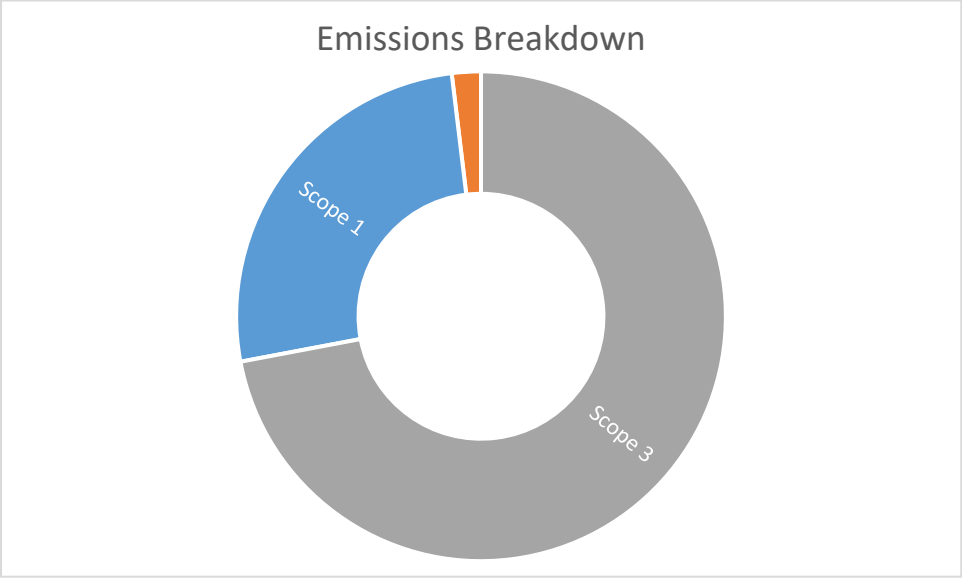

Figure 1: Emissions breakdown by Scope

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.

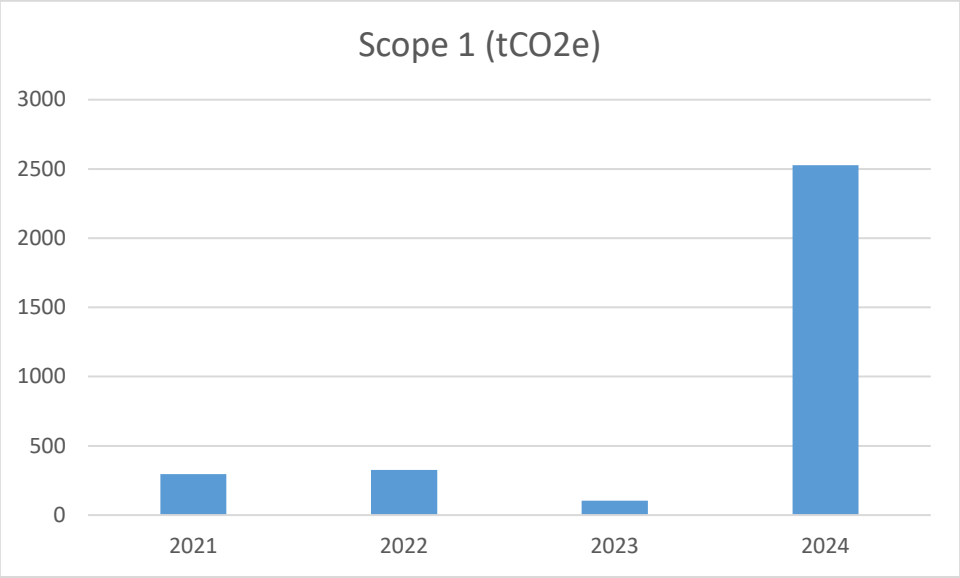

Figure 2: Scope 1 Emissions

Intensity Rate

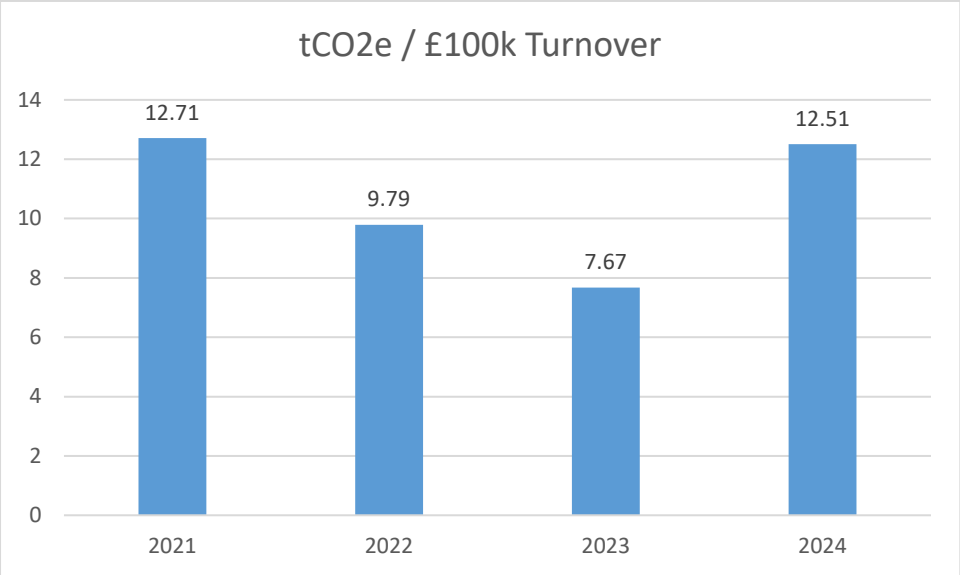

Figure 4: CO2 Intensity Rate

As anticipated, our intensity rate has increased from last years figure, due to higher accuracy in our data collection. This figure is still below the benchmark value.

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. We have commenced trials for electrical emergency generation.

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.

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.

We have increased our fleet of company electric vehicles and hybrid vehicles by 50%, with electric charging bays at our head office.

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.

Work from home initiatives have been introduced in the head office allowing hybrid working for staff. This has resulted in 15.6% decrease in emissions related to commuting compared to the baseline.

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 in real time.

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:

Date: 21st May 2025
Matthew McGrady
Director

[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