Greening Mercy Corps 2022

OUR PATHWAY TO ENVIRONMENTAL SUSTAINABILITY
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<th>Abbreviation</th>
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<tr>
<td>GDI</td>
<td>Gender, Diversity and Inclusion</td>
</tr>
<tr>
<td>GHG</td>
<td>Greenhouse gasses, like carbon dioxide and methane, are gasses that absorb and emit radiant energy within the thermal infrared range, causing the greenhouse effect.</td>
</tr>
<tr>
<td>GIZ</td>
<td>Deutsche Gesellschaft für Internationale Zusammenarbeit (English: German Agency for International Cooperation)—a German development agency.</td>
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<tr>
<td>GPA</td>
<td>The Global Platform for Action on Sustainable Energy in Displacement Settings—a global initiative to promote actions that enable sustainable energy access in displacement settings.</td>
</tr>
<tr>
<td>Greening</td>
<td>The act of transforming places and processes into more environmentally sustainable versions of their former selves.</td>
</tr>
<tr>
<td>INGO</td>
<td>International Non-Governmental Organization</td>
</tr>
<tr>
<td>InterAction</td>
<td>A pledge by the InterAction community, the largest alliance of US-based international NGOs, to urgently work to address climate change.</td>
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<tr>
<td>Climate</td>
<td></td>
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<tr>
<td>Compact</td>
<td></td>
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<tr>
<td>Scope 1</td>
<td>Direct greenhouse emissions that occur from sources that are controlled or owned by an organization.</td>
</tr>
<tr>
<td>Emissions</td>
<td></td>
</tr>
<tr>
<td>Scope 2</td>
<td>Indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling.</td>
</tr>
<tr>
<td>Emissions</td>
<td></td>
</tr>
<tr>
<td>Scope 3</td>
<td>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.</td>
</tr>
<tr>
<td>Emissions</td>
<td></td>
</tr>
<tr>
<td>Solarization</td>
<td>The process of adapting (a building) to the use of solar energy.</td>
</tr>
<tr>
<td>tCO2e</td>
<td>Tons (t) of carbon dioxide (CO2) equivalent (e)</td>
</tr>
</tbody>
</table>
About this Report

Our Approach to Sustainability Reporting

In this inaugural Greening Report, we present our approach to integrating sustainability within Mercy Corps’ organizational strategy and operations. We will also provide insight into the material sustainability issues that impact our ambition, initiatives and performance. Read on for an outline of how we plan to bring our sustainability efforts to life for our program participants, partners, staff members, donors, local communities, and every other stakeholder group we engage.

Internal Controls and Data Validation

All figures in this Report represent the latest available internally validated data, unless specifically referenced in the narrative. Some of the totals presented may reflect the rounding down, or up, of figures.

Overview

The impacts of climate change are broadly apparent—from heat waves across Europe, the US and Canada, to wildfires and flooding in many parts of the world. There is now a scientific consensus that climate change is largely caused by human activity, and that we need to do something about it.

Mercy Corps recognizes that our actions through our operations and programs in the 40+ countries we work have an impact on the changing climate. Therefore, we’ve initiated several policy guidelines and commitments to reduce our carbon emissions. In 2020, Mercy Corps became the first INGO to undertake a baseline calculation of carbon emissions in our operations and programs around the world, to enable us to measure a change (reduction or increase) in GHG emissions, following the planned interventions discussed in this report. We’ve also developed a centralized tracking system to monitor, track, and measure our global emissions.

Environmental sustainability now lies at the heart of Mercy Corps’ strategic decisions. We’re committed to maximizing the societal and environmental utility we contribute, especially in places that, despite contributing fewer carbon emissions, are severely impacted by climate change.

Spearheading our commitment is Mercy Corps’ Environmental Sustainability Team, which works to secure humanitarian and development outcomes by increasing the agency’s ability to implement effective programs that support climate adaptation, natural resource management, and access to clean energy. The Team receives enormous support from Mercy Corps’ country, regional and global leadership to ensure that environmental sustainability remains a strategic priority.

At Mercy Corps, we strive to minimize the environmental impact of our day-to-day operations and program activities. We’ve initiated global and country level programs to achieve these goals. The Greening Mercy Corps 2022 report highlights progress we’ve made in creating a robust system for tracking our carbon footprint and understanding the best opportunities for change.

A CARBON-TRACKING FIRST

Mercy Corps now monitors, tracks and discloses its own carbon emissions. We pledge to regularly measure progress along our goal to reduce Scope 1, Scope 2, and Scope 3 emissions in all our operations and programs.

Each month, operations managers across the globe now provide data on energy, fuel, procurement, and travel for us to track our emission levels. This data populates a dashboard viewable by everyone at Mercy Corps, giving us a clearer picture of each country’s carbon footprint and enabling us to make informed decisions about how to enhance Mercy Corps’ environmental sustainability.
Message from the Chief Executive Officer

The global climate crisis is worsening before our very eyes — offering an urgent wake-up call to the entire world. The time to act is now. That is why I’m delighted, on behalf of Mercy Corps, to present this Greening Report — the first of its kind in our agency’s history.

I’m proud that Mercy Corps is the first large international NGO to measure, track, and report its global carbon emissions. Over the following pages, we will map out measures we’ve taken to understand our carbon emissions, through a period of dynamic change. We will also highlight actions we’re taking to mitigate our emissions, as well as the standards against which our performance may be judged.

The report demonstrates the importance we place on the environment, and how highly we prioritize the need to work together to address the climate crisis, with internal and external stakeholders.

In 2020, Mercy Corps led the sector in establishing a baseline calculation of carbon emissions from our operations and programs across the globe. Based on these insights, we committed to achieving a 50% reduction in our carbon footprint, by 2030, with an interim goal of 25% reduction by the end of 2024. We’ve now developed a centralized tracking system to measure that footprint, so that we can:

• accelerate the development sector towards its net-zero ambitions;
• demonstrate responsibility to the environment and to our program participants; and
• catalyze local solutions within country projects to reduce our carbon footprint.

As an organization, we’re deeply invested in meeting these commitments and centering our partner communities in everything we do. We intend to lead by example as we transition from fossil fuel dependency to solar energy in our country offices; move from paper printing to electronic procurement; and, ensure that our vendors and third parties adhere to shared environmental principles and standards.

There is no greater collective challenge than the climate crisis, and our organization is embarking on solutions in alignment with our 10-year Pathway to Possibility strategy. The Pathway reflects our ambitions to meet the basic needs of communities affected by conflict and climate change, and to achieve lasting and transformative change at scale.

—Tjada D’Oyen McKenna
Message from the Chief Climate Officer

Dear Readers,

The climate crisis is here, and it is disrupting the way communities around the world live, work, and care for each other. For some, these changes are irrevocable. As a global organization looking to meet not just urgent needs, but facilitate community efforts to make lasting change in their lives, we know the climate crisis is already impacting every aspect of what we do.

This is why Mercy Corps has outlined an ambitious climate commitment, through our new Pathway to Possibility strategy, that will ensure our team, technical approaches, culture, and operations are ready for, and reflective of, the urgency of this crisis.

To be successful in our commitment, we must first ensure we are reflecting the right values and skills across our organization. This requires us to ‘walk the talk’, which means owning and living our commitment to environmental stewardship and sustainability and ensuring we meet our stated goal of reducing our global carbon footprint.

This report is an important milestone in our sustainability journey. Since setting our ambitious carbon reduction targets in October 2021, we’ve been working hard to develop a more robust understanding of our baseline emissions, to build a tracking system that is light touch yet reliable, and to start investing in behavior change. This is challenging work. Much of the data we want to track is decentralized, our operational footprint continues to shift as we respond to new crises and bring in new funding, and the COVID-19 pandemic added a range of complexities.

Despite this, I am pleased with our progress. As you will see in this report and thanks to dedicated engagement from teams across Mercy Corps, we’ve built a system that can be relied upon to provide a solid understanding of our global emissions. We have been able to derive key insights from this data. And we’ve started to see real progress in our sustainability efforts.

We’re early in this journey. To meet, and even exceed, our targets, we must accelerate changes to policies and practices related to how we travel, how we power our offices, and the procurement decisions we make. Based on the collective efforts to date, I am confident in our ability to achieve these goals and to become an example of change for the institutions and communities we partner with across the world.

Sincerely,

David Nicholson,
Chief Climate Officer
Our Approach to Environmental Sustainability

At Mercy Corps, we’re changing the way we do our programming and operations. In 2020, we signed up to the InterAction Climate Compact, which enjoins 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.” The Compact is also a call to make the environment central to our mission of serving the world’s poorest and most vulnerable people.

We have set an ambitious target of a 50% reduction of carbon emissions by 2030, with an interim target of 25% by the end of 2024. This target covers both total and per capita emissions to account for any growth or reduction in our size over this period. To achieve these goals, we’re transforming the Mercy Corps approach to energy access within our operations. This means replacing fossil fuel energy with renewable energy to power our country and field offices.

Our sustainability journey so far...

Mercy Corps embarked on a path towards more sustainable operations and programmatic practices nearly two years ago. As part of this journey, we’ve identified several opportunities in which we can improve. A number of these have directly resulted in significant investments to propel us towards our decarbonization targets and a reduced environmental footprint.

Progress to Date:

PEOPLE - To formalize the role of environmental sustainability at Mercy Corps, we have created new roles within the agency, dedicated to this function. As well as a Chief Climate Officer, we have appointed our first ever Environmental Sustainability & Safeguarding Officer.

PROCESS - We’ve developed a data collection system that is both robust and transparent. Soon, anyone at Mercy Corps can track our emissions, using national, regional, or global search parameters.

PROGRESS - We’ve already established four ‘Green Teams’—sustainability-focused task forces that create positive environmental change within Mercy Corps countries. Also, team members are switching to solar power and more efficient vehicles across the Mercy Corps platform.
SECTION 1: Mercy Corps’ Global Emissions Audit

Data and Reporting

Mercy Corps is committed to measuring, reporting, and managing all emissions—those within our direct span of control (Scope 1 and 2), as well as those that result from activities / assets that we do not own/control (Scope 3).

The chart below shows Mercy Corps’ self-reported global emissions from FY2019 to FY2022, expressed in metric tons of carbon dioxide equivalent. The report is based on the fiscal year (FY) emissions i.e. from July to June.

Between FY2019 and FY2022, our baseline calculations² put our global emissions for metric tons of carbon dioxide equivalent between about 63,000 and 65,000 metric tons. The vast majority of these emissions stem from Scopes 1 and 3. Despite the stability in total emissions, we saw significant variance between these two scopes across this four year period. FY2022 saw a significant increase in the proportion of emissions from the combustion of fuel in buildings, with a similar decline in emissions attributed to the purchase of goods and services.

1 This FY19 figure represents an update to our original published baseline figure of 60,402 tco2e due to improvements in our data tracking and will be used as our official baseline figure moving forward.

2 The goal of these baseline calculations is to determine our carbon footprint and to chart a new path by infusing sustainability practices into our operations and programmatic work. The figures also serve as the foundation on which we can develop a centralized tracking system to measure our global carbon footprint.
Our Sustainability Performance FY2019 - FY2022

Global Data Analysis

The seemingly paradoxical stability of our global per capita emissions since 2020 is counterbalanced by abrupt variations in emissions per scope during this same period. These differences can likely be attributed to project life-cycles, at the start of which the volume of goods & services purchased, materials used and energy consumed invariably rise. Therefore, this variation among scopes is something we expect to continue.

The apparently stable global emissions can also be thought of in terms of the relative size of our global portfolio. Since our original baseline in FY19, Mercy Corps has seen a gradual year-on-year increase in total global team members, from 4900 to 6100, as our program portfolio has grown—with a $58m increase in program expenditure from FY20 to FY21 alone.

When this growth is factored in, we see a reduction in per capita emissions of nearly 11% between FY19 and FY21. The decline can largely be explained by the COVID-19 effect, which saw country offices slow down, or even suspend, programming at the height of the pandemic. Even with operations now restored to pre-COVID levels for the vast majority of our countries, efforts we’ve made towards making carbon footprint-reducing behaviors the norm across Mercy Corps operations continue to bear fruit, as shown by the negligible rise in emissions following a return to operations.
**Country Level Data**

Mercy Corps works in a wide range of operating contexts, and our 40-plus country programs vary significantly in size and types of activities we engage in. This naturally leads to an uneven spread of emissions from across our global platform. This section of the report presents the top five emitting countries per capita for FY2022 as well as the top countries for per capita emissions. Simply put, per capita emissions show how much each employee contributes to greenhouse gas emissions within Mercy Corps. Here, we also outline factors behind the higher emissions rates, as well as our collective efforts to mitigate these by having each country team enact contextually practicable strategies to reduce their local carbon emissions.

The purpose of highlighting this data is to show how challenging the pathway to sustainability is across some of the contexts in which we work, as well as to introduce a roadmap for where we plan to make the most impact on reducing our emissions.

**Total Emissions Per Country - FY2022**

### Top 5 Countries: Total Emissions

<table>
<thead>
<tr>
<th>Country</th>
<th>Scope 1</th>
<th>Scope 2</th>
<th>Scope 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nigeria</td>
<td>17086</td>
<td>880</td>
<td>6377</td>
</tr>
<tr>
<td>Syria</td>
<td>7974</td>
<td>151</td>
<td></td>
</tr>
<tr>
<td>Nepal</td>
<td>4087</td>
<td>63</td>
<td>262</td>
</tr>
<tr>
<td>DR Congo</td>
<td>1407</td>
<td>67</td>
<td>2645</td>
</tr>
<tr>
<td>United States</td>
<td>1912</td>
<td>1983</td>
<td></td>
</tr>
</tbody>
</table>

### Top 5 Countries: Per Capita Emissions

- **Nigeria**: 66,000 tCO2e/FTE
- **Nepal**: 48,000 tCO2e/FTE
- **Zimbabwe**: 35,000 tCO2e/FTE
- **DR Congo**: 22,000 tCO2e/FTE
- **Niger**: 16,000 tCO2e/FTE

**Understanding Nigeria’s Emissions**

Nigeria’s position atop the FY2022 rankings for total and per capita emissions is explained by a combination of factors. Firstly, the country has one of Mercy Corps’ largest programmatic operations comprising over 400 staff, and offices in 13 locations. Additionally, our program footprint in the country includes a large humanitarian response operation. These typically purchase high levels of non-food items for distribution. Higher Scope 3 emissions are common in large humanitarian programs.

Perhaps the most significant factor in the emissions picture for Nigeria is energy. Most of our program offices are in the north of the country, where grid electricity is sporadic, at best, and the threat of violence sparked by inter-communal tensions looms large. In these instances, diesel generators remain a reliable, if expensive, energy source. The high level of oil and gas exploration in Nigeria means the national grid is powered almost entirely by fossil fuels, which means, even when available, grid electricity services have a high emissions factor.

This means reducing the dependence on fossil fuels—particularly the team’s reliance on diesel as a primary energy source—is key to lowering emissions from their current levels. This is why advanced solarization plans are underway to support our country and field offices’ transition from the dependence on diesel fuels. Moreover, Nigeria is one of the first Mercy Corps countries to form a Green Team—a collective of staff who coordinate and collaborate to create positive environmental change within the country.
The work of Mercy Corps’ Green Teams and efforts to reduce emissions, across the globe, is explored in further detail in Section 2.

Other Mercy Corps Emissions Insights

While Nigeria, Nepal and the DR Congo all make the top five for emissions per capita, as well as per total value, it is Syria which is second highest in overall emissions for Mercy Corp in FY2022. A total of 98% of emissions from Syria can be attributed to Scope 1, or, in other words, to combustion of fuel in buildings and in leased or own vehicles. Mercy Corps Nepal attributed a similarly significant 93% of its FY22 emissions to Scope 1. As with Nigeria, these data confirm the reliance of all our top-emitting country teams on fossil fuel sources—often diesel-fueled generators—to power buildings and vehicles.

For the United States, 51% of emissions came from business travel (Scope 3). This is explained by the fact that all international travel booked through our global travel agent (Atlas) is assigned to the United States in the emissions calculations, regardless of who is traveling. Our global support team members, many of whom are US-based, account for a significant proportion of international travel. The remainder of the US emissions for FY22 are from electricity services (Scope 2), which are high compared to actual office use over the past year.

Scope 3 emissions also comprised the largest proportion of the DR Congo’s emissions for FY2022. Unlike the US, the bulk of the emissions (49%) came from purchased goods and services. A further 33% came via vehicle travel. This is explained by a large humanitarian footprint and long distances to cover.

By directly tracking Mercy Corps’ highest GHG-emitting sites globally, we’ve created a representative sample of the main types of emissions that make up our carbon footprint and form a good understanding of where in our portfolio of operations the emissions come from. This will allow us to meaningfully reduce our environmental footprint by focusing on the scopes, and regions, where we can make the most positive impact.
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**
- Burkina Faso
- Central African Republic
- DR Congo
- Ethiopia
- Kenya
- Liberia
- Mali
- Niger
- Nigeria
- Somalia
- South Sudan
- Sudan
- Tunisia
- Uganda
- Zimbabwe

**ASIA**
- Afghanistan
- India
- Indonesia
- Kyrgyzstan
- Myanmar
- Nepal
- Pakistan
- Tajikistan
- Timor-Leste
- Uzbekistan

**EUROPE**
- United Kingdom
- Georgia
- Ukraine

**MIDDLE EAST**
- Iraq
- Jordan
- Lebanon
- Palestine
- Syria
- Yemen

**AMERICAS**
- Bahamas
- Colombia
- Guatemala
- Haiti
- United States

**SECTION 2:**

**Progress To Date**

**Green Teams**

Mercy Corps is a decentralized organization, with 178 physical offices spread across 40+ countries. Progress towards environmental sustainability relies in part on actions designed at the office level in response to diverse factors like specific types of energy used, local temperatures and dominant modes of travel. Therefore, realizing our global targets calls for the creation, and support, of a league of Green Teams across our network of offices and country programs.

A Green Team is a local level initiative by employees with the goal of promoting sustainability within our country and field offices.

The mission of these teams includes:

- analyzing country level carbon footprint data;
- identifying opportunities for carbon emissions reduction through behavior change communication;
- experimenting with greening ideas and building awareness among agency stakeholders;
- developing plans of action at the office level and advocating to leadership when needed; and
- sharing lessons with other Mercy Corps teams and learning from others in return.

To date we have established Green Teams in the UK, Nigeria, Nepal, and Ethiopia, plus efforts to establish underway in several other teams, including Liberia. Ethiopia serves as a good example for Mercy Corps’ pursuit of carbon emissions reduction. Ethiopia’s low carbon footprint (just 400 tCO2e in FY22), while implementing some of our largest programmatic operations, is in part due to a relatively clean grid, combined with intentional activities at the country level.

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3 This is not an exhaustive list of Mercy Corps’ operational Green Teams. A full survey of Green Team structures and activities will be conducted in early 2023
Green Team Goals

**COUNTRY OF OPERATION: NIGERIA**

**Mandate**
To create positive environmental change within Mercy Corps Nigeria

**Green Team Structure**
Made up of 45 members led by a Green Team Representative

**Goals**
- To increase staff awareness and capacity on environmental sustainability goals and strategies
- To reduce Mercy Corps Nigeria’s carbon emissions by 50% by 2030
- To transition at least 50% of our offices to solar energy sources by 2030
- To reduce paper use by at least 60% by 2030
- To institutionalize recycling culture and reduce plastic use by 60% by 2030
- To plant at least 50 trees annually
- To collect data, and generate evidence, that guides development of annual work plans and greening strategies

**COUNTRY OF OPERATION: NEPAL**

**Mandate**
To create positive environmental change within Mercy Corps Nepal

**Green Team Structure**
Led by a Facilitator in coordination with a regional team across offices

**Goals**
- To solarize four field offices, in order to cut costs and emissions. This has already been completed in Kathmandu and Jumla. As of the start of 2023, the Dhangadhi office is partially solarized
- To reduce plastic use by 40%
- To reduce carbon emissions by 50% in 2030
- To digitize documentation and reduce printing
- To eliminate plastic bottles of potable/clean water across meetings, workshops, and training programs

**COUNTRY OF OPERATION: LIBERIA**

**Mandate**
To create positive environmental change within Mercy Corps Liberia

**Green Team Structure**
To be established in January 2023 led by the Country Director

**Goals**
- A Green Office Policy has been promulgated to achieve the Team’s commitments and goals
- Move the Monrovia Office fully to solar power, with back-up generators only by December 2024: Achievable through current funding
- All future proposals will include solar systems for Buchanan and future offices: Achievable if budgeted appropriately in future funding
- Encourage all team members to be Green Advocates
- Identify and improve how we are currently managing waste across offices
- Identify other ways to become greener by March 2023
- Identify improvements to the current waste management process, with a clear action plan by June 2023
Our Solarization Activities

The combustion of energy for powering and heating our offices is a significant source of carbon emissions and therefore a clear focus for our reduction efforts. Thanks to huge improvements in the cost, performance and availability of solar and battery electricity systems, we have an opportunity to quickly reduce emissions from this source.

In 2018, we investigated barriers to rapid solar uptake and to support initial projects to do so. We concluded that, in the majority of cases where generators are in regular use, either as back up to a weak grid, or as the sole source of electricity, solar is more cost effective over time.

We also recognized limitations in circumstances related to physical space, types of lease agreement, and the likely duration over which a particular office will be occupied by the agency. Finally we developed the options to either outright purchase or enter into lease agreements, depending on these circumstances.

Since 2019, Ethiopia, Kenya, Nigeria, South Sudan and Uganda are among the 12 or so Mercy Corps countries that have either switched from generators to solar, or opened new offices with solar as their primary energy source.

Some examples include:

**Ethiopia:** Ethiopia: Dollo Ado in southeast Ethiopia is 100% powered by solar. Since 2019, several other offices have also been partially solar powered.

**Kenya:** Mercy Corps’ Maralal office solarization initiative in northern Kenya was funded by USAID in 2019. Mercy Corps has agreed to hand over the solar installations to the community, should it withdraw from the area.

**Nigeria:** In Nigeria, most offices rely heavily on diesel generators. However, some offices have started to integrate solar with either the grid or generator power sources, including the Maiduguri office in Northern Nigeria and five field offices in Bama, Damboa, Dikwa, Gwoza and Ngala. Funding from these solar installations largely came from the US Bureau for Humanitarian Assistance, ADAPT II program.

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**MINI CASE STUDY:**
**KAABONG OFFICE**
*(KAABONG IS A DISTRICT IN THE KARAMOJA REGION OF UGANDA)*

**Office type and size:**
An off-grid location with around 30 team members

**Previous power source:**
Diesel genset plus an old and poorly sized solar and battery system

**Previous costs:**
Estimated cost of $8000 per year for genset, fuel and maintenance

**Date of new solar system installation:**
2017

**Size of new solar system:**
20 x 315Wp panels

**Comparison solar to diesel genset options in Kaabong, by the Schneider Electric Team:**

<table>
<thead>
<tr>
<th></th>
<th>Solar &amp; Battery System</th>
<th>Diesel Gensets</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAPEX Costs at installation</td>
<td>$46,000</td>
<td>$2500</td>
</tr>
<tr>
<td>Total lifetime cost (20 yrs)</td>
<td>$125,000 (cheaper after 4.5 years)</td>
<td>$395,000</td>
</tr>
<tr>
<td>Total Carbon Emissions</td>
<td>Supply chain only</td>
<td>Supply chain plus 567 tCO2e</td>
</tr>
</tbody>
</table>

All five Karamoja offices are now 100% solar powered.
**South Sudan:** While our Koch office in South Sudan runs fully on solar, our Nyal, Gayniel and Mundri offices run on a combination of solar and backup diesel-fueled generators, with solar being the primary energy source. Because fuel is expensive, the use of solar results in significant cost savings.

**Vehicles: Fuel Source and Fleet Management**

The data show vehicle fuel to be another significant source of emissions. Although we don’t have a centralized system to track the number of vehicles, current data show that there are 659 vehicles and 321 motorcycles owned or leased across our program portfolio in 26 countries. These vehicles are essential, in that they allow program staff to visit the vast network of communities we partner with.

Our current fleet represents an excellent opportunity to cut emissions by transitioning away from gas-powered vehicles, and by managing our fleets to minimize mileage. Some Mercy Corps country teams have already started to make changes in this area, including Mercy Corps Jordan.

**Mercy Corps Jordan:**

**Driving Transportation Costs and Emissions Down**

Since 2021, the Jordan Team has been trialing the use of hybrid vehicles for their operational and programmatic work, in an effort to reduce their carbon footprint. A limited number of 11 hybrid cars is being trialed, as the team had no historical data to confirm that hybrids are more efficient. Also, it is more expensive to rent hybrid cars than regular fuel cars, so the Team wanted to gradually build that difference into their budgets. Although the fuel consumption rate for hybrids is more cost efficient, the significant difference in lease charges leads to regular fuel vehicles being more cost-efficient.

Using the same engine size and vehicle type, the data reveals that the average yearly fuel consumption rate for hybrid vehicles has dropped by more than 50% compared to petrol vehicles from 2021 to 2022. The implication is that having hybrid vehicles can help lower our Scope 1 emissions.

Through this trial, the Jordan Team has set a best-practice example that raises the carbon reduction standards for other Mercy Corps country teams. The next step is a deeper conversation, at leadership level, about how the agency can most efficiently blend our fleet of vehicles with hybrid cars.
SECTION 3:
Our Sustainability Pathway

How we’ll meet our 2030 targets

The priorities for 2022, the first full year of our global greening initiative, were to:

› confirm our carbon footprint baseline
› develop a robust data collection system that supports tracking, and
› prioritize areas that provide the greatest opportunity for reductions.

Section 1 of this report demonstrates strong progress against these priorities.

Analysis of the data to date shows us that, despite our total global carbon footprint remaining steady over the past three years in absolute terms, an increase in the size of our organization, measured by annual global budget and total staff team, shows a modest reduction in per capita emissions. This points to some early progress being made against our targets, through the solarization and Green Team initiatives discussed in Section 2.

Targets and Emissions Trajectory

We know that successfully hitting our target of a 50% reduction in our global carbon footprint on both a per capita and absolute basis requires a significant acceleration in these initiatives, as well as a new focus on some of the other main sources of carbon emissions. There are multiple pathways to reaching this target. Below is one scenario for how we can hit our 50% reduction target developed during our initial baseline process, which identified business travel and combustion energy as the lowest hanging fruit in terms of reducing emissions more dramatically with lower disruption to our work.

As can be seen in his graphic, our sustainability pathway will involve reductions across all main emissions sources. The table below outlines the specific opportunities for reduction for each category.
The following section outlines opportunities for reducing emissions that we will explore across each category.

<table>
<thead>
<tr>
<th>Category</th>
<th>Scope</th>
<th>% of Global Emissions</th>
<th>Opportunities for Reduction</th>
</tr>
</thead>
</table>
| BUILDING COMBUSTION ENERGY        | 1     | 37%                   | Accelerating our shift from generators to solar and battery systems for off-grid and low service locations, through:  
  - Standardizing practices for new offices  
  - Developing more detailed guidance for lease/purchase models  
  - Exploring new funding for energy assessments and solution design  
  - Changing procurement policies to limit generator purchase as standard practice |
| VEHICLE FUEL                      | 1     | 8%                    | Updating our fleets and fleet management policies and practices with the goal of:  
  - Purchasing more efficient vehicles, and hybrids in feasible locations  
  - Selecting vehicles according to intended use (i.e. city driving vs. driving to the field)  
  - More tightly managing scheduling to encourage vehicle sharing |
| ELECTRICITY                       | 2     | 20%                   | Switching to green energy suppliers when available or investing in office solar to replace grid service |
| PURCHASED GOODS AND SERVICES      | 3     | 22%                   | Integrating sustainability factors into our preferred supplier agreements to consider:  
  - Environmental footprint of production and shipping  
  -Offsetting commitments made by suppliers |
| BUSINESS TRAVEL                   | 3     | 13%                   | Updates to our travel policy to support actions that lower flying emissions, including:  
  - Prioritizing direct flights  
  - Selecting more efficient planes  
  - Mandating train travel* |

* Mercy Corps Europe has already mandated train travel between certain office locations
**Business Travel**

Business travel accounts for a significant proportion of Mercy Corps’ global Scope 3 emissions –13% in FY2022. However, travel between our countries of programming, to and from global support offices, and within some of our larger countries will remain important to the successful running of our organization, as in-person time together, whether for regional gatherings of leaders or face-to-face technical support, is vital.

We saw business travel drop to just 6% of total emissions during FY21 as a result of COVID-mandated travel restrictions. During this time we learned that significant global support and connection among teams can be done remotely on various and ever-improving digital platforms.

We have seen business travel ‘snap back’ to pre-pandemic levels as teams across the organization have met in person and support functions have visited priority programs. We are now challenged to learn the lessons from the past few years and start to prioritize the most impactful travel.

**OUR ROUTE FORWARD:**

The restrictions and risks of air travel during the pandemic resulted in major cutbacks to our business travel. To maintain some of the covid-induced lower level of business travel, some measures we’ve adopted, or plan to adopt are:

- Optimizing Mercy Corps’ business travel policy to reduce environmental impact
- Transitioning a greater number of internal meetings online
- Reducing the volume of international air travel
- Encouraging train travel between certain regional office locations
- Working with more travel suppliers that prioritize sustainability
- Purchasing/renting sustainable fuel vehicles for more sustainable in-country road trips
Priorities for FY23 and FY24

With these opportunities in mind, our priorities for the coming 18 months are:

1. **Promoting Green Teams**
   Solidifying the structure and purpose of Green Teams and supporting their establishment across more country teams

2. **Greening our supply chain**
   Analyzing our supply chain emissions and seeing ways to reduce them, as new tenders are launched

3. **Adjusting our Air Travel Policy**
   Assessing options for changing our air travel policies to support emissions reduction goals

4. **Accelerating office solar uptake**
   Designing more systematic ways to accelerate office solar uptake in viable locations.
CONTACT

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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.