UNDERLYING CLIMATE CHANGE AGREEMENT FOR THE FOOD AND DRINK SECTOR
Agreement Dated: 11 February 2026
Agreement Identifier: FDF1-T00033 CCA3 Underlying Agreement v1

THIS AGREEMENT is made on the 11 February 2026

BETWEEN:

(1) the Environment Agency (the **"Administrator"**); and

(2) the operator set out in Appendix 2 (the **"Operator"**)

each a "Party" and together the "Parties".

RECITALS

(A) Section 30 of and Schedule 6 to the Finance Act 2000 (the **"Act"**) make provision for a tax known as the climate change levy (the **"Levy"**). The Levy is charged on the supply of taxable commodities as defined in paragraph 3 of Schedule 6 to the Act.

(B) Paragraphs 42(1)(ba) and 42(1)(c) of Schedule 6 to the Act provide that the amount payable by way of the Levy shall be discounted from the full rate where the supply is a reduced-rate supply. A reduced-rate supply is a taxable supply supplied to a facility specified in a Certificate (defined below) given by the Administrator to the Commissioners for His Majesty's Revenue and Customs as a facility which is covered by a climate change agreement for a period specified in the Certificate in accordance with paragraphs 42 to 52F of Schedule 6 to the Act.

(C) A climate change agreement is defined in paragraph 46 of Schedule 6 to the Act. It may consist of an agreement falling within paragraph 47 of Schedule 6, or a combination of agreements that falls within paragraph 48 of Schedule 6. A combination of agreements falls within paragraph 48 if the conditions in paragraph 48(2) and (3) are met. The first condition is that the combination of agreements is a combination of an umbrella agreement and an agreement that, in relation to the umbrella agreement, is an underlying agreement.

(D) This agreement is an Underlying Agreement (defined below) in relation to an Umbrella Agreement (defined below), entered into for the purposes of the reduced rate of Levy. It is not intended to give rise to contractual obligations between the parties.

(E) The Facility or Facilities set out in Appendix 5 to this Agreement are a Facility or Facilities to which an Umbrella Agreement applies.

(F) The Operator is a representative of each Facility to which this Agreement applies, as defined in paragraph 47(2)(a) of Schedule 6 to the Act.

AGREED TERMS

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IT IS AGREED as follows:

1. INTERPRETATION

1.1 In this Agreement, unless the context otherwise requires:

"Activate"	means to date the relevant Underlying Agreement and "Activated" shall be construed accordingly; the date of "Activation" shall be the date of the relevant Underlying Agreement;
"Agreement"	means this agreement (which is an Underlying Agreement) including all Appendices and as the same may be varied in accordance with its terms;
"Base Year"	means for a Target Period: a) for a Facility which is a Greenfield Facility, the 12 month period starting on the date of the relevant Underlying Agreement which provides for that Target Period; or b) for a Facility which is not a Greenfield Facility, a 12 month period which:- i) ends before the date of the relevant Underlying Agreement which provides for that Target Period or before the date the relevant Underlying Agreement is first varied to provide for that Target Period; and ii) is agreed between the Operator and the Administrator before they enter into the relevant Underlying Agreement or before the relevant Underlying Agreement is first varied to provide for that Target Period;
"Buy-Out Fee"	means the fee payable in respect of each Facility by the Operator in accordance with Rule 5.4.2 and calculated in accordance with Rule 7;
"Buy-Out Fee Notice"	means the notice served by the Administrator where a Buy-Out Fee is payable in accordance with Rule 7.2;
"Certificate"	means the reduced rate certificate issued by the Administrator in respect of a Facility; "certification" means the issuing of the Certificate and "certify" shall be construed accordingly;

"Certification Period" or "CP"	means, in respect of the first Certification Period: – in respect of any Underlying Agreement Activated on or after 1st January 2026 but on or before 30th June 2027 shall have a Certification Period starting on the date of activation and ending on 30th June 2027; – in respect of any Underlying Agreement Activated after 30th June 2027 shall be the relevant subsequent Certification Period set out below, in respect of each subsequent Certification Period each of the following periods: "Certification Period 8": 1st July 2027 to 30th June 2029; "Certification Period 9": 1st July 2029 to 30th June 2031; "Certification Period 10": 1st July 2031 to 31st March 2033.
"Charges"	means charges due to the Administrator under paragraph 52C of Schedule 6 of the Finance Act 2000;
"CHP"	means combined heat and power plant as more particularly described in the Technical Annex;
"Charging Scheme"	means the Climate Change Agreements Charges Scheme 2012 made by the Administrator or any replacement or revision of that charging scheme;
"Climate Change Agreements"	means Umbrella Agreements and Underlying Agreements;
"Condition 1"	means the condition set out at paragraph 5.4 of the Rules;
"Condition 2"	means the condition set out at paragraph 5.5 of the Rules;
"Decision Notice"	means a notice served by the Administrator: – pursuant to Rule 5 in relation to a decision that a Certificate will not be issued or in respect of any required variation to a Certificate previously issued; – pursuant to Rule 6 or 10 where the Target is to be varied; or – pursuant to Rule 8 or 9 where the Underlying Agreement is to be varied in respect of the Facilities to which it relates.

"Eligible"	means a facility meeting the Eligibility Criteria;
"Eligibility Criteria"	has the meaning set out in Rule 8.1 to 8.3 as applicable;
"Emissions"	means the total emissions in tCO_2 equivalent for a Target Period;
"Facility Number"	means the unique identification number for each Facility set out in the Register;
"Facilities"	means the facilities that are listed in Appendix 5 as the same may be amended and updated in accordance with the terms of this Agreement, which the Operator confirms is a facility within the meaning of paragraph 50(2) to (6) of Schedule; and "Facility" shall be construed accordingly;
"Interim Target Period Report"	means the report in the format prescribed to the Administrator containing information requested in order to demonstrate whether progress towards meeting the Target is likely to be taken to be satisfactory to the Administrator;
"Greenfield Facility"	means a Facility which started to carry out the process by virtue of which it is a facility within the meaning of paragraph 50 of Schedule 6 during the 12 month period ending on the date the Operator applies for the facility to be covered by an Underlying Agreement;
"Performance Account Template" or "PAT"	means the specified template to be provided as part of the Performance Report including the information specified by the Administrator;
"Performance Report"	means the report in the format required by the Administrator containing: a) such information as has been requested by the Administrator about the actions taken in relation to energy efficiency improvements or Emissions reductions in order to meet each Target; b) confirmation that each Facility meets the requirements of regulation 3(1)(a) of the Climate Change Agreements (Eligible Facilities) Regulations 2012(a); S.I. 2012/2999; and c) such information relating to the application of the UK ETS to the facility as has been requested by the Administrator in order to assist the Secretary of State in carrying out functions in relation to the scheme set

	out in paragraphs 44 to 52 of Schedule 6 to the Act;
"Personal Information"	means: a) the address of the registered office of the Sector Association or Operator; b) the name, address and email address of: i) in the case of a Sector Association, a person who can be contacted in respect of the Sector Association; ii) in the case of an Operator, the Responsible Person; and iii) an administrative contact for this Agreement c) the name, address and email address of a person who can be contacted in respect of the Facility; as the same may be amended and updated by written notice to the other Party
"Register"	means the electronic system established by the Department for Energy Security and Net Zero and operated by the Administrator for the administration of Umbrella Agreements and Underlying Agreements;
"Regulations"	means the Climate Change Agreements (Administration) Regulations 2012 S.I. 2012/1976 and the Climate Change Agreement (Eligible Facilities) Regulations 2012 S.I. 2012/2999;
"Reports"	means each of the Performance Report, Interim Target Period Report and the Target Period Report;
"Responsible Person"	means an individual who is legally authorised by the Operator to enter as the Operator's agent into an Underlying Agreement, and whose personal information is included in the Register as amended from time to time;
"Rules"	means the rules for the operation of Climate Change Agreements or any of them set out in Appendix 1 to this Agreement;
"Schedule 6"	means Schedule 6 of the Finance Act 2000;
"Sector Association"	means the relevant sector association that has entered into an Umbrella Agreement as specified in Appendix 3;

"Sector Commitment"	means the commitment set out in Appendix 4 of the Umbrella Agreement, as varied from time to time;
"Sector"	means the sector represented by the Sector Association;
"Special Reporting Methodology" or "SRM"	means a mandatory reporting methodology that must be adopted to account for CHP and imported electricity when fuel consumption is covered under the UK ETS;
"Surplus"	means the amount by which the Emissions have fallen below the Target for any Target Period calculated in accordance with Rule 7 in respect of each Facility;
"Target"	means in respect of each Target Period the percentage improvement in energy efficiency or carbon efficiency from the Base Year (for that Target Period) applicable to each Facility, set out in the relevant Underlying Agreement, as varied from time to time;
"Target Period" or "TP"	means each of Target Period 7, 8 and 9 as set out below: "Target Period 7" means the period from 1st January 2026 to 31st December 2026; "Target Period 8" means the period from 1st January 2027 to 31st December 2028; "Target Period 9" means the period from 1st January 2029 to 31st December 2030.
"Target Period Report"	means the report in the format prescribed to the Administrator containing information requested in order to demonstrate whether progress towards meeting the Target is satisfactory to the Administrator;
"tCO_2 Equivalent"	means tonnes of carbon dioxide equivalent;
"Technical Annex"	means the latest version of the technical annex to this Agreement published by the Secretary of State and available at Climate Change Agreements: technical annex - GOV.UK;
"Throughput"	means the measure of production, or factor related to production, used to determine the relationship between the amount of energy used or carbon emitted by the Facility and the levels of activity of the Facility or products made within the Facility;
"Tribunal"	means the First-tier Tribunal established under the Tribunal

	Courts and Enforcement Act 2007;
"UK ETS"	means the trading scheme known as the UK Emissions Trading Scheme or UK ETS, established by the Greenhouse Gas Emissions Trading Scheme Order 2020; S.I. 2020/1265;
"Umbrella Agreement"	means an agreement that is an umbrella agreement for the purposes of paragraph 48 of Schedule 6;
"Underlying Agreement"	means an agreement that is an underlying agreement for the purposes of paragraph 48 of Schedule 6;
"Variation Notice"	means a notice served by the Administrator in accordance with Rule 11;
"Working Day"	means any day other than a Saturday, Sunday, Good Friday or Christmas Day or a day which is a bank holiday under the Banking and Financial Dealings Act 1971;

1.1.1 words and expressions used in this Agreement and not defined in this Agreement, have the same meaning as they bear in Schedule 6 or the Regulations;

1.1.2 the singular includes the plural and vice versa;

1.1.3 reference to a gender includes the other gender and the neuter;

1.1.4 references to a person include an individual, company, body corporate, corporation, unincorporated association, firm, partnership or other legal entity or crown body;

1.1.5 a reference to any law includes a reference to that law as amended, extended, consolidated or re-enacted from time to time;

1.1.6 the words "including", "other", "in particular", "for example" and similar words will not limit the generality of the preceding words and will be construed as if they were immediately followed by the words "without limitation";

1.1.7 references to "Clauses" and "Appendices" are, unless otherwise provided, references to the clauses and appendices of this Agreement and references to "Rules" shall be to the rules contained in Appendix 1 to this Agreement in any appendix to parts, paragraphs and tables are, unless otherwise provided, references to the parts, paragraphs and tables of the appendix in which these references appear;

1.1.8 the headings in this Agreement are for ease of reference only and will not affect the interpretation or construction of this Agreement; and

1.1.9 in the event of any inconsistency or conflict between this Agreement and the law, the law shall prevail and nothing in this Agreement shall be read to mitigate or relieve any Party of any obligation which it is bound by pursuant to any law.

2. FACILITIES TO WHICH THIS AGREEMENT APPLIES

2.1 This Agreement applies to the Facility or Facilities which carry out the activities set out in Appendix 4 to this Agreement.

2.2 This Agreement may cover one or more Facilities as permitted under paragraphs 47(11)(c) and (e) of Schedule 6. This is solely for operational purposes and not for performance reporting or collective targets.

3. TARGET

3.1 The Target in respect of each Target Period and for each Facility is set out in Appendix 5 to this Agreement, as varied from time to time.

3.2 Whether the Target has been met must be determined in accordance with Rule 6.

3.3 The Target may be varied in accordance with Rules 6, 8, 9, 10 and 11.

4. THE RULES

4.1 Appendix 1 to this Agreement which sets out the Rules for the operation of Climate Change Agreements has effect.

4.2 The Operator agrees to comply with the Rules.

5. DURATION AND TERMINATION OF THIS AGREEMENT

5.1 Subject to Clause 5.2 below, this Agreement takes effect on 1st January 2026 or, if later, the date on which the first Underlying Agreement under this Agreement is first Activated by the Administrator, and ends on 31st March 2033.

5.2 This Agreement may be terminated before 31st March 2033:

5.2.1 at any time by a notice served by the Sector Association on the Administrator giving at least 20 Working Days' notice; or

5.2.2 in accordance with the Regulations.

6. VARIATION OF AGREEMENT

6.1 Subject to Clauses 6.2 and 6.3, this Agreement may be varied at any time if agreed in writing between the Administrator and the Operator.

6.2 The Facilities to which this Agreement applies may be varied in accordance with Rules 8 and 9.

6.3 Under the power in Regulation 14A of the Regulations, this Agreement may be varied by the Administrator to take account of changes in the terms specified by the Regulations from time to time as terms which must be included in Agreements.

7. AUTHORITY

7.1 The Operator warrants that it has the power to enter into this Agreement and is authorised and has obtained all necessary approvals to enter into this Agreement on behalf of the Facilities and the Responsible Person warrants that he or she is authorised to sign this Agreement on behalf of the Operator.

Signed on behalf of the Environment Agency	Signed by the Responsible Person on behalf of the Operator
Nathan Insole	

APPENDIX 1

RULES FOR THE OPERATION OF CLIMATE CHANGE AGREEMENTS

1. OBLIGATIONS OF A SECTOR ASSOCIATION AND OF AN OPERATOR

1.1 An Operator and a Sector Association must:

1.1.1 supply such information to the Administrator as the Administrator may request in connection with this Agreement, by the date specified in the request;

1.1.2 notify the Administrator of any changes to its Personal Information within 20 Working Days of the change;

1.1.3 co-operate with any person appointed by the Administrator to undertake an independent audit of information provided to the Administrator; and

1.1.4 comply with the provisions of the Charging Scheme. If a Charge remains unpaid after the date on which it is due, it may be recovered by the Administrator as a civil debt.

2. OBLIGATIONS OF A SECTOR ASSOCIATION

2.1 Following the setting of the Sector Commitment by the Secretary of State, or following a variation in respect of the Sector Commitment by the Secretary of State, a Sector Association must, within 20 Working Days of receiving notice of variation serve notice to the Administrator setting out the proposed distribution of the revised Sector Commitment between each Facility under this Agreement.

3. OBLIGATIONS OF AN OPERATOR

3.1 An Operator must:

3.1.1 notify the Administrator and the Sector Association within 20 Working Days of the date on which a Facility covered by an Underlying Agreement ceases to be Eligible;

3.1.2 notify the Administrator within 20 Working Days of becoming aware of any structural change or other change (as more particularly described in the Technical Annex) which may give rise to a variation to the Target in accordance with Rule 10;

3.1.3 notify the Administrator within 20 Working Days of discovering any error in the data provided to the Administrator for the Base Year or in any Report;

3.1.4 provide to the Administrator on or before 1st May following the end of a Target Period the Target Period Report together with any requested supporting information;

3.1.5 provide to the Administrator on or before 1st May 2027 and on or before 1st May in each subsequent year with the Performance Report together with any requested supporting information;

3.1.6 provide to the administrator on or before 1st May 2028, and on or before 1st May 2030, the Interim Target Period Report;

3.1.7 provide any other information requested at any time by the Administrator by the date specified in the request to enable the Administrator to determine that:

(a) the Target has been met; or

(b) the Operator is complying with the terms of the relevant Underlying Agreement;

3.1.8 notify the Administrator within 20 Working Days of the Operator or a Facility becoming an ailing or insolvent entity, as described in the 'UK Subsidy Control statutory guidance';

3.1.9 provide the Responsible Person with full authority to carry out his functions, including authorisation to accept on behalf of the Operator the service of any notice;

3.1.10 provide the Personal Information of the Responsible Person for service of any notice, and notify the Administrator of any changes to these details, within 20 Working Days of such change occurring;

3.1.11 provide the Sector Association with all information to comply with the obligations of an Operator under the relevant Underlying Agreement; and

3.1.12 use the Special Reporting Methodology to determine the Base Year and Target Period performance for each Facility using a CHP that satisfies the criteria set out in the Technical Annex.

3.2 If the Administrator enters into an Underlying Agreement before the Target for such Underlying Agreement has been agreed, conditional upon the Operator providing sufficient information within a specified period in order to set the Target for the Facility/ies, the Operator must supply any data requested by the Administrator within the period specified by the Administrator on energy use and Throughput of the Facility/ies.

4. OPERATION OF THE REGISTER

4.1 To the extent possible, the Operator must provide all information to the Sector Association to comply with the obligations of an Operator under the relevant Underlying Agreement.

4.2 The Sector Association must then update the Register on behalf of the Operator to ensure that the Administrator receives all requested and updated information.

4.3 For the avoidance of doubt, all requirements in the Rules for the Operator to inform, report or notify the Administrator shall be construed as a requirement to inform, report or notify the Sector Association who shall update the Register to ensure that such report, information or notification is available to the Administrator.

5. CERTIFICATION OF A FACILITY

5.1 The Administrator must Certify a Facility from the date on which the relevant Underlying Agreement to which it is subject is Activated to the end of the first Certification Period.

5.2 The Administrator must Certify a Facility for any subsequent Certification Period after the first Certification Period, where it appears to the Administrator that progress made in the immediately preceding Certification Period, whether under the Underlying Agreement or under any previous Underlying Agreement, towards meeting Targets set for the Facility is, or is likely to be, satisfactory.

5.3 For the purposes of this Rule 5, progress made in the immediately preceding Certification Period towards meeting Targets set for the Facility is, or is likely to be, satisfactory only where Condition 1 and Condition 2 are satisfied.

5.4 Condition 1 is that:

5.4.1 the Target set for the Facility for the relevant Target Period is met, in accordance with Rule 6; or

5.4.2 if the Target set for the Facility has not been met, the Operator has paid the Buy-Out Fee in respect of that Facility in accordance with Rule 7.

5.5 Condition 2 is that the Administrator has not been notified that obligations imposed under or by virtue of regulations made for the purpose of implementing the Greenhouse Gas Emissions Trading Scheme Order 2020, have not been complied with in respect of each Facility covered by the relevant Underlying Agreement.

5.6 If:

5.6.1 a Facility has failed to meet its Target in accordance with Rule 6 and the Operator has failed to pay the Buy-Out Fee in accordance with Rule 7; or

5.6.2 the Administrator is notified that obligations imposed under or by virtue of regulations made for the purpose of implementing the Greenhouse Gas Emissions Trading Scheme Order 2020, as amended from time to time, have not been complied with in respect of any Facility under the relevant Underlying Agreement; or

5.6.3 the relevant Underlying Agreement or this Agreement is terminated in accordance with Regulation 17(3) or Regulation 18,

the Administrator must not Certify the Facility or Facilities or, where a Certificate has been issued, the Administrator must vary the Certificate in accordance with paragraph 45 of Schedule 6.

5.7 If:

5.7.1 a Facility is not or ceases to be Eligible; or

5.7.2 a Facility is excluded from an Underlying Agreement under Rule 9;

the Administrator must not Certify that the Facility is covered by an Underlying Agreement or, where a Certificate has been issued, the Administrator must vary the Certificate in accordance with paragraph 45 of Schedule 6.

5.8 If the information supplied to the Administrator is insufficient to determine whether:

5.8.1 the Target for the relevant Target Period has been met; or

5.8.2 obligations imposed under or by virtue of regulations made for the purpose of implementing the Greenhouse Gas Emissions Trading Scheme Order 2020, as amended from time to time, have been complied with in respect of each Facility,

the Administrator may refuse to Certify the Facility or Facilities or, where a Certificate has been issued, the Administrator may vary that Certificate in accordance with paragraph 45 of Schedule 6.

5.9 Subject to Rule 5.10, if the Administrator does not Certify a Facility or varies a Certificate that has been issued, the Administrator must serve a Decision Notice on the Sector Association and the Operator of the Facility setting out the reasons for the decision, unless a notice to terminate this Agreement has already been served.

5.10 The Administrator is not required to serve a Decision Notice where a Facility has been Certified under this Rule, and it is subsequently discovered that the Target

for the relevant Target Period had not been met because of an error in the information originally supplied to the Administrator provided that:

5.10.1 the Sector Association and the Operator have satisfied the Administrator that the error was unintentional; and

5.10.2 the Operator has paid any Buy-Out Fee in accordance with Rule 7.

6. MEETING THE TARGET

6.1 A Facility meets its Target for the purpose of Rule 5 if it meets or exceeds the percentage improvement in energy efficiency or carbon efficiency from the Base Year set out in the relevant Underlying Agreement.

6.2 The Administrator must determine whether the Target has been met in accordance with the principles, methodologies and procedures set out in the Technical Annex.

6.3 An Operator must notify the Administrator on or before 31st January in the year following the end of a Target Period of any circumstances which may give rise to an adjustment to the Target for the previous Target Period, as set out in the Technical Annex.

6.4 If an Operator makes a notification under Rule 6.3, the Administrator may adjust the previous Target in accordance with the principles, methodologies and calculations set out in the Technical Annex and must serve a Decision Notice on the Operator, setting out:

6.4.1 whether or not it had decided to vary the Target; and

6.4.2 any revised Target (as varied) for the Facility.

7. BUY-OUT MECHANISM

7.1 If the Administrator finds that the Facility has failed to meet its Targets:

7.1.1 at any time in the period beginning with 1st May in the year following the end of a Target Period and ending immediately before the first day of the next Certification Period; or

7.1.2 at any other time,

the obligation to make progress towards meeting Targets may instead be satisfied by the payment to the Administrator of a Buy-Out Fee in accordance with Rule 7.2.

7.2 If Rule 7.1 applies, the Administrator must serve a Buy-Out Fee Notice on the Operator containing the following information:

7.2.1 the Facility Number of each Facility that failed to meet its Target;

7.2.2 the Buy-Out Fee to be paid for each Facility that failed to meet its Target, calculated in accordance with Rule 7.3 or Rule 7.4;

7.2.3 the date by which the Buy-Out Fee must be paid, determined in accordance with Rule 7.5 or Rule 7.6;

7.2.4 to whom the Buy-Out Fee must be paid;

7.2.5 how the Buy-Out Fee is to be paid; and

7.2.6 that failure to pay the Buy-Out Fee in accordance with the notice will result in the issue of a variation to the Certificate in accordance with paragraph 45 of Schedule 6.

7.3 If Rule 7.1.1 applies, the amount of the Buy-Out Fee is:

$$A \times (W - S)$$

Where:

(a) A is the buy-out price set in advance of each Target Period, as defined in SI 2025 No.813 based on a weighted average of the gas and electricity Levy rates, as communicated by the Administrator;

(b) W in units of tCO_2 Equivalent represents the amount by which the Emissions for the Target Period exceed the Target;

(c) S, for Target Period 7 is zero. For Target Period 8, S is the Surplus in respect of Target Period 7. For Target Period 9, S is the Surplus in respect of Target Period 7 or 8.

7.4 If Rule 7.1.2 applies, the amount of the Buy-Out Fee is:

$$A \times W$$

Where:

(a) A is the buy-out price set in advance of each Target Period, as defined in SI 2025 No.813, based on a weighted average of the gas and electricity levy rates, as communicated by the Administrator;

(b) W in units of tCO_2 Equivalent represents the amount by which the Emissions for the Target Period exceed the Target.

7.5 If Rule 7.1.1 applies, the Buy-Out Fee must be paid on or before 1st July in the year in which the Facility is found to have failed to meet its Targets.

7.6 If Rule 7.1.2 applies, the Buy-Out Fee must be paid within 30 Working Days beginning with the date of the Buy-Out Fee Notice.

7.7 Payment of the Buy-Out Fee is deemed to have been made when the person to whom the Buy-Out Fee must be paid as specified in the Buy-Out Fee Notice receives full cleared funds.

7.8 For the purposes of calculating the Buy-Out Fee under this Rule and for calculating the amount of any Surplus, the Administrator must calculate the difference between the Target for the Target Period and the actual performance achieved during the Target Period, where the Target and the actual performance achieved are expressed in the same units, and convert any difference between the two into a quantity of carbon dioxide equivalent, expressed in units of tCO_2 Equivalent, using the principles, methodologies and calculations set out in the Technical Annex.

8. VARIATION BY INCLUSION OF ADDITIONAL FACILITIES

8.1 A facility which is not already included in an Umbrella Agreement is eligible to apply to be considered for inclusion in an Umbrella Agreement between 1st January and 31st August in each year from 2026 to 2029 inclusive, and no later than 31st August 2029, provided that:

8.1.1 it is a facility within the meaning of paragraph 50 of Schedule 6; and

8.1.2 it is a facility undertaking the activities set out in Appendix 3 to an Umbrella Agreement.

8.2 A facility that is not already included in an Underlying Agreement is eligible to apply to be considered for inclusion in an Underlying Agreement between 1st January and 31st August in each year from 2026 to 2029 inclusive, and no later than 31st August 2029, provided that:

8.2.1 it is a facility within the meaning of paragraph 50 of Schedule 6;

8.2.2 it is a facility undertaking the activities set out in Appendix 3 to an Umbrella Agreement; and

8.2.3 it has the same Operator as the Operator of the Underlying Agreement under which it will be included, as set out in the Technical Annex.

8.3 A facility which is already included in another Underlying Agreement is eligible to apply to be considered for inclusion in a different Underlying Agreement where:

8.3.1 it is a facility within the meaning of paragraph 50 of Schedule 6;

8.3.2 it is a facility undertaking the activities set out in Appendix 3 to an Umbrella Agreement;

8.3.3 it has the same Operator as the Operator of the Underlying Agreement under which it will be included, as set out in the Technical Annex; and

8.3.4 there has been a change of Operator of the facility.

8.4 An additional facility cannot be added to an Umbrella Agreement unless the Administrator has determined that a facility is Eligible and makes a variation to the Umbrella Agreement to add that facility to the Scheme before 1st January 2030.

8.5 If a Sector Association wishes to add an additional facility to an Umbrella Agreement or an Operator wishes to add an additional facility to an Underlying Agreement in accordance with Rule 8.4, the Sector Association or the Operator must notify the Administrator setting out:

8.5.1 the name of the Operator of the facility;

8.5.2 the address of the facility;

8.5.3 a description of the facility;

8.5.4 such information as will enable the Administrator to reach a decision on establishing whether the facility is Eligible, as requested by the Administrator; and

8.5.5 such information as will enable the Administrator to determine the Target for the facility, as requested by the Administrator.

8.6 If the Administrator receives a notification under Rule 8.5, the Administrator must serve a notice on the Operator, copied to the Sector Association:

8.6.1 consenting to include the additional facility as a Facility in an Umbrella Agreement or an Underlying Agreement;

8.6.2 refusing consent to include the facility in an Umbrella Agreement or an Underlying Agreement, giving reasons for the decision; or

8.6.3 requesting such further information as is required in order to establish whether a facility is Eligible or reach a decision on the Target for the Facility.

9. VARIATION BY EXCLUSION OF FACILITIES

9.1 If a Sector Association or an Operator wishes to exclude a Facility, or part of it, from an Umbrella Agreement or an Underlying Agreement, it must notify the Administrator of the proposed exclusion, setting out:

9.1.1 the name of the Operator of the Facility;

9.1.2 the Facility Number, or a description of the part that is to be excluded; and

9.1.3 the reason for the exclusion.9.2

9.2 If the Administrator receives a notification under Rule 9.1, the Administrator must serve a notice on the Operator, copied to the Sector Association consenting to exclude the facility as a Facility in an Umbrella Agreement or an Underlying Agreement.

10. VARIATION OF TARGETS IN OTHER CIRCUMSTANCES

10.1 The Administrator may vary the Target to take account of:

10.1.1 any structural changes or other changes, as defined in the Technical Annex, or other changes to the Facility which the Operator must notify to the Administrator under Rule 3.1.2;

10.1.2 any errors in the data provided to the Administrator for the Base Year.

following the principles, methodologies and calculations set out in the Technical Annex.

10.2 The Administrator may request any information of a Sector Association or an Operator as it requires in order to determine the revised Target under Rule 10.1.

10.3 If the Administrator decides to vary or not to vary a Target under Rule 10.1, it must serve Decision Notice on the Operator, copied to the Sector Association, setting out:

10.3.1 whether or not it has decided to vary the Target; and

10.3.2 any revised Target (as varied) for the facility.

11. VARIATION OF SECTOR COMITTIMENT FOLLOWING A REVIEW

11.1 If the Sector Association and the Secretary of State agree on a variation to the Sector Commitment following a review, the Secretary of State may issue a

direction to the Administrator that the Sector Commitment must be varied and then the Administrator must serve a notice on the Sector Association (**"Variation Notice"**).

11.2 The Variation Notice must state:

11.2.1 the agreed variation; and

11.2.2 the date of the notice; and

11.2.3 the date from which the agreed variation will take effect.

11.3 The Sector Association must, within 20 Working Days of receipt of a Variation Notice, serve notice on the Administrator setting out the proposed distribution of the revised Sector Commitment between each Facility under this Agreement.

11.4 The Administrator either;

11.4.1 agrees to the proposed distribution and varies the Targets for each Facility accordingly;

11.4.2 request further information in relation to the proposed distribution; or

11.4.3 refuse the proposed distribution and propose an alternative distribution, giving reasons for the decision.

12. RIGHT OF APPEAL

12.1 If the Administrator:

12.1.1 decides not to Certify a Facility or to vary a Certificate which has been issued;

12.1.2 serves a Buy-Out Fee Notice; or

12.1.3 decides to vary or not to vary the Target for a Facility,

the Operator may appeal to the Tribunal against the decision.

12.2 In respect of an Operator who enters into an Underlying Agreement after 1st January 2026, the Operator may appeal to the Tribunal against the Target that has been set for the Facility by the Administrator.

12.3 For the purposes of Rule 12.1 and 12.2, the date on which the Decision Notice, Buy-Out Fee Notice or Variation Notice (as applicable) is deemed to have been sent to the Operator is the later of the date the Underlying Agreement is entered into or the date the Administrator sends the relevant notice to the Operator of the Target for the Facility.

12.4 The grounds on which an Operator may appeal under Rule 12.1 and 12.2 are:

12.4.1 that the decision was based on an error of fact;

12.4.2 that the decision was wrong in law;

12.4.3 that the decision was unreasonable;

12.4.4 any other reason.

12.5 The bringing of an appeal suspends the effect of the decision pending final determination by the Tribunal of the appeal or its withdrawal.

12.6 On determining an appeal under these Rules the Tribunal must either:

12.6.1 affirm the decision;

12.6.2 quash the decision; or

12.6.3 vary the decision.

13. RECORDS AND INFORMATION

13.1 A Sector Association and an Operator must retain records of all information required to be supplied to the Administrator under these Rules.

13.2 In particular, an Operator must retain:

13.2.1 sufficient records to allow the Administrator to verify whether a Facility has met its Target, including sufficient records to allow the accurate verification of Throughput for each variable, product group (where applicable), annual consumption of energy of each fuel type, and UK ETS energy data for each Facility; and

13.2.2 records of energy saving actions and measures implemented during each year.

13.3 A Sector Association and an Operator must make all records which it is required to retain under these Rules available for inspection by the Administrator or a person appointed by the Administrator and must provide copies of such records in response to a request by the date specified in the request.

13.4 All records required to be retained under these Rules must be retained throughout the duration of the relevant Umbrella or Underlying Agreement (as applicable) and for a period of four years following the termination of that agreement.

14. PUBLICATION AND DISCLOSURE OF INFORMATION

14.1 The Administrator must publish such information as required under the Regulations.

14.2 In respect of the disclosure of information other than disclosure of information required to be published under the Regulations, information supplied by a Sector Association or an Operator to the Administrator or the Secretary of State, to any agent of the Administrator or the Secretary of State, or to any person appointed by the Administrator or Secretary of State to carry out an independent audit, may be disclosed without the consent of the Sector Association or Operator, where such disclosure is:

14.2.1 by the Administrator to the Secretary of State, for any purpose connected with the functions of the Secretary of State;

14.2.2 by the Secretary of State to the Administrator, for any purpose connected with the functions of the Administrator;

14.2.3 to a relevant authority, for any purpose connected with the functions of the relevant authority;

14.2.4 to any person appointed by the Administrator or the Secretary of State to carry out an independent audit;

14.2.5 to an adjudicator appointed under these Rules;

14.2.6 to any person appointed by the Administrator or the Secretary of State to act as agent, consultant, adviser or contractor to the Administrator or the Secretary of State, in connection with the functions of the Administrator of the Secretary of State;

14.2.7 necessary for the purpose of or in connection with any legal proceedings, including the obtaining of legal advice;

14.2.8 required to comply with any Act of Parliament or subordinate legislation made under an Act of Parliament, including requests made under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004.

14.3 A relevant authority referred to in this Rule means:

14.3.1 either House of Parliament including any committee of either or both Houses;

14.3.2 any Government department;

14.3.3 the Committee on Climate Change;

14.3.4 the Commissioners of Her Majesty’s Revenue and Customs;

14.3.5 a person or body prescribed by or appointed under Part I of the Environmental Protection Act 1990 or regulations made under section 2 of the Pollution Prevention and Control Act 1999 or any corresponding legislation for Northern Ireland;

14.3.6 any regulator appointed under section 54 of the Competition Act 1998; or

14.3.7 any other public body, regulatory agency or government advisory body, where in the absolute discretion of the Administrator or the Secretary of State, as appropriate, the Administrator or Secretary of State considers that it would be obliged to disclose such information in response to a request for information under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004, if such a request were made.

15. COLLECTION OF CHARGES

15.1 A Sector Association may request the consent of the Administrator to collect Charges due from Operators to the Administrator in respect of Facilities under the Charging Scheme.

15.2 If a Sector Association wishes to collect Charges due from an Operator to the Administrator under the Charging Scheme, the Sector Association may serve a notice in writing on the Administrator by the last working day in February in the calendar year in which the Charges fall due.

15.3 A notice served under Rule 15.2 must specify the facilities in respect of which the Sector Association intends to collect Charges, being not fewer than 50% of the Facilities covered by an Umbrella agreement.

15.4 Following receipt of the notice, the Administrator must:

15.4.1 consent to the Sector Association collecting Charges; or

15.4.2 refuse consent to the Sector Association collecting Charges, giving reasons for the decision.

15.5 If the Administrator consents to the Sector Association collecting Charges the Sector Association must:

15.5.1 itemise Charges separately in any invoices that it issues in respect of Charges;

15.5.2 collect and remit all Charges collected to the Administrator without deduction or set off by the last Working Day in September in each year;

15.5.3 report to the Administrator by the last Working Day in October in the year in which it has collected Charges which Operators it has collected

Charges from and which Operators have failed to pay Charges due to the Sector Association.

15.6 A Sector Association must not actively pursue any outstanding Charges after the last Working Day in September in any year in which they fall due. If a Sector Association receives Charges after this date the Sector Association must accept the payment and remit this to the Environment Agency along with information identifying the Operator making the payment.

15.7 If a Sector Association fails to comply with any of its obligations under this Rule 15 the Administrator may serve a notice on the Sector Association that consent to the Sector Association continuing to collect Charges is withdrawn at the expiry of 20 Working Days from the date of the notice.

16. SERVICE OF NOTICES

16.1 Any notice served under these Rules must be in writing and may be served by sending it by post or electronically.

16.2 The address for the service of all notices on the Administrator is:

Postal: Environment Agency
Richard Fairclough House
Wash Lane
Warrington
WA4 1HT

Electronic: ccatargetunit@environment-agency.gov.uk

16.3 The address for the service of all notices on the Sector Association is the address provided as Personal Information.

16.4 The address for the service of all notices on the Operator is the address of the Responsible Person, as detailed in the Register.

APPENDIX 2

THE OPERATOR

Operator / Organisation name:
H.Weston & Sons Limited

Company number:
00672234

Registered office address:
The Bounds
Much Marcle
LEDBURY
Herefordshire
HR8 2NQ
England

Notices served under this Agreement will be sent to the Responsible Person.

APPENDIX 3

THE SECTOR ASSOCIATION

Food and Drink

Whose address for service of all notices under this Agreement is
By post:
6th Floor
10 Bloomsbury Way
LONDON
WC1A 2SL

Sector Contact
Emma Piercy

Electronically:
Emma.Piercy@fdf.org.uk

THE UMBRELLA AGREEMENT

The Agreement dated 26/11/2025 made between the Administrator and the Sector Association.

APPENDIX 4

ACTIVITIES UNDERTAKEN BY A FACILITY FALLING WITHIN THE SECTOR

A facility belongs to the food and drink sector if it is a facility which treats, and processes materials intended for the production of food products. For this purpose ‘food’ includes drink, articles and substances of no nutritional value which are used for human consumption and articles and substances used as ingredients in the preparation of food. At an installation or site where refined salt for use in food products or supplements is prepared or processed from minerals.

APPENDIX 5

FACILITIES AND TARGETS TO WHICH THIS AGREEMENT APPLIES

Facility number	Facility address	UK ETS permit reference	Improvement target (% reduction from base year)		
			TP7	TP8	TP9
FDF1-F00039	The Bounds Much Marcle LEDBURY HR8 2NQ England		3.055%	4.582%	6.109%