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SWISSRAIL

A red Swiss Rail train is crossing a stone viaduct in a mountainous, forested landscape. The train is moving from left to right across the bridge. The background shows steep, rocky hillsides covered in dense green and autumn-colored trees. The sky is overcast.

Sustainability Study

Swissrail

An aerial photograph showing a road with several colorful roofs (red, orange, blue) on the left side, and a dense green forest on the right side. The text 'Sustainability as the key to the railway industry's future' is overlaid on the image.

Sustainability as the key to the railway industry's future

Editorial

Andreas Haas
Managing Director
Swissrail

André Arrigoni
Board of Directors
Swissrail

Eric Cosandey
Board of Directors
Swissrail

Sustainability has long evolved from being just a trend into an integral part of corporate strategy. This shift is clearly reflected in the latest survey results from our Swissrail study, which provide valuable insights into the current state of sustainability transformation within the railway industry. It's clear that its importance will only continue to grow.

Despite positive developments, sustainability in many companies is still largely driven by external factors such as regulatory requirements and tender processes. While external pressure serves as an important driver, companies need to cultivate stronger intrinsic motivation to meet sustainable goals effectively and over the long term.

Core issues on the sustainability agenda include environmental concerns, reducing CO₂ emissions, and resource management. However, the maturity of sustainability efforts in many companies still has room for improvement. A formal sustainability strategy, regular reporting, and measurable progress on defined goals are essential to gauge maturity, and there remains significant potential for development.

A quarter of companies have already set concrete targets for achieving net zero emissions, with most aiming for 2050. Setting these targets is an important step forward, yet businesses face challenges such as high costs, limited data availability, and complex regulatory demands.

Most companies recognise the potential of digitalisation is supporting sustainability transformation, particularly in areas like data management, monitoring, and transparency.

However, the digital opportunities have yet to be fully realised. In the coming years, digitalisation will become even more critical, presenting companies with a significant opportunity to drive sustainability through modern technologies.

In addition to our survey, we've expanded our analysis through discussions with rail operators and an interview with SBB's Head of Sustainability. This interview offers interesting insights into their approach to sustainability, their key focus areas, and the current challenges SBB is facing.

In conclusion, sustainability will continue to gain importance. Embedding it at the highest management level, overcoming implementation challenges, and taking advantage of the opportunities presented by digitalisation will be key drivers in the sustainability transformation over the next few years. Companies that succeed in meeting these challenges and use digitalisation as a catalyst to create resource-efficient, innovative processes, products, and services will secure a lasting competitive advantage.

At Swissrail, we are fully committed to supporting these companies in their journey and engaging effectively with mobility operators and authorities.

We hope you find the report enlightening and that it offers valuable takeaways!

2. Survey Analysis

Our survey of 77 participants unsurprisingly reveals that sustainability already plays an important role in many companies. Sustainability is usually firmly integrated into corporate governance and is expected to gain more importance going forward. Despite positive developments in the strategic integration of sustainability, there are still challenges, particularly in the areas of data availability and the application of standardised reporting formats.

Digitalisation is often seen as a supportive element that helps to achieve sustainability targets. However, the survey also reveals that the use of digitalisation in this context usually varies significantly. Companies have taken important steps to further support sustainability through digitalisation. However, it is clear that further action is still needed in some areas.



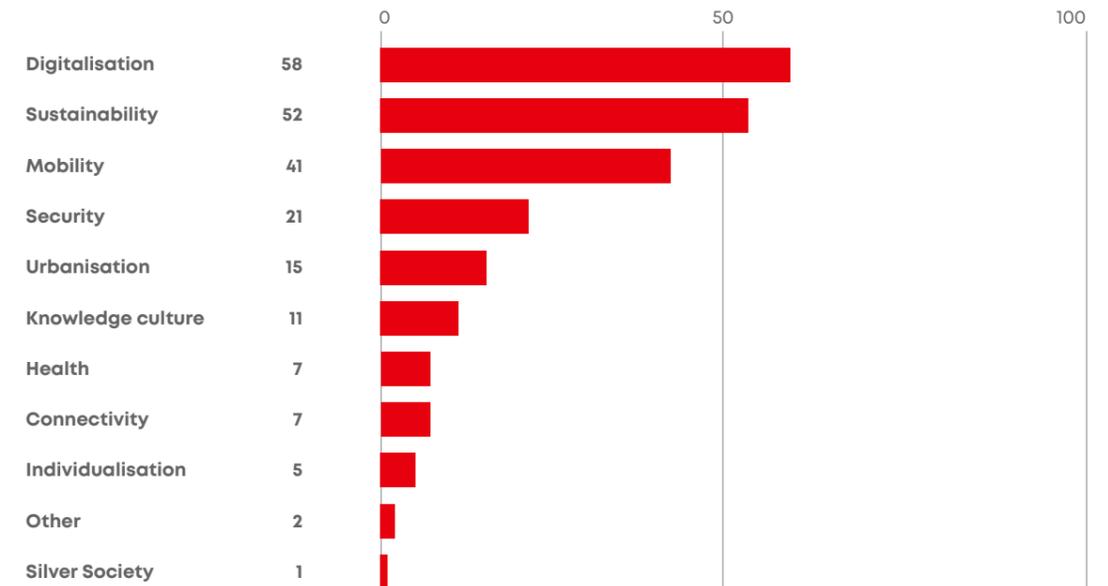
Digitalisation and sustainability dominate business agendas

The Importance of Sustainability and Emerging Trends

According to the survey results, many companies already view sustainability as an important issue. On a scale of 1 to 5, the current appraisal of sustainability was rated at an average of 3.48. For mid-term business development (3–5 years), respondents rated its importance even higher, at 4.18, indicating its increasing relevance.

In most of the companies surveyed, people at top management level were responsible for sustainability, suggesting a strategic commitment to the issue. The most frequently mentioned trends for mid-term business development include digitalisation, sustainability, and mobility.

Which trends do you consider most important for your mid-term (3–5 years) business development?



The survey results also show that companies' sustainability transformation is largely driven by external factors such as statutory requirements, customer demands, and tenders. Drivers that could be classified as "internal" were not cited as often.

45% of the companies surveyed have already carried out a materiality assessment to identify and prioritise their sustainability issues. 42% stated they have not performed such an assessment yet. The remaining 13% confirmed

they have a material assessment planned, but it has not been completed yet.

Respondents identified environmental issues, the reduction of CO₂ emissions, and resource management as the most crucial sustainability topics, and made these their top priorities.

56%

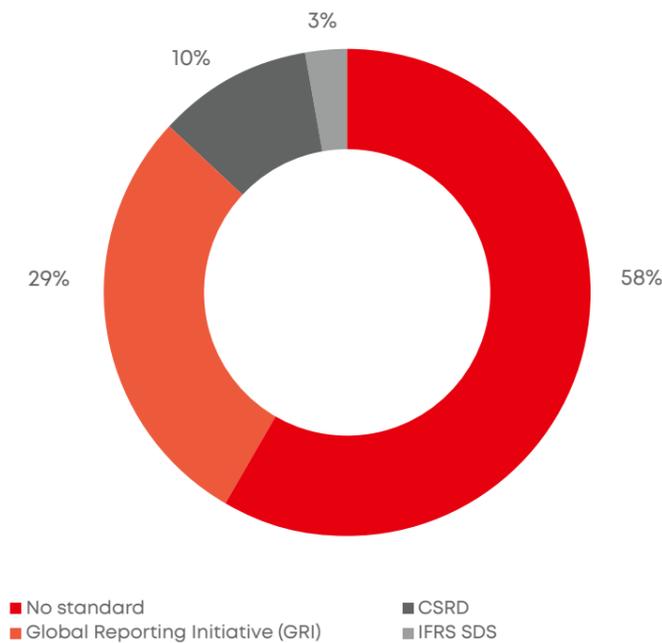
have a formalised sustainability strategy

Company Progress on Sustainability

The survey shows that 56% of respondents have already established a formal sustainability strategy with clear objectives. Additionally, 90% of participants reported that they have begun implementing key measures to meet these targets, although only 2 out of 77 have carried out their planned actions in full.

In terms of sustainability reporting, 36% of companies have published comprehensive reports. However, the use of reporting standards varies, with 58% of respondents stating they do not adhere to any specific standards in their reports.

Which standard to you follow for your sustainability report?



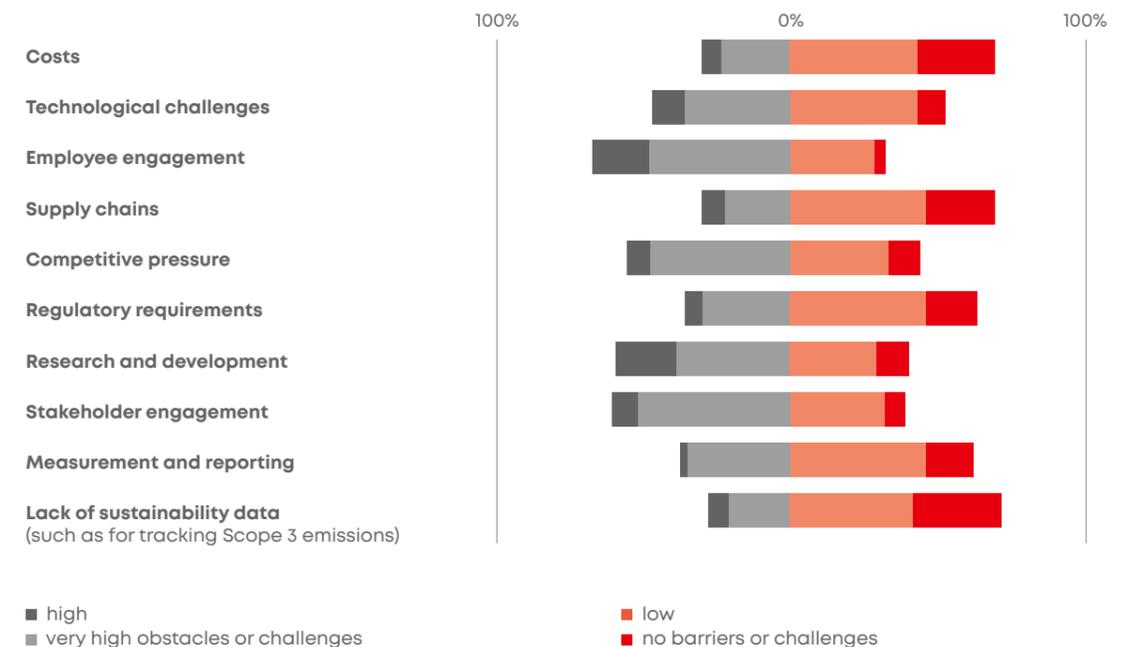
The adoption of sustainability ratings, norms, and standards is also inconsistent: EcoVadis, a CSR rating, and ISO 14001, an environmental management system standard, are the most frequently cited tools for assessing and managing sustainability progress. On the other hand, 20% of companies are either unfamiliar with or do not apply any norms or certifications. One third of respondents reported receiving stakeholder enquiries about their sustainability practices, while 42% said they have been asked to provide both product-specific and company-wide sustainability certifications. These findings reflect the survey's broader conclusion that external factors are the main drivers behind companies' sustainability efforts.

A quarter of companies have already set concrete targets for achieving net zero emissions, with most aiming for 2050. Many are focusing on energy efficiency initiatives and increasing the use of recycled materials as part of their sustainability measures. The survey revealed the following key insights:

- Strong commitment to energy efficiency**
 74% of participants have implemented energy-saving measures, showing a widespread focus on reducing the impact on the environment.
- Adoption of circular economy practices**
 58% of companies are actively using recycled or reusable materials, demonstrating a clear shift toward sustainable resource management.
- Extending product life cycles**
 Half of the companies surveyed have taken concrete steps to conserve raw materials and resources by extending product life cycles, highlighting a growing emphasis on sustainability throughout the value chain.
- Greater use of green energy**
 Around 50% of respondents are prioritising the increased use of renewable electricity, reflecting a strong trend towards adopting renewable energy sources.
- Reducing reliance on fossil fuels**
 A third of participants see the reduction of fossil fuel use, such as diesel, as a critical step, underscoring the rising importance of clean energy alternatives.

The survey also indicates that over 60% of respondents perceive challenges such as costs, limited data availability, complex regulatory requirements, and uncertainty as major barriers to sustainability transformation.

Where do you see the greatest obstacles and/or challenges to sustainability transformation in your company?



Sustainability and Digitalisation

The survey reveals that most companies recognise the significant potential of digitalisation in supporting and accelerating their sustainability transformation. 56% of respondents rated the impact of digitalisation in this area as high or very high. A further 35% believe its impact is moderate, while only 9% foresee limited or negligible effects.

The primary areas of focus include innovation and automation, as well as data management and monitoring, with roughly one third of respondents identifying these as key priorities. Additionally, some companies reported more specific initiatives, such as the use of digital twins and reducing paper consumption through digital solutions.

The survey suggests that many organisations have yet to implement a cohesive strategy for integrating digitalisation into their sustainability efforts. This is evident from the wide range of individual applications mentioned, indicating that a large portion of companies have not yet established a clear and comprehensive digitalisation framework for sustainability.

Looking ahead, more than half of the companies surveyed (57%) plan to expand the use of digitalisation to help them achieve their sustainability targets. The findings indicate that digitalisation will play an increasingly vital role in the coming years, particularly in areas such as data management, monitoring, and transparency. These were identified as key future priorities, followed by initiatives aimed at improving resource efficiency and driving innovation and automation.

What measures do you plan to adopt to integrate digitalisation into your sustainability transformation?

Data management & monitoring & transparency	23
Resources & efficiency	12
Environment & sustainability	8
Yet to be defined	2
Supply chains	5
Innovation & automation	9
Other	5
Number of mentions	64

39% of respondents confirmed that digitalisation already plays a central role in their sustainability strategy. A further 18% plan to incorporate digitalisation in the future. However, one third of companies do not currently see digitalisation as relevant to their sustainability plans.

The survey results present a varied picture when it comes to the integration of sustainability into digital strategies. 29% of respondents indicated that sustainability is a part of their digital strategy, while 42% reported that it is not. Meanwhile, 21% of companies intend to make sustainability a core element of their digital strategy in the future.

When considering both sides, the data reveals that a notable number of companies (21 cases) have yet to integrate digitalisation into their sustainability strategy or vice versa. This underscores the fact that the full potential of digitalisation to drive sustainability transformation remains largely untapped.

Is sustainability part of your digital strategy?

	Yes	No	in planning
Is digitalisation part of your sustainability strategy?	26	8	5
Yes	3	21	–
No	–	3	11
in planning			



Digitalisation has the potential to accelerate sustainability efforts

3. Interview with SBB



Christina Meier
Head of Sustainability, SBB

Swissrail: As a major rail operator, how do you see the current relevance of sustainability within the rail industry?

Christina Meier: Sustainability is one of the major issues across the industry, not least because Switzerland's rail sector has consistently secured funding over the years due to its environmental advantages. Projects like Rail 2000 or the NEAT, with the Gotthard Base Tunnel, were made possible for this reason. Initiatives such as the Half-Fare Travelcard, along with many other innovations, came about in response to recognised environmental challenges that needed solving.

Maintaining this environmental edge is essential. But beyond the environmental benefits, sustainability also offers economic advantages: It's a strong selling point for customers, helps us save money through efficient resource use, enhances our appeal as an employer, and increases our resilience. Not least, our licence to operate is closely tied to our sustainability efforts. So, sustainability is a core element of everything we do.

SR: In your opinion, what are the key sustainability priorities for SBB as a large rail operator?

CM: Social sustainability has always been a major focus, particularly in cooperation with unions, and, of course, the financial aspect remains vital. In the social sphere, key issues include safety, health, and diversity & inclusion. Over recent years, environmental concerns have gained even greater importance. We manage extensive infrastructure and have a high energy demand, so climate and energy headline the agenda. Given our considerable material requirements, the circular economy is a crucial area for the future. Our construction activities have a significant impact on ecosystems, both for people and nature, so we build to the highest sustainability standards and actively promote biodiversity. Further key areas include adapting to climate change and pursuing sustainable procurement practices.

SR: How do you assess the growing importance of sustainability in the industry?

CM: Sustainability has definitely gained momentum, and all rail operators have made significant strides in this area. We see ourselves as setting a good example here. But with increasingly strict regulations, no one can afford to overlook sustainability anymore.

SR: Where do you stand in terms of implementing your sustainability strategy?

CM: In the area of the environment, our key priorities are climate & energy, circular economy, sustainable construction, biodiversity, climate adaptation, and sustainable procurement. Overall, we're on the right path and have already initiated over 200 measures to advance sustainability within the organisation. In the area of climate & energy, for instance, we've committed to replacing all oil and gas heating systems in our properties with sustainable alternatives by 2030. We've already exceeded our emissions reduction targets for operational greenhouse gases. Our biggest challenge at the moment is setting a clear emissions reduction pathway for our supply chain (Scope 3). It's clear that we need to focus on emissions from materials like concrete and metals. This also means that rolling stock needs to become less carbon-intensive, though this will only be reflected in procurement in the medium to long term. We're making progress on the circular economy and biodiversity fronts, but there's still significant potential. In these areas, we're often reliant on the long investment cycles in the rail sector and the willingness of the federal government to provide funding.

SR: Which sustainability issues do you see as central for the future?

CM: I believe the key issues we're focused on today will continue to hold significant importance in the future. However, expectations will increase, especially with the growing transparency required by regulations on non-financial reporting and due diligence. Additionally, emerging topics like PFAS (per- and polyfluoroalkyl substances) will become more prominent. We still know relatively little about the impact of these substances, and we're only just starting to understand where they have been used. New regulations will likely affect both us and the manufacturing industry as a result.

SR: What expectations do you have regarding external stakeholders in your supply chain, both upstream and downstream, when it comes to sustainability?

CM: In our efforts to reduce greenhouse gas emissions across the supply chain, the sustainability of our suppliers is crucial. Currently, we assess suppliers using the EcoVadis rating system and include sustainability criteria in our procurement process, such as green steel and recycled concrete.

SR: What new demands do you foresee for the railway industry?

CM: It is likely that the federal government, as our owner, will set a target for us to reach net zero emissions in Scope 3 by 2050. Although this may seem far off, the groundwork needs to begin now. This means we'll also see increasing demands placed on our suppliers. One of our core environmental goals is to advance the circular economy. For instance, a modular design allows products to be repaired and repurposed after the end of their life, which positively impacts Scope 3 emissions.

SR: Mrs. Meier, it has been a pleasure, thank you for your time.

4. Conclusions and Recommendations

Sustainability progress

The importance of sustainability, and the associated ESG criteria, continues to grow, including within the rail sector. Many organisations are recognising sustainability as a strategic priority at the highest levels of management. A major driver behind this shift is the new regulatory requirement around Non-financial Reporting (CSRD), which increase executive accountability and highlight the urgency for sustainable business practices.

However, sustainability is not seen purely as a regulatory obligation. With a future increasingly shaped by environmental concerns, rail operators are identifying clear advantages in embracing sustainable business models early on. Talks with various operators reveal that many view sustainability as a potential competitive advantage, particularly if they can achieve price parity between traditional and sustainable products and services. There is a shared belief: the most sustainable option should also be the most affordable one.

That said, implementing these changes within the rail sector remains a challenge, as it is traditionally a low-margin industry. Price continues to play a key role in decision-making, and sustainability measures need to be both environmentally and economically viable to ensure long-term success.

Corporate progress

Given the central role that cost plays in the rail industry, and the fact that sustainability measures often come with additional expenses, external motivators are essential in driving the transformation toward sustainability. One such motivator is the new CSRD requirements, which oblige companies to report comprehensively on their environmental impacts. This demands a great deal of work in collecting, processing, and managing relevant data, posing a major challenge for many businesses.

Nevertheless, most companies have set the goal of achieving net zero by 2050, aiming to become climate neutral. Around 90% of companies have already implemented measures to establish more environmentally friendly operations.

Many rail operators are considered leaders in the field of sustainability, going beyond regulatory demands to focus on key issues such as climate protection, land use, and circular economy practices. These companies see early integration of sustainability into their strategic decision-making as a potential competitive edge, especially when selecting suppliers who, in the long term, must hold credible sustainability certifications. This demonstrates how sustainability is viewed not only as an obligation but as a strategic opportunity to capitalise on the advantages created by possible future price parity.

How can digitalisation drive sustainability?

Digitalisation can play a crucial role in advancing sustainability across various areas. Firstly, it enables precise tracking and analysis of environmental data, allowing companies to monitor and actively reduce their impact on the environment. It furthermore helps to optimise the use of resources and processes through automation and innovative technologies, such as digital twins, which contribute to boosting efficiency and cutting waste. Moreover, digitalisation can support the shift towards a circular economy by improving data collection and transparency throughout the supply chain.

However, it also presents challenges that could impede sustainability efforts. Rising energy consumption pushing up greenhouse gas emissions, electronic waste, and the risk of greenwashing are all potential obstacles to genuine progress. Through careful planning, a focus on energy-efficient practices, and transparent reporting, businesses can address these challenges early on.

Companies that tackle these issues head-on will ensure that their digital transformation aligns smoothly with their sustainability objectives. In doing so, not only will they minimise negative impacts, they will also leverage digitalisation to create significant, positive environmental outcomes, positioning themselves as leaders in sustainable business.

4



Maximising positive impact by coordinating sustainability and digitalisation

5. Summary

The industry is making strong strides towards sustainability, and more businesses are recognising this transformation as a valuable economic opportunity. Once the external conditions are in place, the unique selling point (USP) of sustainable transport can be realised in full. There's a shared interest across the industry in strengthening this USP for the sector as a whole. To that end, companies should:

1. Collaborate, particularly at the trade association level, to ensure these external conditions are put in place without delay.
2. Continue working towards sustainability so that the sector can fully capitalise on this USP.

Coordination efforts within trade bodies and a clear strategy for action can be key elements on the road to success. Whether it's implementing new measures, introducing a sustainability strategy, or adhering to standards like CSRD, all companies face similar challenges. With the support of internal and external specialists, these challenges can be effectively managed.

5



Working together
towards net zero

Contact

Swissrail
Sibylle Buess

Eraneos
André Arrigoni

Editorial Team
Johannes Mäder and Aeneas Talmon

Authors
Joao Souto, Davis Bruvers,
Katharina Kuchler, Aeneas Talmon,
Lars Anschütz, Johannes Mäder,
Maxime Hasse, Christoph Dewald

eraneos

Eraneos Switzerland AG
Andreasstrasse 11
CH-8050 Zurich

SWISSRAIL

Swissrail Industry Association
Taubenstrasse 32
CH-3011 Bern