

Update to the Low Carbon Transport Criteria – key changes in Version 2

November 2020

1. New thresholds for passenger transport

We now have 50g CO₂ / p-km threshold in 2020, then going down to 0g CO₂ / p-km in 2025.

Note, freight thresholds have not been changed.

Direct emissions	2020	2025	2030	2050
Passenger Activity (gCO ₂ per p-km)	50	0	0	0

Direct emissions	2020	2030	2050
Freight Activity (gCO ₂ per t-km)	25	21	18

2. Tighter requirements on fossil fuel transport

Fossil fuels must now make up no more than 25% of freight rail cargo. An issuer may show that fossil fuels tonnage transported is demonstrated to be less than 25% of a freight activity's overall tonnage. Alternatively, a lessor of rolling stock may prove that less than 25% of the rolling stock capacity is leased to fossil fuel companies, for example.

In addition, we no longer accept 'media sources' as a way of demonstrating freight rail is not dedicated to fossil fuel transport. Only reliable government sources or actual supporting data is accepted.

3. Clearer requirements for new interurban rail

Issuers must now have an independent project appraisal demonstrating the project will result in a 25% emissions reduction in the corridor. Before, we had 10/25% which was not clear. The TWG chose to go with the stricter number.

4. We more clearly exclude Biofuels

This is not necessarily a new addition, but it is simply to be clearer.

5. Expansion of scope to include the manufacture of zero direct emissions miscellaneous vehicles

For example, construction diggers.

For zero emission waste collection vehicles, operation and leasing is also eligible.

6. Disclosure of compliance data used in certification

The Transport Criteria now require issuers to provide the supporting data they have used in meeting the requirements for certification. This is to increase transparency and improve best practice in the market.

For comment or questions, please contact certifications@climatebonds.net