

Schedule 15 (Carbon Reduction)

1. Definitions

1.1 In this Schedule, the following words shall have the following meanings, and they shall supplement Schedule 1 (*Definitions*):

"Carbon Footprint" the sum of GHG Emissions from an individual, product, organisation or country, measured in tonnes of carbon dioxide-equivalent (t CO₂e);

"Contract Carbon Footprint" the GHG Emissions resulting from the execution of the Contract as described by the GHG Protocol Corporate Standard;

"Carbon Reduction Plan (CRP)" a Carbon Reduction Plan in response to PPN 016;

"Code of Conduct" has the meaning given to it in Paragraph 10.1;

"DEFRA Guidelines" means the DEFRA guidelines for measuring environmental impacts, the current version of which can be accessed at the following address: <https://www.gov.uk/government/publications/environmental-reporting-guidelines-including-mandatory-greenhouse-gas-emissions-reporting-guidance>;

"Emissions Reduction" the reduction of GHG Emissions from a product, service, contract, organisation or country;

"Emissions Reduction Target (ERT)" has the meaning given to it in Paragraph 4.4;

"Emissions Report" a report, substantially in the form set out in Table 1, containing, as a minimum, details of the GHG Emissions for this Contract against the Reporting Scopes for each Contract Year, details of any newly identified GHG Hotspots and details of any decarbonisation opportunities;

"GHG Emissions Reduction Plan (ERP)" a plan, substantially in the form set out in Table 2, containing the key activities and interventions that will lead to Emissions Reduction for this Contract;

"Greenhouse Gas Emissions (GHG Emissions)" the release of greenhouse gases as defined in the GHG Protocol, typically measured in tonnes of carbon dioxide-equivalent (t CO₂e);

"GHG Hotspots" processes, operations, and activities that have a proportionately large contribution to the total GHG Emissions for the Contract;

"Government Net Zero Target" the 2050 target date by which the Government has committed to achieve Net Zero, pursuant to the Climate Change Act 2008 (2050 Target Amendment) Order 2019;

"Net Nero" Net Zero is a state in which the amount of GHG Emissions released into the atmosphere are balanced by the amount of GHG Emissions removed;

"Reporting Scopes" the following categories of GHG Emissions:

- (a) **"Scope 1 Emissions"** GHG Emissions that come from the Supplier directly, e.g. from burning fuel in vehicles or boilers that the Supplier owns;
- (b) **"Scope 2 Emissions"**: GHG Emissions from the Supplier's use of electricity; and
- (c) **"Scope 3 Emissions"** Scope 3 is broken down into 15 sub-categories, including emissions associated with the goods and services you buy, financial services such as investments, and others such as waste or transportation. There are five Scope 3 categories included in the reporting for a Supplier's CRP: upstream transportation and distribution; waste generated in operations; business travel; employee commuting; and downstream transportation and distribution; and

"Supplier Net Zero Target" the date by which the Supplier commits to achieve Net Zero.

2. Net Zero Obligation

- 2.1 The Supplier shall, through best endeavours, ensure that its environmental impact is minimised throughout the delivery of this Contract. The Supplier acknowledges that the Buyer has its own sustainability and climate change strategy, and Emissions Reduction achieved in the delivery of this Contract will contribute to achieving the aims of that strategy.

3. Net Zero Commitment

- 3.1 The Supplier acknowledges and understands the Government Net Zero Target. Accordingly, the Supplier shall:
 - 3.1.1 set and/or confirm to the Buyer (as appropriate) a Supplier Net Zero Target with a target achievement date the same as or earlier than the Government Net Zero Target;
 - 3.1.2 provide details of any steps it is taking as an organisation to reduce its Carbon Footprint in the form of Emissions Reduction initiatives;
 - 3.1.3 create (to the extent one is not already in existence) a Carbon Reduction Plan, in line with PPN 016, within three (3) Months of the Effective Date, and provide a copy of the same to the Buyer;
 - 3.1.4 where required to do so, undertake and keep up to date full and complete records of GHG Emissions reporting activity undertaken by the Supplier with supporting data and provide the same to the Buyer each year; and

- 3.1.5 attend, on reasonable notice, meetings with the Buyer's Contract Manager or other nominated representative to present the Supplier's CRP to achieve, and current progress towards, the Supplier Net Zero Target and the Supplier shall refresh its CRP accordingly.
- 3.2 If the Buyer, having reviewed the Emissions Report and discussed with the Supplier its progress to achieve the Supplier Net Zero Target, determines (acting reasonably) that the Supplier is making insufficient progress towards achieving the Supplier Net Zero Target, the Buyer may work with the Supplier to determine and implement a suitable rectification plan in accordance with the Rectification Plan Process (notwithstanding the fact that no Notifiable Default has occurred, but using the same process to address the insufficient progress towards achieving the Supplier Net Zero Target).

4. Net Zero Contractual Commitments

- 4.1 The Supplier commits to delivering this Contract in line with its Carbon Reduction Plan and to support the achievement of the Supplier Net Zero Target and the Government Net Zero Target.
- 4.2 The Supplier shall create a Contract Carbon Footprint by undertaking an assessment of the GHG Emissions for this Contract within three (3) Months of the Effective Date. The assessment shall aim to quantify the GHG Emissions associated with resources, time and assets deployed in the delivery of the Contract and, in particular, identify GHG Hotspots.
- 4.3 The GHG Emissions assessment outlined in Paragraph 4.2 should adhere to ISO 14064 and should be conducted to a mutually-agreed level of assurance. The GHG Emissions to be included in the assessment shall be mutually agreed between the Supplier and the Buyer.
- 4.4 The Supplier undertakes to, within three (3) Months of the Effective Date, develop and implement a GHG Emissions Reduction Plan, with the objective of reducing the Contract Carbon Footprint by 10% by the end of the Extension Period (if such extension is exercised by the Buyer) (the "**Emissions Reduction Target (ERT)**"), initially focusing on GHG Hotspots, and shall provide a copy of the GHG Emissions Reduction Plan to the Buyer.
- 4.5 The Supplier warrants to the Buyer that:
 - 4.5.1 it has sufficient resources, infrastructure and materials to achieve the ERT;
 - 4.5.2 none of the Goods and Services supplied under this Contract will be of lower quality as a result of working towards the ERT; and

- 4.5.3 it will not offer preferential terms and conditions to those other customers who do not require an ERT or similar obligations in their contracts.

5. Reporting

5.1 The Supplier shall:

- 5.1.1 provide the Buyer with an Emissions Report covering the Initial Period within one (1) Month of the end of the Initial Period; and
- 5.1.2 if this Contract is extended, provide the Buyer with an Emissions Report for every Contract Year after the Initial Period within one (1) Month of the end of the relevant Contract Year.

5.2 The Buyer, acting reasonably, may make adjustments to the content or frequency of Emissions Reports as required.

5.3 GHG Emissions shall be calculated in accordance with the DEFRA Guidelines. The Supplier shall ensure that the version of the DEFRA Guidelines used for calculation is current at the time the figures are produced.

6. Net Zero Variation

6.1 The Parties agree to, wherever possible, perform their obligations under this Contract in a way that minimises the Contract Carbon Footprint associated with the activities under this Contract.

6.2 In accordance with the Variation Procedure, either Party may request or propose a Variation in order to reduce the Contract Carbon Footprint.

6.3 The requested Variation:

- 6.3.1 must not result in an increase in the overall liability or cost to either Party or a reduction in the quality of Goods or Services delivered to either Party by the other as contemplated by this Contract; and

- 6.3.2 must not cause a reduction in compensation due to either Party under this Contract.

7. Remediation Plan

7.1 The Supplier shall notify the Buyer as soon as it becomes aware of any reason why it might fail to achieve any of the obligations in Paragraph 4. The Buyer shall work with the Supplier to agree a remediation plan for the Supplier in accordance with the Rectification Plan Process (notwithstanding the fact that no Notifiable Default has occurred, but using the same process to address the issue).

8. Fuel Emissions

- 8.1 The Supplier shall avoid fuel emissions wherever possible by:
- 8.1.1 arranging meetings using e-conferencing services where face-to-face meetings are not required by the Buyer;
 - 8.1.2 using logistics to rationalise journeys and minimise miles travelled in the transportation of goods to Sites;
 - 8.1.3 providing online and webinar-based training for Supplier Staff, minimising the need for travel to attend courses; and
 - 8.1.4 encouraging Supplier Staff to use electric/hybrid vehicles or the rail service rather than petrol, diesel powered vehicles or short haul flights.

9. Net Zero Supply Chain Cascade

- 9.1 The Supplier shall engage its Subcontractors to improve their sustainability and encourage them to set their own targets.
- 9.2 The Supplier shall, in line with the Government Net Zero Target, Supplier Net Zero Target, and Emissions Reduction Target:
- 9.2.1 agree responsibilities for Emissions Reduction with Key Subcontractors; and
 - 9.2.2 map the supply chain and identify critical Subcontractors.

10. Sector Specific Requirements

- 10.1 The Supplier shall comply with the [EU Data Centres Code of Conduct](#) (the “**Code of Conduct**”). The Supplier shall ensure that any data centre used in delivering the Services is registered as a “Participant” under this Code of Conduct or provide evidence that the best practices therein have been adopted.
- 10.2 The Supplier shall provide the Buyer with a copy of the annual energy return required by the Code of Conduct, in respect of the energy used in the provision of the Services.
- 10.3 When designing, procuring, implementing and delivering the Contract, the Supplier shall ensure compliance with the technology code of practice, procure “ENERGY STAR” certified products and adopt appropriate best practices set out in ISO 50001 for Energy Management.

Table 1: Emissions Report

Contract Year	Contract Emissions			Emerging GHG Hotspots (including narrative to explain how interventions have affected the results)	Decarbonisation Opportunities (including narrative to explain how interventions have affected the results)
	Scope 1	Scope 2	Scope 3		
Year 1					
Year 2					
Year 3					

Table 2: GHG Emissions Reduction Plan

GHG Hotspot	Contract Year	Estimated Emissions	Actual Emissions	Emissions Reduction Target (ERT) (%)	Actual Reduction (%)

GHG Hotspot	Contract Year	Estimated Emissions	Actual Emissions	Emissions Reduction Target (ERT) (%)	Actual Reduction (%)