2024-25

TCFD REPORT

LONDON ST.PANCRAS
HIGHSPEED

CONTENTS

INTRODUCTION

London St. Pancras Highspeed's Task Force on Climate-Related Financial Disclosures (TCFD) Report for the year ended 31 March 2025.

London St. Pancras Highspeed operates the UK's only high-speed railway line, serving as a critical component of both regional and national infrastructure. By enabling fast, low-emission travel across the South of England and into Europe, we play a key role in promoting sustainable mobility and supporting economic growth. We are committed to continually reducing our environmental impact and enhancing the resilience of our infrastructure in response to the evolving challenges of climate change.

As an infrastructure manager, we operate within a highly regulated environment. While the structure of our contracts means that certain climate-related costs may be borne by other parties, our approach to climate risk is holistic. We assess impacts across the entire value chain to ensure strategic alignment - encompassing our own operations, our customers, and key partners such as Network Rail High Speed (NRHS).

In line with our commitment to transparency and best practice, we have reviewed our alignment with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. The following pages outline our progress against the core elements of the TCFD framework, highlighting how climate-related risks and opportunities are being integrated into our strategy, governance, and risk management processes.

TCFD Disclosure	
Core Element	**Recommended Disclosure**
Governance Disclose the organisation's governance around climate related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.
	b) Describe management's role in assessing and managing climate-related risks and opportunities.
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.
	b) Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy, and financial planning.
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.
Risk Management Disclose how the organisation identifies, assesses, and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks.
	b) Describe the organisation's processes for managing climate-related risks.
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process.
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Table 1 – Core TCFD disclosures

CONTEXT

As an organisation, we recognise that we are in the early stages of our reporting journey, with a clear commitment to incremental improvement and enhanced disclosure in the years ahead.

London St. Pancras Highspeed only partly comply with recommended disclosure b of the Strategy core TCFD element. This is because the organisation's financial planning, and statutory reporting, only partially consider the long-term impact of climate. This approach reflects the findings of an external risk assessment, which placed London St. Pancras Highspeed at the lower end of the climate risk spectrum, with direct business risks from climate change assessed as non-material at this time.

To strengthen our understanding and preparedness, we engaged specialist consultants in 2025 to conduct a transition climate risk and opportunity assessment, and additionally an Adaptation Action Plan. This work supports our operational risk management, financial and business planning, and public disclosures, and has informed updates to the Strategy section of this report.

We continue to maintain a robust governance framework. The Board meets eight times annually, with Board Committees convening at least three times per year, or more frequently as required. Should any new or materially changed climate- related risks be identified, they are escalated through the appropriate governance channels:

- The **Audit and Finance Committee** oversees the corporate risk register.
- The **Safety Committee** monitors asset-level risks.
- The **Main Board** is briefed on any significant developments.

Our corporate risk register is reviewed every two months, with relevant findings escalated to the Audit and Finance Committee as appropriate.

An external review conducted in 2021, and validated through development of our 2025 Adaptation Action Plan, confirmed that risk to our infrastructure and operations remain low. The most notable risks identified include short-term extreme weather events, such as heavy rainfall and extreme heat, and the potential unavailability of adjacent infrastructure, which could result in our network becoming a stranded asset. These risks are reviewed quarterly by our internal Operations and Engineering teams.

Transition risks, associated with the shift to a low-carbon economy, are also considered low. The most significant exposure relates to potential increases in operating costs that cannot be passed on to Train Operating Companies (TOCs). However, we also see clear opportunities, particularly from a growing public preference for rail as a sustainable mode of transport. Our internal business strategy is aligned with this trend and supports long-term growth in demand.

Operational performance metrics, including train delays, are key indicators monitored across all levels of the organisation - from internal teams and the supply chain to customers and ultimately the Board. As part of our commitment to understanding and reducing our environmental impact, London St. Pancras Highspeed has conducted a full spectrum Carbon Footprint Assessment (CFA) to identify the most significant emission sources across purchased goods and services, capital expenditure, and operational activities.

To ensure the Board remains informed of progress against our published sustainability targets, an annual Impact Report (formerly the ESG Report) is submitted to both the Executive Leadership Team and the Board, and is subsequently published on the London St. Pancras Highspeed website. In addition, the Group reports sustainability data on a calendar year basis to shareholders. These reports cover a broad range of topics, including quantitative performance metrics, company and supply chain policies, health and safety incidents, internal governance structures and directors' activities.

The remainder of this report outlines our approach and progress across the four core TCFD elements - Governance, Strategy, Risk Management, and Metrics & Targets - and details the work undertaken by London St. Pancras Highspeed in each area.

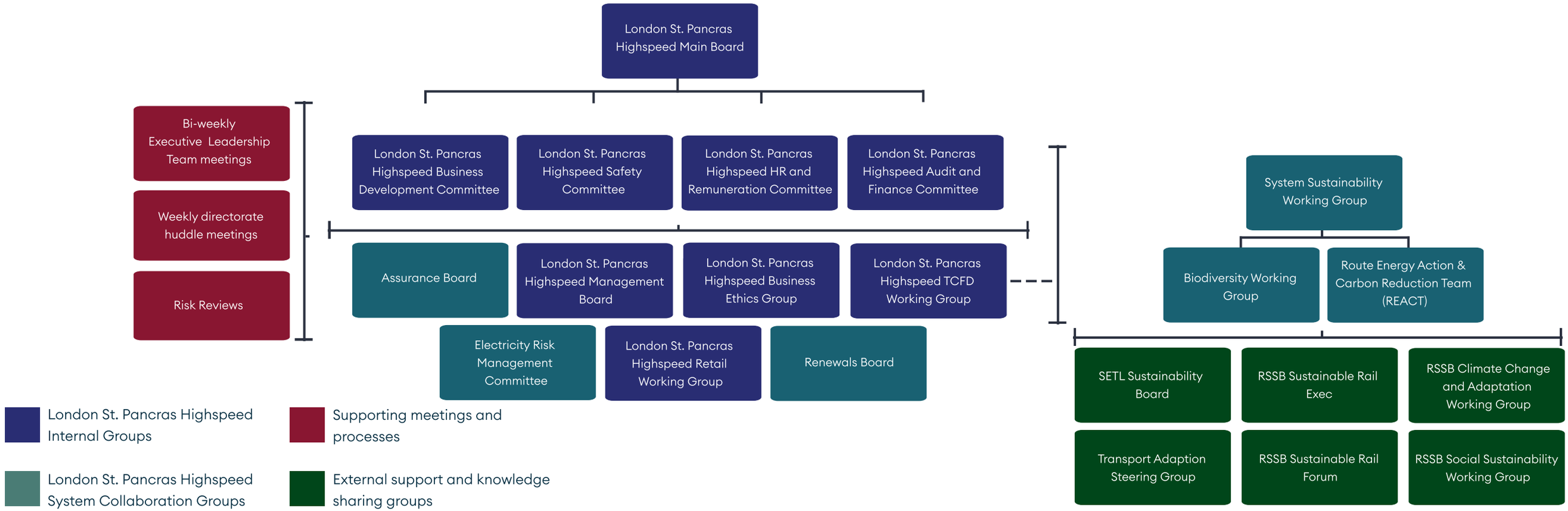
GOVERNANCE

Our reporting and governance cycles are clearly defined and aligned with the regulatory framework within which London St. Pancras Highspeed operates. These governance processes enable executive committees and senior management to evaluate climate-related risks and opportunities, and to integrate these considerations into strategic planning and decision-making.

The governance structure of London St. Pancras Highspeed, depicted in the diagram below, demonstrates a comprehensive, cross-organisational framework supported by relevant sector bodies. A summary of each committee is provided on the following page, outlining their respective meeting frequencies and key activities undertaken during the reporting period, thereby illustrating the governance mechanisms in place to ensure effective oversight and strategic alignment.

The Management Board Meeting (MGM) at London St. Pancras Highspeed, chaired by the Chief Executive Officer, provides strategic oversight of climate adaptation and mitigation initiatives through capex and renewals plans. Direct accountability for the development and delivery of these initiatives rests with the Chief Operating Officer, who is supported by Heads of Department across Assurance & Quality, Stations, Route, and Projects, as well as supply chain partners.

Executive management plays a central role in evaluating and managing climate-related risks and opportunities. The Operations team leads the analysis of these risks, supported by external expertise. In April 2025, a Climate Change Transition Risk Assessment, conducted by specialist consultants, identified key risks and opportunities associated with the transition to a low-carbon economy, providing a foundation for strategic planning and risk mitigation.



GOVERNANCE

The table below outlines the key groups with responsibilities that intersect with TCFD-related considerations.

Owner	Roles and responsibilities	Activities during 2024-25
London St. Pancras Highspeed Main Board	Oversees and reviews the effectiveness of London St. Pancras Highspeed's policies, strategies and systems for sustainability performance and reporting. Considers climate change and sustainability in the approval of major expenditure and capital projects where relevant. Responsible for the approval of climate change related goals and targets. Meets 8 times a year with 1 chairperson, 5 shareholder representatives, 2 executive directors, 1 independent non-executive director and 1 shareholder appointed non-executive director.	Strategic Risk Review updates were provided at the September Board. Reviewed the annual Impact Report and HS1 Limited's 2024 Energy Savings Opportunities Scheme (ESOS) report prior to director approval. Support the growth agenda to capitalise on the potential of low-carbon travel, including the sign-off on growth incentive discounts for train operators.
Executive Leadership Team	Meets regularly to discuss all matters concerning the business.	Provided general oversight of sustainability commitments and activities, including the sustainability-focused rebrand in early 2025. Reviewed the findings of the 2025 Climate Change Transition Risk Assessment and Climate Change Adaptation Action Plan , and discussed plans to integrate climate resilience into business operations.
London St. Pancras Highspeed Board Audit and Finance Committee	Oversees the Corporate Risk Register, which is managed by the Senior Legal Advisor as Risk Manager for the business.	Updates to the Corporate Risk Register were provided at November 2024 and March 2025 Audit and Finance Committees, inclusive of Climate risk updates where appropriate.
London St. Pancras Highspeed Safety Committee	Oversees asset risk reviews, including the impact of climate change. The impact of extreme weather events is considered.	The Safety Committee receives an annual update on asset safety, which includes where relevant impacts and risks of climate change on the safety of our assets. No significant developments in the last year.
London St. Pancras Highspeed Management Board (MGM)	Provides senior management level project oversight. Chaired by the CEO with accountability held by the Engineering and Sustainability Director, who is supported by the Heads of Department (Assurance & Quality, Stations, Route, and Projects). Project scopes include developing and delivering climate adaptation and mitigation plans in collaboration with the supply chain.	The MGM has maintained oversight of project and tender governance, ensuring sustainability criteria are embedded within procurement documentation, in alignment with strategic objectives.
Renewals Board	London St. Pancras Highspeed and NRHS meet every four weeks, with the aim of providing project governance and assurance for the asset renewals projects. The board considers environmental factors when determining the scope of renewals required for the infrastructure. This is divided into three sub-forums which meet across the period, consisting of the Change Panel, Data and Controls, and Progress and Milestone forums.	Sustainability and climate impact have been discussed in governance meetings, and reporting against sustainability targets is being formalised for renewals projects in the next control period. Within the governance structure, the Change Panel reviews project scopes, where sustainability is now a defined consideration embedded in scope documentation and decision-making.
London St. Pancras Highspeed System Sustainability Working Group	An annual meeting between sustainability professionals and senior executives from London St. Pancras Highspeed and NRHS. Senior executives are updated on progress against the Sustainability Strategy and strategic direction. Other system collaboration groups feed into this, including route and stations focused energy reduction working groups, both of which are focused on managing and reducing energy use across the London St. Pancras Highspeed estate. Other London St. Pancras Highspeed system groups include the quarterly biodiversity working group and the quarterly system sustainability working group between London St. Pancras Highspeed, NRHS, and TOCs, focused on identifying collaboration opportunities, sharing knowledge, and promoting best practice.	Quarterly meeting convened with key stakeholders, including Eurostar International Limited, Southeastern Trains, and Network Rail Highspeed. Sessions focus on sharing best practices and identifying collaboration opportunities to achieve shared goals.
Biodiversity Working Group	Discuss relevant workstreams on a quarterly basis.	Quarterly meeting held to discuss biodiversity workstreams and progress towards the biodiversity net-gain target. Oversaw the biodiversity re-baseline work for the 2024-25 financial year. Facilitated joint biodiversity-focused volunteering activities between London St. Pancras Highspeed and Network Rail High Speed.
London St. Pancras Highspeed TCFD Working Group	Oversees development of the annual TCFD report	Quarterly meeting held to review the development of the report and the associated workstreams contributing to it. Key areas of focus included the creation of a climate transition risk assessment and the formulation of an adaptation action plan.
External Groups	London St. Pancras Highspeed participates in a number of external groups to help develop an approach to climate risks and share knowledge. Examples include: • RSSB Sustainable Rail Executive – champions an industry approach to making rail the leading mode of sustainable transport. • RSSB Climate Change Adaptation Working Group – leads to a collaborative approach to weather resilience and climate change. • Transport Adaptation Steering Group – (TASG) TFL chaired group aiming at understanding and managing the risks of climate change in London.	Representatives from London St. Pancras Highspeed attend various industry and cross-industry working group meetings held by these groups throughout the year. This included attending Southeastern Trains' Climate Adaptation workshop and Quarterly Sustainability Board, as well as various RSSB-led working groups.

Table 2 - Overview of TCFD-relevant groups

STRATEGY

London St. Pancras Highspeed's strategy is to provide a low-carbon travel option connecting London with Kent and onto Europe. As part of the transition risk assessment and physical risk adaptation action plans, London St. Pancras Highspeed defined relevant time horizons - short, medium, and long-term - based on the useful life of its infrastructure, the duration of its concession agreement, and alignment with industry-wide climate targets. These timeframes form the basis for evaluating climate-related risks and opportunities and integrating them into long-term strategic planning.

- **Short Term**: 2025 – 2030 – This period covers the current Control Period for the operation of the railway.
- **Medium Term**: 2030 – 2040 – This is the period from the end of the current control period, through to the end of the Concession Agreement with the Department for Transport.
- **Long Term**: 2040 – 2050 – This defines the immediate period after the end of the concession, to help management analyse any risks and opportunities which may exist beyond the end of the concession agreement, thereby covering considerations relating to asset hand back conditions.

In 2021, London St. Pancras Highspeed conducted an initial Climate Change Risk Assessment (CCRA) to identify and evaluate material physical risks that could impact the business. The assessment concluded that the company ranks at the lower end of the climate risk spectrum, with limited exposure to significant physical climate threats. To ensure the continued relevance and accuracy of this assessment, it will be reviewed every five years, with findings integrated into the corporate risk register, which is reviewed quarterly by management, bi-annually by the Audit and Finance Committee, and annually by the Board.

The 2025 Adaptation Action Plan served two primary purposes: first, to enhance the company's overall resilience to the risks identified in the original CCRA; and second, to develop cost estimates for the implementation of priority adaptation measures.

All time horizons were assessed under two climate scenarios: a low-carbon scenario based on Representative Concentration Pathway (RCP) 2.6, which reflects conditions close to current levels of global warming (~1.5°C), and a high-emissions 'business-as-usual' scenario based on RCP 8.5, representing a potential global temperature increase of over 4°C.

While the assessment of physical climate risks considered individual asset classes, the primary focus was on evaluating the infrastructure as a whole, with the objective of informing and shaping the long-term rolling 40-year asset management plan.

The CCRA did indicate that there were potential future climate vulnerabilities in the longer term, however due to the robust design of the infrastructure, these would require further interrogation with Network Rail High Speed who have operational control on a day-to-day basis. The Adaptation Action Plan sets the direction and framework for Network Rail High Speed to develop detailed plans on an asset class level.

Heat stress and flooding were identified as the most relevant physical climate hazards; however, these risks are not expected to materialise within the defined short-term time horizon. From a transition risk perspective, a collaborative assessment with external consultants identified 11 key risks with varying levels of potential impact on the business. In parallel, six opportunities were also identified. Further details are provided in the tables within the Transition Risk section of this report.

STRATEGY

All identified risks are detailed in the following sections, categorised under physical and transition risk types. As an initial step, London St. Pancras Highspeed has mapped key risks to the previously defined short-, medium-, and long-term time horizons, providing a structured view of potential climate-related impacts over time.

Short Term – Key Physical Risks

1) Flooding and precipitation impacting all linear assets, as well as culverts, stations, buildings and other key structures.
2) Heat stress beginning to damage trackwork, due to increased temperatures, as well as damaging signalling and telecoms.

Short Term – Key Transitional Risks

1) Greenhouse gas emissions prices on indirect emissions which could impact costs through contracts.

Medium Term – Key Physical Risks

1) Flooding and precipitation continues to damage assets, including tunnels and other drainage assets.
2) Supply chains could be impacted by raw material supply and demand.

Medium Term – Key Transitional Risks

1) Rail and aviation policy could incentivise or disincentivise rail transport over aviation and road transport.
2) Availability of local renewable energy sources could impact costs.

Long Term – Key Physical Risks

1) Damage to overhead line equipment caused by drought in the long term.
2) Heat damage causing further damage to telecoms infrastructure, and signalling equipment.

Long Term – Key Transitional Risks

1) Passenger attitude towards low carbon travel may impact demand.
2) Mandates and regulation promoting a circular economy could affect operating costs.

Relevant updates on climate-related risks, mitigation measures, and associated metrics and targets are incorporated into various management reports across multiple levels of the organisation and its supply chain.

To support internal reporting, and in addition to the Climate Change Risk Assessment (CCRA), an annual Carbon Footprint Analysis (CFA) is conducted. The results, along with progress against climate-related targets, are published in the company's annual Impact Report. Further details on how sustainability matters are reported to management can be found in the *Governance* section of this report.

The Climate Transition Risk Assessment identified the most material risks and opportunities that may affect the business across the defined time horizons. While the company has not re-performed its physical risk assessment, it developed a physical risk adaptation action plan, which is intended to enhance the company's resilience to priority risks identified through previous climate risk assessments.

The outcomes of these assessments, both transition and physical, are presented throughout the remainder of this section, along with the actions being taken by management to mitigate identified risks and capitalise on emerging opportunities.

Physical Risk Scenario Analysis

The key findings of the 2021 physical risk scenario analysis are summarised below. Table 3 outlines the scoring methodology used to evaluate identified risks, while Tables 4 and 5 present the corresponding risk scores - first from the perspective of physical asset damage, then from the perspective of business disruption.

Potential vulnerability		Physical asset damage (% damage of replacement value)	Business disruption (days per annum)
Very low (1)	0-5%	Easily repairable	<1
Low (2)	5-10%	Localised damage, short term repair possible	1-5
Medium (3)	10-20%	Considerable damage, parts needing realignment	5-10
High (4)	20-40%	High costs for repair. Inspections and tests required	10-30
Very high (5)	>40%	Most parts damaged beyond repair	>30

Table 3 – Risk scoring system

	Physical asset damage				
Aggregated asset classes	Flood	Windstorm	Heat stress	Drought stress	Precipitation
1 - Tunnels	3	1	2	2	2
2 - Cuttings and retaining walls	3	1	3	3	3
3 - Viaducts	2	1	1	1	1
4 - Bridges and culverts	3	1	1	1	1
5 - Signalling and telecommunications	2	2	1	1	2
6 - Electrification (OHLE or ground electrification where applicable)	2	3	3	3	2
7 - Trackwork (track, crossings, embankments, drainage)	4	1	2	2	2
8 - Depots	2	2	2	2	2
9 - Stations, buildings general and other structures	2	3	2	2	2
10 - Line building	4	2	2	2	2

Table 4 – Physical asset damage risk score

	Business disruption impact				
Aggregated asset classes	Flood	Windstorm	Heat stress	Drought stress	Precipitation
1 - Tunnels	4	2	3	3	2
2 - Cuttings and retaining walls	3	1	2	2	3
3 - Viaducts	1	2	2	2	1
4 - Bridges and culverts	4	1	1	1	1
5 - Signalling and telecommunications	3	3	2	2	2
6 - Electrification (OHLE or ground electrification where applicable)	3	3	3	3	2
7 - Trackwork (track, crossings, embankments, drainage)	4	2	4	3	3
8 - Depots	3	3	2	2	2
9 - Stations, buildings general and other structures	3	2	1	1	1
10 - Line building	4	2	1	1	3

Table 5 – Business disruption impact risk score

STRATEGY

The primary objective of the Adaptation Action Plan was to identify both existing and additional measures that could be implemented to mitigate the physical climate risks outlined on the previous page. A summary of the existing risk mitigation measures in place is provided in Table 6.

Asset Class	Priority risk area	Current practices to mitigate risks
Culverts	Flooding	• Regular inspections and maintenance of drainage systems. • Use of CCTV for detailed inspections and monitoring of drainage capacity.
Earthworks and retaining walls	Flooding Drought	• Regular visual inspections and maintenance. • Vegetation management to prevent erosion and slope instability. • Monitoring of high-risk areas for signs of movement or instability. • Installation of physical engineering measures to prevent erosion and slope instability.
Tunnels	Flooding	• Monitoring and maintenance of drainage systems and pumps. • Installation of automated monitoring systems for critical assets such as the Ashford Box.
Trackwork	Heat stress Flooding	• Ability to apply temporary speed restrictions (though this has not yet been required). • R&D project relating to testing of lateral track stability under heat stress. • Regular inspections and maintenance of drainage systems. • Use of CCTV for detailed inspections and monitoring of drainage capacity.
Electrification	Heat stress Drought Wind	• Manual monitoring of overhead line equipment (OLE) around St. Pancras International Station due to fixed tensioning system. Automated monitoring planned to be installed during 2025. • Auto-tensioning design range up to 60°C. • No storage of any materials, flammable substances, or equipment along the trackside. • Wide corridor either side of the tracks, providing sufficient distance from lineside neighbours. • Regular lineside vegetation management.
Stations, buildings and other general structures	Flooding	• Early warning systems in place and station management teams review whether areas need to be closed in cases of heavy rainfall. • Local knowledge of flood risk at stations, buildings and other general structures.
Signalling and telecommunications	Heat stress	• Heating Ventilation and Cooling (HVAC) systems within signalling rooms and other similar areas. • HVAC systems have monitoring systems installed which trigger warnings if temperatures exceed a threshold, or if air conditioning is failing. • Addition of temporary air conditioning units during periods of increased temperatures. • Planned trial for use of heat deflective covers on equipment most susceptible to increasing temperatures.

Table 6 – Summary of existing risk mitigation measures

Our consultants have provided a number of key actions which may be required to mitigate against existing risks. Cost estimations for three key actions that may be required to increase infrastructure resilience against identified risks are listed in Table 7 below. These are one-off capital investments, rather than recurring annual costs.

Cost element	Restressing the total length of the track to a higher temperature tolerance	Installing netting to prevent landslides and landslips	Installation of Solar PV on signalling equipment rooms
Base Costs (Construction and Design).	£46,923,429	£23,000	£1,123,000
Risk.	£28,155,000	£14,000	£674,000
Total anticipated cost.	£75,078,429	£37,000	£1,797,000

Table 7 – Adaptation action cost estimation

It should be noted that restressing the total length of the track to a higher temperature to align with future temperature projections is deemed to be a long-term (2040-2050) adaptation action, and is therefore unlikely to be required within the concession period. An indicative cost estimate has been included to illustrate the potential upper bound of future adaptation investment.

STRATEGY

Transition Risks and Opportunities

The following section outlines the outcomes of the 2024-25 Transition Risks and Opportunities assessment. A summary of this assessment is presented on the following page.
These have been categorised in alignment with the Task Force on Climate-related Financial Disclosures (TCFD) framework.

The assessment followed a multi-step process, beginning with a review of the findings from the previous assessment conducted in 2021. The relevance of those findings was re-evaluated in the context of 2025. This was followed by a series of stakeholder engagements, including a dedicated workshop and one-on-one interviews between the consultants and key personnel across London St. Pancras Highspeed.

It was jointly agreed by the consultants and London St. Pancras Highspeed to base the transition risk scenarios on the Intergovernmental Panel on Climate Change (IPCC) pathways outlined in Table 8.

Scenario title	Narrative	Temperature increase by 2050
SSP1 - 2.6	Carbon emissions peak almost immediately and then reduce to Net Zero before 2100.	1.3 - 2.2
SSP2 - 4.5	Continuation of current development patterns with global emissions stabilising by 2100.	1.6 - 2.5
SSP5 - 8.5	Few restrictions are placed, resulting in emissions increasing rapidly and not stabilising by 2100.	1.9 - 3.0

Table 8 – IPCC scenarios considered

Transition risks for London St. Pancras Highspeed relate to the organisation's commitment to achieving net-zero Scope 1 and 2 emissions by 2030, in line with its published targets. Based on the recent assessment, the high-speed rail system is considered to have a low to moderate level of residual exposure to transition risks. At the same time, the transition to a low-carbon economy presents several strategic opportunities.

These opportunities are primarily aligned with:
- Shifting customer preferences toward more sustainable modes of transport.
- Policy developments that favour rail over aviation, incentivising low-emission travel.

Together, these factors position London St. Pancras Highspeed to benefit from the broader decarbonisation of the transport sector, while maintaining a proactive approach to managing associated risks.

This process resulted in a new list of transition risks and opportunities being identified and agreed upon between the stakeholders involved. These Risks and opportunities have been categorised as follows, using TCFD defined categories:
- Policy and legal
- Technology
- Market
- Reputation
- Energy Efficiency

The key below outlines the scoring systems used by the third-party consultants and relates to the two tables on the following page:
- **Table 11** shows the risks identified, as well as actions taken already by London St. Pancras Highspeed to mitigate these risks.
- **Table 12** lists the opportunities for London St. Pancras Highspeed, and details the actions already being taken by the Company to maximise the opportunities present.

Risk severity						Opportunity significance				
-5 Critical	-4 Major	-3 Moderate	-2 Minor	-1 Insignificant	Likelihood	+1 Insignificant	+2 Minor	+3 Moderate	+4 Major	+5 Very significant
-25	-23	-20	-16	-11	5 - Almost certain	+11	+16	+20	+23	+25
-24	-21	-17	-12	-7	4 - Likely	+7	+12	+17	+21	+24
-22	-18	-13	-8	-4	3 - Possible	+4	+8	+13	+18	+22
-19	-14	-9	-5	-2	2 - Unlikely	+2	+5	+9	+14	+19
-15	-10	-6	-3	-1	1 - Rare	+1	+3	+6	+10	+15

Table 9 – Risk scoring matrix

Level	Definition
5 - Almost certain	Frequent event or ever present.
4 - Likely	Happens regularly.
3 - Possible	Has occurred sporadically on more then one occasion and is likely to happen again.
2 - Unlikely	Has occurred, albeit infrequently and as an isolated event and could happen again.
1 - Rare	Has not happened yet but could conceivably happen.

Level	Financial severity
5 - Critical	An impact of >£20m
4 - Major	An impact of £10m - £20m
3 - Moderate	An impact of £5m - £10m
2 - Minor	An impact of £1m - £5m
1 - Insignificant	An impact of £0m - £1m

Table 10 – Severity and likelihood scoring

STRATEGY

Title of risk	Category	Highest scoring time horizon	Unmitigated risk score	Existing mitigation measures
Greenhouse Gas emission price on Direct Emissions could affect direct costs.	Policy and Legal	Short-term	Insignificant, certain: -11	Ongoing decarbonisation efforts and cost control negotiations that occur every 5 years.
Greenhouse Gas emission price on Indirect Emissions could affect costs through contracts.	Policy and Legal	Short-term	Major, possible: -18	Costs control negotiations that occur every 5 years.
Mandates and Regulation promoting a circular economy could affect operating costs through increased requirements.	Policy and Legal	Long-term	Minor, likely: -12	Conduct audits of material usage to suggest areas of improvements and expert opinions on regulatory compliance.
Climate change litigation could affect costs through claims brought by investors, insurers and stakeholder groups.	Policy and Legal	Long-term	Minor, possible: -8	Monitor changes in law to keep up to date with requirements; internal audit function which verifies statements before they are made public.
Rail and Aviation Policy could incentivise or disincentive rail transport over aviation and road transport.	Policy and Legal	Medium and long term	Minor, possible: -8	Business planning team use industry reports, peer analysis and economic indicators to project impacts of potential changes in policy.
New technology availability could impact London St. Pancras Highspeed's investment strategy, costs or resilience.	Technology/Resource	Short, medium and long term	Minor, likely: -12	Cost control periods that allow London St. Pancras Highspeed to communicate and renegotiate CAPEX planning with TOCs.
Energy price variations resulting from changes in the energy system could affect costs.	Technology	Short-term	Minor, possible: -8	Use CPPAs to shield from price fluctuations; setting of energy consumption reduction targets.
Emission offset prices could affect operating costs through changes in their pricing.	Market	Medium and long term	Insignificant, likely: -7	Ongoing purchase of CPPAs and initiative-taking projects that target emissions reduction and energy efficiencies.
Supply chain costs could be impacted by raw material supply and demand.	Market	Short-term	Minor, likely: -12	The existing control period (CP) arrangements mean that maintenance costs are fixed for the duration of that CP and recovered from TOCs. Renewal costs are recovered from escrow accounts as incurred. The escrows build up over time and take a long term smoothing approach including expected changes in costs.
Passenger attitude towards low carbon travel could impact demand.	Reputation/Market	Long-term	Moderate, likely: -17	Business planning team projects changes in consumer attitudes to inform how the company can be positioned.
Availability of local renewable energy sources could impact costs.	Energy Sources	Medium-term	Minor, likely: -12	The contractual arrangements mean that the majority of energy costs are recovered from TOCs . As ultimate bill payers, TOCs are comprehensively engaged on electricity procurement strategy, including whether to acquire renewable energy and the price for such energy.

Table 11 – Identified transition risks

Title of opportunity	Category	Highest scoring time horizon	Opportunity score	Positive actions
Rail and Aviation Policy could incentivise or disincentive rail transport over aviation and road transport.	Policy and Legal	Medium and Long-term	Major, likely: +21	Plans are in place to increase the capacity from 1,800 to 5,000 international passengers at St. Pancras per hour, and to introduce new train operators.
New technology availability could impact London St. Pancras Highspeed's investment strategy, costs or resilience.	Technology	Long-term	Insignificant, likely: +7	Cost reductions would be passed on to passengers via TOCs in a medium to long term, leading to a reduction in ticket prices, which will in turn increase demand and revenue.
Supply chain costs could be impacted by raw material supply and demand.	Markets	Long-term	Minor, possible: +8	The existing control period (CP) arrangements mean that maintenance costs are fixed for the duration of that CP and recovered from TOCs. Renewal costs are recovered from escrow accounts as incurred. The escrows build up over time and take a long term smoothing approach including expected changes in costs.
Energy price variations resulting from changes in the energy system could reduce London St. Pancras Highspeed's operating costs.	Markets	Medium and Long-term	Insignificant, rare: +1	The contractual arrangements mean that the majority of energy costs are recovered from TOCs and any reduction in energy costs would be passed through to them.
Changes to passenger attitudes towards low carbon travel could increase demand.	Reputation	Medium and Long-Term	Major, likely: +21	Business planning team to project changes in consumer attitudes to inform how London St. Pancras Highspeed can be positioned to benefit. Work is already underway to increase the capacity of the station, and to add more train operators.
Availability of local renewable energy courses could reduce operating costs.	Energy efficiency	Long-Term	Minor, likely: +12	Existing measures to manage costs within cost control periods allow renegotiation of CAPEX planning with TOCs in the lead up to new Control Periods. Medium to long-term OPEX savings from local renewable energy sources are passed onto passengers – via TOCs.

Table 12 – Identified transition opportunities

STRATEGY

Resilience of London St. Pancras Highspeed's Strategy to Climate Related Scenarios

London St. Pancras Highspeed's infrastructure plays a vital role in supporting the UK's national carbon reduction targets by offering a low-carbon travel alternative. Research indicates that a journey on our railway emits up to 97% fewer CO2 emissions per passenger that the equivalent flight, enhancing the company's resilience to transition risks by positioning it to benefit from growing demand for sustainable transport options.

In parallel, we have assessed the resilience of our strategy to physical climate risks. The infrastructure along the London St. Pancras Highspeed route was originally designed to withstand 1-in-100-year climate events, based on standards at the time of construction. This resilience is reassessed as part of our five-year regulatory review cycle, during which we adopt a rolling 40-year planning horizon to evaluate climate risks and inform our renewals strategy.

We actively engage with external experts and organisations to identify opportunities to further strengthen the resilience of our assets. Oversight from the regulator ensures that London St. Pancras Highspeed continues to maintain a sustainable and climate-resilient asset base, thereby reducing the likelihood of unexpected disruptions due to climate change.

R&D – Energy Use and Reduction

London St. Pancras Highspeed is committed to mitigating the risk of rising energy costs for Train Operating Companies (TOCs) by enhancing energy efficiency across its operations. We continue to make strong progress in delivering the objectives set out in the London St. Pancras Highspeed Sustainability Strategy.

A key initiative supporting this effort is REACT - a collaborative working group involving our principal supply chain partners, including Network Rail High Speed (NRHS) and UK Power Networks Services (UKPNS). This partnership leverages specialist expertise across our asset base to drive the implementation of lineside energy reduction initiatives. In parallel, London St. Pancras Highspeed chairs a dedicated working group focused on station energy efficiency, ensuring a coordinated approach across all operational areas.

In collaboration with NRHS, we have continued to implement a range of station energy-saving measures during 2024–25, including the following:

Headhouse LED Upgrades

In 2024, we collaborated with key partners to implement an energy efficiency project at two of our headhouses, which are structures located above tunnel ventilation shafts. We replaced over 250 fluorescent and high-intensity discharge lights with LED alternatives. These new LED fittings are approximately 70% more energy-efficient and have a life expectancy of up to 20 years, resulting in significant reductions in both energy consumption and maintenance costs.

The upgrades at Corsica Street and West London Portal headhouses have reduced the facilities' total energy consumption by approximately 36,400 kWh per year. These improvements form part of a broader suite of energy-saving initiatives being carried out by our dedicated energy reduction working groups. Lineside energy reduction projects are delivered on behalf of the Train Operating Companies who ultimately benefit from any reduction in electricity costs.

ESOS

This year, we submitted our third Energy Savings Opportunity Scheme (ESOS) report and accompanying action plan to the Environment Agency. ESOS is a mandatory energy assessment scheme for large organisations in the UK. Every four years, organisations are required to report their energy consumption and survey their assets for energy reduction opportunities. We conducted extensive survey work to ensure that all key opportunities were identified. Moving forward, we will continue to implement energy reduction initiatives through our dedicated working groups.

Electricity Procurement Strategy

London St. Pancras Highspeed is delivering its Electricity Procurement Strategy: we continue to reduce carbon emissions from the energy we use to power the system, with c.42% of our electricity secured via a Corporate Power Purchase Agreement ("CPPA"). We are working to increase this percentage by 2030, with a second CPPA expected to be procured, subject to pricing. If the market conditions allow, this second CPPA will ensure that up to 80% of the portfolio will be procured from zero carbon electricity sources. We actively monitor market conditions and maintain regular consultations with the Train Operating Companies that ultimately bear the financial responsibility for this electricity. London St. Pancras Highspeed is also investigating direct private wire and micro-generation (solar) schemes to further support its renewable sourcing. It is intended that any residual volume will be Renewable Energy Guarantees of Origin ("REGO") backed (subject to affordability).

RISK MANAGEMENT

London St. Pancras Highspeed has a well-established risk management framework, which includes both weekly dynamic monitoring of emerging risks and a structured formal review process. The company maintains a comprehensive Corporate Risk Register, which is reviewed on a quarterly basis through directorate-level risk reviews and updated on an ad hoc basis as new risks emerge. The register is reported to the Audit and Finance Committee, and escalated to the Board as required.

Climate-related risks are fully integrated into the Corporate Risk Register and are assessed in accordance with the company's overarching risk framework, which is aligned with ISO 31000 standards. This ensures a consistent and robust approach to identifying, evaluating, and managing climate risks across the organisation.

The diagram below illustrates the governance process for risk register management. This should be read in conjunction with the Governance section of this report for a comprehensive view of how climate risks are identified, assessed, and managed across London St. Pancras Highspeed.

London St. Pancras Highspeed conducts regular reviews of climate-related risks as part of its broader risk management framework. To enhance the robustness of these assessments, management has elected to engage external consultants, leveraging their specialist expertise to ensure that the company's approach remains current and aligned with best practice. The findings from the most recent climate risk assessment, conducted in FY25, will be integrated into the company's Corporate Risk Register and reported through established governance channels.

METRICS AND TARGETS

London St. Pancras Highspeed's Report includes all relevant climate-related metrics and targets, along with the rationale underpinning each. Where applicable, external validation is sought to ensure credibility and alignment with best practice. The company is committed to the Science Based Targets initiative (SBTi), and its energy and carbon data is independently audited through the Achilles Reduce Carbon scheme.

Detailed implementation plans and emissions reduction trajectories are outlined in the London St. Pancras Highspeed Sustainability Strategy. In FY25, Purchased Goods and Services represented the largest contributor to the company's carbon footprint. Our Energy Strategy sets out robust measures to address Scope 1 and 2 emissions, while plans to reduce Scope 3 emissions are currently under development, informed by insights from our Carbon Footprint Analysis (CFA).

Greenhouse Gas Emissions for the year ended 31 March 2025

Scope 1 emissions accounted for 6.4% of the total emissions within London St. Pancras Highspeed's direct operational control, as defined by our Streamlined Energy and Carbon Reporting (SECR) boundary. In the current reporting year, Scope 1 emissions remained broadly stable, increasing by 0.5% to 972tCO_2e, despite a rise in station footfall.

Location-based Scope 2 emissions accounted for 85.1% of emissions within our direct operational control, as defined by our SECR boundary. As outlined in the Strategy section, we continue to advance a range of energy reduction initiatives, working closely with our partners to identify and implement energy-efficient solutions across our operations. In the current reporting year, location-based Scope 2 emissions increased by 0.9% to 12,912tCO_2e, primarily due to a minor rise in electricity consumption associated with an increase in train paths. This increase is considered immaterial in the context of overall emissions performance.

Scope 3 emissions within the SECR boundary account for approximately 8.5% of London St. Pancras Highspeed's total operational emissions. In the current reporting year, these emissions remained broadly stable, increasing by 0.2% to 1,289 tCO_2e. It is important to note that this figure reflects a limited Scope 3 boundary, covering only:

- Mandatory infrastructure losses (for both traction and non-traction power)
- Diesel consumption from maintenance vehicles

In parallel, we completed our fourth extended carbon footprint analysis, which goes beyond SECR requirements to capture a broader range of indirect emissions. In 2024–25, our total carbon footprint (excluding traction energy) was 50,083 tCO_2e. Notably, emissions from purchased goods and services and capital goods accounted for over 80% of this total, underscoring the significant role of our supply chain in our overall environmental impact.

The target date for achieving net-zero across wider Scope 3 emissions is yet to be confirmed, as progress is heavily dependent on the decarbonisation efforts of our suppliers. We remain committed to refining our Scope 3 calculation methodologies and developing robust reduction strategies in the coming years.

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