



Merzario Ltd (United Kingdom)

Sustainability Plan 2023

Introduction

All businesses need to achieve a Net Zero goal before 2050 if the global climate target, e.g. to stay within 1.5 degrees of global warming since pre-industrial times, is to be achieved. The freight, transport and logistics sector has a big responsibility to move quickly in this respect.

Merzario Ltd has made a start over the last two years, and we have some key targets and strategies to improve the business's sustainability in the future.

When smaller businesses start to measure and reduce their emissions, the effects cascade through the value chain. We hope that our net zero and other sustainability goals and strategies will motivate other businesses within our sector, our clients, our suppliers, and our employees.

Emissions are broken down into 3 “Scopes” – this gives clarity as to where the emissions are coming from.

- Scope 1: Emissions we directly create by ourselves as Merzario Ltd.
For example, the gas for hot water and heating and the fuel used in company vehicles.
- Scope 2: Scope 2 emissions are indirect emissions from the generation of energy purchased from a utility provider, such as heating, cooling, steam, and electricity.
Merzario’s scope 2 emissions are the result of electricity consumed.
- Scope 3: Indirect emissions created elsewhere in the supply chain that are outside of our direct control.
(For example: employee commuting or purchases of services such as legal, accounting, consultancy, financial intermediation such as banking fees and charges, internet and software, construction, maintenance, and business travel)



Achievements in 2021

- Paperless office
- Flexible working to include working from home
- Car-pooling when commuting to Head office & Client visits

Achievements in 2022

- We measured the Merzario carbon footprint for office operations for the December 2021 year-end.
- Having measured office-based greenhouse gas emissions for 2021 (our net zero baseline year), we offset 24 tonnes of CO₂e via CER's* projects verified by the [UNFCCC](#) **
- We have initiated research and communications with various Freight Management Systems that track freight and calculate the shipments' carbon footprints and other polluting emissions or particulates.
- Successfully lobbied the office landlord to change the building's electricity supply to a 100% renewable electricity provider. Change made in October 2022.

Carbon Accounting

1. Metrics

With the help of [Triple Bottom Line Accounting](#) and Maple Cone funded by Colbea, we utilised the [Business Climate Calculator by Normative](#). Normative launched this calculator in 2022 in partnership with the UN-backed [SME Climate Hub](#). We chose this calculator because it is aligned with the [Green House Gas Protocol](#) and the Science Based Targets Initiative. The Normative calculations are transparent and audit ready.

2. Results



Emissions report
Merzario Ltd
 1 Jan 2021 - 31 Dec 2021

Business Carbon Calculator
 by Normative

Estimated total emissions

tonnes CO₂e

23.6

Country
 United Kingdom of Great Britain and Northern Ireland

Sector
 Not listed

Scope 1	% of emissions	tonnes CO ₂ e
Fuel combustion	100.0 %	3.37

Scope 2	% of emissions	tonnes CO ₂ e
Electricity	100.0 %	0.697

Scope 3	% of emissions	tonnes CO ₂ e
Business travel	1.1 %	0.222
Purchased goods and services	98.9 %	19.3

Total emissions for Year End 31 December 2021: 23.6 tonnes of CO₂e

- Scope 1 direct emissions: 3.37 tonnes CO₂e**

Scope 1 emissions are direct emissions from the combustion of fuel in assets that a company operates, such as fuel emissions from company-owned cars, diesel generators, gas boilers and air-conditioning leaks.

Merzario's scope 1 emissions came from the gas central heating of our office space and petrol and diesel combustion of company vehicles.

Scope 1 Action for 2022: Company vehicle/s changed from Diesel to EV's



Scope 2 indirect emissions - 0.697 tonnes of Co2e

Scope 2 emissions are indirect emissions from the generation of energy purchased from a utility provider, such as heating, cooling, steam, and electricity.

Merzario's scope 2 emissions are the result of electricity consumed.

Scope 2 Action for 2022: change to a 100% renewable electricity provider.

- **Scope 3 Indirect emissions - 19.52 tonnes of CO2e**

Scope 3 emissions are all indirect greenhouse gas emissions that do not fall under scope 2 - upstream and downstream. These include upstream emissions from purchased goods and services, capital goods, upstream transport and distribution, and business travel, calculated from our expenses.

We have measured Merzario's scope 3 emissions for purchases of services such as legal, accounting, consultancy, financial intermediation such as banking fees and charges, internet and software, construction, maintenance and business travel.

Important note for transparency:

We did not include freight and warehousing expenditure. These scope 3 emissions can be more accurately measured shipment by shipment using a sector-specific calculator based on a Freight Management System. It can be argued that these freight emissions should be included in the following:

- A) Scope 3 emissions of the
 - a) organisation producing and/ or sending the product
 - b) purchaser of that product at the end of the journey.
- B) Scope 1 emissions of the carrier – e.g. shipping line, airline, haulage company.

Scope 3 Focus for 2022:

1. Measure the Merzario carbon footprint for year-end 31/12/2022
2. Report on any differences since year-end 31/12/2021



3. Consider the higher emitting areas and work out strategies for emissions reductions during 2023 and declare a net-zero target date.
4. Continue researching sector-specific calculators that will measure the scope 3 carbon footprint of freight on a shipment-by-shipment basis.

Ambitions for the future/ closing remarks.

As a Freight Forwarder, Merzario Ltd is responsible for working with its clients to reduce the emissions linked to their supply chain. We want to introduce software that will allow our clients to use more carbon-efficient logistics solutions. Such software will enable our clients to reduce their scope 3 emissions.

Merzario is actively looking for accurate software packages that provide shipment-by-shipment breakdowns of CO₂e emissions.

Awareness of the real impact of choosing air, sea, road, or rail for each leg of a journey will allow customers to be more aware of the environmental impact of transporting their goods. Such information will help them make the necessary decisions to switch transport methods such as from air to sea, or from road to rail.

Our clients' choices will put pressure on shipping carriers to move towards cleaner and more renewable fuel options that are also less polluting in terms of particulates. Thus, Merzario will play its part in motivating the industry to rapidly develop and to adopt far-reaching climate-positive solutions.

Merzario Ltd would like to evolve into a green freight forwarder by selecting carriers that minimise their emissions and are actively working toward a fossil fuel free, sustainable future for freight.

* **CERs** are units (carbon credits) issued by UNFCCC, measured in tonnes of CO₂ equivalent. Anyone can purchase these units on this platform to compensate (or offset) emissions and/or to support these projects.

****UNFCCC**-United Nations Framework Convention on Climate Change. Certified climate friendly projects that reduce, avoid, or remove greenhouse gas emissions from the atmosphere. These projects are implemented in developing countries around the world and are rewarded with Certified Emission Reductions (CERs) for each tonne of greenhouse gas they help reduce, avoid, or remove.



#Merzario Carbon Footprint Report Summary 2022

Achievements in 2022

- We measured the Merzario carbon footprint for office operations for the December 2022 year-end.
- Having measured office-based greenhouse gas emissions for 2022 we offset 60 tonnes of CO₂e via CER's* verified by the [UNFCCC](https://unfccc.org/).

Emissions report

Merzario Ltd

1 Jan 2022 - 31 Dec 2022

Business Carbon Calculator

by Normative

Estimated total emissions

tonnes CO₂e

51.4

Country
United Kingdom of Great Britain and Northern Ireland

Sector
Not listed

Scope 1	% of emissions	tonnes CO ₂ e
Fuel combustion	100.0 %	7.16

Scope 2	% of emissions	tonnes CO ₂ e
Electricity	0.0 %	0

Scope 3	% of emissions	tonnes CO ₂ e
Business travel	2.9 %	1.27
Capital goods	76.7 %	33.9
Purchased goods and services	20.4 %	9.05

Reasons for increased emissions in 2022 despite decarbonisation measures:

Scope 1

- Travel expenditure in General Ledger increased.
- However, gas consumption reduced slightly.



Scope 2

Renewable electricity supplier used for the entire 2022 year, reducing Scope 2 emissions to zero despite similar kWh consumption in both years.

Scope 3 (supply chain and business travel emissions)

- Business travel expenditures rose in 2021 to 2022.
- Capital Goods: No purchases in 2021, but significant purchases in 2022, including an Electric vehicle. The continued use of the EV will likely reduce scope 1 vehicle fuel emissions in 2023 - scope 3 emissions should reduce radically going forward.
- Purchased goods: emissions decreased, indicating potential reductions for 2023 emissions.

Focus for 2023:

1. Measure the Merzario carbon footprint for year-end 31/12/2023
2. Report on any differences since year-end 31/12/2022 (baseline year)
3. Consider the higher emitting areas and work out strategies for emissions reductions
4. Continue researching sector-specific calculators that will measure the scope 3 carbon footprint of freight on a shipment-by-shipment basis.

Glossary

CO₂e Carbon dioxide equivalent. Each greenhouse gas is given a relative factor based on their comparative global warming potential over a 100-year timeframe. E.g., 1 tonne of Methane is reported as 25 tonnes of CO₂e.

Carbon neutral

A business can claim to be carbon neutral when it has measured its greenhouse gas (CO₂e) emissions, offset historic emissions, and published a target & plan to reduce these emissions to net zero by at least 2050.

Net zero

According to the SBTi (Science Based Targets Initiative) most businesses can claim to be net zero once they have reduced their emissions by at least 90% from their baseline year. Global net zero will be achieved when the total amount of greenhouse gases (GHG) released, and the amount removed from the atmosphere reaches an equilibrium.