

Contracts as Infrastructure for the Energy Transition: From Sustainability Goals to Action

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Abstract:

The energy transition requires not only new regulation and policy but also mechanisms for translating sustainability objectives into organisational practices and action. This paper argues that contracts constitute an important but often overlooked part of this implementation infrastructure. Contracts connect regulatory and policy objectives with the responsibilities, expectations, and everyday decisions of organisations and their value-chain partners.

Drawing on interdisciplinary research on sustainable contracting, contract design, and legal communication, the paper examines factors that affect the ability of contracts to perform this role. It highlights challenges such as abstract sustainability language, unclear allocation of responsibilities, fragmented requirements across contractual documents, and insufficient coordination between sustainability, legal, procurement, and operational functions.

The paper introduces the Compass for Sustainable Contracting, a research-based practical resource developed to help organisations address these challenges, created by the multidisciplinary JARGONFREE Research Group (Tampere University, Finland). Applying its principles to the context of the energy transition, the paper proposes that contracts should be understood not merely as legal safeguards or compliance mechanisms, but as communication and implementation tools that can help translate sustainability goals into coordinated action across organisational and value-chain relationships.

Keywords:

Energy transition, sustainable contracting, contracts, sustainability, legal design, legal communication.