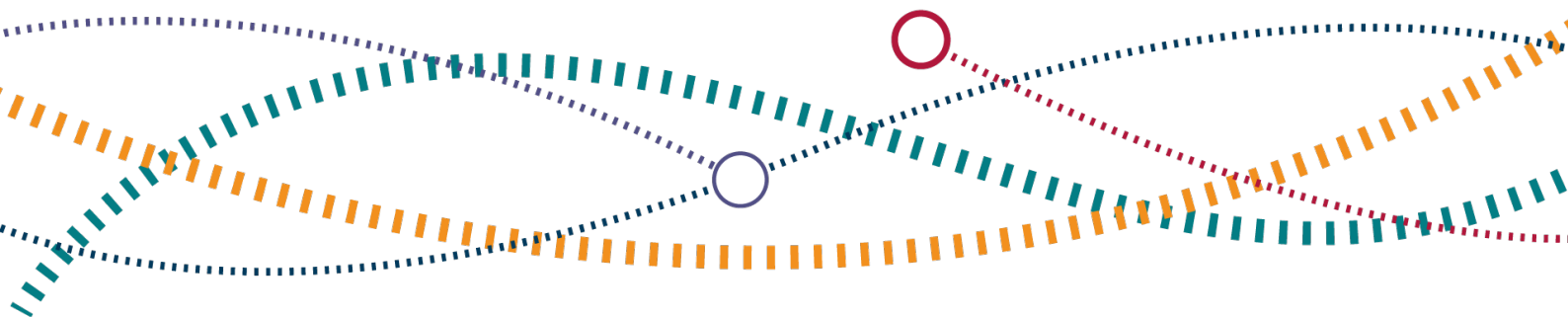




Guidance on Environmental Arrangements for Railway Licence Holders

21 September 2022



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Introduction

1. We have developed this Guidance on Environmental Arrangements for Railway Licence Holders after [consulting](#) with the industry on 15 September 2021. We published our policy consultation conclusions on 21 September 2022.
2. This guidance applies to all licensed railway operators. These are the passenger and freight train operators holding railway undertaking licences¹; and the operators of networks, passenger and non-passenger trains, stations, and light maintenance depots, holding licences issued under the Railways Act.
3. As a licence holder, you are required under your “Environmental Matters” obligations to have a policy designed to protect the environment from the effects of your licensed activities. You must also establish supporting objectives and management arrangements to give effect to your policy. Together these three elements of a policy, objectives and management arrangements are referred to as the “environmental arrangements”.
4. This guidance is intended to assist you in fulfilling the environmental obligations of your license and to contribute to the objective of environmental protection and improvement. Further information relevant to the guidance can be found on [ORR’s environment and sustainable development webpages](#).
5. We will monitor the environmental arrangements and data we receive from licence holders. We will use this to better understand the environmental impacts, priorities and progress of the rail industry and inform our regulatory activity in this area.
6. While the template licence condition covers ‘environmental matters’, you may choose to also reflect wider sustainable development or climate resilience issues in the arrangements you send to us.

¹ This also includes European licences that were issued by ORR prior to 1 January 2021.

Environmental Arrangements

7. Good environmental management – that is identifying, managing, reducing, and ideally eliminating your environmental impacts on an ongoing basis – is an integral part of running a high-quality railway and should be embedded in all your activities.
8. Condition 10: Environmental Matters of your licence² requires you to establish “environmental arrangements” comprising:
 - (a) a written environmental policy;
 - (b) operational objectives; and
 - (c) management arrangements.
9. The licence condition requires that the environmental arrangements shall:
 - take due account of any relevant guidance issued by ORR;
 - be effective within six months of your licence coming into force; and
 - be reviewed by the licence holder periodically, and otherwise as appropriate.
10. The licence also states that you will act with regard to the policy and operational objectives and use reasonable endeavours to operate the management arrangements effectively.
11. You should therefore send a summary of your environmental arrangements (comprising a copy of your environmental policy, and a summary of the supporting objectives and management arrangements) to ORR by email to licensing.enquiries@orr.gov.uk when you first establish them, and also when you make material changes to them.
12. Existing licence holders should review their environmental arrangements within six months of this guidance being published, taking the guidance into account, and where material changes result send an updated summary to ORR (as per paragraph 11 above).
13. You should review your environmental arrangements regularly and keep them up to date, for example, to respond to changes in your own activities and developments in

² This condition number may differ for some licence holders. Alternatively, if your licence was not issued under the Railways Act, your Environmental Matters condition will be found in the corresponding Statement of National Regulatory Provisions.

governments' policy, technology and scientific evidence on the environment or relevant changes in legislation.

Your Environmental Policy

14. Your environmental policy should be readily available on your website and set out your commitment to:
 - comply as a minimum with any relevant environmental legislation in the part or parts of the country that you operate, recognising that environmental legislation is largely devolved;
 - do business in a way that prevents, mitigates or remedies the adverse effects of railway operations on the environment;
 - continual improvement in your environmental performance in the light of new technology and best practice; and
 - provide reasonable support to industry initiatives to improve environmental performance and contribute to a sustainable railway, including:
 - participating in processes to develop and specify new industry environmental data; and
 - collecting and supplying this data to ORR to allow better whole-industry environmental information to be published in our Official Statistics role.
15. The commitments in your environmental policy can be expressed concisely – one or two pages is acceptable – and will be more meaningful if they:
 - are linked to specific and demonstrable activities, which are documented publicly and accessibly, rather than general aspirational statements;
 - include sign-off by a named director accountable for the policy's delivery; and
 - include a policy review schedule, for example, on an annual basis.

Your Operational Objectives

16. Your operational objectives and any associated improvement targets in your environmental arrangements should be consistent with governments' environmental

policy objectives and legislative requirements, in particular, that of achieving net zero carbon emissions in Scotland by 2045 and the UK by 2050, and related interim targets.

17. They should be SMART – that is Specific, Measurable, Achievable, Realistic and Timebound, and wherever possible quantify the scale of any improvements planned and the associated timescales. They may usefully cover:
 - meeting current legal requirements, or meeting them more effectively;
 - anticipating future changes to legal requirements, to ensure compliance by the time they come into effect;
 - implementing initiatives in areas not covered by legal requirements, but which would improve environmental performance;
 - implementing best practice, whether from the rail industry or other sectors;
 - training, staff briefings or communications generally on environmental issues; and
 - working with others to identify and share best practice and to develop and implement cross-industry environmental initiatives.

18. In setting objectives and targets you may wish to:
 - identify and link your objectives to your most significant environmental impacts;
 - consider how you can contribute to governments' environmental policy objectives, both generally and those specific to rail, especially but not exclusively, in regard to decarbonisation and achieving net zero carbon; and
 - consider your own environmental impacts and also those of your suppliers, particularly in relation to carbon emissions, for example, through adopting Science Based Targets³ for your own and your suppliers' activities.

19. Our expectation is that you commit to continual improvement of your environmental performance (that is, your performance against your objectives and targets and periodical updating them).

³ [Science-based targets](#) provide companies with a clearly-defined path to reduce emissions in line with the [Paris Agreement](#) goals.

Your Management Arrangements

20. Your management arrangements may usefully cover:

- which director is responsible for environmental issues and how they, and other staff, are made aware of their responsibilities and the governance arrangements for managing these commitments;
- how you ensure environmental issues are properly considered and integrated into all decision-making processes, e.g. investment, new projects and day-to-day activities;
- your liaison arrangements with environmental regulators, other industry bodies and other stakeholders (including ORR, the Department for Transport, Transport Scotland, Transport for Wales, local authorities, RSSB, and other duty holders);
- how you handle environmental issues that impact passengers or the public; and,
- how you monitor and report your environmental performance and progress against your objectives.

21. Developing and maintaining an environmental management system helps an organisation to identify, manage, monitor and control environmental issues and embed them in ongoing management and operational processes. You may therefore find the development and accreditation of an Environmental Management System based on BS EN ISO 14001:2015 and Energy Management System based on ISO 50001:2011 (their updates or equivalents) an effective way to put your environmental arrangements into effect.

What we will do

22. While we do not approve the environmental arrangements of licence holders we will monitor receipt of environmental arrangements updated as a result of this guidance and may:

- report on the number of environmental arrangements we receive each year;
- review the individual environmental arrangements we receive, for adherence to this guidance;

- give general feedback to the licence holder on areas we think could be improved;
- make available the latest version of your environmental arrangements on our website at www.orr.gov.uk (we also expect you to publish them on your website); and
- conduct and publish the conclusions of a wider review of industry adherence to our guidance, with the aim of promoting good practice across the industry and improved environmental performance. This may consider all the policies we receive or a subset, for example, particular types of operator, or how specific environmental issues are addressed by operators.

Environmental Data

23. ORR wishes to see a step change in the public availability of rail industry environmental data. We recognise the importance of transparency on industry progress in this area and the expectation of the Williams-Shapps Plan for Rail of an 'open by default' approach to data sharing. Good quality, readily available and appropriately disaggregated data are crucial in helping the industry and its stakeholders understand its performance and progress towards environmental objectives. Currently, only limited whole-industry, quality-assured environmental data are publicly available. Improved data will promote transparency, accountability and can inform future policy, regulatory and industry activity.
24. In our role as publisher of Official Statistics for the rail industry, we will work collaboratively with licence holders and industry partners, to enable us to publish a wider range of whole-industry environmental data that meet the [Code of Practice for Statistics](#) pillars of trustworthiness, quality and value. We will work with industry partners to deliver this objective and publish details of the process and its outcomes on our website.
25. This process will include identifying and prioritising environmental data for publication as Official Statistics. Over time these data may cover some, or all, of the following areas, and others that may become appropriate:
 - (a) energy consumption, carbon emissions and progress towards net zero including data for traction and non-traction/operational, infrastructure and embodied emissions;

- (b) air quality and diesel pollution reduction;
- (c) water;
- (d) waste and resource use;
- (e) noise;
- (f) adoption and accreditation of environmental and energy management systems; and
- (g) understanding and improvement of biodiversity.

26. We will seek, where possible, to use existing measures and data that are already being generated by licence holders. Given the evolving nature of environmental measures and the fact that operators may have differing levels of data maturity and ability to supply data, we expect this to be an ongoing process of development. As such, we do not specify measures or frequency of reporting in this guidance, but we do place an expectation on licence holders to provide data in a timely manner.
27. We expect that the majority of, if not all, data will be capable of being published on our website. However, where appropriate we will take into account legitimate concerns around commercial sensitivity and other relevant exemptions for disclosure, including those established through dialogue with affected operators.
28. We will keep this process, in particular the extent of industry engagement with it, under active review.



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