

Howard Taylor
Head of Asset Management



Jo Lewington
Chief Environment & Sustainability Officer
Network Rail
By e-mail only

20 March 2026

Dear Jo

Environmental measures in CP7

I am writing to set out how ORR will work with Network Rail on its new or updated environmental sustainability measures in CP7.

Our [PR23 Final Determination](#) (published 31 October 2023) described a suite of environmental measures and Network Rail committed to report on this suite of measures in its [Business Plan for CP7](#). However, at the time of finalising the determination, many of these measures were still being refined and the remainder required further collaborative engagement to confirm the forecasts for CP7. So, our PR23 Final Determination stated that ORR would work closely with Network Rail in the first years of CP7 to finalise the measures and forecasts.

This engagement has taken place over the last two years and details of the new measures and forecasts have now been formalised through the Managing Change process ([ORR decision 26 Sep 2025](#)).

This letter sets out how we intend to hold Network Rail to account in CP7 on specific environmental measures, and supplements our published [PR23 Outcomes](#) and [Holding To Account Policy](#) for CP7. This letter does not seek to alter or replace anything stated in those PR23 documents, only to provide further clarity.

How we will hold Network Rail to account for each measure in CP7

In the attached annex we have set out the following information for each measure:

- Key principles of the measure;
- Key factors Network Rail has included / excluded from forecasts for CP7; and
- Details of how we will hold Network Rail to account in CP7.

In line with [HMT's policy paper](#) of 31 March 2025, we are actively taking steps which reduce the administrative burden of regulation by the end of the current Parliament. We have worked with Network Rail since March 2025 to streamline the periodic and annual reporting of environmental data, making better use of Network Rail's internal reporting, rather than generating reports solely for regulation. There are also several measures (noted in the attached annex) where Network Rail is undertaking work to refine its environmental models and reporting. We have both agreed to wait until

Network Rail can produce this reporting efficiently; and we will use the available data and qualitative information in the interim.

Looking forwards

It is important to recognise that environmental sustainability is a rapidly advancing area. It is likely that there will be changes to the assumptions, plans and methods of analysis, across many of these measures in CP7. A key principle in how we hold Network Rail to account will be to provide transparency to funders and railway users on what is changing; and to confirm that Network Rail's decisions in light of those changes are timely, efficient and in line with best practice (having regard to all relevant circumstances, including funding) - as opposed to simply testing whether Network Rail has hit the values forecast at the start of CP7.

Furthermore, Rail Reform will bring about a fundamental transformation of the industry and presents opportunities to improve environmental sustainability and how it is reported. We look forward to engaging with you throughout CP7 to ensure high-quality data is being collected and leveraged to drive continuous improvement, and establish a solid foundation for environmental outcomes in the future.

We welcome proposals from Network Rail at any point in CP7, for ways to improve on the measures discussed in this letter. Thank you to you and your team for the constructive engagement on these measures over the last two years.

Yours sincerely

Howard Taylor

ANNEX – details for each environmental sustainability measure

General approach to Tier 1, Tier 2 and additional assurance measures

In line with our published [PR23 Outcomes](#) and [Holding To Account Policy](#) for CP7, we will hold Network Rail to account against environmental measures based on their 'Tier':

- For Tier 1 Success Measures we will:
 - Provide annual, public reporting on Network Rail's actual performance relative to its baseline trajectory, including commentary to explain any deviations.
 - Collect data on Network Rail's actual performance throughout each year of CP7. If Network Rail's actual performance deviates significantly from the baseline trajectory, we will seek evidence to understand why. If we have concerns that Network Rail is not meeting its obligations, we will investigate further, in accordance with our holding to account policy, which may result in regulatory action.
- For Tier 2 Supporting Measures we will:
 - Require Network Rail to provide annual reporting on its actual performance relative to its forecast, including an explanation for any deviation. We may then provide commentary on this in our annual reporting.
 - Collect data on Network Rail's actual performance throughout the year. If Network Rail's actual performance deviates from its forecast this will not automatically result in any action from ORR, but we will monitor through our business as usual engagement and request additional evidence where appropriate. If we have concerns that Network Rail is not meeting its obligations, we will investigate further, in accordance with our holding to account policy, which may result in regulatory action.

We will also collect data on other additional assurance measures, which may include undertaking further investigations. We may provide commentary on these measures in our annual reporting, especially where we feel these underpin delivery of Tier 1 measures.

The following tables provide specific details for each measure.

Carbon emissions scope 1 and 2 (all regions)

This measures the reduction in non-traction carbon emissions coming directly from Network Rail's activities or activities under its control (scope 1) and from the generation of the energy which Network Rail purchases (scope 2).

Key principles	Included / excluded in NR's CP7 forecasts	How ORR will hold to account
- In PR23 we determined this is a Tier 1 Success Measure and that Network Rail must set a 'baseline trajectory'. Baseline trajectories quantify our expectations of what Network Rail is required to deliver in CP7. Our decisions on the level of each baseline trajectory are informed by our assessment of Network Rail's regional forecasts, including the approach and methodology used, assumptions made and engagement with stakeholders. - Our PR23 Outcomes document included baseline trajectories and percentage point changes for each year of CP7 relative to the 2018-19 baseline emissions. But our determination noted that an Independent Reporter study found Network Rail had excluded key factors and was likely to outperform its forecasts significantly. So our determination said we would treat the baseline trajectories as a minimum requirement and that Network Rail needed to engage with us and produce a plan to address the Independent Reporter's recommendations. - In CP7 Year 2 Network Rail updated its baseline and forecasts and presented these to ORR for review. We concluded that the revised forecasts were not materially different to those in our PR23 Final Determination and that work to address the Independent Reporter recommendations was ongoing. So we have not formally revised the baseline trajectories but, in	Network Rail's forecasts for this measure include: - Reduction in emissions from Network Rail's management of buildings and infrastructure. This is within Network Rail's control. - Reductions in emissions from Network Rail's management of its stations. This is within Network Rail's control. - Reductions in emissions from Network Rail's plans to replace its road fleet with ZEVs, so far as reasonably practicable. Since PR23 Network Rail has identified that it may only be reasonably practicable to replace c.30% of its fleet with ZEVs by the end of 2027. We understand that discussions are ongoing between Network Rail and DfT on Government's expectations for transition by end of 2027 and that initiatives by Network Rail and its supply chain may allow Network Rail to exceed its current forecast significantly. This is partly within Network Rail's control, and partly dependent on Network Rail's vehicle supply chain. Network Rail has excluded the following items from its forecasts for this measure: - Scope 1 and 2 carbon emissions relating to Network Rail's Route Services function will be reported separately, described below. - At PR23, Network Rail's forecasts excluded reductions in the emissions per unit of energy Network Rail purchases (referred to as 'grid decarbonisation'). This is driven by changes National	- This is a Tier 1 Success Measure - see approach to Tier 1 measures above. Our holding to account for this measure will consider the following specific items: - Annual reporting will need to include emissions broken down into the categories within and outside of Network Rail's control. - Because grid decarbonisation is largely outside of Network Rail's control, our annual reporting will explain whether Network Rail's assumptions about third parties (e.g. National Grid / NESO) were accurate and what impact this had on Network Rail's scope 1 and 2 measure. We will only consider further investigations or regulatory action for the components of the scope 1 and 2 emissions which are within Network Rail's control. - To provide transparency to Funders and railway users, we may provide commentary in our annual reporting on elements of Network Rail's carbon emissions, which it chose to exclude from its forecasts (for example Corporate Power Purchase Agreements). - Because Network Rail has ongoing initiatives which would allow it to significantly improve on its ZEV transition forecasts, we will monitor the ZEV transition programme closely and provide transparency on any changes in our annual reporting. If the assumptions behind Network Rail's

our public reporting, we will provide transparency on the evolution of plans and forecasts throughout CP7. • In PR23, Network Rail's forecasts were presented as percentage point reductions relative to previous control periods and were based on <i>assumed</i> values for the end of CP6. In CP7 Year 2, Network Rail has updated its CP6 exit position data and we will use these updated values to monitor Network Rail's performance for this measure. • Some factors that influence scope 2 emissions are outside of Network Rail's control. ORR chose to use this measure (as opposed to only measuring reductions within Network Rail's control) based on the recommendation of the Independent Reporter study; and because we considered this more holistic measure to be more meaningful to the public, Government funders and other Government departments. • In 2023 DfT contacted all 'arms length bodies' (including Network Rail) indicating a requirement to replace their fleet of vehicles with Zero Emission Vehicles (ZEVs), so far as is reasonably practicable, by December 2027. In 2024 the incoming Secretary of State confirmed this December 2027 target.	Grid and energy suppliers are making to reduce carbon emissions, in line with Government objectives. • However, in Year 2 of CP7, Network Rail's updated forecasts introduced grid decarbonisation, based on the Holistic Transition set out in a National Energy System Operator (NESO) Pathways publication in July 2024. Grid decarbonisation is largely outside of Network Rail's control, but is likely to be a significant contributor to overall reductions. • Network Rail's forecasts exclude Scope 1 and 2 emissions reductions associated with Corporate Power Purchase Agreements (PPAs). These agreements are within Network Rail's control. • Network Rail has previously committed to 'rationalising' its regional road fleets (i.e. reducing the total number of vehicles it needs, rather than just replacing diesel vehicles with ZEVs). Work is ongoing to quantify the reductions from fleet rationalisation, so it is currently excluded from forecasts.	forecasts change significantly, it may be appropriate for Network Rail to update its forecasts. • Because Network Rail has an ongoing initiative to rationalise its road fleet, we will monitor this closely and provide transparency on any changes in our annual reporting. If the assumptions behind Network Rail's forecasts change significantly following further discussion between Network Rail and DfT, it may be appropriate for Network Rail to update the forecasts.
---	--	---

Carbon emissions scope 1 and 2 (Route Services)

This measures the reduction in non-traction carbon emissions coming directly from Network Rail's Route Services activities or activities under Route Services' control (scope 1) and from the generation of the energy which Route Services purchases (scope 2).

Key principles	Included / excluded in NR's CP7 forecasts	How ORR will hold to account
- Route Services scope 1 and 2 emissions is a sub-set of Network Rail's Tier 1 success measure for scope 1 and 2. - The Route Services emissions were not quantified in the Scope 1 and 2 forecasts at the time of our PR23 Final Determination. - Our PR23 Final Determination set out a requirement for Network Rail to address the recommendations from the Independent Reporter's review. The recommendations included producing a baseline and forecast for Route Services emissions, which had been omitted from the regional forecasts. - During CP7 Years 1 and 2 Network Rail has provided information on its forecast emissions reductions from Route Services, for ORR to review. Work is ongoing to develop these forecasts.	During years 1 and 2 of CP7, Network Rail has presented forecasts for emissions reductions in Route Services. Forecasts for this measure include: - Reductions in emissions from Network Rail's Route Services rail fleet (rail based machines). This is within Network Rail's control. - Reductions in emissions from Network Rail's Route Services' plant and machinery. This is within Network Rail's control. - Reductions in emissions from Network Rail's Route Services' Sites (buildings and infrastructure). This is within Network Rail's control. - Reductions in emissions from Network Rail's Route Services' plans to replace its road fleet with ZEVs, so far as reasonably practicable. Please see the rationale set out in the Carbon emissions scope 1 and 2 (all regions) section above, the same rationale applies for Route Services. This is partly within Network Rail's control, and partly dependent on Network Rail's vehicle supply chain. Network Rail has excluded the following items from its forecasts for this measure: - At PR23 Network Rail did not include a baseline or CP7 forecast for Route Services emissions reductions. - However, during Years 1 and 2 of CP7, Network Rail has provided ORR with a 'work in progress' baseline and forecast, which we will monitor it against. Work is still	- This is a Tier 1 Success Measure - see approach to Tier 1 measures above. Our holding to account for this measure will consider the following specific items: - Annual reporting will need to include emissions broken down into the categories within and outside of Network Rail's control. - Because the 'rail fleet' programme makes up a significant proportion of Route Services' emissions reduction trajectory for CP7, we will monitor this closely and report on how this is impacting overall scope 1 and 2 emissions reductions. - Because Route Services has ongoing initiatives which would allow it to significantly improve on its ZEV transition forecasts, we will monitor this closely and explain any changes in our annual reporting. If the assumptions behind Route Services' forecasts change significantly, following further discussion with DfT, it may be appropriate for Network Rail to update the forecasts. - Because Route Services has an ongoing initiative to rationalise its road fleet, which has been excluded from its carbon forecasts, we will monitor this closely and explain any changes in our annual reporting. If the assumptions behind Route Services' forecasts change significantly, it may be appropriate for Network Rail to update the forecasts. - Because grid decarbonisation is largely outside of Network Rail's control, our annual reporting will explain whether Network Rail's assumptions about third parties

	ongoing by Route Services to make its reporting consistent with the regions. • Network Rail has previously committed to 'rationalising' its Route Services road fleet (i.e. reducing the total number of vehicles it needs, rather than just replacing diesel vehicles with ZEVs). Work is ongoing to quantify the reductions from fleet rationalisation, so it is currently excluded from forecasts. • As with scope 1 and 2 emissions for regions set out above, Network Rail has excluded emission reductions from Route Services arising from Corporate PPAs, which is within its control. • Emissions from helicopter usage have been defined as scope 3 emissions by Network Rail and have been excluded from its forecasts for scope 1 and 2.	(e.g. National Grid / NESO) were accurate and what impact this had on Network Rail's carbon emissions scope 1 and 2 measure. We will only consider further investigations or regulatory action for the components of the scope 1 and 2 emissions which are within Network Rail's control. • To provide transparency to Funders and railway users, we may provide commentary in our annual reporting on elements of Network Rail's carbon emissions, which it chose to exclude from its PR23 forecasts (i.e. Route Services activities, or Corporate Power Purchase Agreements).
--	---	---

Whole life infrastructure carbon (WLIC) emissions (all regions)

This measures the reduction in carbon associated with procurement, renewal, maintenance and ultimately disposal of its assets. This includes carbon emitted to manufacture the construction materials Network Rail uses (referred to as ‘embodied carbon’), as well as emissions from the renewal and maintenance work (for example vehicles and generators used on construction sites).

Key principles	Included / excluded in NR’s CP7 forecasts	How ORR will hold to account
• This can be difficult to measure, but it has been estimated to contribute more than 60% to Network Rail’s total carbon emissions. • In PR23 we determined this is a Tier 2 Supporting Measure and that Network Rail must provide a set of regional baselines and forecasts for whole life infrastructure carbon emissions for the remaining years of CP7 in its year 2 delivery plan. • This WLIC measure was explicitly required by DfT’s HLOS. • Network Rail has developed an interim measure for use in CP7 Year 2, based on Network Rail’s spending on different activities and an estimate of WLIC per unit of spending. This interim measure does not provide an accurate quantification of WLIC, but it does provide useful information about the relative contributions of different asset types or regions, which will help inform the development of the permanent measure. We approved the introduction of the interim measure through the Managing Change process in September 2025. • Network Rail has provided a high-level plan for how a more enhanced measure for WLIC will be developed during year 2 of CP7, which will be based on more accurate ‘bills of quantity’ data for a range of ‘key volume line’ (KVL) asset materials. We are continuing to engage with Network Rail on development and implementation of its permanent WLIC measure.	The interim measure, for use in Year 2 excludes the following factors. The permanent measure, for use in Years 3-5 is still in development and we will expect it to account for these. • The interim measure does not account for all asset lifecycle stages (installation, maintenance, renewal and decommissioning). • The interim measure does not factor in the benefits of reducing carbon intensity (from grid decarbonisation) on carbon emissions associated with materials and construction activities.	• This is a Tier 2 Supporting Measure - see approach to Tier 2 measures above. • Specifically for this measure, our reporting will provide commentary on Network Rail’s interim WLIC measure and we will continue to engage with Network Rail on the implementation of its permanent WLIC measure, for use in years 3, 4 and 5 of CP7. • We will be seeking assurance that the permanent measure is based on ‘bills of quantity’ level information; that it accounts for all stages of the asset lifecycle and grid decarbonisation; and that it adopts best practices from any development work undertaken by the five Regions.

Carbon emissions scope 3 (Scotland region only)

This measures all other indirect emissions (excluding emissions from electricity purchased) from sources that Network Rail does not own, or control. This includes business travel, production and supply of goods, products and materials in the supply chain, waste, and water.

Key principles	Included / excluded in NR's CP7 forecasts	How ORR will hold to account
- In PR23 we determined this is a Tier 2 Supporting Measure (for Scotland region only) and that Network Rail must provide a forecast. - This measure was an explicit requirement in Transport Scotland's HLOS.	Network Rail Scotland's forecasts include: - Estimates of scope 3 emissions based on spending, broken down into four categories: 'purchased goods & services', 'capital goods', 'waste generated in operations' and 'business travel'. These are within Network Rail's control. In 2023-24, emissions from these categories made up more than 60% of all Scope 3 emissions. Network Rail has excluded the following items from its forecasts: - Network Rail Scotland is not yet in a position to quantify future scope 3 emissions reductions arising as a result of grid decarbonisation; or from more efficient management of Network Rail's supply chain. These have been excluded from Network Rail's current forecasts. - Network Rail Scotland is continuing to develop this measure to be based on 'bills of quantity' information from its supply chain, rather than estimates based on spending. The measure is expected to be refined ahead of CP7 Year 3, but this information is currently excluded from calculations of the forecasts.	- This is a Tier 2 Supporting Measure - see approach to Tier 2 measures above. - Because grid decarbonisation is largely outside of Network Rail's control, our annual reporting will explain what impact this had on Network Rail's carbon emissions scope 3 measure. We will only consider further investigations or regulatory action for the components of the scope 3 emissions which are within Network Rail's control. - We will continue to engage with Network Rail Scotland throughout CP7, on refinements to this measure (described under exclusions) and implement improvements where appropriate. We expect Network Rail Scotland to continue development in this area in light of new or updated information. This includes steadily progressing to a reporting approach based on 'bills of quantity' data as opposed to 'spend' data, adopting appropriate assumptions and data used as part of the Whole Life Infrastructure Carbon forecasting/reporting, and using data arising from the newly formed 'Net Zero supplier forum' put in place to improve carbon data collection and analysis. - If the assumptions or methodology behind Network Rail Scotland's forecasts change significantly, it may be appropriate for Network Rail Scotland to update its forecasts on a case-by-case basis.

Biodiversity Units (all regions)

This measure is a habitat-based approach, used to assess an area's value to wildlife. It is defined by Natural England's Biodiversity Metric (version 3.0). It uses habitat classification, condition and strategic importance to calculate a biodiversity unit value.

Key principles	Included / excluded in NR's CP7 forecasts	How ORR will hold to account
- In PR23 we determined this is a Tier 1 Success Measure and that Network Rail must provide a 'baseline trajectory' as percentage point change for each year of CP7 relative to the CP6 exit baseline. - DfT's HLOS has set out a specific requirement to conserve and enhance biodiversity in line with the Environment Act 2021 including the current Government Environmental Improvement Plan and environmental targets.	- Network Rail has produced regional forecasts, applying the same metric and supporting methodology to quantify biodiversity units for all regions across the network. - If the Welsh or Scottish Governments introduce their own biodiversity metrics during CP7, we will work with Network Rail to understand if there is a need for separate trajectories alongside the existing Biodiversity Metric v3.0.	- This is a Tier 1 Success Measure - see approach to Tier 1 measures above. Our approach to holding to account will consider the following specific items: - Should a separate biodiversity units measure be set by the Welsh or Scottish Government over the course of CP7, which requires Network Rail to produce a trajectory for additional measures, we will begin to report on these measures in our reporting going forwards. It may be appropriate for Network Rail to update the forecasts in its delivery plans. - Actual performance of biodiversity units will be reported on an annual basis for this tier 1 measure, as well as reporting throughout the year of additional assurance measures including production of habitat management plans. - As stated in our PR23 Final Determination, We will monitor Network Rail's approach to biodiversity offsetting and continue to challenge it to exhaust on-site opportunities before considering external offsets. Where external offsetting is proposed, we will expect adherence to best practice, clear justification, and clarity on long-term maintenance commitments. We may request additional evidence where appropriate. - We will monitor Network Rail's approach to demonstrating how the implementation of nature-based solutions (discussed in more detail below) contribute to the biodiversity units measure. We will do this through our business-as-usual engagement and we may request additional evidence where appropriate.

Air quality at Network Rail managed stations (all regions)

This measures progress with Network Rail's management plans and processes to improve the air quality and levels of harmful pollutants at Network Rail's managed stations such as nitrogen oxides (NOx) and particulate matter (PM, including PM10 and PM2.5).

Key principles	Included / excluded in NR's CP7 forecasts	How ORR will hold to account
- In CP7, Air Quality Improvement Plans (AQIPs) are required at those Network Rail managed stations which RSSB identified as exceeding the annual mean benchmark target (40 µg/m³ of NO₂) at the end of CP6. - Air Quality Improvement Plans were explicitly required by DfT's HLOS.	Network Rail's reporting outputs from air quality measurements in CP7 include the following: - Production of AQIPs - Network Rail produced draft AQIPs in year 1 of CP7; ORR and DfT had an opportunity to comment; then Network Rail produced final versions of the AQIPs for each of the required stations (11 in total). - The AQIPs include SMART objectives, with clearly defined milestones. - Glasgow Central and Edinburgh Waverley stations (in Scotland) and London St Pancras (part of the Highspeed 1 concession) are excluded from Network Rail's requirement for AQIPs. - Annual updates to AQIPs: - The AQIPs are live documents, for use by Network Rail in the effective management of their stations. Network Rail will be required to update the AQIPs at least annually and provide an annual list to the ORR confirming which AQIPs have been updated.	- This is a Tier 2 Supporting Measure - see approach to Tier 2 measures above. - Specifically for this measure, Network Rail's annual reporting should include: - Reporting on the number of AQIP milestones completed. Network Rail has set itself a target to complete 90% of all milestones. - Reporting on the list of AQIPs which have been updated annually (and newly produced if additional stations are added to the list of priority stations specified by DfT or TS). - We will use this information to provide commentary on Network Rail's performance in our annual reporting, specifically: - We may provide commentary on the number of AQIP milestones completed and we may comment on individual milestones, where appropriate. - Regarding the requirement for Network Rail to update the AQIPs annually: we may report publicly on the number of AQIPs which have been updated and we may include a list of any which have not been updated. The regular annual updates to the AQIPs will not require formal approval by ORR. - We will assess the details of individual AQIP updates and milestones through our business-as-usual engagement with Network Rail. If we have concerns that Network Rail is not meeting its obligations, we will investigate further, in accordance with our holding to account policy, which may result in regulatory action.

Circular Economy – waste and material reuse (all regions)

This measures the reuse of any waste produced by Network Rail's operations, maintenance and renewals activities.

Key principles	Included / excluded in NR's CP7 forecasts	How ORR will hold to account
- In PR23 we agreed to the reporting of 'waste and material reuse' as the headline measure, given that it represents a significant proportion of network-wide waste arisings and also the greatest opportunity for reuse. - We have also agreed to additional assurance measures (not Tier 1 or Tier 2) for circularity, which include performance data on circular operations, circular design and sustainable procurement.	Network Rail forecasts for this measure include: - Waste and material reuse for waste arising from capital delivery projects. Network Rail has excluded the following items from its forecasts for this measure: - The forecasts exclude waste and material from other sources outside of its capital delivery projects. - The forecasts exclude any assumptions about improved waste and material reuse through innovation; with the exception of the use of blended ballast by Route Services. - Network Rail has identified a number of risks and challenges around the accurate measurement and reporting of waste and material reuse, with further development of the measures planned to address these.	- This is a Tier 2 Supporting Measure - see approach to Tier 2 measures above. - Specifically for this measure, actual performance reporting throughout the year should include the headline measure for waste and material reuse, as well as additional assurance measures covering circular operations, circular design and sustainable procurement. - Because Network Rail's forecasts exclude waste and material reuse reporting beyond its capital delivery projects; and exclude any assumptions about opportunities for innovation, we will monitor this closely and provide commentary in our annual reporting. If Network Rail's methodology changes or if it identifies opportunities to improve its measures and forecasts, then it may be appropriate to consider updating them. - Because Network Rail raised concerns about risks and challenges in implementing these new measures, we will monitor this closely. If it becomes apparent that the measures are not providing meaningful reporting, then we would expect Network Rail to propose improvements.

Nature-Based Solutions (all regions)

This measures the implementation of nature-based solutions (NBS) by Network Rail and the outcomes for the railway that the solutions deliver.

Key principles	Included / excluded in NR's CP7 forecasts	How ORR will hold to account
- Our PR23 Final Determination includes a requirement for Network Rail to develop definitions and approaches, to report the delivery and benefits of nature-based solutions. This should include nature-based solutions delivered by Network Rail within its estate, as well as those delivered through collaborative working with partners. - There was an explicit requirement in DfT's HLOS for Network Rail to consider nature-based solutions to increase the resilience of the railway, and to conserve and enhance biodiversity in line with the Environment Act 2021, including the current Government Environmental Improvement Plan and environmental targets. - There is not a widely accepted definition, nor clear guidance on how infrastructure managers should design, build and manage nature-based solutions. In CP7 year 1, Network Rail has produced guidance for the adoption of nature-based solutions on railway projects, which ORR sees as good practice for use in CP7.	- Network Rail will report on four categories of nature-based solutions: 'habitat creation and management' (including tree and shrub planting); 'water management' (including urban drainage systems, natural flood management and catchment-based management); 'artificial habitat' (including green walls, hibernacula, nesting/roosting boxes); and 'biocontrol / bioremediation' (including pest control, invasive species management and contamination clear-up). - Network Rail will also report nature-based solutions as either 'within Network Rail boundary', 'cross-boundary activity' or 'activity undertaken elsewhere' to provide transparency on which solutions are undertaken through partnership with external bodies and which are focussed on Network Rail's estate. - Network Rail will report annually on the number of nature-based solutions delivered, in each category. It will also provide a summary list of schemes and a sample of case studies within its annual 'State of Nature' reports. The following are currently excluded from Network Rail's approach - Network Rail is planning to refine the reporting measure further in CP7, to include additional aspects such as interaction with biodiversity units net gains; financial efficiencies arising from nature-based solutions; and third party funding.	- This is an additional assurance measure so we will not report to the same level of detail as for Tier 1 and Tier 2 measures, set out above. However, we may seek additional information or provide commentary on how Network Rail's use of nature-based solutions is contributing to efficiency, sustainability and delivery of objectives in the Government's Environmental Improvement Plan. We may also provide commentary where we consider this measure should be supporting delivery of the Tier 1 measure for biodiversity units. - We will collect data on Network Rail at the end of each year of CP7, alongside information on case studies published in its annual State of Nature Reports. We will monitor performance through our business-as-usual engagement and request additional evidence where appropriate. If we have concerns that Network Rail is not meeting its obligations to consider Nature-Based Solutions, we will investigate further, in accordance with our holding to account policy, which may result in regulatory action. - We will continue to engage with Network Rail throughout CP7, on refinements to its approach (described under exclusions).