



Photo: Mercy Corps, DRC/Ezra Millslein, 2022

Greening Mercy Corps 2023

OUR PATHWAY TO ENVIRONMENTAL SUSTAINABILITY



Table of Contents

Glossary	3
About this Report	4
Message from the Chief Executive Officer	5
Message from the Chief Climate Officer	6
Our Approach to Environmental Sustainability	7
SECTION 1: Global Emissions Audit	8
Global Data Analysis: How are we doing and why are we here?	9
Country Level Data	12
Syria: Decreasing Our Emissions amid Humanitarian Crises	12
The United States: Tackling Business Travel	12
Uganda: Greening Our Vehicle Fleets	12
Nigeria: Reducing Our Scope 1 Emissions	12
Colombia: Greening Our Supply Chain	12
SECTION 2: Our Journey to a Greener Mercy Corps	12
Our Sustainability Strategies	14
Energy Transition	15
Vehicle Efficiency	15
Global Travel	16
Expanding Green Teams	16
CONCLUSION	20

Glossary

GHG	Greenhouse gasses, like carbon dioxide and methane, are gasses that absorb and emit radiant energy within the thermal infrared range, causing the greenhouse effect.
Greening	The act of transforming places and processes into more environmentally sustainable versions of their former selves.
INGO	International Non-Governmental Organization
Scope 1 Emissions	Direct greenhouse emissions that occur from sources that are controlled or owned by an organization.
Scope 2 Emissions	Indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling.
Scope 3 Emissions	These are the result of activities from assets not owned or controlled by an organization, but that the organization indirectly impacts in its value chain.
SBTi	Science Based Target Initiative
tCO2e	Tonnes (t) of carbon dioxide (CO2) equivalent (e)

About this Report

Our Approach to Sustainability Reporting

Welcome to the second edition of our Greening Report, 2023. We are excited to share our continued journey towards fostering environmental sustainability and making a positive impact on the environment, society, and the communities we serve. As part of our roadmap, we aim to achieve a 25% reduction in our carbon footprint by the end of 2024 and a 50% reduction by 2030.

As an agency, we acknowledge our role in contributing to climate change through our global operations and programs across over 40 countries. In 2020, we pioneered a baseline calculation of our emissions, establishing a centralized system to monitor and measure our global emissions a year later. Environmental sustainability has now become central to Mercy Corps' strategic decisions. We aim to maximize our positive societal and environmental impact in our operations. Key to this commitment is the Environmental Sustainability Team, which focuses on implementing programs that support climate mitigation and access to clean energy.

This initiative enjoys robust support from

Mercy Corps' country, regional, and global leadership, ensuring that environmental sustainability remains a strategic priority. Thus, we are dedicated to minimizing the environmental impact of our daily operations and program activities, implementing both global and country-level initiatives to achieve these goals.

In our inaugural report, we disclosed our carbon emissions from FY2019 to FY2022. We also pledged to regularly measure our progress towards our goal of reducing Scope 1, Scope 2, and Scope 3 emissions in all our operations. This report builds on our 2022 inaugural report, with a dedicated focus on the impactful initiatives undertaken by our Green Teams. A Green Team is a regional/country-level initiative by Mercy Corps Country Teams with the goal of promoting sustainability within our country and field offices.

The Greening Mercy Corps 2023 Report offers a thorough overview of our environmental sustainability initiatives. It showcases our commitments, significant accomplishments, challenges encountered, and strategies that have influenced our approach over the past year, as well as provides insights into our future direction. This Report presents an opportunity to illustrate our commitment to action, as we collectively enhance our understanding of climate and sustainability issues. We are learning together, sharing knowledge, and working towards achieving our ambitious goals in the short, medium, and long term using the Green Teams. We are confident that the Green Teams play a crucial role in driving our sustainability and greening efforts tailored to the specific needs of each country's office. In this regard, we will provide you with case studies and examples from some of our Green Teams.

Since the publication of our inaugural report Greening Mercy Corps 2022, we have achieved significant milestones and embraced new opportunities. This report serves as a testament to our collective commitment to greening Mercy Corps and to make the world a better place.

By sharing our progress, setbacks, and lessons learned, ***we hope to inspire a greater sense of shared responsibility and encourage ongoing dialogue*** on how we can collectively address the urgent environmental issues facing our planet today. The report further encapsulates our continuous improvement as we navigate the complex challenges posed by today's sustainability issues.

Message from the Chief Executive Officer

Dear Mercy Corps Team and Partners,

I am delighted to welcome you to our Greening Mercy Corps Report for 2023. As we continue to navigate a world shaped by environmental challenges, our commitment to sustainability remains steadfast. This report is a testament to our dedication in making a positive impact on our planet while delivering on our mission to alleviate suffering and create lasting change through our Pathway to Possibility (P2P).

Inside, you will find a comprehensive overview of our efforts and progress toward reducing our carbon footprint. From decreasing emissions to increasing sustainable practices, we have made substantial strides in integrating environmental stewardship into our operations.

Our journey towards sustainability is a collective one, and I want to express my deepest gratitude to our dream Green Team – Mercy Corps teams, partners, and the communities we serve. Through your unwavering commitment, we have been able to make significant strides in our sustainability initiatives.

The following pages showcase our latest achievements as well as our ongoing commitment to continuous improvement. We know there is so much more work to be done, and we will embrace the challenges ahead with innovation and determination.

I encourage you to explore the report to gain insights into our sustainability journey's challenges and triumphs. Your engagement is invaluable to us as we strive to become better stewards of our planet.

Sincerely,

Tjada D'Oyen McKenna

CEO, Mercy Corps



Our journey towards sustainability is a collective one, and I want to express my deepest gratitude to our dream Green Team – Mercy Corps teams, partners, and the communities we serve. Through your unwavering commitment, we have been able to make significant strides in our sustainability initiatives.

–Tjada D'Oyen McKenna

Message from the Chief Climate Officer

Two years ago, we set out on our journey to ‘walk the talk’ of our climate commitment. Our ambition is for Mercy Corps to embody our climate commitment by embedding environmental sustainability in our operations and processes, building awareness and understanding across the organization to achieve alignment, and thus setting the benchmark in environmental sustainability for the humanitarian and development sector.

This report is our second annual sustainability report. It provides us with the opportunity to measure our progress against our goals, to reflect on the lessons we have already learned, and to adjust our strategies in line with these lessons, and the changing dynamics of the world in which we work.

Our work to date has focused on reducing our global carbon footprint, with our eyes on the target of a 50% reduction in emissions by 2030. We know there is more to environmental sustainability than carbon emissions, and plan to explore water and waste in the coming years. For this stage in our journey, we see carbon emissions as our best starting point and the most significant issue for us to address.

As you will read in this report, we are building a strong foundation for action with improved data quality, momentum building among our Green Teams, growing internal technical expertise, and a sharper view of what needs to be done to accelerate change. You will also see that the downward trend in carbon intensity we reported last year has not continued but flattened.

Alongside this, our organization continues to grow, which means our total emissions have grown. As the impacts of climate change and conflict spread in the places we work, we are called upon to engage in more humanitarian action. Our data shows that humanitarian contexts feature highly in our emissions portfolio. These dynamic cycles of humanitarian action are not new and will be a reality for us in the future. Finding ways to reduce the carbon intensity of this part of our work will be vital if we are to decouple organizational growth and emissions growth.

These challenges at times feel daunting. However, we also know we have come a long way in a short space of time. I am confident that with our reinforced team in place and engagement from leaders across Mercy Corps, we can collectively accelerate our progress towards our targets..

Sincerely,

David Nicholson,
Chief Climate Officer



Our work to date has focused on reducing our global carbon footprint, with our eyes on the target of a 50% reduction in emissions by 2030. We know there is more to environmental sustainability than carbon emissions, and plan to explore water and waste in the coming years

–David Nicholson



Photo: Mercy Corps, DRC/Ezra Millstein, 2022

Our Approach to Environmental Sustainability

Mercy Corps is committed to shifting our programming and operations to meet our ambitious climate commitments. By 2030, we aim to reduce our carbon emissions by 50%, with an interim target of 25% by the end of FY2024, inclusive of both per capita and total emissions to account for any growth or reduction in our size over this period. In addition to our internal goals, we are a signatory of the InterAction Climate Compact, which encourages us to “advance the global agenda to drastically reduce greenhouse gas emissions and alleviate the effects of climate change on people with the least power and fewest resources,” while ensuring environmental sustainability is central to our mission of supporting the world’s poorest and most vulnerable people in adapting to and thriving in a changing climate.

To achieve these goals, we have taken immediate action in four key areas:

1. Dedicated Staffing

We’ve formalized several environmental sustainability roles at Mercy Corps—from Chief Climate Officer to Environmental Sustainability Manager, Environmental Safeguarding Manager and Program Officer - Environmental Sustainability. While environmental sustainability will require the engagement of every member of our team, these roles will be critical to catalyzing planning, action, and accountability within our agency.

2. Increased Accountability and Transparency

Now in its second year, our data collection system is serving its role of increasing transparency and accountability to our carbon targets while providing new insights integral to setting carbon reduction strategies. Anyone at Mercy Corps can track our emissions, using national, regional, or global search parameters.

3. Meaningful Team Engagement

Members of our global team continue to step up, forming Green Teams—office-based task forces aimed at spearheading environmental sustainability initiatives for their respective teams. In the last year, our Green Teams have increased from four to eight. As the gateway for implementing carbon reduction activities across the 40+ countries in which Mercy Corps operates, Green Teams are the centrepiece of our agency engagement strategy, and we remain dedicated to reaching our target of ensuring every office within Mercy Corps has a Green Team by the end of fiscal year 2026 (FY26).

4. Ambitious Action

Mercy Corps understands that our team’s collective engagement regarding what it takes to advance environmental sustainability is just as critical as the operational and infrastructural changes required to meet our climate goals. This is why increasing our Collective Climate IQ, scaling the monitoring of our carbon footprint, engaging country teams and providing resources and tools will be our main priority and the foundation for the further development and strengthening of our Green Teams. Through deep strategic planning implemented primarily through our Green Team model, we’re taking ambitious action on both of these interdependent fronts:

Increasing Our Collective Climate IQ

We have taken big steps to assess whether we collectively possess the foundational climate knowledge critical to taking meaningful action and innovating around what works when reducing carbon in the humanitarian and development sector. This includes instituting regular knowledge-sharing sessions featuring both internal and external experts who deliver insightful webinars on critical climate and environmental issues.

Scaling and Monitoring of Operational and Infrastructural Change

From significant advances in transitioning from fossil fuels to renewable energy to greening our procurement and piloting more sustainable vehicles, we are exploring the strategies that will be critical to reducing carbon across our country offices and scaling operational infrastructure changes.

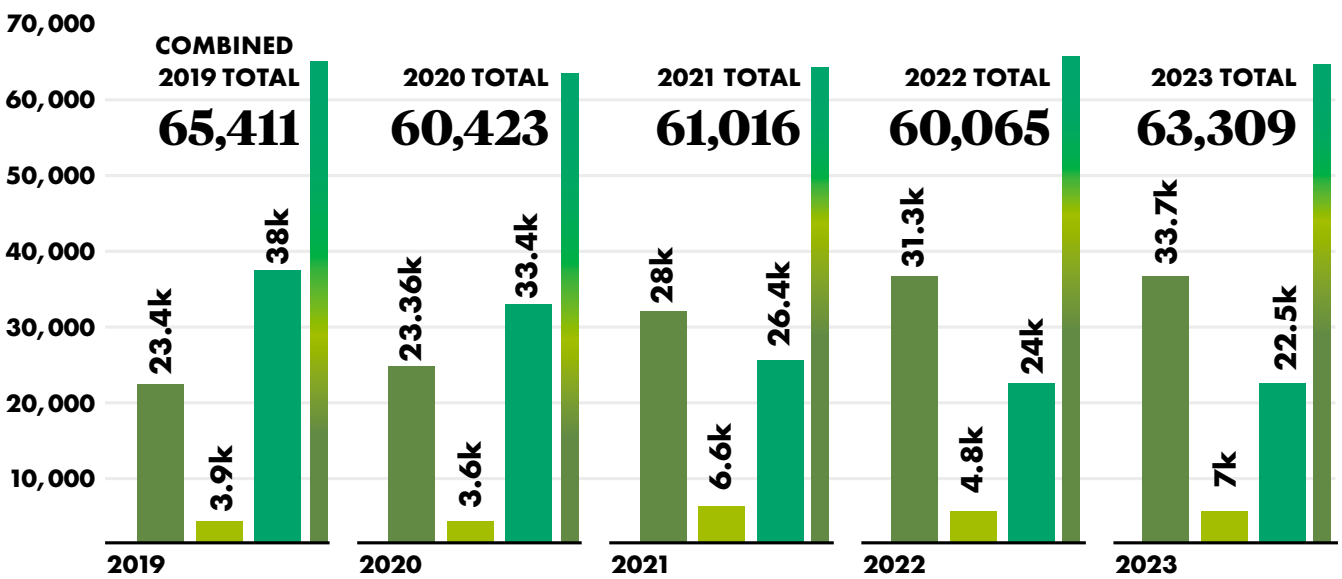
This report unpacks our current global emissions and the initiatives we have invested in over the last year as a reflection of where we are and what we need to do to meet our ambitious climate goals.

SECTION 1:

Global Emissions Audit

Mercy Corps understands that measuring, reporting on, and managing all emissions—those within our direct span of control (Scope 1 and 2), as well as those that result from activities and/or assets that we do not own or control (Scope 3) is fundamental to reaching our climate goals. This section outlines our self-reported global emissions from fiscal years¹ 2019-2023, trends over this period, and correlating factors that could explain increases or decreases toward goals. We then explore FY22 emissions accounting for the countries where our emissions are highest to outline some of the primary struggles and opportunities inherent to reducing carbon within the humanitarian and development sector.

FIGURE 1: ANNUAL GLOBAL EMISSIONS TOTALS (TCOE2)²



SCOPE 1	SCOPE 2	SCOPE 3
<p>These are direct emissions from agency- owned and controlled resources such as emissions from onsite fuel combustion.</p> <p>Common sources for Mercy Corps</p> <ul style="list-style-type: none"> – Combustion of fuel in buildings – Fuel for leased or owned vehicles 	<p>These are indirect emissions from the generation of purchased energy, from a utility provider.</p> <p>Common sources for Mercy Corps</p> <ul style="list-style-type: none"> – Electricity consumption 	<p>All indirect emissions not included in Scope 2 that occur as a result of activities from assets not owned or controlled by the reporting organization.</p> <p>Common sources for Mercy Corps</p> <ul style="list-style-type: none"> – Business travel – Purchased goods and services

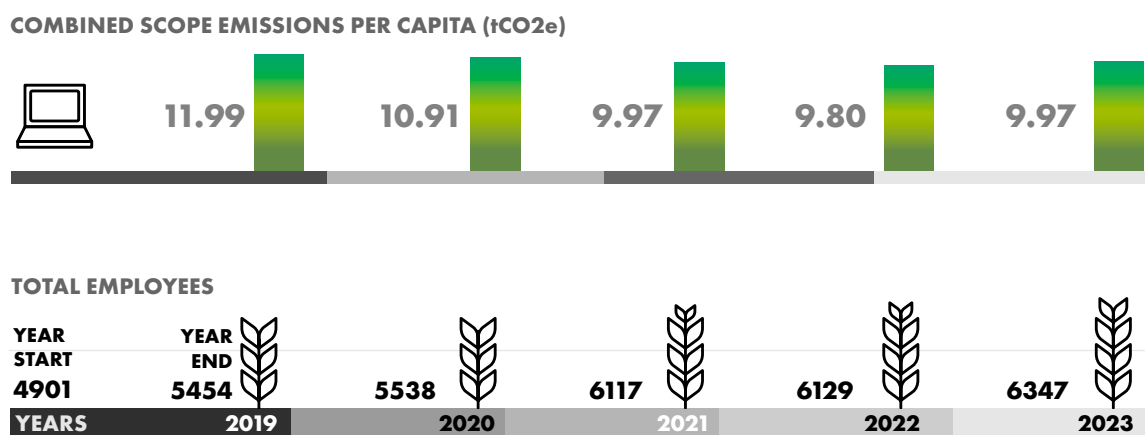
¹ Mercy Corps’ fiscal calendar or “fiscal year” starts on July 1st and ends June 30th each year.

² As part of our commitment to measuring and reporting our global emissions annually, we regularly update our data; readers may notice slight differences in the data presented in this report when compared to our inaugural report.

Global Data Analysis: How are we doing and why are we here?

Over the five years documented in Figure 1, there is a general downward trend with total emissions decreasing from 65,411 metric tons in 2019 to 63,309 in 2023 or 3.2%. Notably, the 7.6% dip in emissions between 2019 and 2020, primarily attributed to the COVID-19 pandemic, proved temporary as business travel gradually resumed and team members returned to offices. Much of the total increase in emissions can be attributed to significant concurrent growth in our global operations from USD 547 Million³ to USD 679 Million and consequently, the overall office footprint, exemplified through our team size which has expanded from 5,454 staff in FY19 to 6,347 this year. In contrast, our per capita emissions within the same period have decreased from 11.9 tons per staff member in 2019 to 9.97 this year (17% decrease), though we see a similar slight uptick in these numbers from FY22 to FY23.

FIGURE 2: YEAR-ON-YEAR EMPLOYEE EMISSIONS



During the COVID-19 pandemic, there was a significant reduction in air travel as travel restrictions and lockdown measures were implemented globally. This led to a decrease in emissions from business travel, which is a major contributor to our total emissions. Additionally, with the majority of our team members working remotely, office occupancy rates were significantly reduced, resulting in lower energy consumption and emissions from office buildings. These specific details and evidence support the claim that the 7.6% dip in emissions between 2019 and 2020 was primarily due to the COVID-19 pandemic.

Our organization's strong focus on environmental sustainability awareness played a crucial role in the contrast in emission trends. By promoting sustainable practices and providing resources for individuals to make environmentally conscious choices, we were able to achieve a decrease in per capita emissions over five years. These specific actions taken by the organization contributed to the decrease in per capita emissions from 11.9 tons per staff member in 2019 to 9.97 this year.

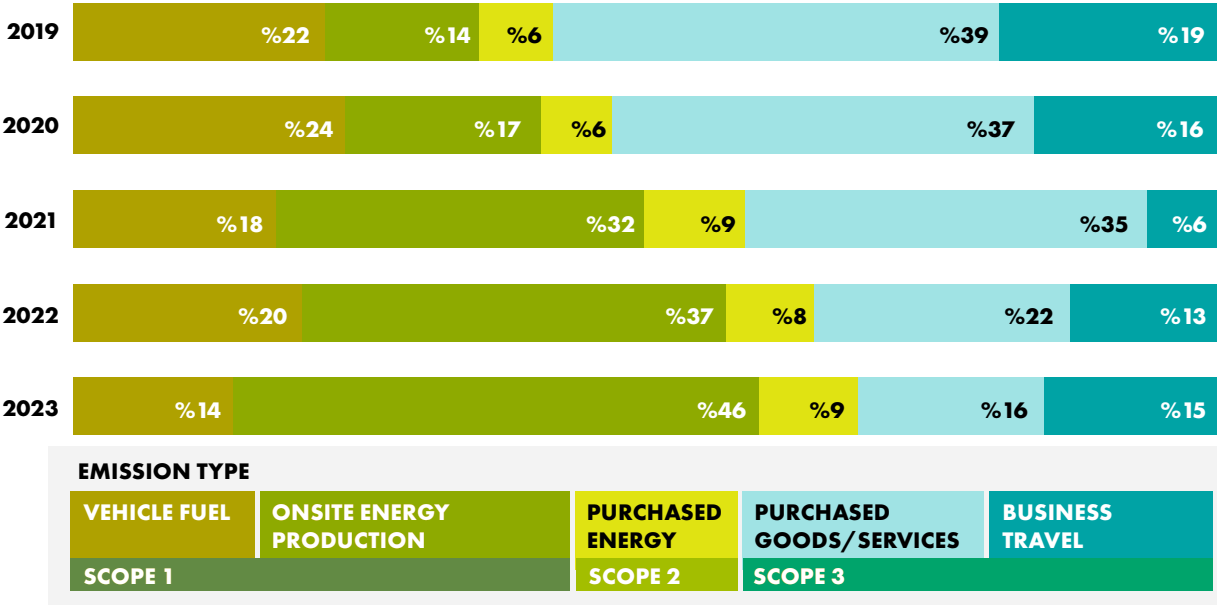
Accounting for, and reducing carbon emissions in the humanitarian and development sector presents distinct challenges and opportunities, and we continue to learn as we go. For example, Mercy Corps operates in fragile, often remote contexts, many of which have limited, less reliable, or non-existent connectivity to energy grids which connect offices to offsite energy generation. These contexts are also extremely dynamic, and a single shock or stress may require our teams to pivot rapidly between development and humanitarian programming, or severely damage local infrastructure or supply chains. These factors have traditionally led to lower Scope 2 emissions and higher Scope 1 emissions, as our teams frequently rely on onsite, diesel-powered energy generation.

³ These Numbers are from Mercy Corps Unaudited financial statements FY23. Please see Mercy Corps Audited Financial Statements; <https://www.mercycorps.org/who-we-are/financials>

While many of our offices are unable to take advantage of the grid transformation taking place in many parts of the world, Mercy Corps is in a distinct position to leapfrog into distributed renewable energy production, allowing us to opt out of an increasingly volatile diesel fuel market, maintain lower Scope 2 figures, and reduce our Scope 1 emissions. Another significant variable is the program footprint in any one country, which can rise or fall dramatically year-on-year as programs end and new ones start. This is a built-in feature of our work, the impact of which will decline as the carbon intensity of our operations falls.

Global Emissions Insight

FIGURE 3: OVERALL YEAR-ON-YEAR EMISSIONS



Scope 1: Since we began reporting, we have seen a consistent yearly increase in Scope 1 emissions, resulting in an overall increase from 23,391 metric tons in FY19 to 33,756 metric tons in FY23. As illustrated in Figure 2, the majority of our total FY23 emissions, roughly 53%, came from Scope 1 sources, specifically 37% from combustion in buildings and 16% from vehicle fuels.

Scope 2: These emissions remained relatively stable in both FY19 and FY20, decreasing from 3,927 metric tons in FY19 to 3,666 metric tons in FY20 primarily because of the COVID-19 pandemic, which restricted the movement of team members and reduced physical presence in our offices. Following the return of team members to in-person work in FY21, there was an increase in Scope 2 emissions, totalling 6,596 metric tons for that year. However, in FY22, we saw a reduction compared to the previous year, with the total emissions being 4,790 metric tons only to increase to 7,010 metric tons in FY23.

Scope 3: Business travel and purchased goods and services accounted for 18% and 18% of our total emissions respectively for a total of 36% of all Scope 3 emissions for FY23. These emissions have declined steadily over the years, with the highest value in FY19 (38,093 metric tons) and the lowest in FY23 (22,542 metric tons). The emissions from purchased goods and services in Mercy Corps show an interesting trend. There is a steady global decline overall, but there are occasional spikes at the country level, particularly during periods when humanitarian responses are required. Business travel emissions have experienced an increase similar to our pre-COVID levels, this is due to our operations resuming and growth of portfolios.

FIGURE 4: TOP 5 COUNTRIES: TOTAL EMISSIONS

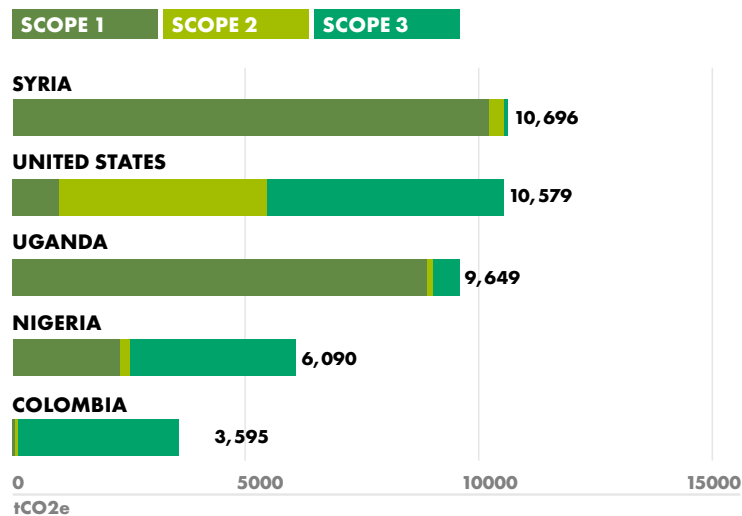
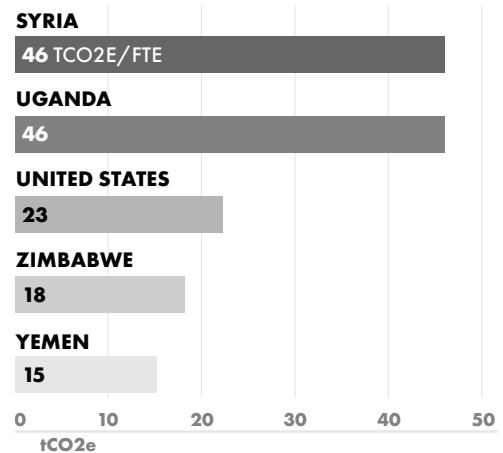


FIGURE 5: TOP 5 COUNTRIES: PER CAPITA EMISSIONS



The remainder of this section explores emissions among the country offices with the highest total and per capita figures. Each of these country profiles tells a story about the challenges and opportunities our teams encounter when working to reduce emissions in the humanitarian and development sector. As illustrated in Figures 3 and 4, Syria, the United States, and Uganda are among the top three emitting countries, both in terms of total and per capita emissions.

Country Level Data



Photo: Mercy Corps, Syria/Ezra Millstein, 2022

Syria: Decreasing Our Emissions amid Humanitarian Crises

Syria reported the highest for FY23 with 10,696 tCO2e, and is the highest per capita emissions for FY23. This continuity is unsurprising, given that Syria in both FY21 and FY22 was the largest emitter within Mercy Corps. In terms of emissions breakdown, there is a parallel trend between FY22 and FY23. For FY23, Scope 1 emissions continued to dominate, comprising 95% of the total emissions. Within Scope 1, the majority, 90%, is attributed to combustion in buildings, this includes fuel used for generators and heating our offices, while vehicle fuel accounts for the remaining 5% (which was a similar trend to the data from Yemen). The remaining emissions are distributed as follows: 4% from electrical consumption and 1% from business travel. Given the substantial humanitarian needs arising from the ongoing conflict and mass displacement within Syria, Mercy Corps has remained steadfast in its efforts to provide essential aid and support to the affected population in Syria.



Photo: Mercy Corps, USA/J. Drake 2017

The United States: Tackling Business Travel

The United States accounted for the second-highest volume of emissions totalling 10,579 metric tons. Around half of these emissions are associated with travel by US-based team members visiting country offices, among other travel. Since the COVID-19 pandemic has receded, we have seen global travel bounce back to previous levels. During the first pandemic year (FY20) we saw emissions from travel fall by 30% from 5,964 to 4,141 tCO2e. For FY23, travel emissions have rebounded to close to pre-pandemic levels with 8,773,233 miles of US travel. FY23 also saw a Global Leadership Gathering in Nairobi, a meeting

of over 100 senior leaders that occurs on a three-year cycle, plus several smaller regional gatherings. The combination of these increased travel significantly from last year. Beyond air travel, a significant number of our staff have resumed working at our offices in both Portland and Washington, D.C. This resurgence in office-based operations accounts for the majority of our emissions being attributed to electrical consumption.



Photo: Mercy Corps, Uganda/D. Goluba, 2008

Uganda: Greening Our Vehicle Fleets

In FY23, Uganda retained its previous year's position as the third-largest contributor with a total emissions of 9,637 metric tons. The largest single source of emissions for the Uganda team is vehicle fuel, which accounts for 56%. Mercy Corps Uganda operates out of 7 different physical office locations that are spread across the country and managed from the Kampala office, resulting in significant road travel. For example, the Moroto office is approximately 460 Kilometers from Kampala, and project teams frequently have to travel between the two by road. In this context and others like it, fleet management and vehicle efficiency are high priorities for emissions reductions going forward.



Photo: Mercy Corps, Nigeria, 2020

Nigeria: Reducing Our Scope 1 Emissions

Mercy Corps Nigeria is one of the largest country offices globally, both in terms of team size of team and value of programming and has been present in the top five largest emitting countries since FY19. Scope 1 emissions, particularly from high generator use, have driven the emissions levels in the past with ongoing conflicts impacting the reach and quality of grid services. Despite this, we have seen a steady reduction in total and per capita emissions over the past three years, including a significant drop this year to 6,090

metric tons of CO₂e, dropping to fifth place in absolute emissions and no longer among the highest emissions per capita. This decrease highlights the efforts of the country team and leadership to promote important reforms and advancements in environmental sustainability throughout.



Photo: Mercy Corps, Colombia/Ezra Millstein, 2022

Colombia: Greening Our Supply Chain

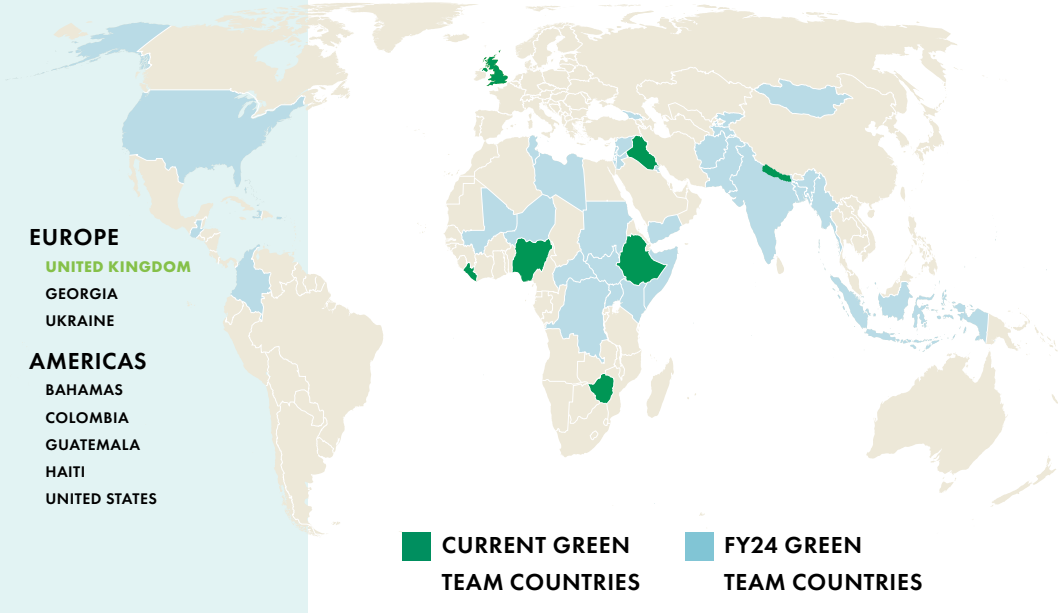
For FY23, Mercy Corps Colombia's emissions increased significantly, at 3,594 metric tons*. Notably, a substantial majority of Colombia's emissions, at 72%, emanate from purchased goods and services. The remaining emissions are attributed to business travel (25%), electrical consumption (2%), and vehicle fuel (1%). Colombia's program operations have expanded during the last fiscal year with an increase in program size with the increase in its rural development programming and humanitarian response to the Venezuelan

crisis. This led to an increase in demand for agricultural inputs, and contracting health services respectively which explains the substantial increase in their Scope 3 emissions.

Our goal is for each country team and global support office location to have a green team in place by the end of FY24

- | | | |
|--------------------------|--------------------|--|
| AFRICA | ASIA | |
| BURKINA FASO | AFGHANISTAN | |
| CENTRAL AFRICAN REPUBLIC | INDIA | |
| DR CONGO | INDONESIA | |
| ETHIOPIA | KYRGYZSTAN | |
| KENYA | MYANMAR | |
| LIBERIA | NEPAL | |
| MALI | PAKISTAN | |
| NIGER | TAJIKISTAN | |
| NIGERIA | TIMOR-LESTE | |
| SOMALIA | UZBEKISTAN | |
| SOUTH SUDAN | MIDDLE EAST | |
| SUDAN | IRAQ | |
| TUNISIA | JORDAN | |
| UGANDA | LEBANON | |
| ZIMBABWE | PALESTINE | |
| | SYRIA | |
| | YEMEN | |

- EUROPE**
- UNITED KINGDOM**
 - GEORGIA
 - UKRAINE
- AMERICAS**
- BAHAMAS
 - COLOMBIA
 - GUATEMALA
 - HAITI
 - UNITED STATES



SECTION 2:

Our Journey to a Greener Mercy Corps

Mercy Corps has advanced significant strategies for reducing Scope 1, 2, and 3 emissions—from solarization of our offices and greening of our vehicle fleets to making more sustainable purchasing choices.

The data from our initial years of tracking illustrates how much our emissions portfolio can vary across Scopes 1, 2, and 3 from year to year, a testament to the dynamic nature of the contexts in which we work and the kinds of work we do in these contexts. While this variability can complicate the strategies required to achieve our goals, the fact that our data only originates from a limited number of emissions subcategories (i.e., categories within Scopes 1, 2, and 3) means we can develop clearer reduction targets within these subcategories, as well as strategies for achieving these targets.

We have explored various reduction scenarios, and although there are several pathways which will get us to the 50% reduction target, all involve significant reductions to the key areas outlined in the section below.

Our Sustainability Strategies

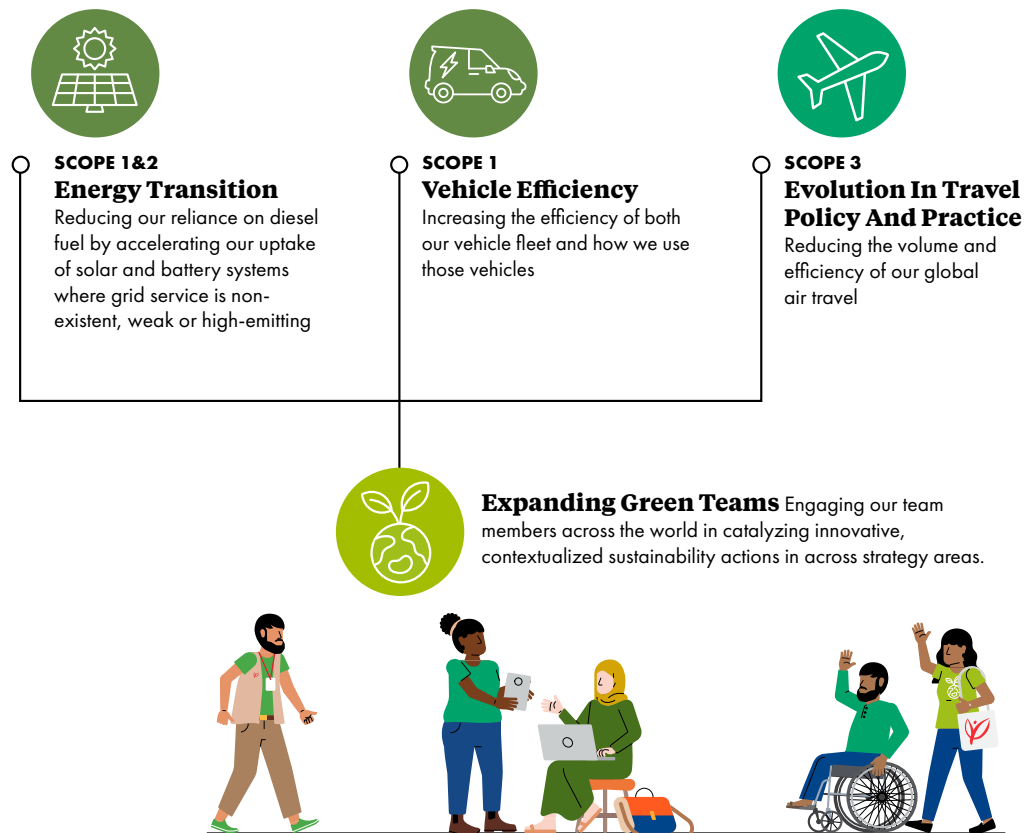
This section outlines four sustainability strategies critical to achieving these subcategory targets. We have designed these strategies with contextualization and customization in mind. We know our country and program teams are best placed to develop specific solutions that function within their highly variable contexts, but they should be able to pull from a simple menu of broad, tested strategies that promise the biggest impact toward our emissions and sustainability goals. This menu includes support for 1) energy transition, 2) vehicle transition, and 3) evolution in travel policy and practice.

The fourth strategy, expanding Green Teams, acknowledges the vital role country teams will play in creatively customizing, implementing, reflecting, learning, adapting and owning these strategies to deepen our collective understanding of how to advance sustainability in the humanitarian and development sector. They are, for example, best placed to assess their emissions portfolios and identify opportunities to transition specific energy sources, or change vehicle type and use patterns.

We are working to strengthen the Green Teams network as the connective tissue between our country teams as decentralized drivers of sustainability and our global, centralized efforts to facilitate change through policies, guidelines, and financing solutions. Innovation can and must occur at both levels to ensure we reach our ambitious targets.

The remainder of this document unpacks each of these four overarching strategies in more detail,

outlining Mercy Corps' progress toward each, and how we plan to move from theory to practice to achieve our interim and overall goals.



Energy Transition

As of the end of FY23, 57 (44%) of our total 127 physical offices installed solar to meet at least some of the electricity needs. Undertaken by Green Teams in many of our country offices, these solarization pilots have deepened our understanding of some of these specific barriers and opportunities teams are facing when shifting to solar and battery systems from diesel generation and/or high emitting grids. For example, our teams have faced limitations around the physical space available for solar, issues regarding permission within tenant agreements for offices, and challenges regarding local regulations and market conditions.

Perhaps the largest factor contributing to the feasibility of solar and battery transitions for country teams is the composition of their programmatic funding streams. Country offices with larger, longer-term programs where the return of investment for solar falls within the length of the program, and is only a small fraction of the larger budget. For example, solar is now the primary power source for Mercy Corps Uganda's field offices in Gulu, Abim, Kotido, and Kaabong, in addition to their satellite office at Rhino Camp in Arua, all of which were a part of the Apolou Activity a circa \$54 million, 5-year resilience food security activity. As one of the largest country offices, with a total program portfolio valued at \$205 million, Mercy Corps Nigeria's offices in Bama and Gwoza generate 80% of their electricity from onsite solar, and additional offices in Damboa, Ngala, Dikwa, and Maiduguri are at least partially powered by solar. Similarly, Mercy Corps Liberia secured USD 120,000 from two of its major donors, Sida and USAID, to solarize its main office in Monrovia, which by 2024, should ensure the office is powered with at least 80% solar. Mercy Corps Kenya has also been able to transition to solar power in five out of seven of its regional offices.

However, accelerating this transition beyond pilot projects and our most well-funded portfolio will require a centralized solution to financing. Despite solar and batteries becoming more cost-competitive with diesel generation (and in some cases grid service), the return on investment is still often longer than the two-year life span of most of our projects.



Vehicle Efficiency

Vehicle fuel makes up 30% of our Scope 1 emissions and 16%% of our total emissions, presenting a significant opportunity for reductions. We plan to pursue two strategies to reduce these emissions: procuring more efficient vehicles and improving vehicle use efficiency. Green Teams will play a vital role in both strategies, working with relevant teams within the country office to assess options and develop locally appropriate policies. Efforts to provide centralized support will include exploring global green fleet procurement options and developing guidance around vehicle use efficiency.

Small policy decisions can often make the difference when working to reduce emissions. For example, despite making significant progress in solarizing its offices, Mercy Corps Uganda still is among the country offices with the highest per capita emissions, which they largely attribute to their vehicle fleet. In September 2019, the operations team implemented a change in the policy dictating the frequency of vehicle maintenance visits, increasing the threshold from 5,000km driven to every 10,000km to decrease funding costs. After a several-year trial period, the team has reflected that while the policy may have decreased costs in the short run, the policy change has effectively led to higher fuel consumption and repair costs over time, which has also increased the overall emissions of the fleet. The team recently reversed the directive, illustrating the critical importance of long-term systems thinking in achieving our sustainability goals. Other teams in Ethiopia and Kenya have worked to reduce trips (and vehicle and fuel use) through increased coordination around field visits.



Global Travel

While our Scope 3 emissions stem from both global procurement and air travel, we plan to focus on the latter given we have clearer opportunities for more quickly reducing emissions here. The majority of travel emissions, which have returned to pre-COVID levels, result from international travel, either from global support offices to country teams or convenings of dispersed teams. Large events such as regional meetings and global leadership gatherings also have a major impact and may vary significantly from year to year.

While air travel remains a critical component of our efforts to document, share, and exchange the innovative technical advances critical to achieving program impact, we must become smarter and more selective in our travel choices. To accelerate progress, our travel team is pursuing centralized changes to our global travel policies and practices with the goal of improving the efficiency of our travel. This includes enabling more direct flights and encouraging teams to select more efficient meeting locations. We are also reviewing policies that indirectly impact travel decisions. Additionally, an ongoing restructuring of our global program department will see the regionalization of more roles that currently sit in the global north. This will have a significant impact on our program delivery. By regionalizing these roles, Mercy Corps will be able to better align its programs with the needs and priorities of communities in the global south. This will subsequently reduce travel across continents resulting in a more sustainable and environmentally friendly approach to program delivery.

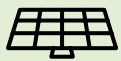


Expanding Green Teams

With offices in over 40 countries, Mercy Corps is a global organization that thrives on the brilliance, ingenuity, and persistence of our team members across the world in our work to alleviate suffering, poverty, and oppression by helping people build secure, productive, and just communities. The Green Teams recognizes that our country and program teams are the beating heart of our efforts to reduce emissions globally and advance the strategies laid out above. Based at the country level, each Green Team is a locally-led coalition of Mercy Corps employees working to catalyze sustainability innovations best suited for their contexts, ensuring emissions reduction efforts are tailored to the distinctive challenges and opportunities faced by each office. At a minimum, all Green Teams take responsibility for analyzing their country-level emissions data, identifying opportunities for reductions based on their findings, supporting increased awareness and behaviour change among their country teams, and sharing lessons learned with fellow Green Teams. The broader Green Teams network is designed to connect decentralized country-level teams to facilitate this cross-learning and adaptation, capacity sharing, and collective action in line with our organization-wide strategy and policy.

During FY23, 4 new Green Teams volunteered to lead action in their country offices (Iraq, Liberia, Zimbabwe, as well as our HQ base for Mercy Corps in Europe), moving us closer to our goal of ensuring every country is represented by a Green Team by the end of this fiscal year. We know that meeting this ambitious goal is going to be challenging, but we plan to scale our climate and sustainability awareness initiatives, investigate the challenges faced at the country level to understand how to better equip them with bespoke tools and resources; deploy operational and funding models for decarbonization activities and to drive efficiency across our Country Teams. We also hope that sharing the accomplishments of current Green Teams will inspire country teams to join the broader community of sustainability champions.

Here are some highlights of recent progress:



Energy Conservation

Green Teams recognize that energy conservation measures will be a critical part of the transition to solar and battery technology at the country level. For example, the Uganda, Ethiopia and Nigeria teams are transitioning to light-emitting diode (LED) bulbs, which use roughly 85% less energy, for lighting. The Mercy Corps Europe and Kenya teams are focusing on motion sensors for lighting to reduce energy use when rooms are unoccupied, and the Kenya team has also discontinued the use of high-energy-consuming room heaters in the Nairobi office.



Digitization

Multiple Green Team offices are working to digitize internal documentation and communication processes to reduce paper purchasing and waste while increasing efficiency. For example, the Liberia team is focused on transitioning to digital repositories to file documents, including a digital logbook where the drivers are using tablets instead of paper logs. Similarly, the Kenya Green Team has transitioned to asset management software and is working toward adopting online travel management, payroll, and procurement software.



Sustainable Procurement

Green Teams in Ethiopia and Nigeria have invested in sustainable procurement over the last year, working to sensitize suppliers regarding their need for eco-friendly products and prioritizing purchasing of these products.



Waste Reduction

Green Teams have demonstrated passion for reducing office waste, taking steps such as reducing the use of plastic bottled water for internal meetings (Liberia), working with conference centers to avoid plastic bottle use during external events (Kenya), initiating paper recycling and reduction of plastic bottles for internal meetings programs (Ethiopia), separating waste streams into recycling and waste (Nigeria), and establishing office-based composting systems (Nepal–Dhangadhi).



Climate and Sustainability Awareness

Perhaps the area around which Green Teams are most passionate is sharing their enthusiasm for sustainability and climate awareness with their teams and communities.

Recent efforts include:

Nigeria: A Green Week celebration, monthly sustainable behaviour change challenges via Workplace, educational webinars, and tree plantings with secondary school students

Liberia: World Environment Day focused on reducing plastic pollution

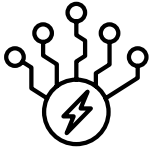
Ethiopia: Posting sustainability and climate-oriented messaging in email signatures. Office awareness messages in meeting rooms, corridors, and other places to reduce/efficiently use paper, energy and water.

Mercy Corps understands that supporting country teams in establishing Green Teams is just the beginning of this journey. As an agency, we are working hard to ensure that all Green Teams have the tools, resources, strategies, and access to the ongoing learning opportunities they need to pursue change specific to their contextual needs.

Conclusion

Lessons Learned and the Way Forward

This report indicates that while there has been some progress, there is still potential for improvement in our journey toward achieving our environmental sustainability goals in both the short and long term. Some of the lessons learned include the following:



Data collection remains a challenge

It remains a challenge collecting data as an organization. Despite implementing a centralized tracking system to monitor and measure our carbon footprint, we still encounter issues with early data submission. Some team members do not submit data promptly for analysis. To address this challenge, we periodically organize training programs for our operations managers to ensure they are well-versed in the data collection and entry protocols. Having now laid the foundations for carbon reporting, in the coming months we will be seeking to refine our data collection and reporting process to ensure the validity of our reporting and that all actions taken as part of our climate-smart commitments are based on the insight generated from our data.



Decentralized financing is insufficient to support our energy transition goals

Addressing our office-energy transition goals one country at a time using the available program funding portfolio is too slow and cumbersome. Considering that a significant portion of our country and field offices rely heavily on diesel fuel for heating, cooling, and electricity, we must focus on more efficient solutions in the upcoming year to support the acceleration in decarbonization we need.



Leadership commitment is vital

We have seen great progress where we have a clear and strong commitment to achieving our climate and environmental sustainability objectives from leadership at the country levels. The Green Teams created so far have been wholeheartedly supported and have shown results, and we expect to see others come online in the coming year. This report has highlighted the power of collective efforts at the grassroots level. We now need to identify and execute the bold policy changes required at the global level to ensure continued success and progression towards our collective goals.



Embedding sustainability in Mercy Corps is everyone's responsibility

Sustainability is a journey that everyone needs to be a part of for us to truly achieve our collective vision of a future where everyone can prosper. Ensuring sustainability is embedded in our operations, processes and thinking is vital as we need alignment across the organization should we truly wish to reduce our impact on the planet.

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About Mercy Corps

Mercy Corps is a leading global organization powered by the belief that a better world is possible. In disaster, in hardship, in more than 40 countries around the world, we partner to put bold solutions into action — helping people triumph over adversity and build stronger communities from within. Now, and for the future.



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