



Envar Composting Carbon Reduction Plan FY2025/26

ENVAR COMPOSTING –VERSION 4
10/07/2026
PPN 006



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1 Introduction

1.1 Envar Composting Limited

Envar Composting Limited (Envar) provides essential waste management and organics recycling services to local authorities, commercial customers, and waste operators across the UK. The company operates a network of permitted facilities which process biodegradable wastes, including green waste, food waste, and other organic materials, transforming them into high-quality compost and soil improver products that support sustainable land use and the circular economy.

Through these activities, Envar plays a key role in diverting biodegradable waste from landfill, reducing methane emissions associated with landfill disposal, and returning nutrients and organic matter to soils. This contributes directly to national objectives on resource efficiency, soil health, and greenhouse gas reduction.

Envar operates within a robust regulatory framework and is subject to multiple environmental and operational controls. These include environmental permits issued by the Environment Agency (EA), Animal By-Product (ABP) regulations enforced by the Animal and Plant Health Agency (APHA), planning controls set by local authorities, and compliance with recognised management systems including ISO 9001 and ISO 14001. Together, these frameworks ensure that Envar's operations are undertaken in a controlled, compliant, and environmentally responsible manner.

This Carbon Reduction Plan (CRP) has been developed in accordance with Procurement Policy Note PPN 006: Taking account of Carbon Reduction Plans in the procurement of major government contracts. PPN 006 reflects the Procurement Act 2023 arrangements applying to relevant procurements advertised on or after 24 February 2025 and requires bidding suppliers to confirm their commitment to achieving net zero by 2050 and to report their organisational carbon footprint.

The CRP also aligns with the PPN 006 Technical Standard for Completion of Carbon Reduction Plans. This requires reporting of all Scope 1 and Scope 2 emissions and the defined subset of Scope 3 emissions, together with carbon reduction measures, targets, annual review, publication and senior-level approval.

Envar's organisational boundary is based on operational control and covers its operationally controlled UK sites. Carbon accounting and reporting is supported by Planet Mark, appointed through Envar's parent company, Heathcote Holdings. The FY2025/26 figures in this update have been calculated from company activity and spend data using the applicable UK Government conversion factors. Spend-based Scope 3 calculations are screening estimates and will be refined as supplier-specific and activity-based information becomes available.

This process supports continual improvement in data completeness, transparency and reporting quality. The calculation workbook retains an audit trail of activity data, conversion factors, spend assumptions and the treatment of avoided emissions.

Envar's financial year runs from 1 May to 30 April. This document is the FY2025/26 update, covering 1 May 2025 to 30 April 2026. It retains the 2021/22 figures as the historic baseline but clearly identifies changes in organisational coverage, throughput denominator and Scope 3 inclusion that prevent a direct like-for-like comparison of total emissions.

1.2 Net Zero Commitment Statement

Envar Composting Limited (Envar) is committed to achieving net zero greenhouse gas emissions across its operations by 2050, in line with the UK Government's legally binding target established under the Climate Change Act 2008 (as amended).

As a business operating at the forefront of organic waste recycling, Envar recognises both its responsibility and opportunity to contribute to the transition to a low-carbon economy. Our core activities already deliver significant environmental benefits through the diversion of biodegradable waste from landfill and the production of soil improvers that support carbon sequestration and sustainable land management.

Envar is committed to the ongoing measurement, reporting, and reduction of greenhouse gas emissions across all relevant scopes, in accordance with the Greenhouse Gas Protocol and the requirements of Procurement Policy Note (PPN) 06/21.

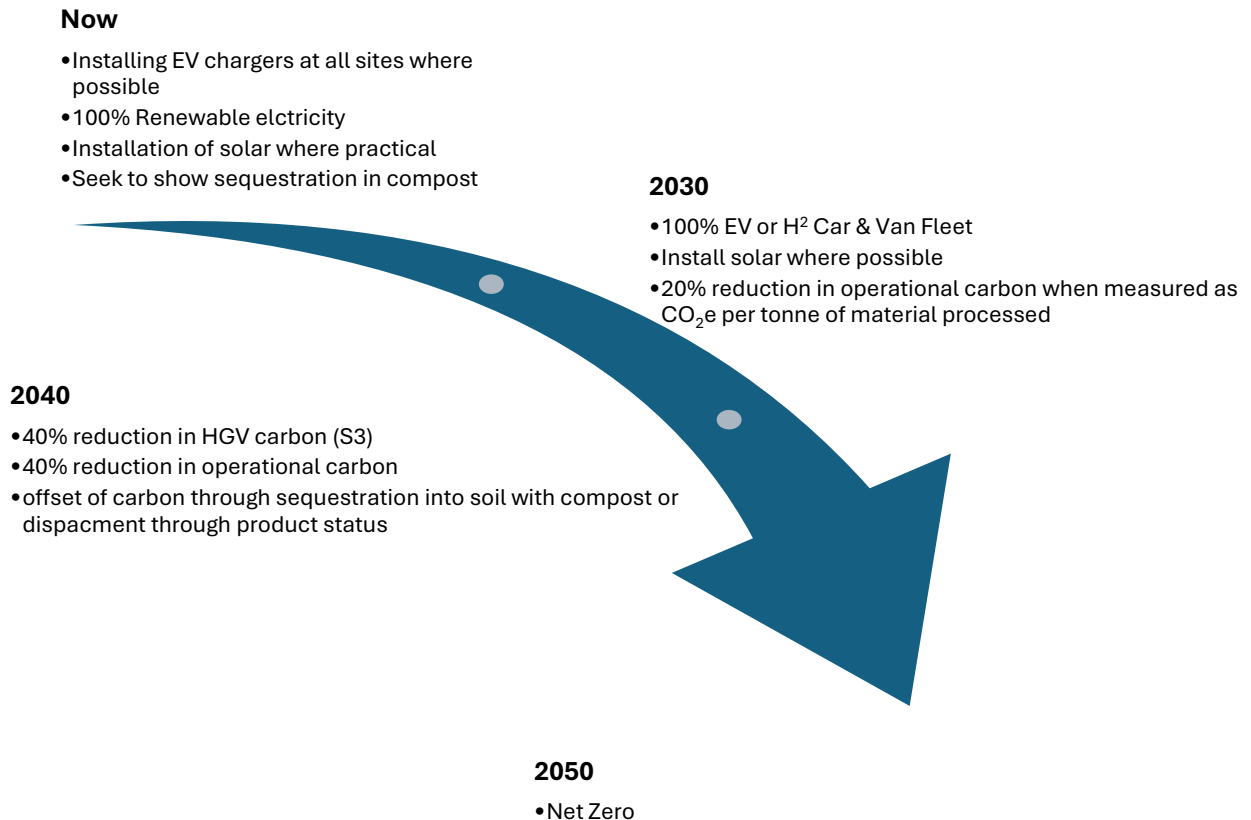
To achieve this commitment, Envar will:

- Establish and maintain a robust carbon baseline, with annual measurement and public reporting of emissions
- Implement targeted carbon reduction initiatives across fuel use, energy consumption, transport, and operational processes
- Continuously improve operational efficiency through investment in modern plant, infrastructure, and low-emission technologies
- Work collaboratively with supply chain partners, customers, and stakeholders to reduce indirect (Scope 3) emissions
- Explore opportunities for renewable energy generation and procurement across its sites
- Support the development of sustainable products and services that contribute to wider carbon reduction and circular economy outcomes

Envar recognises that residual emissions may remain as operations evolve. Where emissions cannot be eliminated through practicable means, Envar will seek to neutralise these through

verified carbon offsetting schemes, in line with recognised standards and best practice at the time.

Progress against this commitment will be reviewed annually as part of Envar's Carbon Reduction Plan, ensuring transparency, accountability, and continuous improvement.



1.3 Scope Definition

Envar defines Scope 1 and Scope 2 emissions as operational carbon. Scope 1 currently includes direct combustion of diesel, petrol, LPG and natural gas used within operationally controlled activities. Scope 2 includes purchased electricity and is reported on a location-based basis in the principal footprint, with any market-based renewable electricity disclosure shown separately.

Envar is committed to achieving net zero emissions for Scope 1 and Scope 2 by 2045, ahead of the UK Government's 2050 net zero target. This will be achieved through a combination of energy efficiency improvements, transition to low and zero-emission fuels, electrification of plant and vehicles where feasible, and the procurement of renewable electricity.

Avoided emissions, renewable generation benefits, fertiliser displacement and potential soil carbon sequestration are reported separately and are not deducted from

the gross Scope 1, Scope 2 or Scope 3 footprint unless a recognised and consistently applied accounting method supports their treatment.

1.4 Scope 3

Scope 3 emissions are indirect emissions arising within Envar's value chain from sources not owned or directly controlled by the company. For FY2025/26, Envar has materially expanded its Scope 3 inventory and has included the five PPN 006 categories as far as available data permits, alongside additional categories such as purchased goods and capital goods.

For Envar, Scope 3 is significant and complex. The current inventory uses a combination of site-based commuting estimates, electricity transmission and distribution factors, and spend-based estimates for purchased services, transport, waste disposal, consumables and capital projects. These estimates provide a reasonable screening footprint but should not be interpreted as having the same precision as measured fuel, energy, mass or distance data.

Key Scope 3 emission sources relevant to Envar include:

- **Waste transport (upstream and downstream):**
Emissions arising from the collection and delivery of waste materials to Envar facilities, and the distribution of finished products to customers.
- **Fuel and energy supply chain emissions:**
Indirect emissions associated with the extraction, production, and transportation of fuels (e.g. diesel) and electricity consumed by Envar.
- **Purchased goods and services:**
Emissions associated with materials, consumables, maintenance inputs, and third-party services used in operations.
- **Waste treatment and processing emissions:** Envar will review the materiality and appropriate accounting treatment of any process-related methane (CH₄) and nitrous oxide (N₂O) emissions from composting as methodologies and site-specific data improve.
- **Capital goods:**
Emissions associated with the manufacture and installation of plant, machinery, infrastructure, and site development works.
- **Employee commuting and business travel:**
Emissions generated by staff travel to and from work and during business operations.

- **Downstream use of sold products:**

Impacts associated with the application of compost to land, including potential benefits such as soil carbon sequestration and displacement of synthetic fertilisers.

1.4.1 Scope 3 Emissions Summary

Category	Emission Source	Relevance to Envar	Included in CRP	Notes / Approach
1. Purchased Goods & Services	Consumables, repairs, chemicals and third-party services	High	Yes	Spend-based screening estimate; transport, waste and travel lines are reclassified to their underlying GHG Protocol category in the emissions breakdown.
2. Capital Goods	Plant, machinery, site infrastructure and civil works	High	Yes	Spend-based estimate for machinery and the concrete pad extension. Capital expenditure can cause substantial year-to-year variation.
3. Fuel & Energy Related Activities	Electricity transmission and distribution; upstream fuel emissions	Moderate	Partial	Electricity transmission and distribution included. Upstream fuel well-to-tank emissions will be reviewed for the next update.
4. Upstream Transport & Distribution	Third-party inbound logistics and inter-site movements	High	Yes - combined estimate	Included within the combined third-party haulage estimate. Upstream and downstream movements are not yet separately disaggregated.
5. Waste Generated in Operations	Treatment and disposal of rejects and operational wastes by third parties	High	Yes	Spend-based estimate using waste disposal and gate-fee expenditure. Activity-based waste tonnage and treatment route data are a future improvement.
6. Business Travel	Flights, rail, hotels, mileage and other travel expenses	Low	Yes	Spend-based estimate from business travel expenses.

Category	Emission Source	Relevance to Envar	Included in CRP	Notes / Approach
7. Employee Commuting	Staff travel between home and work	Moderate	Yes	Estimated by site using employee numbers, average return commute, working days and 2026 vehicle factors, including two management EVs.
8. Upstream Leased Assets	Leased equipment not already within Scope 1 or Scope 2	Low	Not separately reported	Review required to confirm whether any material leased assets fall outside the operational-control boundary.
9. Downstream Transport & Distribution	Third-party transport of compost, products and wastes	High	Yes - combined estimate	Included within the combined third-party haulage estimate and counted once only. Supplier or tonne-kilometre data will allow future separation.
10. Processing of Sold Products	Further processing of outputs	Low	No	Generally not applicable to finished compost products.
11. Use of Sold Products	Application of compost and soil improvers	High climate benefit	Qualitative only	Potential soil carbon and fertiliser displacement benefits are discussed separately and are not netted from the footprint.
12. End-of-Life Treatment of Sold Products	Disposal after use	N/A	No	Compost is beneficially used and does not have a conventional disposal stage.
13. Downstream Leased Assets	Assets leased to third parties	N/A	No	Not applicable.
14. Franchises	Franchise operations	N/A	No	Not applicable.
15. Investments	Financial investments and parent interests	Low	No	Reported at group level where applicable.

1.5 Avoided Emissions and Climate Benefits

As a composting operator, Envar's activities also deliver measurable climate benefits that are not fully captured within traditional Scope 1, 2, and 3 reporting frameworks.

These include:

- **Avoided landfill emissions:**
Diversion of biodegradable waste from landfill prevents the generation of methane, a potent greenhouse gas.
- **Carbon sequestration:**
The application of compost to land contributes to increased soil organic carbon, supporting long-term carbon storage.
- **Displacement of synthetic fertilisers:**
Compost products reduce reliance on manufactured fertilisers, which are typically energy-intensive and carbon-intensive to produce.
- **Renewable electricity generated on site, including exported electricity, is reported as a separate avoided-emissions indicator.** The FY2025/26 calculation records approximately 303,000 kWh of solar generation, equivalent to approximately 43.62 tCO₂e of avoided grid electricity and transmission losses. This benefit is not deducted from the gross footprint.

Envar will continue to explore methodologies to quantify and report these avoided emissions in a transparent and evidence-based manner, recognising their importance in demonstrating the full climate value of its operations.

1.5.1 Avoidance of Double Counting

Greenhouse gas emissions reported within this Carbon Reduction Plan are categorised in accordance with the GHG Protocol. Care has been taken to ensure that emissions are not double counted within Envar's operational boundary.

It is recognised that certain emissions sources, particularly those within Scope 3, may also be reported by other organisations (e.g. suppliers or contractors) within their own Scope 1 and Scope 2 inventories. This is an inherent and accepted feature of greenhouse gas accounting and does not constitute double counting within Envar's reporting framework.

2 Emissions Report

2.1 Baseline

Before the formal Carbon Reduction Plan process, Envar maintained energy and fuel performance data primarily for operational and financial efficiency. The 2021/22 figures were subsequently used as the historic carbon baseline.

Operational improvements had already been implemented before the baseline, including machinery replacements that were reported to use approximately two litres less diesel per operating hour while processing around 20% more material than the previous equipment. The historic baseline therefore does not represent an unimproved or business-as-usual starting point.

Other completed measures include solar photovoltaic generation, including the 364 kWp array serving the composting buildings and the office array, with excess renewable electricity exported to the grid where applicable.

The 2021/22 figures should be treated as a historic reported baseline rather than a fully comparable organisational footprint. The available baseline information covered a narrower set of sites and activities, used a throughput denominator focused largely on compost output rather than all material handled, and included only partial Scope 3 emissions. The historic total is also not fully reconcilable from the surviving scope-level figures.

Table 1 - 2021/22 Absolute Emissions

Historic reported position	
Narrower site/activity coverage and partial Scope 3. Historical source calculations are not available in sufficient detail for full reconciliation.	
Total (tCO ₂ e)	
1,594	
Scope 2	411 (historic reported figure)
Scope 3	Not separately stated in the historic source
Total emissions	3,102 (historic reported total)
Comparability	Not directly comparable with FY2025/26 because the organisational boundary, throughput denominator and Scope 3 coverage have changed.
Future use	Retained for historical continuity; FY2025/26 is the expanded-boundary reference year for future like-for-like tracking.

Normalisation

It is essential to interpret greenhouse gas emissions data using normalised metrics, rather than relying solely on absolute emissions values. As Envar continues to expand its operations, increase throughput, and broaden its range of services, total (absolute) emissions are likely to rise. This increase does not necessarily indicate a reduction in operational efficiency or environmental performance but rather reflects increased activity levels.

To provide a more meaningful and comparable measure of performance over time, emissions will be normalised against relevant operational metrics, primarily tonnes of material processed. This approach enables Envar to assess carbon intensity (e.g. kg CO₂e per tonne of waste processed), providing a clearer indication of efficiency improvements and the effectiveness of carbon reduction initiatives.

Normalised metrics allow for:

- **Like-for-like comparison over time**, irrespective of changes in operational scale
- **Assessment of process efficiency**, identifying whether emissions per unit of activity are reducing
- **Improved decision-making**, by highlighting carbon hotspots relative to throughput
- **Transparent reporting**, particularly where business growth is aligned with increased environmental benefit (e.g. diversion of waste from landfill)

This approach is particularly relevant to Envar's operations, where increased processing of biodegradable waste delivers wider environmental benefits, including avoided landfill emissions and resource recovery. As such, an increase in absolute emissions may coincide with a net positive environmental outcome.

Envar will report both absolute emissions and normalised intensity metrics. The principal operational efficiency KPI is Scope 1 plus Scope 2 kgCO₂e per tonne handled. Total Scope 1, 2 and included Scope 3 intensity is also reported, but can vary materially because of capital expenditure and the use of spend-based Scope 3 factors.

Table 2 - 2021/22 Normalised Emissions

Previously reported value	
The historic calculation appears to have used a narrower subset of sites and mainly compost output, rather than all incoming and handled material.	
kgCO ₂ e per tonne	
Scope 1 - 10.4	
Scope 2	1.7
Scope 3 - partial	0.6

Previously reported value	
Total	12.7
Interpretation	Useful as a historic indicator only. It should not be used as a strict like-for-like comparator with the expanded FY2025/26 footprint.
Current comparison basis	The closest operational comparison is historic Scope 1 + Scope 2 intensity of 12.1 kgCO ₂ e/t against FY2025/26 Scope 1 + Scope 2 intensity of 7.88 kgCO ₂ e/t.

2.1.1 2022/2023/2024

The previously reported FY2022/23 normalised footprint was 11.36 kgCO₂e per tonne, including the partial Scope 3 categories used at that time. This indicated improvement against the historic 12.7 kgCO₂e per tonne figure; however, the same boundary and denominator limitations apply, so the value is retained as an historic indicator rather than a directly comparable point in the expanded inventory.

2024 this did not change to a significant degree and remained stationary.

2.1.2 2025/2026

The FY2025/26 footprint covers all Envar operationally controlled UK sites and uses 525,000 tonnes of material handled as the activity denominator. This includes incoming process material and biomass and is not restricted to finished compost output. The reporting boundary is therefore materially broader and more representative than that used for the historic normalised figures.

A formula error identified during reconciliation has been corrected: 28,369 kWh of natural gas is included as natural gas consumption, rather than summing the liquid-fuel quantities into that row.

Table 3 - FY2025/26 Current Emissions

Measure	FY2025/26 result	Basis
Scope 1 emissions	3,825.37 tCO ₂ e	Direct diesel, LPG, petrol and natural gas combustion
Scope 2 emissions	310.52 tCO ₂ e	Purchased electricity, location-based
Scope 3 emissions	9,011.68 tCO ₂ e	Included supply-chain, transport, waste, travel, commuting, energy T&D and capital categories
Total reported emissions	13,147.57 tCO ₂ e	Gross Scope 1 + Scope 2 + included Scope 3

Measure	FY2025/26 result	Basis
Material handled	525,000 tonnes	All-site handled throughput, including biomass and incoming process materials
Operational intensity	7.88 kgCO ₂ e/t	Scope 1 + Scope 2 divided by tonnes handled
Total footprint intensity	25.04 kgCO ₂ e/t	Scope 1 + Scope 2 + included Scope 3 divided by tonnes handled

Scope 3 represents approximately 68.5% of the current reported footprint. This is principally driven by third-party waste disposal and gate-fee services, capital goods and third-party haulage. The current Scope 3 estimate is deliberately broad, but spend-based values are sensitive to purchasing and capital-investment patterns and will be refined over time.

Table 4 - FY2025/26 Scope 3 Breakdown

Scope 3 category / reporting group	tCO ₂ e	Method and treatment
Purchased goods and services	428.96	Spend-based; excludes transport, waste disposal and business travel lines reclassified below
Capital goods	2,880.69	Spend-based machinery and concrete infrastructure expenditure
Fuel and energy-related activities	30.80	Electricity transmission and distribution only
Upstream and downstream transport and distribution	2,164.01	Combined third-party haulage estimate; counted once and not yet split between upstream and downstream
Waste generated in operations	3,297.38	Spend-based waste disposal and gate-fee services
Business travel	18.00	Spend-based travel expenses
Employee commuting	191.84	Site-based mileage estimate, including EV adjustment
Total Scope 3	9,011.68	Sum of included Scope 3 categories

Comparability statement. The increase from the historic reported total of 3,102 tCO₂e to 13,147.57 tCO₂e does not represent a like-for-like increase in operational emissions. It results primarily from the inclusion of a much broader Scope 3 inventory, capital expenditure, all-site coverage and a revised throughput denominator. On the figures previously reported, Scope 1 + Scope 2 intensity has reduced from 12.1 to 7.88 kgCO₂e per tonne, an indicative improvement of approximately 34.9%; however, this should be treated cautiously because the historic boundary and denominator cannot be fully reconciled.

For future reporting, Envar will retain FY2021/22 as the historic baseline and use FY2025/26 as the expanded-boundary methodology reference year for like-for-like tracking of the current inventory.

2.2 Latest Update

The FY2025/26 update materially improves the completeness and transparency of Envar's carbon reporting. The principal changes are:

- extension of the organisational footprint to all operationally controlled Envar sites;
- use of all material handled, including biomass and incoming process materials, rather than a limited finished-output denominator;
- reporting of location-based Scope 2 emissions, with renewable electricity claims kept as a separate market-based disclosure;
- inclusion of employee commuting, business travel, third-party haulage, waste disposal, purchased goods and services, capital goods and electricity transmission and distribution within Scope 3;
- separate reporting of avoided solar-generation emissions rather than deducting these from the gross footprint; and
- creation of a methodology and factor register to support auditability and annual improvement.

The next priority is to replace the largest spend-based estimates with activity-based information, particularly supplier fuel or tonne-kilometre data for haulage and waste tonnage/treatment-route data for operational rejects.

2.3 Short Term targets

Envar has adopted the following short-term targets from the FY2025/26 expanded-boundary reference year:

Target date	Target
FY2027/28	Reduce Scope 1 + Scope 2 operational intensity by at least 5%, from 7.88 to no more than 7.48 kgCO ₂ e per tonne handled.
FY2027/28	Replace spend-based estimates with supplier-specific or activity-based data for at least 80% of third-party haulage and waste-disposal emissions by value.
FY2027/28	Record monthly fuel, electricity, renewable generation and throughput data consistently across all sites and review diesel litres per tonne as an operational KPI.
FY2030/31	Reduce Scope 1 + Scope 2 operational intensity by at least 10%, to no more than 7.09 kgCO ₂ e per tonne handled. At constant FY2025/26 throughput, this would equate to approximately 3,722 tCO ₂ e.
Annual	Review process-related CH ₄ and N ₂ O materiality, organisational boundary changes and the quality of Scope 3 data before publication of each CRP.

2.4 Projects

2.4.1 Completed and ongoing initiatives

- Installation and operation of solar photovoltaic generation, including the Cambridge composting-building array and office array;
- procurement of renewable electricity supported by supplier evidence and REGOs where applicable;
- replacement of older mobile plant with more fuel-efficient machinery and improvements in throughput per operating hour;
- introduction of battery-electric management vehicles and development of site charging infrastructure;
- operational monitoring of fuel, electricity and material throughput; and
- maintenance of ISO 14001 environmental management arrangements to support continual improvement.

2.4.2 Future initiatives

- Install EV charging at operational sites where power capacity and site layout make this practicable;
- transition the company car and van fleet to zero-emission vehicles where operationally feasible;
- extend solar generation and on-site electricity use where technically and financially practicable;
- reduce idling, unnecessary plant movements and rehandling through operational planning and equipment telemetry;
- work with logistics suppliers to obtain fuel, vehicle, mileage and tonne-kilometre data and to reduce empty running;
- review lower-carbon fuels and electrification options for mobile plant and heavy transport as suitable technologies mature; and
- develop an evidence-based method for reporting compost-related climate benefits, including soil carbon and fertiliser displacement, separately from the organisational footprint.

3 Summary

3.1 Reduction Achievement

The FY2025/26 update does not claim a reduction in total absolute emissions against the historic baseline because the two totals are not methodologically comparable. The current inventory includes all sites, a broader activity denominator and substantially more Scope 3 categories, including capital goods.

The most meaningful available operational indicator is Scope 1 + Scope 2 intensity. This is 7.88 kgCO₂e per tonne handled in FY2025/26 compared with the previously reported historic Scope 1 + Scope 2 intensity of 12.1 kgCO₂e per tonne. This represents an indicative reduction of approximately 34.9%, while recognising that the historic denominator and site boundary cannot be fully reconstructed.

The expanded FY2025/26 footprint establishes a more robust and transparent reference point. Future reduction achievement will be assessed against this boundary and will distinguish operational efficiency, absolute Scope 1 + Scope 2 emissions and Scope 3 changes caused by supply-chain activity or capital investment.

3.2 Targets

Milestone	Commitment
FY2027/28	At least 5% reduction in Scope 1 + Scope 2 intensity; improved supplier data for haulage and waste disposal; EV charging installed where practicable.
2030	At least 10% reduction in Scope 1 + Scope 2 intensity and transition of company cars and vans towards zero-emission alternatives where operationally feasible.
2040	At least 20% reduction in operational carbon intensity from the FY2025/26 reference year and a 40% reduction in the carbon intensity of company-controlled and contracted HGV movements, subject to available technology and infrastructure.
2050	Net zero greenhouse gas emissions for UK operations, with residual emissions reduced as far as practicable and neutralised only through credible and verified measures.
Ongoing	Maintain renewable electricity procurement where supported by valid evidence; install additional solar where practicable; report compost climate benefits separately and transparently.

3.3 Declaration

This Carbon Reduction Plan has been completed in accordance with PPN 006 and the associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans, the GHG Protocol Corporate Standard and the appropriate UK Government conversion factors for company reporting. Scope 1 and Scope 2 emissions have been reported in accordance with applicable SECR principles, and the required subset of Scope 3 emissions has been reported in accordance with the published Carbon Reduction Plan standard and the Corporate Value Chain (Scope 3) Standard, subject to the data limitations and assumptions stated in this document.

This Carbon Reduction Plan has been reviewed and approved by the board of directors or equivalent management body and is to be reviewed and updated at least annually.

Sign-off item	Details
Signed on behalf of Envar Composting Limited	James Cooper
Position	Head of Compliance

