



## NRC SUSTAINABILITY COMMITTEE

The Sustainability Committee provides education and resources to address the ever-changing sustainability landscape within the railway industry. Our mission is to provide all member companies with a resource to understand requirements and trends and to ensure the continuous improvement of our industry and the customers we serve.

### September 2025

Over the past year, the NRC Sustainability Committee has continued its outreach to major railroad customers and industry partners to better understand evolving sustainability expectations. These conversations have revealed several consistent themes and practical insights relevant to our members.

### Sustainability Expectations and Metrics

Rail customers are increasingly focused on sustainability, driven by investor pressure, regulatory developments, and customer demand. While formal requirements for suppliers vary and political narratives are pushing away from sustainable directives, there is a clear trend toward integrating sustainability into procurement decisions. In some cases, railroads and rail-served businesses are asking suppliers to complete ESG questionnaires or participate in sustainability platforms, such as EcoVadis or CDP. These assessments then may impact bid evaluations, especially when pricing and service levels are comparable.

One evolving trend indicates that railroad customers are increasingly interested in understanding suppliers' Scope 3 emissions reporting, which measures and discloses all other indirect greenhouse gas (GHG) emissions in a company's value chain that are not included in Scope 1 or Scope 2 emissions, using standards like the GHG Protocol. As a result, railroads are seeking more accurate data from their suppliers to support their own climate disclosures. For example, some are using spend-based estimates to calculate emissions, while others are requesting direct reporting of Scope 1, 2, and 3 emissions from vendors. This is particularly relevant for companies supplying materials with high carbon intensity, such as metals.

### Measurement Platforms/Systems

Companies can evaluate their sustainability performance through use of a measurement platform or system. Here is a brief review of the most actively used platforms/systems in our industry:

- EcoVadis is widely used, though some companies find it cumbersome. It provides scoring across areas such as environment, labor & human rights, ethics, and sustainable procurement. Some customers use EcoVadis scores to identify improvement areas or trigger corrective action plans.
- ISN is being adopted more broadly, especially for integrating ESG metrics alongside safety. One railroad is transitioning from using ISN primarily for safety to leveraging its ESG assurance module for supplier evaluations.

- CDP Supply Chain is used to gather emissions data from top-spend suppliers. Participation is currently voluntary but may become more formalized in the future.
- Other platforms mentioned include SASB, GRESB, and M2030, with some companies exploring AI tools to gather publicly available sustainability data on suppliers.

## **Operational and Strategic Insights**

Sustainability is increasingly viewed as a business opportunity. Companies investing in cleaner technologies and energy efficiency are seeing both environmental and financial benefits. For example, one short line operator has deployed zero-emission locomotives and secured federal grants to expand this initiative. These locomotives reduce fuel costs and better align with customer expectations, particularly those with headquarters in Europe.

Infrastructure resilience is another emerging theme. Railroads are responding to more frequent extreme weather events by hardening assets and rethinking long-term engineering strategies. They are sharing lessons learned from these efforts across the industry to improve adaptability.

## **Challenges and Opportunities for NRC Members**

Smaller suppliers may face challenges due to limited resources and the complexity of reporting systems. Railroads acknowledge this and are working to implement changes gradually, often starting with strategic or high-spend vendors. There is also interest in streamlining reporting requirements and potentially aligning around a common platform to reduce duplication.

Members are encouraged to begin by assessing their current sustainability practices. Even informal policies — such as waste reduction, energy efficiency, or employee engagement — can be valuable starting points. Documenting these efforts and participating in voluntary reporting platforms may help position your company for future opportunities. The next step is to begin to outline a sustainability plan if one does not already exist.

## **Looking Ahead**

The NRC Sustainability Committee will continue to monitor regulatory developments, industry trends, and customer expectations. We remain committed to supporting our members with practical guidance and timely updates.

## **Send Us Your Comments and Questions**

Our members are the eyes and ears about the ever-changing sustainability/ESG landscape. If you have questions, experiences, or insights to share, please contact [awieland@nrcma.org](mailto:awieland@nrcma.org). Your input helps us stay informed and responsive to the needs of our industry.