Rail Delivery Group

National Rail

Greenhouse Gas Emissions Report

2024/2025

RDG's emissions on a page FY24/25

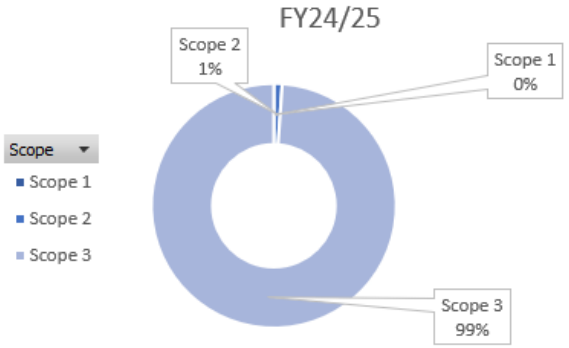
Total emissions

During the 2024/2025 financial year, RDG's total emissions amount to 12,625.5 tonnes of carbon dioxide equivalent (tCO_2e).

This represents a 64% reduction compared to the previous year. This decrease was primarily driven by updated emission factors, which led to lower reported emissions from purchased goods and services.

Scope 3 emissions include all indirect emissions across RDG's value chain, both upstream and downstream.

Nearly 99% of RDG's emissions fall under Scope 3, primarily from Purchased Goods and Services, which account for 11,535.1 tCO_2e.



Comparison to FY 23/24

		tCO_2e
	FY23/24	FT24/25
Scope 1		
Stationary combustion	-	-
Mobile combustion	-	-
Refrigerants	-	-
Scope 2		
Purchased heat	6.1	-
Purchased electricity	92.6	139.1
Scope 3		
Purchased goods and services	33,631.9	11,535.1[1]
Capital goods	12.9	-
Fuel-and energy-related activities not included in S1 or S2	29.8	43.4
Upstream transportation and distribution	0.0	0.0
Waste generated in operations	0.3	0.4
Business travel	52.4	73.7
Employee commuting (& remote working)	236.0	305.6
Upstream leased assets	-	-
Downstream transportation and distribution	-	-
Processing of sold products	-	-
Use of sold products	-	-
End-of-life treatment of sold products	454.5	403.4
Downstream leased assets	-	-
Franchises	-	-
Investments	162.4	124.8

[1] Note that the decrease in emissions is due to the updating of emission factors rather than an actual reduction

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1. Introduction

This report summarises the Rail Delivery Group's (RDG) carbon footprint for the financial year 24/25 (the 12-month period from 1st April 2024 – 31st March 2025).

The methodology, key limitations and recommendations for improvement are also outlined, alongside comparison to the previous financial year 23/24.

The Climate Pledge

As part of RDG's efforts to reduce the climate impact of its operations, RDG joined the Climate Pledge on 21st April 2021. The Climate Pledge calls on companies to be net zero across their businesses by 2040, committing signatories to three principal areas of action:

1. **Regular reporting** – Measure and report greenhouse gas emissions (GHG) on a regular basis across Scopes 1, 2 and 3. The Climate Pledge asks companies to refer to best practices within their industry, e.g. the GHG Protocol, which is one of the Climate Pledge's recommended methods.

2. **Carbon elimination** – Implement decarbonisation strategies in line with the Paris Agreement through real business changes and innovations, including efficiency improvements, renewable energy, materials reductions and other carbon emission elimination strategies.

3. **Credible offsets** – Neutralise any remaining emissions with additional, quantifiable, real, permanent and socially beneficial offsets to achieve net zero annual carbon emissions by 2040 [2].

As part of the Climate Pledge, RDG commit to comprehensively reviewing and reporting the organisation's greenhouse gas emissions, accounting for all emissions associated with RDG's operations, including those the organisation has a direct control on, Scopes 1 and 2, as well as emissions the organisation can influence, Scope 3.

This process was first completed in FY20/21.

2. Methodology

The methodology used to calculate RDG's greenhouse gas emissions follows the World Resources Institute GHG Protocol – A Corporate Accounting and Reporting Standard, Revised Edition[3] ("the Protocol") and is guided by the Protocol's key principles of relevance, completeness, consistency, transparency and accuracy.

An operational control approach has been taken, meaning that the inventory covers emissions from all operations that are under RDG's operational control. Emissions are reported in line with the company's financial year. Emission factors are regularly

[2] The Climate Pledge. *The Pledge*. Available: https://www.theclimatepledge.com/us/en/the-pledge
[3] WRI GHG Protocol Corporate Standard. Available: https://ghgprotocol.org/corporate-standard

updated to enhance accuracy and reflect the latest data and methodologies. Electricity emission factors are location based.

To ensure full transparency, calculation methodologies, assumptions and any alternative emission factors are disclosed on 'RDG Carbon Inventory FY24_25'[4] spreadsheet.

This approach is in line with the UK's Competition and Markets Authority (CMA) Green Claims Code[5], which ensures green claims are truthful, accurate, clear and unambiguous, do not hide or omit important information, consider the full life cycle of a product or service and are substantiated.

3. RDG's Carbon Footprint

Greenhouse gas emissions summary

A summary of RDG's GHG emissions for the 12-month period (1st April 2024 – 31st March 2025) is shown in Table 1. Absolute emissions (total emissions) are reported alongside two intensity ratios, which express greenhouse gas emissions relative to a measure of activity. These ratios are useful for tracking performance and enabling year-on-year comparisons.

Absolute GHG emissions (tCO_2e) per financial year	
Scope	**FY24/25**
Scope 1	0.0
Scope 2	139.1
Scope 3	12,486.3
Total (Scope 1 and 2)	**139.1**
Total (Scopes 1, 2 and 3)	**12,625.5**
% change (year-on-year)	**-64%**[6]
GHG emission intensity (tCO_2e) per financial year	
Budget (£)	£69,556,683
Carbon intensity (tCO_2e per £ million budgets)	**181.4**
% change	**-62%**
Average FTEs	393.03
Carbon intensity (per FTEs)	**32.12**
% change (year-on-year)	**-70%**

Table 1: RDG greenhouse gas emissions summary (FY24/25)

[4] Available on request
[5] HM Government, 2021. *Green Claims Code*. Available: https://greenclaims.campaign.gov.uk/
[6] Note that the decrease in emissions is due to the updating of emission factors rather than an actual reduction

RDG's impact

As illustrated in Figure 1, approximatively 99% of RDG's GHG emissions fall under Scope 3. The remaining 1% of emissions are Scope 2 emissions, resulting from electricity supplied through RDG's landlord.

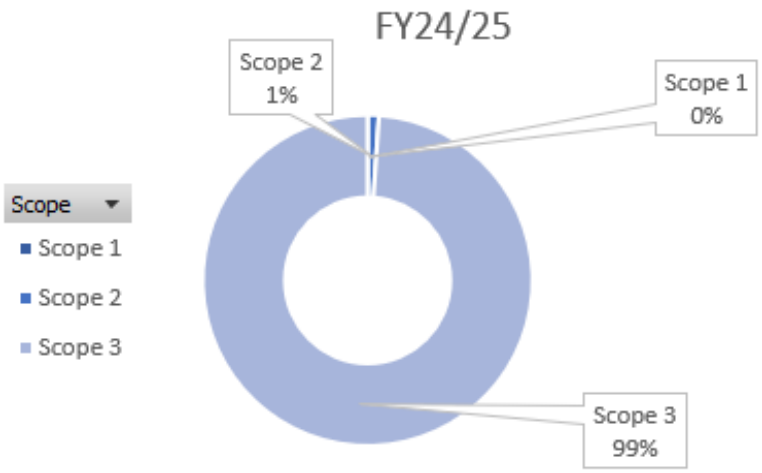

Figure 1: RDG's greenhouse gas emissions by scope (FY24/25)

Scope 1

Scope 1 emissions involve the direct GHG emissions that are released as a result of operations that are controlled or owned by an organisation. There are three major subcategories within Scope 1: stationary combustion (the combustion of fuel within machinery or equipment such as boilers), mobile combustion (the combustion of fuels due to the operation of vehicles owned or leased), and fugitive emissions (emissions from refrigeration systems)[7]. There are no Scope 1 emissions associated with RDG's operations as RDG did not operate or maintain any heating or cooling plant and had no company-owned vehicles. Fugitive emissions from refrigerants used in cooling plant have been accounted for in Scope 3 due to RDG's indirect control.

Scope 2

Scope 2 emissions are caused by the indirect release of GHG emissions that are derived from the purchase of heat, electricity, steam and cooling. RDG's Scope 2 emissions make up approximatively 1% of overall GHG emissions: 139.1 tCO2e from purchased electricity. For the first time since RDG began tracking its emissions, the FY24/25 GHG report includes Scope 2 emissions from both its main office at 1 Puddle Dock and its test centre at 200 Aldersgate Street. The latter is used for testing industry equipment and had not been previously accounted for. This could not be done in previous years due to technical limitations related to data collection, which RDG has now remedied.

Scope 3

Scope 3 emissions are all indirect emissions (not included in Scope 2) that occur in RDG's value chain, including both upstream and downstream emissions[8]. Whilst

[7] US EPA Scope 1 and Scope 2 Inventory Guidance. Available: https://www.epa.gov/climateleadership/scope-1-and-scope-2-inventory-guidance

[8] WRI GHG Protocol. *FAQ*. Available: https://ghgprotocol.org/sites/default/files/standards_supporting/FAQ.pdf

RDG's operations are predominantly office-based, the reach of the organisation's operations is significant, so are Scope 3 emissions. A breakdown of RDG's Scope 3 emissions, as per the GHG Protocol's fifteen Scope 3 categories is shown in Figure 2. All applicable categories were included in the baseline carbon inventory (FY20/21) for completeness and to assess the materiality of emission sources for future GHG emission calculations.

Within Scope 3, the purchase of goods and services (S3-1) accounts for 11,535.1 tCO_2e and is therefore by far the largest emission source.

For the first time, the emissions from waste generated in operations also include the ones generated at 200 Aldersgate Street – RDG test centre for industry equipment.

The GHG emissions associated with end-of-life treatment of sold products (S3-12), which for RDG is rail tickets, is the second largest category within Scope 3, accounting for 403.4 tCO_2e., Employee commuting and remote working (S3-7) and RDG's investments (S3-15), i.e. pension payments, are also significant emission sources accounting for 305.6 tCO_2e and 124.8 tCO_2e respectively.

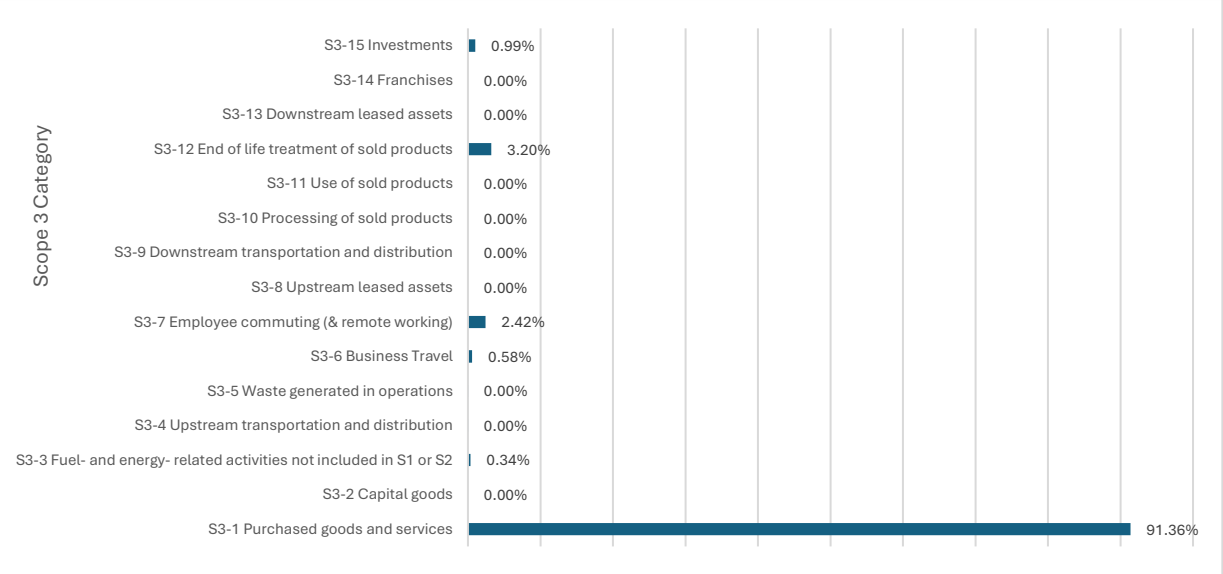

Figure 2: Share of RDG's Scope 3 emissions by category (FY24/25)

Emissions Intensity Ratio

To compare RDG's GHG emissions annually, two intensity ratios have been calculated, as shown in Table 2. The carbon emissions per British Pound of budget and per full-time equivalent (FTE) have been calculated.

Emission intensity ratios	
Carbon emissions per £ million budget	**181.5 tCO_2e**
Carbon emissions per FTE	**32.12 tCO_2e**

Table 2: RDG Carbon intensity ratios (FY24/25)

4. Comparison to FY23/24

Greenhouse gas emissions comparison

A summary of RDG's GHG emissions for financial years 23/24 and 24/25 is shown on table 3. Absolute emissions (total emissions) are summarised, as well as the two intensity ratios.

Absolute GHG emissions (tCO_2e) per financial year		
Scope	**FY23/24**	**FY24/25**
Scope 1	0.0	0.0
Scope 2	98.7	139.1
Scope 3	34,580.2	12,486.3
Total (Scope 1 and 2)	**98.7**	**139.1**
Total (Scopes 1, 2 and 3)	**34,678.9**	**12,625.5**
% change (year-on-year)	**-13%**	**-64%**[9]
GHG emission intensity (tCO_2e) per financial year		
Budget (£)	£73,113,000	£69,556,683
Carbon intensity (tCO_2e) per £ million budget)	**474.3**	**181.5**
% change	**-22%**	**-62%**
Average FTEs	328.5	393.03
Carbon intensity (per FTEs)	**105.6**	**32.12**
% change (year-on-year)	**-18%**	**-70%**

Table 3: RDG greenhouse gas emissions summary (FT23/24 and FY24/25)

Commentary

Drivers of emissions decrease

In FY24/25, the GHG emissions decreased by 64% while the FTE intensity and the carbon intensity per £million fell by 62% and 70% respectively. The fall in emissions is greatly due to a decrease in the procurement of goods and services, which is due to the updating of the emission factors to lower ones. Indeed, to ensure the relevance of RDG's emissions reporting, SLR Consulting has updated the emission factors using the latest available data. It has been estimated that if the emission factors used for the purchase of goods and services in the FY23/24 were used for the FY24/25, the emissions for this category would have been approximately of 38,028tCO_2e – an increase by comparison to FY23/24. In sum, the decrease in emissions of goods and

[9] Note that the decrease in emissions is due to the updating of emission factors rather than an actual reduction

services does not constitute a real terms decrease but rather a decrease due to the methodology change.

RDG's Impact

Scope 1

Scope 1 is out of scope.

Scope 2

RDG's Scope 2 emissions increased by 41% in FY24/25 compared to FY23/24. One contributing factor is that RDG moved office in June 2023, making the Puddle Dock office the main office for the entire FY24/25 period for the first financial year. Unlike the previous office, which relied on gas for heating, Puddle Dock uses electricity – a change that has led to higher emissions. This issue was already highlighted in last year's GHG report. In addition, this year's figures include, for the first time, the Scope 2 emissions from RDG's 200 Aldersgate Street office. This change further adds to the significant rise in Scope 2 emissions for FY24/25.

Scope 3

Purchased goods and services remained the largest source of emissions in both years despite a sharp reduction in FY24/25. However, the observed decrease is mainly due to an updating of the emission factors aimed at better reflecting current emission levels. This creates a misleading impression of a significant drop in emissions from procurement.

The end-of-life treatment of sold products was RDG's second-largest emissions category. This includes rail tickets sold on behalf of the industry. For the first time since RDG's first GHG report in FY20/21, emissions from this category decreased compared to the previous year of 11.24%. This reduction is largely attributed to a 9.4% decline in the number of tickets sold.

Employee commuting and remote working, the third largest category in FY24/25, reflects a 29.5% increase in emissions. The increase in headcount of 64.53 FTEs partly explained this rise. Additionally, the method of calculation for employee commuting was slightly different this year, reflecting a higher share of the company answering the commuting to work survey. By looking at commuting patterns, the survey reveals that rail accounts for most kilometres travelled, with 41% of employees taking mainline rail for some proportion of their trip. 25% use one form of active travel (e.g. walking, cycling). Meanwhile, 13% of the staff drove for at least a portion on their journey with an average distance of 5.8 miles.

Finally, in FY24/25, emissions from business travel increased, reaching their highest level in the past 5 years. We acknowledge that the business objectives in FY24/25 encouraged more business travel to meet the objectives of improving stakeholders' engagement.

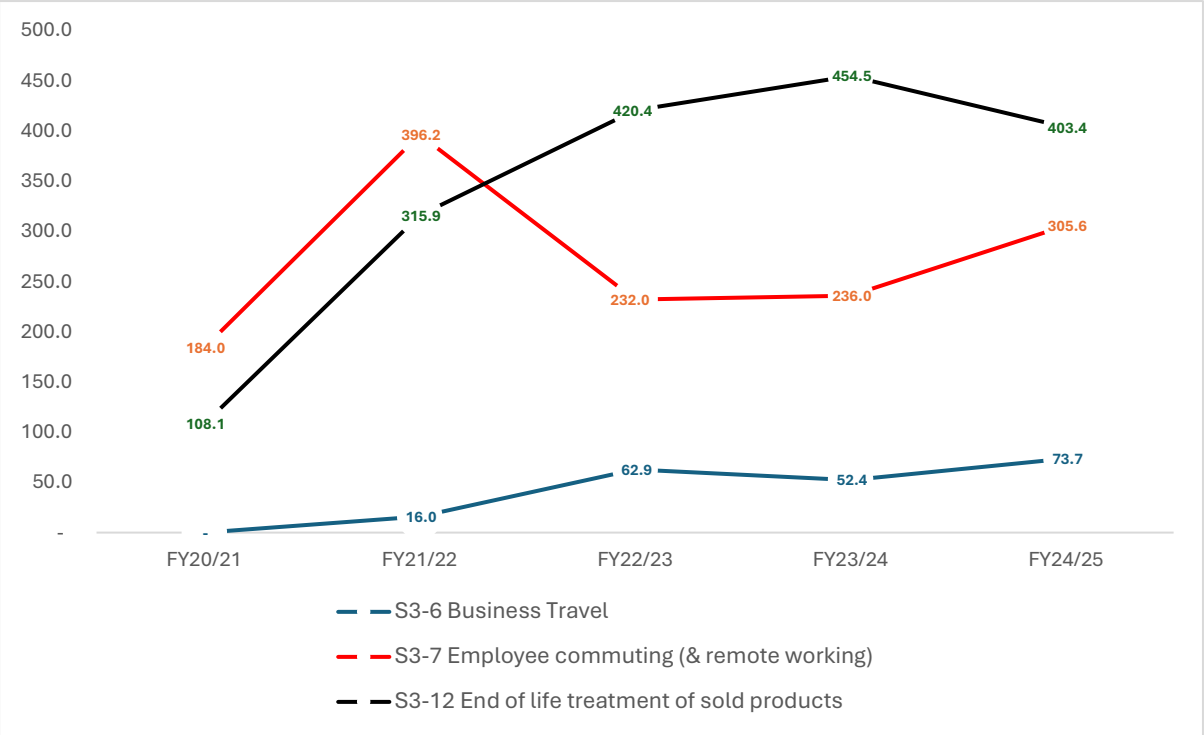

Figure 3: RDG's GHG Scope 3 emissions for three categories (FY24/25)

5. Next Steps – Emissions Reduction

Having quantified Scope 1, 2 and 3 emissions, RDG's next step will be to set a Science-based target and identify opportunities for emissions reductions.

With Scope 3 emissions from purchased goods and services constituting the bulk of the emissions, RDG will prioritise this area. This involves engaging with key individuals and teams responsible for high-spend purchases and supply chain management. The initial goal is to comprehensively understand and quantify these emissions. Following this, RDG aims to reduce emissions where feasible through supplier engagement and by incorporating carbon emissions into future procurement strategies and purchasing decisions. To this end, RDG has started developing a questionnaire for suppliers to assess their decarbonisation commitments and ensure alignment with RDG's objectives.

RDG is already working on a project to reduce its emissions from end-of-life treatment of sold products. The responsible directorate is focused on increasing options for alternative ticket-types, such as PAYG smartcards, barcode and paper tickets (rather than the current magnetic, non-recyclable tickets). The option of reducing the size of the paper ticket is also on the table.

RDG recognises that the increase in business travel emission is due to internal support for travel to enhance RDG's visibility. The internal policy regarding the transport use for these trips will be analysed.

RDG will engage with the landlord to explore the energy sources options to reverse the trend of our Scope 2 emissions.

RDG currently only offsets the emissions from travel for work. RDG will investigate the option of expending it to more categories.

6. Limitations of Methodology

As with all GHG emissions inventories, there are limitations to the methodology applied and certain assumptions had to be made in the absence of suitably quantified data. A summary of key limitations and recommendations for improvement in subsequent years is shown below:

Spend based emission calculations

Emissions are based on the best available data at the time of calculation. Primary data was provided for emission categories where available. In some cases, primary data was based on expenditure instead of weight/volume, which reduces the accuracy of emissions calculations.

Assumptions/benchmarks used in place of some primary data source

Neither primary or spend data was available for some 'in-scope' categories. In these instances, calculations are based on benchmarked data or assumptions. These assumptions have been noted within the extended methodology report and within the GHG Inventory.

Limitations are inherent in greenhouse gas (GHG) reporting. Although RDG makes efforts annually to address these, it must be recognised that certain limitations are systemic and that a GHG report will always involve elements of subjectivity. However, it is acknowledged that as more accurate data emerges, the calculation methodologies and data sources will continue to advance and improve.

The above limitations will not have a material impact on the overall inventory. Where assumptions have been made, a 'worst case scenario' has been chosen, to ensure emissions are not underestimated.