



When every journey counts

Annual and sustainability report 2022 for the Vy Group

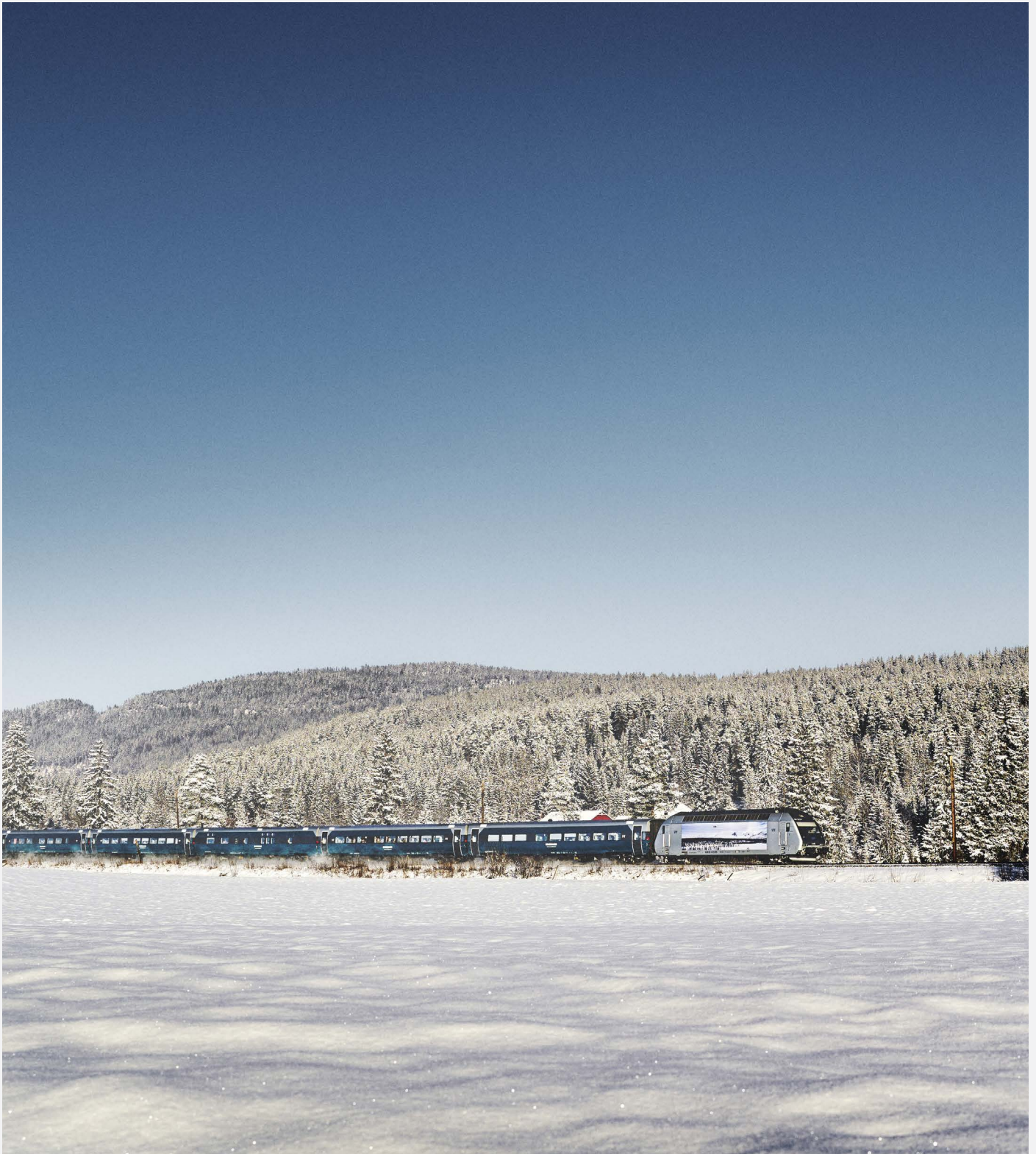


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Every Journey Counts

After two years of living with the pandemic, customers are finally back on the trains and buses. The start of the year was characterised by extensive infection control measures, but travel activity has gradually returned to a new normal throughout the year. However, the new normal means that Vy's travel figures have not yet reached 2019 levels.

2022 also presented new challenges in the form of the war in Ukraine, energy shortages and uncertainty surrounding train contracts in Eastern Norway, as well as low punctuality and uncertain framework conditions for rail freight. Our response has been to continue developing in order to generate future growth and profitability.



Vy is part of the solution

A turbulent world with inflation, energy shortages and economic downturns has led to increased costs and difficulties in supply chains. One positive aspect is that the growth in the number of journeys and renegotiated train contracts has had a positive financial effect and we achieved a profit for the year of NOK 133 million, which is more than one billion better than in 2021.

Vy's social mission is to deliver good transport solutions to the population. At the same time and together with many other companies and individuals in the world, we also share the overarching goal of reversing the negative climate trend. We do this by both influencing the authorities to prioritise public transport and by encouraging individuals and companies to choose environmentally friendly solutions. Because even the small choices we make every day can make a difference. For example, choosing to travel by train or bus instead of by car today. Or companies choosing to transport freight by rail rather than by lorry.

Public transport and rail freight reduce greenhouse gas emissions, queues, accidents and noise, and make our urban and rural areas even better and more pleasant places to live and work in. That is why we at Vy say that every journey counts and that Vy is part of the solution to some of the greatest challenges society faces.

Customer solutions for a new era

Smartprice and *Flex tickets* are examples of the new services we have launched to make public transport even more attractive. These tickets are alternatives to season tickets and provide customers with the assurance of getting the best price regardless of how much they travel. These ticket types have become highly popular and demonstrate how improvements on the customers' terms generate results - for passengers, for us and for the environment. In freight operations, we are also experiencing growing demand and the customer offering has increased significantly, with more departures on the Nordland Line and towards southern Sweden.

We work purposefully to reduce our own carbon footprint and the key aspects of these efforts

are described in our sustainability report. The substance of these measures was also decisive in Vy being named as one of ten climate winners in PwC's climate index 2022.

A challenging year for train customers

Bane NOR opened the new Follo Line in December, after many years of work and major investment. We described the event as a small revolution for commuters and many of Vy's employees put in significant efforts to achieve this. The joy, however, was short-lived. Only a few days after opening, the line had to be temporarily closed due to power problems. But when it reopens, the line will improve everyday travel for people in Østfold and Follo and contribute to growth and development in the region.

The punctuality of passenger trains in Norway was only 85 per cent in 2022, primarily due to train infrastructure. Cancellations and delays significantly affect our customers and Vy's employees do an excellent job in assisting customers when things do not go smoothly. We are also working purposefully to improve customer communication, which unfortunately is not always good enough and we collaborate closely with those responsible for train infrastructure.

Despite this, customer satisfaction among passengers remained surprisingly stable based on the results of the surveys conducted each quarter by our client, the Norwegian Railway Directorate. Naturally, satisfaction declined in some of our own surveys towards the end of the year, largely as a result of low punctuality.

Very happy bus passengers

Customer satisfaction is high for express bus operators and customers returned quickly following the pandemic, especially on the longer routes. In Sweden, Vy Buss Bus4You had the most satisfied customers for the 12th year in a row in the annual survey conducted by the Swedish Quality Index. Vy Flygbussarna took first place in the ground transport category when Service Score named the companies that provide customers with the best service in relation to expectations. In Norway, Vy express was the climber of the year in the Norwegian

Customer Barometer, with the express bus operator achieving a very high customer satisfaction rate of 85. This goes to show that our employees are succeeding in creating positive customer experiences on a daily basis.

Train agreements adapted to a new era

Throughout the pandemic, Vy received financial support from the authorities to maintain public transport services. However, the long-term train agreements entered immediately before the pandemic were based on completely different journey figures to those we have seen in recent years and continue to experience. We are therefore happy that we were able to renegotiate agreements for Vy tog Vest in Norway and three of four contracts in Sweden during 2022. The new agreements provide us with predictability - they are adapted to today's travel patterns and a more uncertain future and provide passengers with a good long-term train service.

In 2022, we also negotiated to continue operating half of the train services in Eastern Norway, as we were selected as the preferred negotiating party for Eastern Norway 1 in May. In August, the Airport Express Train was selected as the preferred negotiating party for the other half of the train services in Eastern Norway, Eastern Norway 2.

Since we have always argued that consolidated operation of train services in Eastern Norway is significantly better for customers and more affordable for society than splitting the services up, we chose to highlight these advantages to both the owner and the client before Christmas. We are pleased to have subsequently had the opportunity to submit a consolidated tender and we hope to be awarded the tender.

New year, new green opportunities

Our biggest competitors are passenger cars and lorries, which dominate passenger and freight transport in Norway and Sweden alike. Although electric cars and lorries constitute important climate initiatives and nearly 80 per cent of new vehicle sales in Norway are now zero-emission vehicles, these vehicles still require parking, generate queues, and take up a lot of space on roads and in the urban environments. These are important arguments for strengthening the position of public transport in the competition with electric vehicles to be the environmentally friendly choice, as well as for transferring more freight from road to rail.

Environmentally friendly transport is a key aspect of the solution to the environmental challenges faced by society. This means that Vy is well positioned for future growth, but it also places demands on us and our deliveries. It also requires clear priorities to be set out by the authorities. Our job is to make it easy for both individuals and companies to make environmentally friendly choices. This work will continue at full capacity, because every journey counts.

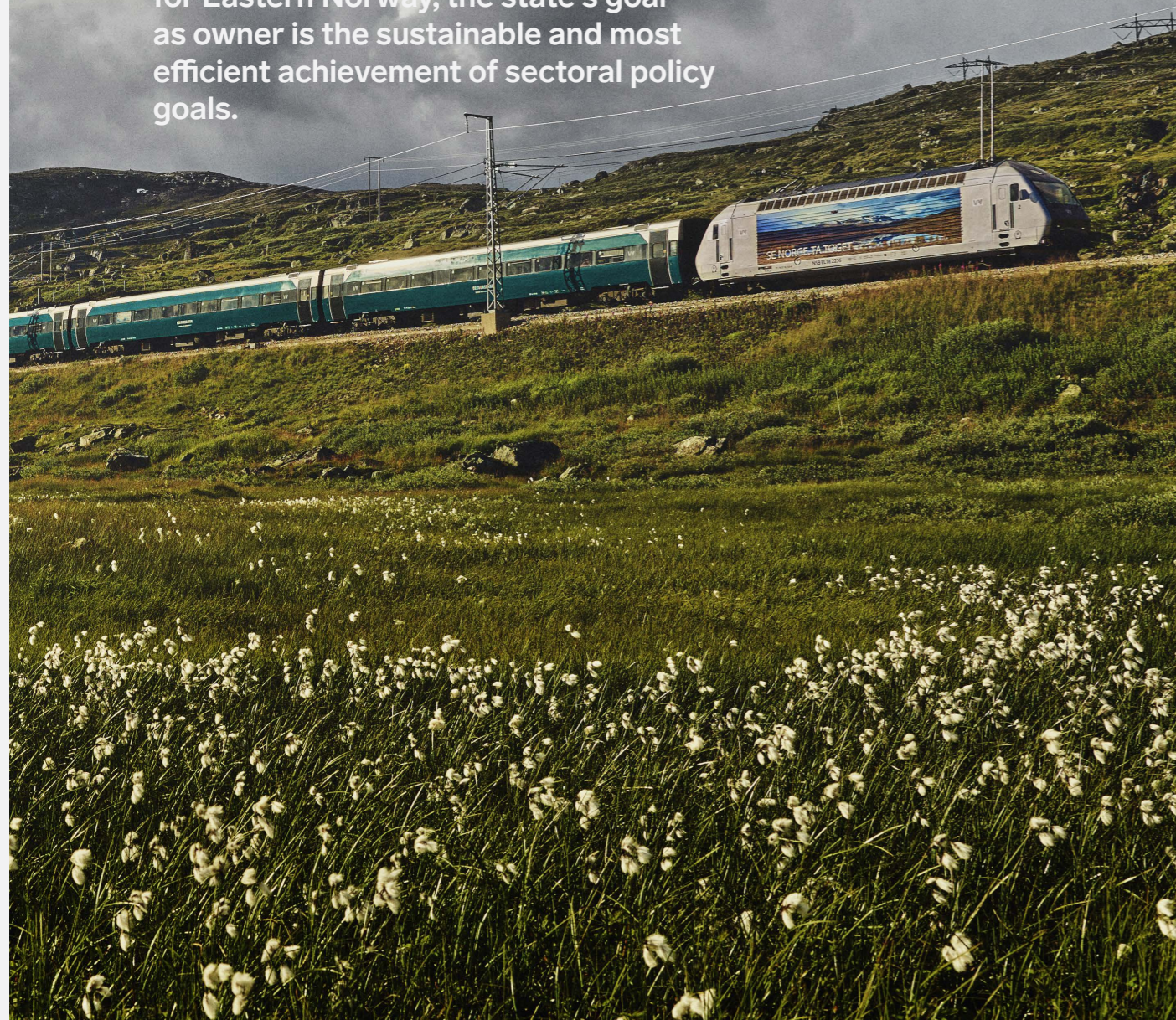


Gro Bakstad
CEO of Vy

This is Vy

Vy is the Nordic region's largest land-based transport company with operations within passenger train, bus, freight and tourism in Norway and Sweden. Vy is a state-owned limited company where the state's goal as owner is the highest possible return over time within a sustainable framework. For passenger train traffic that is covered by the negotiations with the Norwegian Railway Directorate on the direct award of traffic agreements for Eastern Norway, the state's goal as owner is the sustainable and most efficient achievement of sectoral policy goals.

Number of employees
11 512



Bus

Vy Buss is Norway's largest bus company and operates in Norway and Sweden. The company's operations consist of contract services and commercial express bus services.

Number of journeys 2022
110,8 million

Turnover
7 621 MNOK

Number of employed FTEs
6 090



Passenger Train

Vy's passenger rail division operates local trains, intercity trains and regional trains on a total of 15 routes in Norway. Vy operated four contracts in Sweden: night train services in Övre Norrland, Norrtåg, X-tåg and Värmlandstrafik.

Number of Journeys
55,7 million

Turnover
7 947 MNOK

Number of employed FTEs
2 566



Customer experience and innovation

The Customer Experience and Innovation unit in the Vy Group aims to improve the customer experience and develop new solutions for customers, including introducing new technology and digitalisation. The unit is responsible for Vy's digital customer services, market and customer services, mobility and business development and tourism including The Flåm Railway.

Freight

CargoNet is Norway's largest rail freight carrier. More than 65 per cent of all freight carried by rail is carried by CargoNet. The division provides eco-friendly rail freight transport in Norway and between Norway and Sweden, and also operates freight ten terminals.

Turnover
1 247 MNOK

Number of employed FTEs
402

Group management

As of 31.12.2022



Gro Bakstad
CEO
Vy



Erik Røhne
Executive director
Passenger train



Ole Engebret Haugen
Executive director
Bus



Ingild Storås
Executive director
CargoNet



Synne Homble
Executive director
Customer experience and innovation



Kristin Flagstad
Executive director
Organization and HR



Irene Katrin Thunshelle
CFO



Marius Holm
Executive director
Communication and public affairs



Kristian Kolind
Executive director
Strategy and IT

Key events

As a result of fewer restrictions related to Covid-19, the number of passengers has gradually increased on Vy's buses and trains during 2022.





When we deliver in these four areas, more customers will choose to travel and transport goods with us and Vy will be an attractive employer with good internal ambassadors.

Vy's values are **customer satisfaction**, **accountability** and **interaction**.

These values provide a basis for Vy's operations and everything we do.

Vy has an ambition to be an **environmental leader** who develops climate-friendly solutions and takes the major societal challenges seriously. Together with our customers, we help reduce queues in the big cities, private car use, microplastics, particulate matter and road accidents. Vy is an important part of current and future travel habits.

Vys values	Vys customer promise	
Customer satisfaction		We see you <ul style="list-style-type: none"> You meet friendly and attentive staff who see you and your needs You experience understanding and flexibility when you need help
Responsibility		We take care of you <ul style="list-style-type: none"> You feel safe when you travel with us You get the information you need, before, during and after your travel
Interaction		We give you good advice <ul style="list-style-type: none"> You receive good advice when you travel with us You meet employees who guide you through Vy's comprehensive travel offer

Vy simplifies green travel and transport

Vy's social mission is to ensure efficient, accessible, safe and environmentally friendly transport of people and goods. Our strategy entails working to ensure that current and future transport solutions are as sustainable as possible and that more passengers share the same means of transport.

Vy believes that green public transport solutions are a prerequisite for the society of the future. When we travel and transport sustainably, we end up with space and energy efficient solutions, cleaner air, fewer road accidents and less time loss due to fewer traffic jams. If you want more people to choose public transport solutions, it must be an easy choice to make.

Our **vision** is 'Vy makes choosing green easy'. Our **main goal** is growth through more sustainable journeys and rail freight and the greatest possible profitability over time.

We will achieve our vision and main objectives by:

1. Ensuring good customer experiences, every day
2. Being an industry leader in innovation
3. Being efficient and reliable in everything we do
4. Having committed and customer-oriented staff



Public transport brings cities to life

“Every journey counts” is the main message of Vy’s communication platform, which was launched in 2022. Passenger cars account for the greatest proportion of journeys undertaken in Norway and many people use the car in order to meet their day-to-day needs. However, our lives and the planet benefit from more people choosing public transport ahead of cars in urban environments. Every journey by train, bus or other mode of public transport saves society from greenhouse gas emissions, pollution, queues and, not least, land use.

The scarcity of space in cities means that high-capacity public transport services become essential to enabling the cities to flourish.

The more people drive into the city, the fewer people the city will have space for. Cars require road capacity and parking everywhere the car needs to stop. Trains, by comparison, can carry a high number of people while taking up very little space.

Better train services and better roads therefore have very different effects on an urban area. While roads create urban sprawl and congestion in the existing road network, trains contribute to more efficient land use and less queuing.

It would not have been possible to consolidate economic activity in central Oslo without the train and the underground. This provides great value to society.

The divergent effects of the E18 and the Follo Line in terms of demographics and economic activity

Two current transport projects will help shape Oslo’s neighbouring regions going forward.

The new E18 between Lysaker and Asker will make it easier to drive to workplaces in Oslo and housing developments in car-accessible neighbourhoods in Asker and Bærum will become more attractive.

The E18 will contribute to the western region

becoming more car-dependent, with increasing commuting by car resulting in queues and congestion, limiting the possibilities for efficient commuting, strong value-creating environments and a healthy everyday life.

In the long term, the Follo Line between Oslo and Ski will enable far more people from Follo and Østfold to commute in an environmentally friendly fashion to their workplaces in the centre of Oslo. At the same time, housing developments will take place around Ski station, from which it will take only 11 minutes to Oslo S by train. Further south in Follo and Østfold, cities and towns with train stations will also become highly attractive places to live for people looking to work in Oslo.

A well functioning city

For Oslo, the difference is even greater. With a congested road network and a lack of parking spaces in central Oslo, the E18 could result in jobs being moved out of the city centre and towards western Oslo. Better roads into cities lead to sprawling urban environments with poorer conditions for growth. Better roads will increase the problems caused by cars – queues, air pollution, noise and accidents. Moreover, additional space needs to be allocated for wider roads and more parking, while we would prefer to see playparks, outdoor restaurants and greengrocers.

The Follo Line will help concentrate workplaces in the centre of Oslo, as it provides companies near the stations in Oslo with access to more employees. Employees arriving by train do not create any issues for the city. On the contrary, they contribute to value creation and a lively, vibrant city. Better train lines enable both large and small cities to become engines for development in the regions.

The next crossroads is imminent: The Ringerike Line will have similar effects to the Follo Line, while the new E16 will have similar effects as the E18. The choice made has great significance for urban and community development in the region.



Sustainability Report

- Sustainable transport solutions, now and in the future

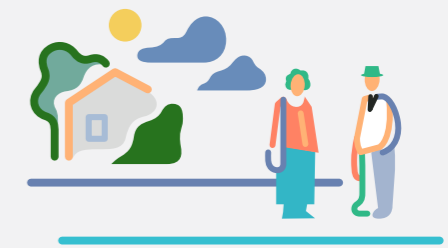
Vy is a transport group operating in the passenger train, rail freight and bus segments. We conduct our operations in an environmentally friendly and sustainable manner. Sustainability is an integral part of our strategy and governance system and is reflected in our vision “Vy makes choosing green easy”.

The proportion of public transport travellers in Norway and the Nordic region is currently low. The more people travel by public transport instead of by car or plane and the more freight is transported by rail rather than road, the more greenhouse gas emissions will be avoided for society. Public transport also provides other positive effects in the form of reduced noise, less use of space, less use of resources through sharing, reduced queues, fewer accidents, and reduced levels of particulate matter and microplastics. Efforts to encourage more people to choose green are essential for Norway to reach its climate targets and for Vy, as a transport and freight operator, to win tender competitions and attract more customers.



Saves space

Public transport reduces the need for parking spaces along streets and in large car parks. It provides us with more space for welcoming city centres with more pedestrian streets, green spaces and homes.



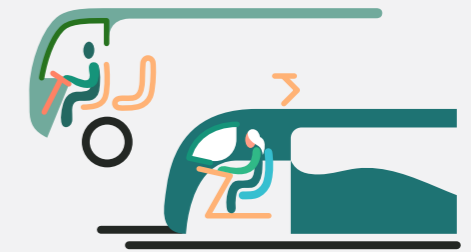
Reduces noise

Although electric vehicles do not use a combustion engine, there is a lot of tyre noise from roads. Public transport leads to fewer cars on the roads, which in turn reduces noise.



Saves resources

Fewer resources are used when everyone shares a vehicle instead of everyone having their own. One analysis estimates that privately owned vehicles in Norway are parked for an average of 96.8 per cent of the time.



Reduces queuing

On average, a full train replaces 600 full cars during peak hours. It is not physically possible for large volumes of people to drive individual cars to and from cities during peak hours. Public transport will be crucial to how cities and urban areas operate and look in future.



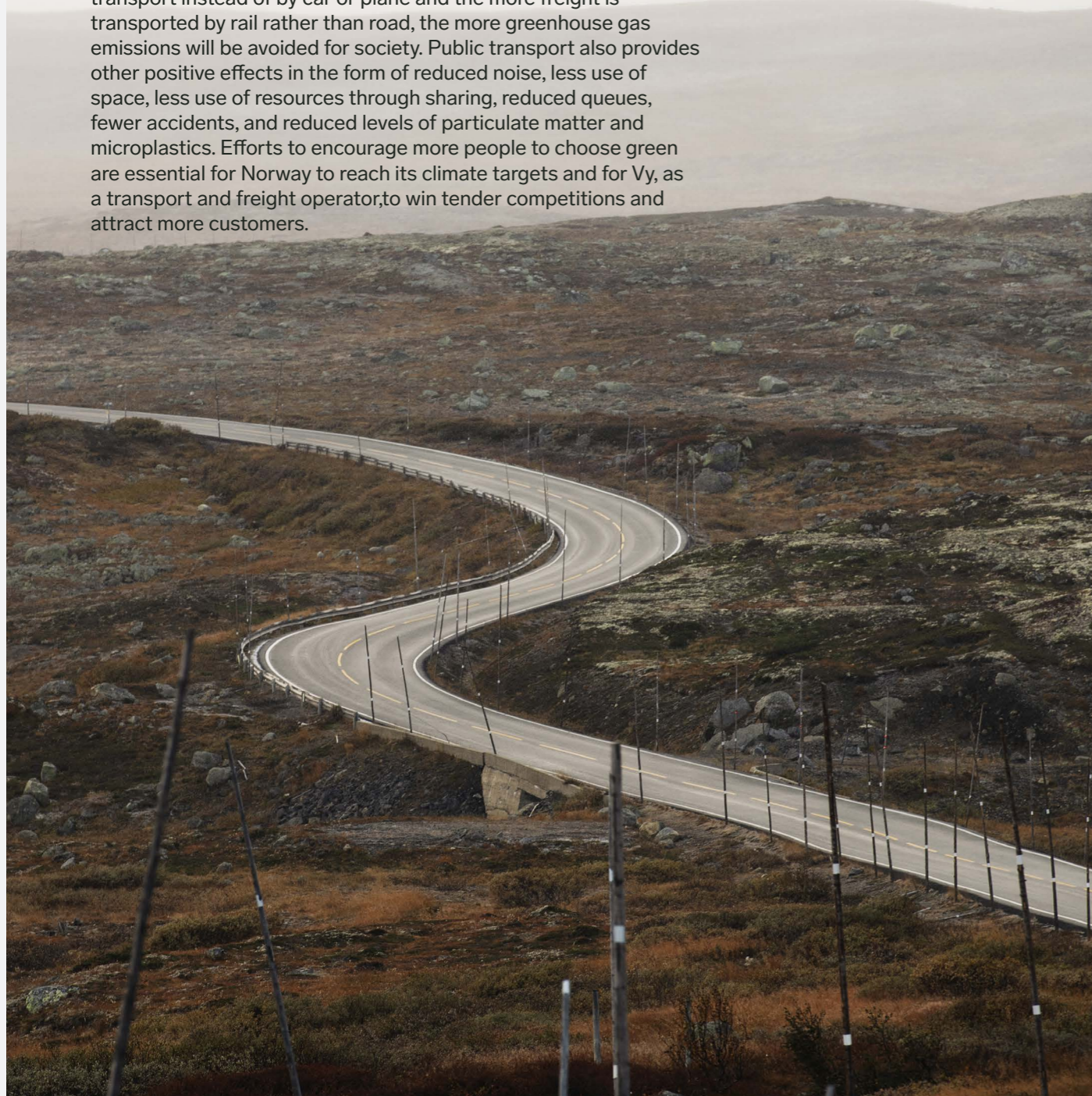
Reduces the number of accidents

A heavy goods vehicle is involved in every third traffic fatality in Norway, which is twice as high as the European average. Vy's freight activities save the roads from around 1 250 articulated lorries every day. Freight traffic switching from road to rail therefore improves road safety.



Reduces microplastics and particulate matter

In Norway, car tyres are the largest source of microplastics emissions and local air pollution. Travelling by train and bus rather than passenger car means fewer rubber tyres on the roads, thereby reducing the amount of microplastics in the environment.

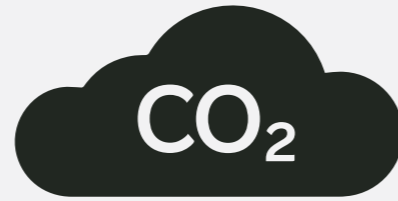




166 million
passengers
travelled on our
trains and buses in
2022

39 per cent
of Vy's buses
run on non-fossil
fuels

**Vy helps reduce
greenhouse gas
emissions**



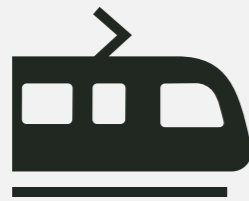
687 000 tonnes
CO₂ equivalent* reduction in
greenhouse gas emissions in
2022 compared to alternative
transport by car and lorry.

This corresponds to the
annual emissions from

350 000 cars



1 250 lorries
are replaced by
CargoNet freight
trains every day

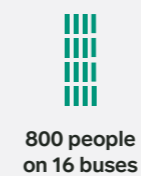


600 cars
are replaced by
a full train during
peak hours on
average

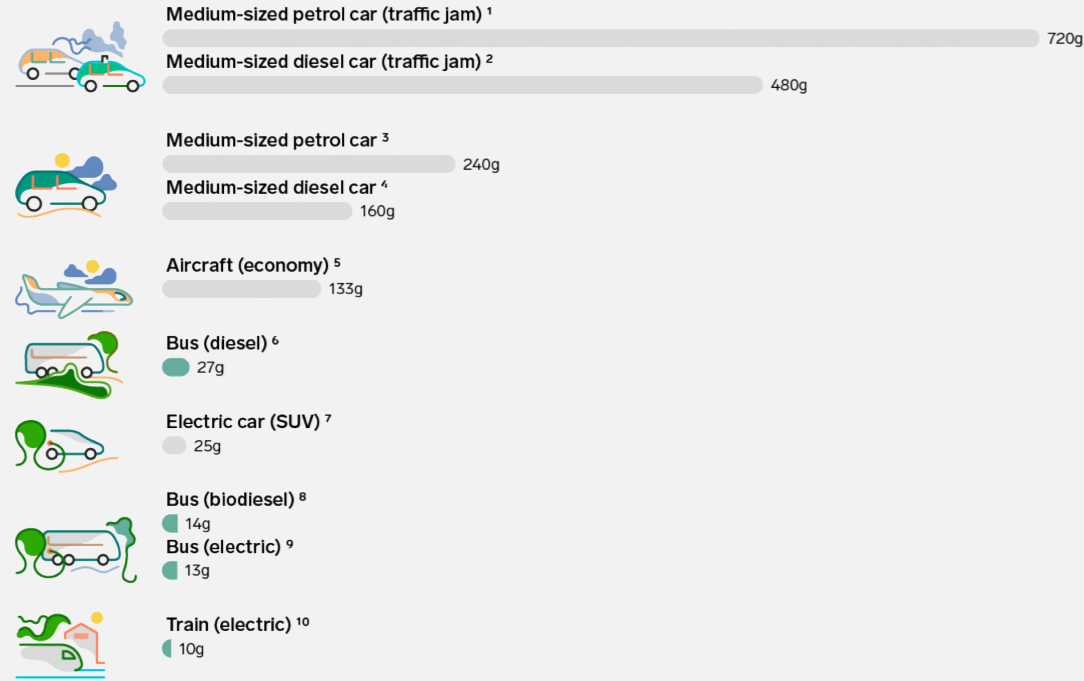
*Source: Asplan Viak Note: Assuming normal passenger levels on trains and buses.
The comparison applies to scope 1 and 2, without accounting for emissions of biogenic carbon from biodiesel.



**Space occupied by
800 people travelling by
bus, train and car**



The climate footprint of different modes of travel: (CO₂ e per passenger kilometre)



Sources:
1-4, 7: Martin Weiss mfl. Environmental Science Europe (2020). Energy efficient trade-offs in small to large electric vehicles, p.3
5, 6, 8, 10: Chalmers tekniska högskolan, Semester och klimatet (2021), Metodrapport version 2.1, p. 9
9: NHO Transport, Hæringstutaleise til Klimakur 2030, 2020, p. 9

● = Modes of transport offered by Vy

This part of the annual report describes Vy's work on sustainability and has been divided into the four main areas of our strategy. For each part of the strategy, we will describe which of the UN Sustainable Development Goals we contribute to and our key priority areas and contributions in 2022.

It is clear from the results of Kantar's 2022 climate change barometer that more and more people are becoming worried about the consequences of climate change. Although future modes of transport will be electrified, public transport solutions remain the most space-efficient and sustainable way to transport freight and people.

Transport accounts for nearly a third of Norway's greenhouse gas emissions, of which more than half originate from road traffic. According to the 2021 climate report, Norway has set a target of halving emissions from the transport sector by 2030. Even if the car fleet becomes electrified to a greater extent, public transport will still save society the space required to store cars, reduce queuing and accidents, save resources associated with production and reduce microplastics from tyres. In order to solve the challenges, more people need to choose public transport, and this will require a bigger investment in sustainable public transport solutions.

The 2022-2033 National Transport Plan (NTP) sets out targets where Vy and others in the transport sector need to deliver:

- New urban buses shall be zero-emission vehicles or run on biogas by 2025
- By 2030, 75 per cent of new long-distance buses shall be zero-emission vehicles
- There is an ambition to transfer 30 per cent of freight transport exceeding 300 km from road to sea and rail by 2030

In 2022, Vy helped Norway to save the amount of greenhouse gas emissions released by 687,000* tonnes of CO₂ equivalents. We achieved this by ensuring our customers could travel on public transport and by transporting freight by rail. This corresponds to the annual emissions of 350,000 cars. CO₂ equivalent is a unit used in carbon accounting and corresponds to the effect a given amount (usually one tonne) of CO₂ has on global warming over a given period (usually 100 years). Vy's most important contribution to the UN's Sustainable Development Goals is to encourage more people to choose sustainable public transport solutions and freight. Vy works continuously to make it easier to travel by public transport by offering door-to-door journeys rather than between stations or stops only.

We have set an ambitious target of saving a total of one million tonne of CO₂ equivalents for society in the year 2025. Vy contributes to goal achievement within several of the UN Sustainable Development Goals and we have defined SDG 13 "Climate Action" as our most important contribution by significantly reducing emissions from the transport sector.

Sustainability revolves not only around the climate and environment, it also includes factors relating to community and social conditions. Vy helps ensure that more people can share the same resources so that not everyone needs to own a car, relieving the roads of queues and heavy goods transport, which also helps reduce accidents, local emissions, and noise. We also challenge our suppliers to Make sustainable choices and to work consistently in ensuring the most efficient use of resources. Diversity is also a key component of our sustainability work, and we are proud to have employees from many different backgrounds working together and sharing knowledge every single day.

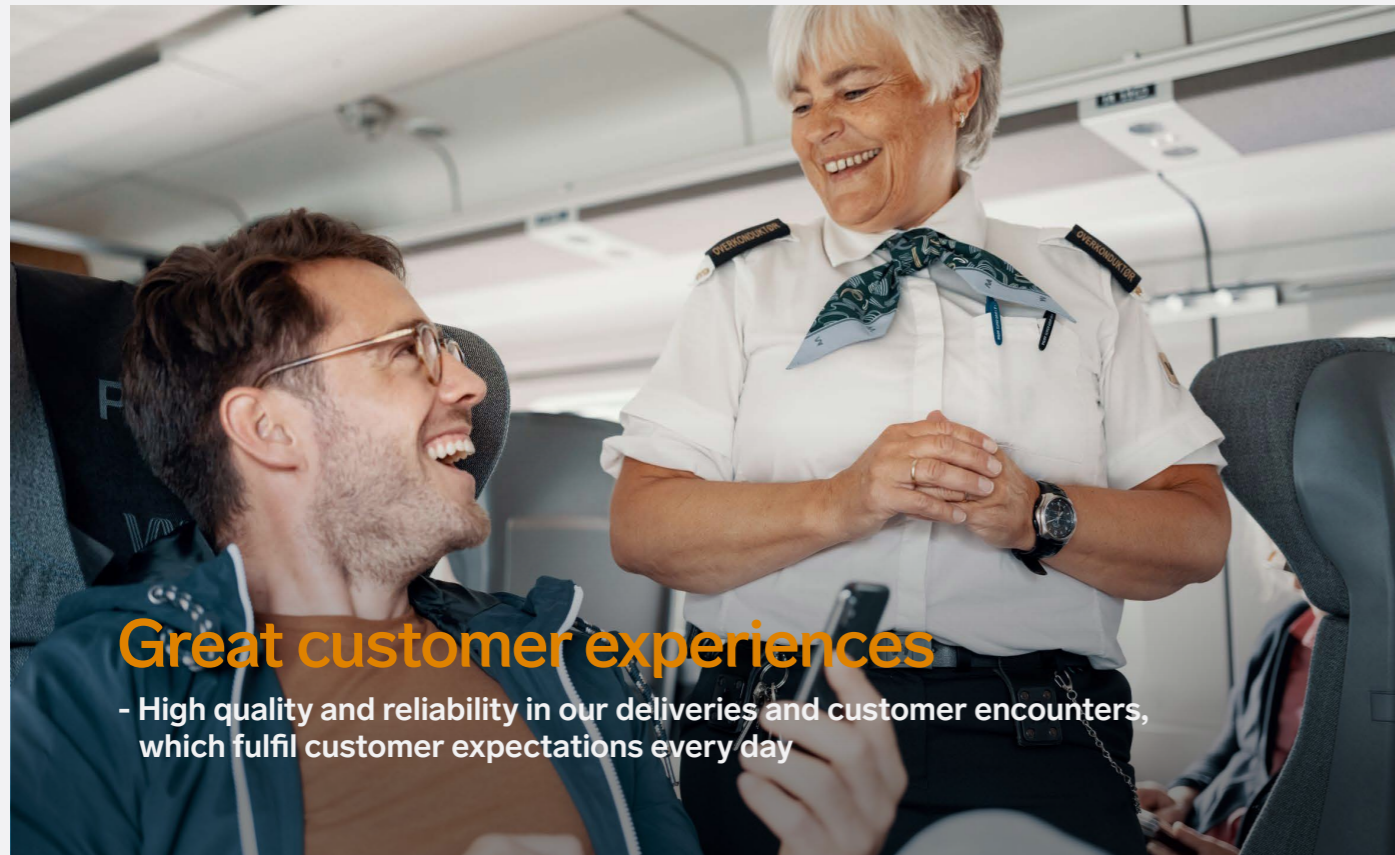
For Vy, the sustainable development goals will continue to lay the foundations for everything we do in the years to come.

*Assumes normal passenger levels for buses

Main Objectives	About	Measures	Strategic KPIs	Contributions to the UN's Sustainable Development Goals:
Great customer experiences every day	High quality and reliability in our deliveries and customer encounters, which fulfil customer expectations every day	<ul style="list-style-type: none"> • Increase the number and frequency of services • Work with the service promise and increase quality in customer encounters • Develop seamless digital services that make public transport the obvious choice 	<ul style="list-style-type: none"> • Customer satisfaction • Reputation 	<p>The contribution to society is measured in net emissions saved for society and the number of journeys/TEU</p>
Industry-leading innovation	Business-driven innovation that benefits the customer, reduces emissions and makes us more competitive	<ul style="list-style-type: none"> • Reduce energy consumption for driving • Utilise and adopt new technology • Reduce and recycle waste • Reduce the consumption of water and chemicals used for cleaning 	<ul style="list-style-type: none"> • Further develop digital customer services • Monitor and measure progress of activities to reduce emissions • Further develop operational IT 	
Efficient and reliable in everything we do	Systematic work on internal processes and collaboration with others in the sector to ensure competitiveness, quality and better deliveries to our customers	<ul style="list-style-type: none"> • Improve and streamline processes • Work towards increased punctuality and regularity • Ensure that continuous improvement is part of day-to-day operations 	<ul style="list-style-type: none"> • Reliability (punctuality and regularity) • Cost-effectiveness 	
Committed and customer-oriented employees	A safe and responsible workplace with an open and inclusive culture and committed employees who always remember the customer perspective	<ul style="list-style-type: none"> • Focus on traffic safety, in the operation of our services and in the training of new employees • Increase the Group's monitoring of HSE internally and in respect of suppliers • Initiatives to reduce absence due to illness • Targeted recruitment in order to ensure diversity 	<ul style="list-style-type: none"> • MTA Index • Absence due to illness • Gender balance in management positions • Escalate the work on strategic HSE 	

Vy is helping to achieve the UN's Sustainable Development Goals

Our main objective is to encourage more people to choose sustainable journeys and freight transport. We measure this through net emissions saved for society and the number of journeys/TEU (standardised containers).



Great customer experiences

- High quality and reliability in our deliveries and customer encounters, which fulfil customer expectations every day

Selected operational performance indicators (KPIs)	Status 2022	Target figures for 2023
Positive impression of Vy (%)	51 %	60 %
Volume growth in trains N (%)	-17 %*	10,8 %
Volume growth in commercial bus services Norway (%)	-12 %*	15,1 %
Volume growth in freight (TEU)	12,3 %*	N/A
Customers – serious injuries, passenger trains and buses (number)	11	0

Note*: compared to 2019 – pre-Covid



Good health
Vy will offer safe services, will contribute to reducing the number of accidents and injuries in traffic and will use greentransport options to improve air quality by reducing the number of vehicles on the roads.



Sustainable cities and communities
Provide access to safe, accessible, and sustainable transport solutions at an affordable price. Facilitate the use of public transport by people in vulnerable situations, such as those with disabilities and the elderly.



Responsible consumption and production
Vy will reduce the use of resources, destruction of the environment and greenhouse gas emissions. Reduce waste and discharge of chemicals and waste to the air, water and soil.



Climate action
Vy has incorporated measures to stop climate change in its strategy and we will use our positive customer experiences and industry-leading innovation to strengthen the opportunities for individuals and institutions to choose green.

Every day, Vy works to improve the journeys and services it offers so that it becomes easier to choose green public transport solutions. Our products contribute to less traffic in and around cities and we always strive to provide our customers with positive experiences with high punctuality and predictability. Every day, we contribute to solving the transport requirements of nearly 460,000 people in a green manner and there's more to come. Every journey counts!

Customer satisfaction as a unit of measure

Vy regularly measures customer satisfaction. This provides a key indication as to whether we are managing to meet our customers' needs and desires and whether we offer a competitive alternative to other modes of transport. We actively use the results to improve our services/solutions for customers and the results also form part of the training and recruitment programme for employees within the bus and train services.

A challenging year for the train division

In 2022, we experienced numerous infrastructure challenges in Western Norway, Eastern Norway and on the Gjøvik Line. Following two years of excellent punctuality figures on Norwegian railways, punctuality declined for both passenger trains and freight trains in 2022. Punctuality ended up at 85 per cent for passenger trains (Norway) and 88 per cent for freight trains.

This is challenging for our customers, who do not receive the service they expect, and it is also challenging for our employees, who often end up facing difficult customer interactions.

To improve the situation, we are working on several different aspects: we are working closely with Bane NOR (responsible for the infrastructure) to improve punctuality. We are also working to provide faster and simpler customer communication via the Vy app and on vy.no.

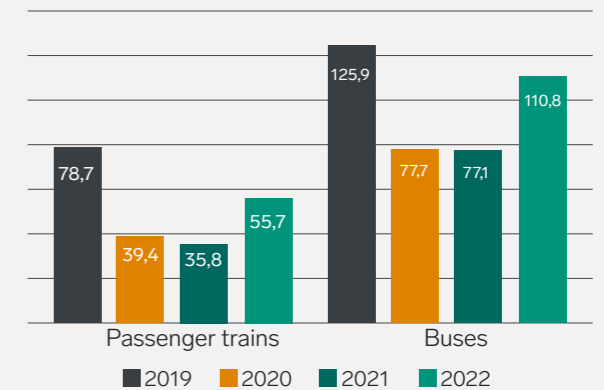
We are happy to see that we achieved a good score in relation to customers' encounters with our employees and the information received along the way. The Norwegian Railway Directorate conducts quarterly customer satisfaction surveys on board trains (Q1 was cancelled due to the pandemic). The results show that overall customer satisfaction among train customers in Eastern Norway was at 78, 79 and 78 points in Q2, Q3 and Q4 respectively (using a scale from 0 to 100). Considering that these are some of the busiest train lines in Norway, we consider the results to be good. For train customers in Western Norway, including the Bergen Line, the satisfaction score was 79, 80 and 82 during the same periods of time. The most satisfied customers can be found on the Gjøvik Line, with growth from 80 to 83 throughout the year. It is worth noting that the Gjøvik Line and Western Norway are best in class of all train companies that have entered contracts with the Norwegian Railway Directorate.

The customer satisfaction index (CSI) is calculated as the average of six areas and Vy generally scores high in the areas of cleanliness, onboard information and onboard employees. All operators face challenges when it comes to communication in connection with changes and this is an area we are working to improve at Vy.

This year's survey on summer changes shows that the significant work that has been put in to provide accurate, fast, and useful information is yielding positive results. The survey shows an increase in customer satisfaction when information about changes is communicated. This is a very challenging task and requires significant efforts from many parties and close collaboration between e.g. Vy and Bane NOR. The information needs to be issued quickly and correctly to train employees and customers, it must be coordinated using screens on trains and at stations, over the speakers, via the app and at Vy.no.

In Sweden, the Swedish Transport Administration's survey to monitor and evaluate passenger satisfaction with purchased services found that over 80 per cent of Vy Tåg's passengers were happy with their journeys, which is a positive increase from the last survey. What stands out most in the survey, which was conducted on all routes, is how onboard employees are perceived. They received very high marks and some routes achieved a top score of 100 per cent. Depending on the line, 92-100 per cent of passengers provided positive feedback on our employees

Number of journeys in Norway and Sweden (millions)



Positive trend in passenger numbers

2022 was a challenging year in many ways. Society was in lockdown at the start of the year and there were very few passengers on our trains. We have seen gradual improvements throughout the year, but the number of journeys remains below the levels we experienced in 2019, which would be the normal year used for comparison.

In 2022, we ended up 16 per cent below 2019 levels for train services in Norway. If we compare against 2021 figures, we end up 58 per cent higher in Norway. This shows a positive trend and we have great faith that it will continue so that we can welcome more customers back on to our trains!



In Sweden, the interest in travelling by train has increased sharply since the pandemic ended and the number of journeys on the Nattåget Norrland overnight service was at a record high during the summer of 2022. The journey volume remained high over the Christmas and New Year holidays. The number of journeys has increased compared to 2021.

Since the pandemic came to an end, we have made targeted efforts in relation to our bus division and almost all customers have now returned. In December, the journey volume was 99 per cent of the corresponding figure for the normal year prior to the pandemic.

More passengers in Sweden

Vy Tåg AB is working purposefully to increase the number of business trips taken by train – both regional journeys and long-distance journeys on the overnight service. We use various incentives to help companies and organisations make the climate-smart switch from car journeys and flights to rail.

We have also worked specifically to boost tourism on some routes. One example is the excellent solutions we have developed in our booking system and the partnerships we have entered into to make it easy for business travellers seeking to take the overnight train from Stockholm towards Skellefteå. We can now offer a smoother and more comfortable journey on this route, with appropriate bus connections from Bastuträsk to Skellefteå and we can also offer breakfast as part of the deal.

Throughout the year, we saw significant growth in the number of passengers travelling by Norrtåg. In July, the journey level was 6.5 per cent higher than the corresponding period during the normal year of 2019. Overall for 2022, Norrtåg will end up at the same level as 2019. We expect further growth in 2023.

There are several reasons for the strong growth at Norrtåg. On certain routes, the price has been reduced to encourage passengers to choose the train ahead of their car and the train service has been actively promoted. Additionally, many Swedes chose to spend their holidays in Sweden and fuel prices increased for cars, which also contributed to the positive trend experienced by Norrtåg.

Nattåget Norrland also welcomed more passengers in 2022, with a large increase up until August and levels corresponding to 2019 for the remainder of the year.

The opening of the Follo Line

The Follo Line opened on 11 December 2022 and represented the largest boost to the Norwegian railways since the Gardemoen Line opened in 1998. Following an investment of NOK 36 billion and thirteen years of work by Bane NOR, the new double-track express line between Ski and Oslo was finally ready to be put into operation. With a journey time of only 12 minutes between Ski and Oslo, the city and the suburb became better connected. Vy has worked hard to provide an improved train service for all train customers in Østfold and Follo and, in addition to the frequent departures on the Follo Line, customers in Rakkestad, for example, benefited from more departures on weekdays. Local line L2 on the Østfold Line received twice as many departures per hour on weekdays, will contribute to greater flexibility in everyday life.

Unfortunately, the joy was short-lived, as the line had to be closed on 19 December. The line remained closed for the rest of the year, but we hope to be able to look back on it as a short-tience. The Follo Line will have a positive impact on everyday life, and we look forward to it reopening.

New services result in a simpler and more comfortable customer journey

It should be easy to make green transport choices and we work continuously to provide positive customer experiences via Vy's channels. At the same time, we are also launching services to make journeys simpler and more comfortable. We know that this is important when it comes to encouraging people to choose public transport over the car and we launched several new products for our customers in 2022. These include:

- **New product on the Bergen Line: Plus Night**
- **The app determines where you are in the country** (using geolocation) for county-wide tickets, i.e. Ruter, Brakar and ØKT. This will hopefully make it clearer to our customers that they can also buy tickets from other transport companies using the Vy app.
- **Self-service bookings for wheelchair spaces.** This booking option is currently limited to the app and valid for the Bergen Line only, but the aim is to eventually launch it on the website and more stations.
- **Self-service bookings for bicycle spaces on the Oslo - Gothenburg route**
- **New design and shortcuts to the most important tasks for customers on vy.no**
- **Scheduled and ongoing changes in the journey search on the app.** This will ensure that customers receive up-to-date information about changes and will provide them with a better basis for making alternative journey planning choices when there are changes to transport services.
- **Self-service journey changes.**
- **Information about alternative transport included**

with the ticket.

- **Improvements for Smartprice customers.** From eight to two clicks to purchase Smartprice tickets.
- **Smartprice for all of Eastern Norway.**
- **Audio guide on the Bergen Line.** Voice of Norway is an audio guide that provides the user with access to selected stories on the Bergen Line, depending on geographical location.
- **The taxi service** has now been expanded to include 65 taxi companies.
- **The Green Journey customer programme** launched in Norway in 2021 and has now also been rolled out in Sweden. Through the programme, members can use our CO2 calculator to see how much they help protect the environment by choosing public transport. We have 320,000 members in Norway and 23,000 members in Sweden.

In 2022, the Vy app passed 4.1 million downloads, 476 000 of which took place in 2022. We saw a record number of app users in June, with 830 000 active users. Over the last six months, we averaged around 790 000 users each month, an increase of around 26 per cent compared to the same period in 2021. Overall, the app and vy.no have around 2 million users each month.

Customers appreciate Vy's flexible train tickets

When the coronavirus pandemic struck, customers called for more flexible ticket solutions for everyday journeys. Vy therefore launched Smartprice in 2021 as a pilot solution and the new ticket option was implemented fully in Eastern Norway during 2022. The more journeys you make in a 30-day period, the cheaper the tickets and you will never pay

more than the price of a monthly season ticket. This means you don't have to think about whether it's worth it, as you will always get the best price.

The solution was tested by more than 10,000 people and, following the positive feedback, we decided to launch Smartprice for train passengers in Eastern Norway in 2022 as part of Vy's regular ticket portfolio.

It is difficult to estimate the revenue effect of Smartprice, as the pandemic means that the comparison data is unreliable. Nevertheless, we can see clear indications of Smartprice having had a positive effect on revenues. However, it is just as important that customers appreciate Smartprice. 83 per cent of customers say that they will continue to use Smartprice and 74 per cent say that they are happy with the service. We can also see that the developments in total ticket revenue where Smartprice has been available have been very positive.

The flexible ticket has become an important part of the ticket portfolio, with 1.54 million Smartprice tickets being sold via the Vy app since the ticket option was rolled out in Eastern Norway back in March. Currently, Smartprice is available in all of Eastern Norway, but only if you commute by train between two specific stations and one of the stations is outside of Ruter's fare area.

Satisfied bus customers

In Sweden, Vy Buss Bus4You had the most satisfied customers for the 12th year in a row in the annual survey conducted by the Swedish Quality Index. Vy Flygbussarna took first place in the "Ground transport" category in 2022 when Service Score named the companies that provide customers with the best service in relation to expectations. The category includes bus companies, rail transport companies and public transport companies in the Swedish market.

In autumn, a major investment was made in Vy Buss Sverige under the name "Det gode vertsskap" ("The Good Host"). Good hosting is a philosophy that focuses on ensuring that people feel welcome and has previously been implemented at Vy Bus4You. In many ways, this philosophy has also formed the basis for the brand's high customer satisfaction scores over the past 11 years. This time, everyone at Vy Buss Sverige had the opportunity to attend a lecture and workshop with the author and lecturer Jan Gunnarsson on the art of making people feel welcome. As Vy Buss Sverige is a large organisation covering around 20 Swedish regions, the lectures were not only educational but also provided a great opportunity for colleagues to meet and exchange experiences of customer service and hosting. We plan to continue working on "Det gode vertsskap" during the upcoming APT sessions with our drivers.

In Norway, Vy Express was the climber of the year in the Norwegian Customer Barometer, having climbed 40 places from 124th in 2021 to 84th in 2022. Vy Express was ranked 9th out of 16 passenger transport companies in the industry. The express bus division achieved a very high customer satisfaction score of 85 in 2022. This goes to show that our employees are succeeding in creating positive customer experiences every day.

2022 Improvement Award for Flygbussarna and Bus4you in Sweden

Vy presented the internal improvement award for the first time this year. The purpose of the award is to showcase the individuals and initiatives that lead to improvements for customers and employees. The very first award went to Vy's Swedish bus companies Flygbussarna and Bus4You. When the pandemic hit, Flygbussarna lost 99 per cent of its revenue almost overnight and Bus4You found that the number of passengers, and thereby also revenue, plummeted. The number of employees had to be reduced and routes had to be cancelled. Considerable efforts were made to restore commercial activities in Sweden following the pandemic. Some of the initiatives involved improving the customer offering and developing employees, which in turn allowed the company to come back stronger following the pandemic. Flygbussarna remains well below the level of passengers seen in 2019, but the profit margin has grown. Bus4You is now experiencing volumes that are higher than in 2019.

Work on universal design

Travelling with Vy should be easy. We therefore work to ensure that our products and services satisfy universal design requirements, so that our solutions are accessible to people with disabilities. We have consulted organisations for those living with disabilities, as well as other external stakeholders in the field, and we have joined the Norwegian Railway Directorate's "Train Group for Universal Design".

In 2022, among other things, we partnered with Bane NOR to develop a new station-based wheelchair ramp for low-floor trains. We have provided input to Norske Tog for the procurement of new local train stock (type 77) and we have worked to adapt vy.no and the Vy app in connection with the new EU Directive.

Vy Buss purchases all scheduled buses and express buses in accordance with the Universal Design Regulations. In 2022, Vy Buss enhanced its training to include a new e-learning course for employees, with the aim of increasing expertise and ensuring correct attitudes to passengers with disabilities. The maintenance of technical equipment on buses has been intensified and practical training on the proper and correct use of equipment has been delivered. Vy Buss collaborates with selected special interest organisations representing different user groups to maintain the quality of our deliveries.

Work continues to develop a door-to-door service

In recent years, Vy has taken several steps to offer a door-to-door service to its customers. Services such as bookable buses make life easier for our customers and are important additions to our core activities.

Vybil is another example of a service launched to contribute to fewer cars on the roads, through car sharing. Unfortunately, the pandemic posed some challenges for Vybil during the start-up phase and Vy was unable to prioritise an investment that would not be profitable for several years when the public transport industry was already losing money during the pandemic. We were therefore forced to discontinue the service in 2022.

The taxi service included in the Vy app has now been expanded to include 65 taxi companies and is available in most counties. The service offers price comparison when multiple taxi companies are available, and you can use the map to plot the pick-up location and follow the taxi's journey before it arrives. So far, the service has had 33,000 unique users. Advance bookings account for 33 per cent of journeys and 39 per cent ended with a final price below the maximum price, which is the reserved amount. The users of the service were happy and assigned high scores to the taxi companies.

Vy invests in sustainable tourism

Vy is investing in the development of sustainable tourism based on public transport to reinforce its core business activities. We are doing this in part through the part-owned companies Fjord Tours Group and Flåm Utvikling. Together, we work continuously to move more tourism customers to sustainable modes of transport, including by developing attractive tourism concepts and packages based on transport by train, bus, and boat in collaboration with local partners in the tourism industry. The tourism packages are developed by Fjord Tours and are available via their dynamic digital tourism portal.

In December 2022, Fjord Tours Group acquired the remaining shares (26 per cent) in the subsidiary Fjord Tours AS. Fjord Tours Group has also helped establish a new local tourism company in Hardanger, Book Hardanger AS, and

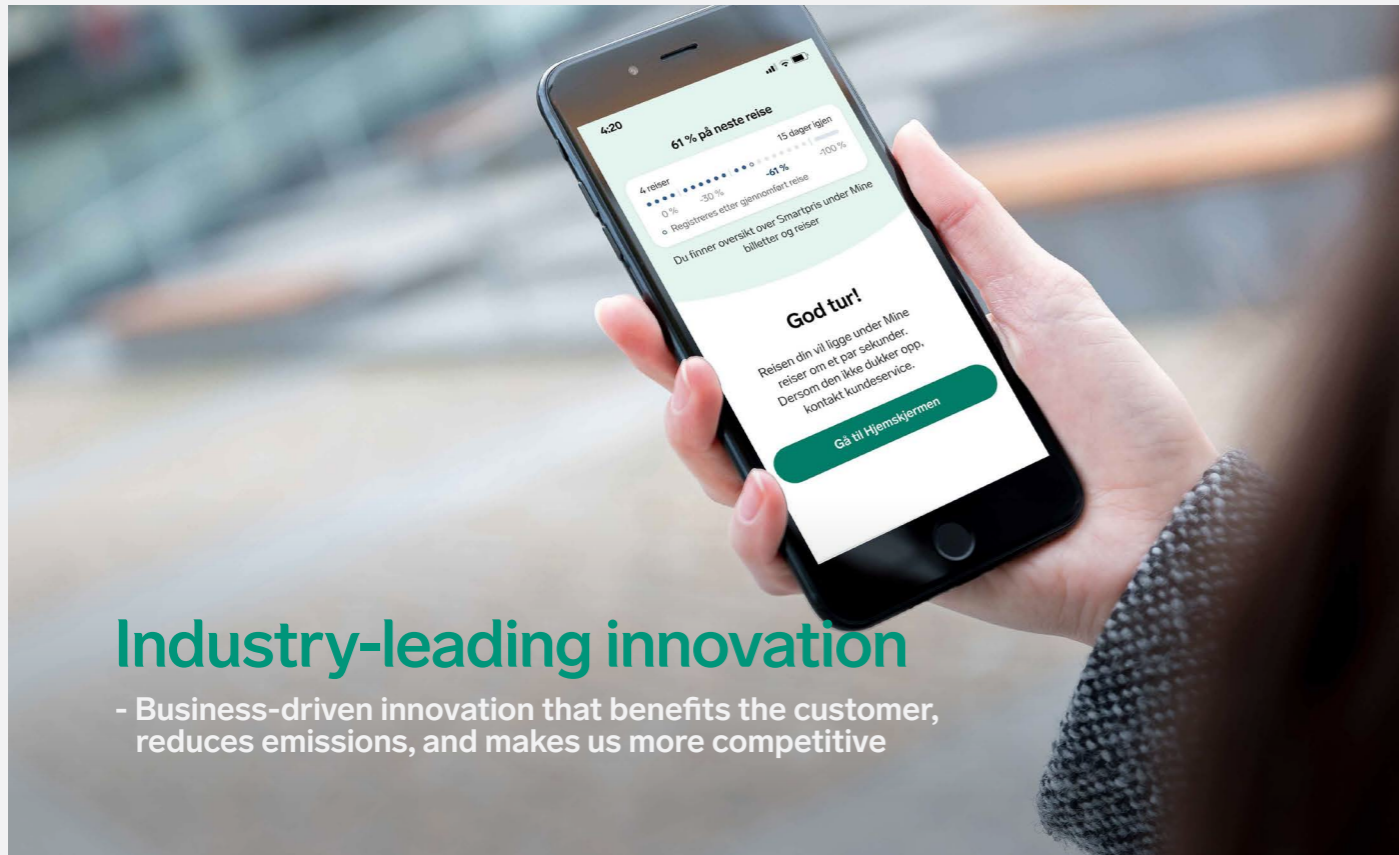
holds a 33 per cent stake in the company. The goal is for the new company to help consolidate and strengthen local tourism and increase the number of tourists in the region.

Growth in European freight transport

In 2022, CargoNet transported Norwegian seafood from Narvik in northern Norway to Padborg in southern Denmark. This was a supplement and alternative to trains between Narvik and Oslo. A fully loaded seafood train has space for around 700 tonnes of seafood and can replace more than 10,000 lorry journeys through daily departures and reduce annual CO2 emissions by more than 20,000 tonnes. We have an ambition of increasing the number of weekly departures from Narvik in 2023 in line with demand and growth in Norwegian seafood exports, but, due to restrictions on bridges in Denmark, the trains will go to Malmö. The return to Norway will run directly to Oslo, carrying imported goods and groceries, and other freight will then be loaded for transport to northern Norway.

There is growth in sustainable rail freight in Europe. CargoNet has therefore worked actively to ensure that more cross-border freight is moved from road to rail, in order to improve its services between Skåne and Oslo. This helps support the increasing volume flows by train between Norway and Europe. Growth continued in 2022 and, despite a more hesitant financial situation, further growth is also expected in 2023. CargoNet is strengthening its capacity by adding more departures between Oslo and Gothenburg, as well as increased capacity between Oslo and Skåne. Freight transported by rail into Norway is often transported by train domestically and therefore contributes to more environmentally friendly transport and increased traffic safety. The same applies to the export of goods from the country.





Industry-leading innovation

- Business-driven innovation that benefits the customer, reduces emissions, and makes us more competitive

Selected operational performance indicators (KPIs)	Status 2022	Target figures for 2023
Emission of CO2 equivalents per seat kilometre, bus	24,8	24,5
Emission of CO2 equivalents per tonne kilometre, freight	4,6	4,1
Energy, kwh/gross tonne kilometres for trains, Norway	48	40



Good health
Through green transport alternatives, we can improve air quality and reduce the number of vehicles on the roads



Sustainable cities and communities
Vy helps develop reliable, sustainable, and resilient infrastructure. Vy works to ensure more efficient use of resources and increased use of clean, environmentally friendly technologies



Responsible consumption and production
Vy will reduce the use of resources, destruction of the environment and greenhouse gas emissions. Reduce waste, discharge of chemicals and waste to the air, water and soil



Climate Action
Vy has incorporated measures to stop climate change in its strategy and we will use our positive customer experiences and industry-leading innovation to strengthen the opportunities for individuals and institutions to choose green



Partnerships to achieve the goals
Vy contributes to well functioning partnerships between the entities in the public transport sector and we will contribute to sustainable developments. We are also a member of various organisations that work together to reduce greenhouse gas emissions in Norway

According to the climate report, Norway has set a target of halving emissions from the transport sector by 2030. Although our most important climate contribution is to encourage more people to choose green public transport solutions, we also work continuously to reduce our own direct emissions and emissions from suppliers.

The consumption of fossil fuels in bus and freight activities constitutes the largest source of our greenhouse gas emissions. We are therefore working to switch to zero-emission solutions and to operate more energy efficiently. Vy's greenhouse gas emissions reduced significantly in 2020 and 2021, but emissions increased in 2022. Vygruppen's total greenhouse gas emissions from transport activities increased by 26 per cent in 2022 compared to 2021. The increase in greenhouse gas emissions was the result of increased activity and more bus kilometres, train kilometres and freight train kilometres. Another reason is that the contracting authorities within the bus segment decided that the use of biodiesel must be reduced, with a transition to ordinary diesel for financial reasons. In 2021, Vy Buss had a biodiesel share of 35 per cent, which was unfortunately reduced to 21 per cent in 2022. Measures to reduce our own emissions going forward include switching to newer and more energy-efficient buses and trains, as well as more energy-efficient driving.

Norway is subject to a turnover requirement for biofuel for road transport. A turnover requirement means that a certain proportion of fossil fuels must be replaced by biofuels during the space of a year and the party responsible for the sale of fuels shall ensure that this happens.

The turnover requirement was 24.5 per cent for road transport in 2021 and 2022. In order to meet the requirement, traders must ensure that 24.5 per cent of the total volume of fuel for road transport consists of biofuels each year.

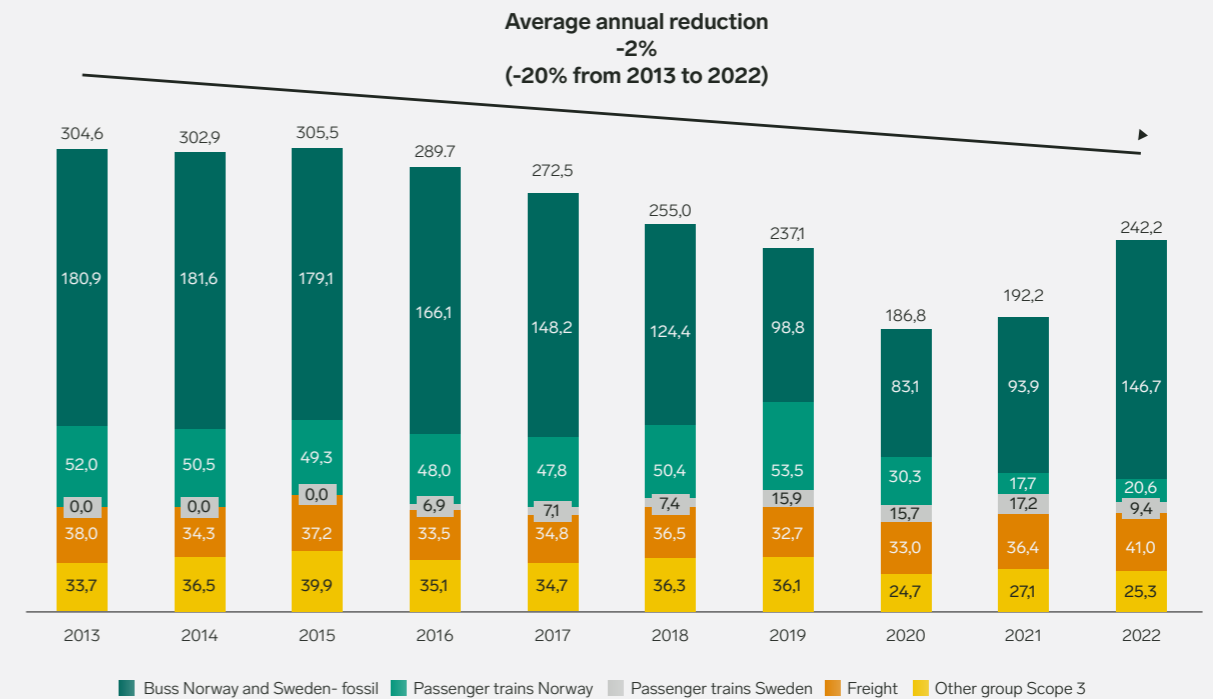
Although Vy's use of biofuels has been reduced and Vy's emission figures are increasing, Norway's total turnover of biofuels is balanced and Norway's total greenhouse gas emissions related to the use of biodiesel are not increasing.

As Vy continues to grow its position in environmentally friendly transport, our own emissions will increase slightly. At the same time, however, the amount society will save from this, compared to alternative forms of transport, such as passenger cars and lorries, will increase significantly. For 2022, the total amount saved is estimated to be 687,000 tonnes of CO2 equivalents, which corresponds to the annual greenhouse gas emissions of over 350,000 cars. On average, a full train replaces 600 cars during peak hours. In addition to these direct climate-related emissions, the freight division (CargoNet) relieved the roads of around 236,000 lorry journeys in 2022. This corresponds to approximately 640 lorries each day (the effect of volumes transported by industrial train are excluded).

In order to operate electric passenger and freight trains, Vy sources its power with guarantees of origin. This provides a guarantee that the electricity we use is produced as renewable power at Norwegian hydro-power plants. Nearly all of our trains also have the ability to generate and return electricity to the system when braking. Electricity

Vygruppen's greenhouse gas emissions 2013 – 2022

Absolute emissions (location-based), 1,000 tonnes CO2e, Scope 1, 2 and 3 without biogenic CO2 emissions from biodiesel



consumption for Vy Tog in Norway has been reduced by around 17 per cent using electricity generated during braking.

We use two different calculations for greenhouse gas emissions from electricity consumption in our reporting: 1) A location-based method that calculates emissions taking into account where the electricity has been produced and for which we have based our accounts on the Norwegian and Swedish electricity mix and 2) a market-based method that takes into account guarantees of origin so that, in our case, emission coefficients related to 100 percent renewable energy are used for electricity for which guarantees of origin have been purchased. For electricity without guarantees of origin, emissions from electricity will be used in accordance with the product declarations for electricity suppliers from NVE. In both cases, the 'well to wheel' model is used so that any emissions connected with the production of the energy itself are also included. By including the guarantees of origin, the total savings increase by 3,643 tonnes of CO2 equivalents. For further details, please see the "Carbon accounting" chapter in the annual report.

Reduced emissions from trains

For passenger trains in Norway, greenhouse gas emissions (Scope 1 and Scope 2, excluding biogenic emissions) were reduced by 60 per cent in 2022 compared to 2019, primarily as a result of only operating electric passenger trains since June 2020, excluding the diesel section of the Nordland Line, but also due to energy consumption being 1 per cent lower per seat kilometre operated by electric trains in 2022 compared to 2019. Emissions from freight operations have increased by 25 per cent compared to 2019, primarily due to increased production (increased freight by tonne kilometre) and increased consumption of diesel. Emissions are too a large extent influenced by the routes that are in operation, as well as the combined use of trains running on diesel and electricity. In 2022, the relative electricity consumption (kWh per net tonne kilometre) was 6 per cent lower compared to freight transport using electric trains in 2019.

CargoNet works continuously to improve the carbon footprint on the external environment and this is also

something customers demand. At the end of 2022, CargoNet took delivery of new locomotives that will replace the old diesel locomotives used on the Nordland Line with much more energy-efficient locomotives and, in the coming years, the company will receive more new electric locomotives to replace older rolling stock. The new locomotives will return electricity to the grid when braking. CargoNet emphasises energy-efficient driving and this is prioritised when drivers are trained. The topic is covered at driver meetings and provides additional effects in the form of reduced energy consumption.

At the terminals, ongoing modernisation of the machine fleet is also taking place. Newly acquired rolling stock satisfy the strictest and most recent environmental requirements. Large amounts of new terminal machinery were acquired in 2022 and more will be delivered in 2023. CargoNet expects to start testing electric terminal machinery in 2023 in collaboration with the supplier. At the Alnabru terminal in Trondheim, all of our work vehicles are now electric and excellent charging facilities have been established for the vehicles. Other vehicles used for operations by CargoNet will be continuously replaced by electric vehicles.

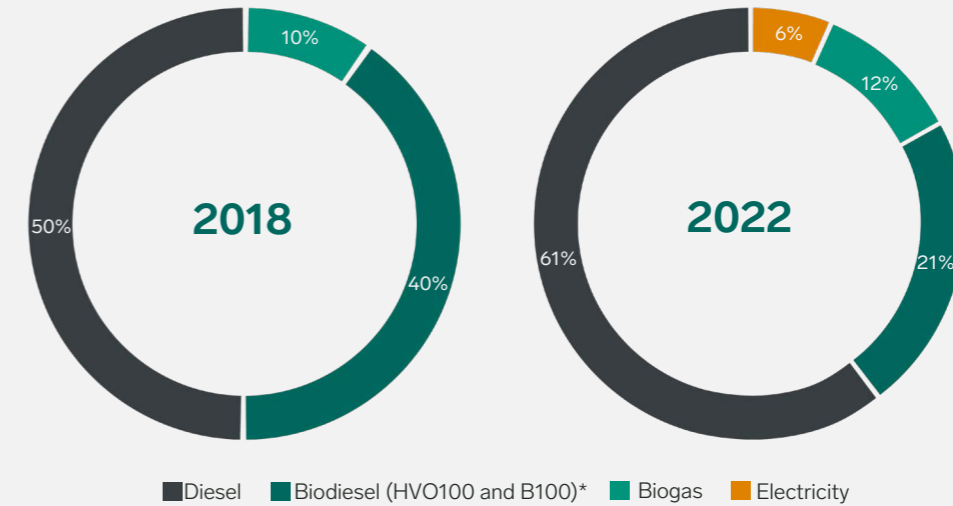
Vy Buss at the forefront of electrification

Vy wants to set the standard for sustainability and be a positive driver so that the passengers of the future receive a greener service. In 2022, Vy's commercial bus division was at the forefront of electrification of the bus fleet and nine new electric coaches have been delivered. The introduction of electric buses is in the start-up phase and the goal is to achieve a bus fleet that causes zero pollution.

Vy Buss is the largest commercial bus operator in Norway and therefore has a significant social responsibility. By electrifying the bus fleet, we are setting the standard in the industry and helping to ensure that more competitors and partners take the environment and climate seriously. Vy is not going to stop here but is seeking to continuously test leading new technology, especially innovations that will help reduce CO2 emissions.



Share of diesel, biodiesel*, biogas and electricity (as % of seat kilometres)

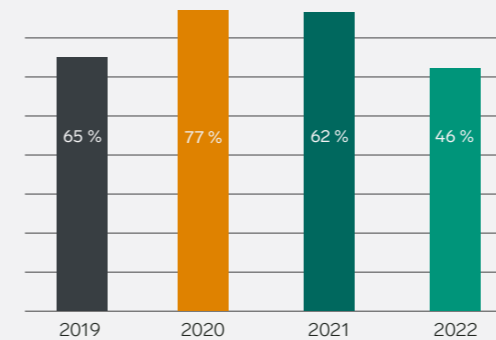


Note: Biodiesel* = HVO100 (produced from waste primarily from the fish and meat industry) and B100 (by-product of rapeseed production in which half of the seeds are produced for animal feed).

In February 2022, Vy was awarded a contract to deliver bus services in Kongsberg and the central regions of the county, which means that the region will have a fully electric fleet. The contract covers around 3.9 route kilometres, which will be served by 94 buses. Brakar estimates that this will reduce greenhouse gas emissions by 4.5 tonnes of CO2 equivalents. Additionally, the local air quality will improve significantly due to lower emissions of NOX and particles. This is particularly important for the city of Kongsberg.

During the spring of 2021, the Norwegian government adopted a new climate plan, which stipulates that public procurement of transport services must be based on all urban bus services being carbon-neutral from 2025. This will likely require electric operations. Recent tender competitions also show that there has been a significant shift towards electricity, especially in the Oslo region. Furthermore, Viken (Ruter), for example, has set a target of using only zero-emission buses from 2028.

Bus - proportion of carriage kilometres running on HVO/biodiesel/gas/electricity



Energy consumption for the bus division

Greenhouse gas emissions from the Vy Buss division have reduced significantly in recent years. The main reason for this is that the bus division has switched to more renewable energy. We have also started using a fleet management system, which registers fuel consumption, idling and driving behaviour.

One line item on the invoice in 2021 was the increased road tax on biofuel in Norway, which resulted in a price increase of around 25 per cent. This meant that several of our contracting authorities elected to go back to diesel from HVO. The consequence of this is that the proportion of kilometres driven using zero-emission fuel decreased from 77 per cent in 2020 to 62 per cent in 2021, before dropping to 46 per cent in 2022. This is despite the fact that there has been an increase from 2 million kilometres in 2020 to 9.2 million kilometres in 2021 and 12.2 million kilometres in 2022 for electric buses. This proportion will increase marginally in 2023 due to there being more electric buses.

We have reduced greenhouse gas emissions from suppliers (Scope 3)

Vy reports on its suppliers' greenhouse gas emissions in accordance with the international standard for carbon reporting, Greenhouse Gas Protocol, Scope 3. In 2022, Vy further developed its calculations for Scope 3. Scope 3 now includes the following activities:

- Rail replacement bus services in Norway and Sweden (included in previous annual reports)
- Air and taxi travel for employees (included in previous annual reports)



Bus heading into our new Nordic Swan eco-labelled washing hall in Hamar

- Well to tank (indirect) emissions from fuel production (included in previous annual reports)
- Emissions from services such as hotel accommodation, textiles, maintenance
- Emissions from the manufacturing and maintenance of passenger trains, freight trains and buses
- Washing and cleaning of buses and trains
- Office premises (rent, lighting, heating, communal costs, mortgages)
- Operation of IT infrastructure

In 2022, alternative transport (rail replacement bus services in Norway) accounted for around 7,600 tonnes of CO2 equivalents in greenhouse gas emissions, a decrease of 5 per cent from 2020. Emissions from alternative transport therefore corresponded to 5 per cent of emissions from Vygruppen in 2022 (Scope 1 and Scope 2, excluding biogenic emissions). Total Scope 3 emissions for 2022 have been calculated at 25,300 tonnes of CO2 equivalents for activities associated with the Group and around 68,200 tonnes of CO2 equivalents for the manufacturing and maintenance of trains and buses, including well to tank emissions from fuel production. Scope 3 emissions from activities associated with the Group account for approximately 17 per cent of emissions from our own operations (Scope 1 and 2, excluding biogenic emissions, location-based method).

Vy named one of the climate winners of the year

Out of a total of 100 Norwegian companies, Vy was one of the few that reached the top of PwC's climate index in 2022. Vy was one of ten companies to achieve a top score in the index. PwC's climate index is based on publicly available information on how Norway's 100 largest companies work on climate issues.

The climate index assesses companies based on historic data relating to the companies' CO2 emissions and other greenhouse gas emissions, greenhouse gas emission targets for the future, the sources of greenhouse gas emissions included in the companies' targets and calculations, and the cuts in emissions the companies can demonstrate having made over the last three years.

Minibuss 24-7 turns adapted transport electric in Oslo

Minibuss 24-7 secured the contract for specially adapted transport in Oslo and will deliver transport using 60 electric minibuses from 2022. This is the first fully electric contract entered into by the Vy subsidiary. Adapted transport is available all over Oslo and at all times of day and night. The high-profile minibuses are easy to spot against the cityscape. To ensure adequate charging capacity, Minibuss 24-7 has established a dedicated charging park for all vehicles at Økern. Access to suitable charging solutions for electric minibuses is significantly worse than for large buses or passenger cars. The transition to electricity in Oslo means that 2.8 million kilometres will become zero-emission kilometres each year.

Vy championship contributes to reduced emissions

Every year, Vy Buss arranges a competition for drivers focusing on economic, customer-friendly, and safe driving. The goal is to ensure that drivers drive in a way that is as safe and environmentally friendly as possible. This year, 18 drivers who had secured a top score for environmentally friendly and customer friendly driving styles made it to the final, 4 from Sweden and 14 from Norway.

Vy's Nordic Swan eco-labelled washing halls achieve excellent results

In 2020, the large washing hall at Eidsvoll became the first washing hall in Norway to achieve the Nordic Swan eco-label. The washing halls in Hamar and Brumunddal also achieved Nordic Swan eco-labelling in 2022. The Nordic Swan eco-label sets out strict requirements relating to water consumption and treatment of wastewater. We have seen excellent results from the measures associated with the certification: In 2022, the washing hall at Eidsvoll saved the local authority three million litres of water and 85 per cent of the water was reused. The requirement imposed by the Nordic Swan eco-label is to use a maximum of 270 litres of

water for each bus and the results from Eidsvoll show an average of 65 litres of water being used per bus. The Nordic Swan eco-label requirements also include a requirement to remove oil fractions, heavy metals, and other environmental toxins. Vy Buss operates a total of 57 washing halls and wishes to explore the possibility of achieving Nordic Swan eco-labelling for more halls going forward.

CargoNet modernises its fleet of locomotives

CargoNet has already taken delivery of two hybrid Stadler EURO DUAL locomotives. A further two locomotives of the same type will be delivered in early 2023. These are electric locomotives that are also equipped with a diesel engine, and they are some of the most environmentally friendly locomotives available on the market today. The locomotives can be used on both electrified and non-electrified routes and will be used between Oslo and Fauske, among others. This provides both flexibility and optimal use of resources, as only a single locomotive will be needed for the entire route, and will also result in reduced emissions when the route between Trondheim and Stjørdal is electrified. In addition to this, several Traxx locomotives will also be acquired in the coming year to replace older locomotives and support further growth. These locomotives return some of the energy from the train operations to the grid and are therefore more energy-efficient than older trains. Over the coming year, the locomotive fleet will be supplemented by 13 newer, more energy-efficient electric locomotives.

Zero-emission lifting gear at CargoNet's terminals

CargoNet works closely with its supplier of lifting gear at terminals to develop and switch to zero-emission lifting gear. CargoNet has agreed to test prototypes of electric lifting gear from the end of 2023 and will become the first terminal operator in Europe to test zero-emission machinery produced by suppliers in Europe with a lifting capacity of up to 45 tonnes. We are proud to be part of the development at such an early stage.

CargoNet tests battery carriage to cut diesel consumption

Each day, large amounts of fruit, vegetables, medication, seafood, and other products that require controlled temperatures are transported by rail. Current refrigeration units use fossil fuel (diesel) as the energy source during transport. In order to make rail freight transport even more environmentally friendly, CargoNet has already tested a new type of carriage that generates and stores electricity to supply the refrigeration units with environmentally friendly energy, thereby further contributing to reducing CO2 emissions. CargoNet has launched a pilot programme that will run throughout the winter of 2022/2023 for the most recent type of carriage. The pilot programme is running in

collaboration with ASKO Transport.

Smarter train ticket encourages more people to travel by public transport

Around 20 per cent of customers say that they travel less by car thanks to Vy's flexible ticket concept, Smartprice. Nearly 40 per cent of these say that they use the car at least two days less per week. Figures from the customer satisfaction survey and journey data indicate that Smartprice saves 850,000 car journeys each year (based on the survey). One in three customers say that they travel more by train due to Smartprice and 83 per cent of these say that they travel one day per week or more.

World's first large autonomous bus in scheduled service

In May 2022, Vy and Kolumbus launched the world's first large autonomous bus in scheduled service in Stavanger. The project will run until May 2024 and has attracted a lot of attention, especially abroad. The autonomous technology has exceeded expectations and the bus has been in stable operation throughout the year. More than 9,000 passengers travelled on the bus in 2022.

The bus is owned and operated by Vy and is one of the most advanced buses of its kind. The route operated by the bus in Stavanger is highly complex and a safety operator is therefore on board. For easier parts of the route, the plan is to test the bus without a safety operator on board during 2023-2024.

The project in Stavanger is following a development cycle in which work is continuously undertaken to develop technology and solutions for safe, customer-friendly and reliable autonomous bus services.

Minimal waste

Vy wants to help reduce waste. This can be achieved by preventing the generation of waste in the first place. The waste should then be reused or recycled if possible. It is vital that we make sure that waste is not sent to landfill or incinerated without recovering energy. The goal is to continuously identify opportunities for reuse and to increase sorting at source, e.g. by:

- Sorting at source on trains, where paper can be recycled and energy can be recovered from general waste
- Reducing plastic in connection with food service on trains and protective interior plastic on new buses
- Imposing requirements on and monitoring suppliers of workshop and cleaning services to reduce the amount of chemicals used
- Increasing the levels of reuse or recycling of used uniforms

The bus division has recorded a waste volume of 1,181 tonnes, an increase of around 10 per cent from 2021. The source sorting ratio has increased and is now 83 per cent. The freight division has recorded a waste volume of around 100 tonnes and a source sorting ratio of nearly 100 per cent. The cleaning division (Agilia for passenger trains) has recorded a waste volume of 91 tonnes with a source sorting ratio of 25 per cent.

No significant discharge of chemicals or leaks associated with our activities were recorded in 2022.

Team Verksted, our independent chain of workshops, has entered into waste management agreements for all workshops and goes the extra mile to recycle. The sand trap in the washing halls is also emptied by Norva, which manages it as special waste. This is an environmental responsibility that few parties in the industry are willing to assume.

Retreading tyres

Vy has a high level of environmental awareness when it comes to tyres. To reduce the environmental impact, Vy Buss uses retreaded tyres on the drive shaft in contract activities. Technically speaking, this means that a new tread is installed on worn tyres so that the core of the tyre can be used several times. Calculations show that the carbon footprint is halved using retreaded tyres compared to new tyres. The long-term goal is to also use retreaded tyres for the front axle.

Our tyre supplier, Gummiservice Produksjon AS, is environmentally certified in accordance with ISO 14001.

Reuse and recycling of IT equipment

Vy strives to achieve the highest possible degree of reuse and recycling of IT equipment. In 2022, the reuse rate for laptops, desktops and monitors was 86 per cent.

The head office is one of the most environmentally friendly buildings in Norway

Vy's head office was the first building in Norway to achieve the BREEAM-NOR "Excellent" environmental certification, which is the leading Norwegian environmental certification system for buildings. The building is space-efficient, flexible and future-oriented and provides significant additional value for tenants, owners and society. The basement boasts 364 bicycle parking spaces. Employees can also book electric bicycles and there are very few parking spaces available for cars.

Participating in Skift for more environmentally friendly transport

In 2022, Vy joined Skift, a climate initiative for companies wishing to contribute to Norway achieving its climate targets. Vy has joined in order to contribute to more environmentally friendly transport, but also to be challenged by other companies that have come a long way in their efforts to reduce emissions. Skift is also a forum for discussing joint initiatives across industries and jointly promotes outstanding initiatives to politicians.

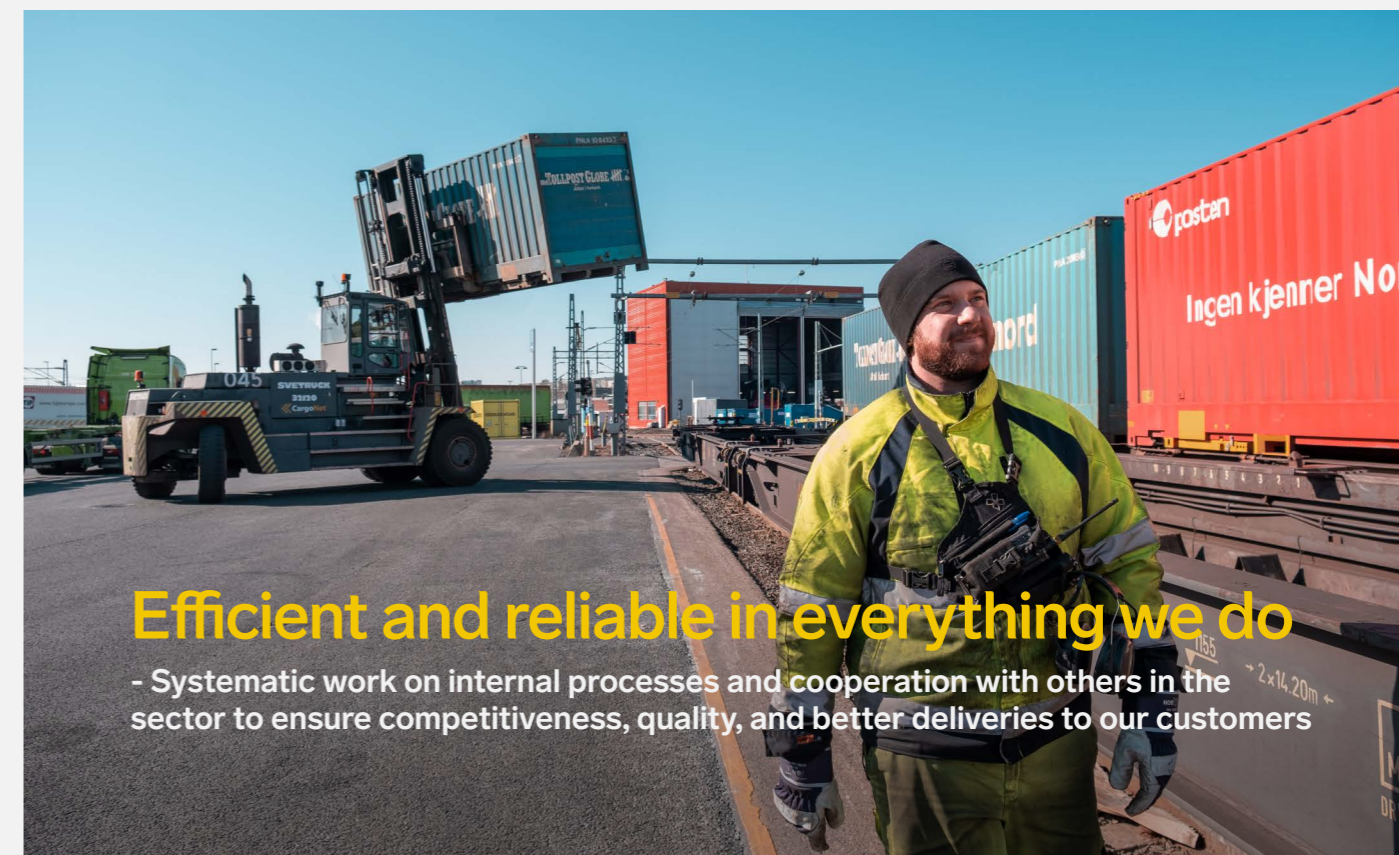
Vy is a member of Industry for Climate

Industry for Climate is a climate collaboration between the City of Oslo and businesses in the Oslo region. Industry for Climate consists of more than 100 companies working to reduce greenhouse gas emissions in Oslo and help achieve the city's climate targets.

Vy Tog aims to further reduce energy consumption

In light of the ongoing energy crisis in Europe and the increased electricity costs, it is crucial for Vy to conduct its train operations in an energy-efficient manner. Vy has always worked on energy-saving measures, but, at the start of 2022, Vy launched a major project to further reduce energy consumption through a number of measures. Some of the key topics we are working on include:

- Energy data: The use of data to improve the control and overview of energy consumption.
- Organisation, objectives and KPIs: Organise the energy-related work on trains efficiently and with clear objectives.
- Optimise and streamline the process to replace old or defective electricity meters to ensure that the data is correct.
- Obtain more detailed insight into energy consumption by measuring individual components on board and by using new tools.
- Reduce energy consumption by parking trains in a way that uses minimal electricity to achieve the optimal interior temperature, to ensure the best combination of comfort and energy efficiency. Look at potential upgrades to HVAC systems to make these more energy efficient.



Selected operational performance indicators (KPIs)	Status 2022	Target figures for 2023
Total punctuality, passenger trains	84,8 %	90 %
Operator-dependent punctuality, passenger trains	97,9 %	98,5 %
Punctuality, freight trains	88 %	92 %



Decent work and economic growth
Vy promotes a safe and decent working environment for all employees. We work continuously to improve resource utilisation, especially in energy consumption, to help remove the link between economic growth and environmental destruction. Vy promotes a sustainable tourism industry that creates jobs and promotes local culture and products



Sustainable cities and communities
We must ensure that everyone has access to safe, accessible and sustainable transport solutions at affordable prices



Partnerships to achieve the goals
Vy contributes to well-functioning partnerships between the entities within the public transport sector and seeks partnerships with multiple stakeholders when such partnerships can contribute to sustainable development

The state's rationale for ownership in Vy, is that the state requires a supplier that can meet the government's requirements for transporting passengers and freight on the railways. The state's objective as owner is to achieve the highest possible return over time within a sustainable framework.

For passenger train services covered by the negotiations with the Norwegian Railway Directorate concerning the direct allocation of transport contracts in Eastern Norway, the state's objective as owner is to achieve sustainable and efficient achievement of sectoral policy targets.

Vy works systematically on restructuring and continuous improvements across the Group to provide the best service to customers. In addition to improving and simplifying operation and support processes, we also facilitate the sharing of best practices and learning across the divisions. Further digitalisation and automation will be key to improving quality and reducing costs going forward.

Vy focuses on quality at all levels of the company to ensure a sustainable value chain. Great customer experiences require good, reliable basic deliveries. For the train divisions, safety, punctuality, and proper management of change situations are of particular importance. Vy's deliveries depend on positive and constructive partnerships with others in the

sector and we are committed to ensuring that the end customer is also prioritised highly by our suppliers.

Low punctuality creates challenge for customers

When it comes to the passenger train division, there is a difference between operator-dependent punctuality and total punctuality. Operator-dependent punctuality, which only includes delays caused by Vy, was 97.9 per cent in 2022. This is similar to 2021, when operator-dependent punctuality was 98.1 per cent. This is something we are constantly working to improve. Total punctuality, which includes all delays regardless of cause, was 84.8 per cent for Vy's passenger trains. This is a decrease from 87.8 per cent in 2021. The poor total punctuality constitutes a major challenge for our customers. To deliver a good train service, we are completely dependent on good deliveries from Bane NOR, which is responsible for the infrastructure. We attend regular collaboration meetings with Bane NOR in relation to the work on punctuality on several levels. This takes place at different levels, from forums with senior management in both companies, to meetings between personnel working more directly to operations. The forums look at the various areas in Eastern Norway, Western Norway and the Gjøvik

Line. We have local meetings with Bane NOR regarding specific routes and punctuality patterns every other week, at which, based on analysis, we discuss specific priorities and improvements.

Streamlining and subsidies for freight trains result in increased capacity and more freight moving from road to rail

CargoNet undertakes its work in a structured and targeted manner to improve resource utilisation, reduce costs and increase quality. Continuous improvement of internal processes and the development of digital tools are key to achieving this. Examples of improvements include the acquisition of new customs systems, automation of document flow, services to improve communications and interactions with customers, suppliers, and partners. The temporary subsidy scheme for freight transfer from road to rail has been extended into 2023. The scheme is aimed at the combined transport and wagonload segments, which experience the greatest competition from road transport. The subsidy is paid based on net tonne kilometres of freight transported by rail.

New digital solutions at Vy Buss

In 2022, Vy Buss developed a data platform to collect sensor data. This will help us monitor our own delivery quality and enable us to rapidly implement targeted improvement measures. The platform contributes to a more efficient working day for employees, improved customer satisfaction and increased innovation capacity.

The work on remote control of additional heating has been continued from 2021 to include more contracts and buses. This work contributes to reduced fuel consumption.

The implementation of digital washing lists has been expanded to include more washing halls so that the right buses are washed/refuelled, which reduces the need for internal communication in connection with changing buses.

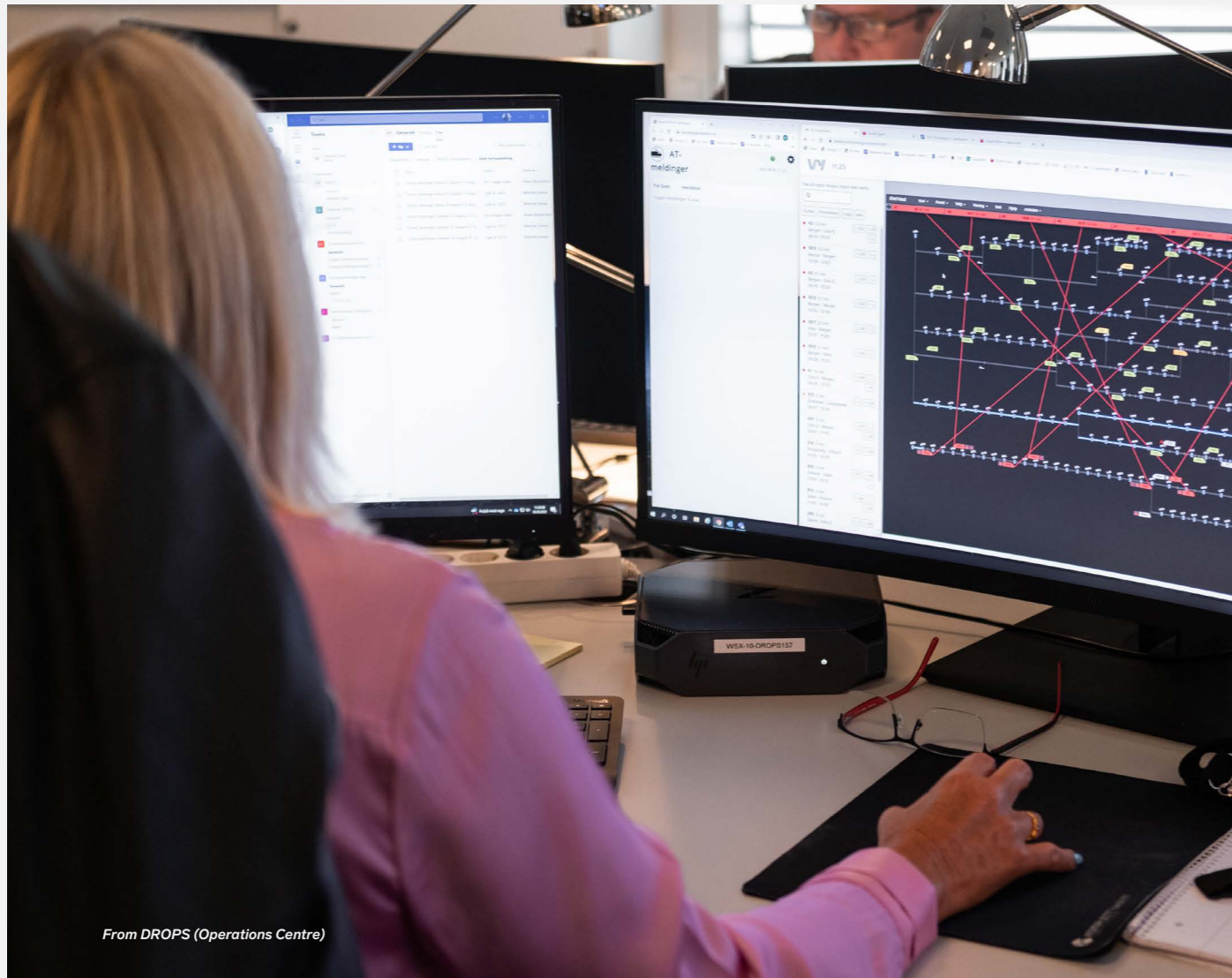
Digitalisation results in increased effectiveness, employee satisfaction, innovation capacity and customer satisfaction.

Responsible purchasing

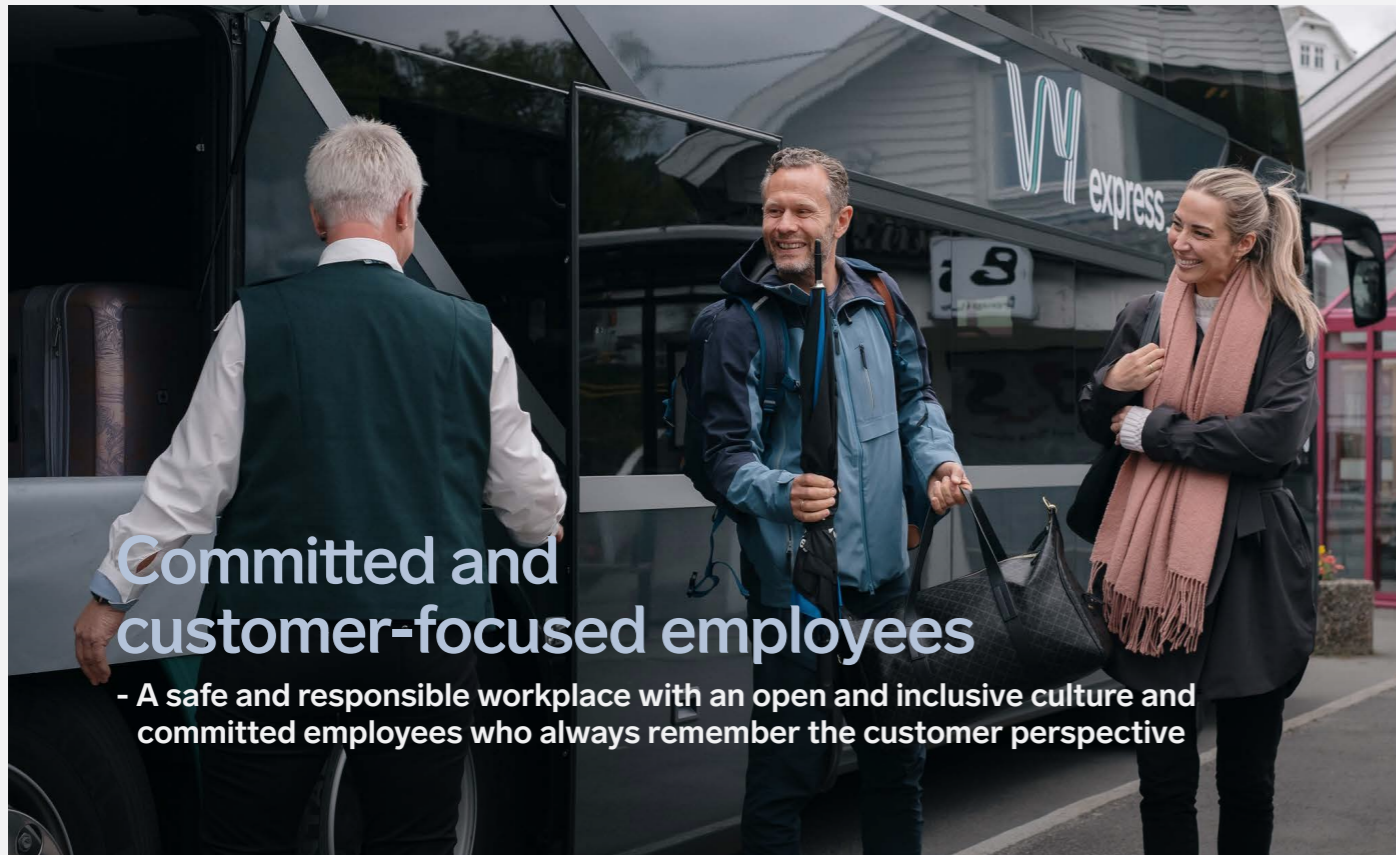
Vygruppen is a responsible purchaser. Our Supplier Code of Conduct sets out requirements concerning fundamental human rights and labour rights, the environment and business conduct for all purchases and contracts. Vy's purchasing strategy sets out specific objectives and measures for sustainable purchasing. The Group purchases goods and services for approximately NOK 7.7 billion per year. In addition, we acquired and leased fixed assets, primarily trains and buses, for NOK 877 million in 2022. Vy conducts annual risk assessments of environmental, social, and ethical matters in relation to the procurement plans and agreement portfolios. The purchasing division will ensure that Vy utilises its buying power to achieve the best possible conditions and to ensure that the agreements entered into safeguard the interests of Vy and meet sustainability standards. Vy is a member of the Ethical Trading Initiative (Etisk Handel Norge), the purpose of which is to promote responsible supply chains.

In 2022, all 786 agreements were subject to risk assessments and suppliers in several risk areas were followed up on further in relation to sustainability. This is an increase of nearly 30 per cent from last year. If non-conformities are detected, we will set out clear demands for improvements. The work we carry out to ensure compliance with our sustainability goals along the entire value chain forms a vital element of the Groups' community work. We work in accordance with the OECD method for due diligence and, in 2022, we worked systematically to improve our work and ensure that we fulfil the duties set out in the new Transparency Act. This is also a priority area in which we will be working on continuous improvements in the coming years. As of today, no violations of labour and human rights have been uncovered, but inadequate work has been uncovered in relation to due diligence and compliance with Vy's Code of Conduct at suppliers.

Vygruppen acknowledges that its business practices may have a potential negative impact on people, society, and the environment. At the same time, we want to contribute to positive developments in the supply chain and we strive to establish relationships with suppliers that show a particular willingness and ability to work on positive developments in the supply chain. We recognise that we are not currently dealing with every conceivable negative impact in the supply chain. For further information, please see the chapter on "The Transparency Act and report on due diligence".



From DROPS (Operations Centre)



Committed and customer-focused employees

- A safe and responsible workplace with an open and inclusive culture and committed employees who always remember the customer perspective

Selected operational performance indicators (KPIs)	Status 2022	Target figures for 2023
Number of fatalities related to trains, buses, and the workplace	1	0
LTI (frequency of occupational accidents that are serious enough to result in at least one full day of absence from the workplace)	6,6	4,9
Absence due to illness (total)	8,0 %	7,6%



Gender equality
Vy works actively to increase diversity and promote equal opportunities for all



Decent work and economic growth
Vy promotes a safe and decent working environment for all employees

Vy will be an industry leader when it comes to traffic safety and HSE. We channel our efforts into the three following areas, in order to make sure that our customers can travel safely, and our employees are well looked after:

- **Traffic safety:** Vy must help ensure that people and freight can be transported more safely
- **Safe customers:** Customers must be able to travel safely on their journeys. Their journeys must be predictable in terms of times and quality, and they must be able to be sure that their personal data is handled securely
- **Safe and happy colleagues:** Our employees benefit from a safe workplace that is always developing and gives them motivation

Group-wide HSE work

In 2022, Vy continued working to further develop the Group's approach to systematic HSE. A Group-wide HSE declaration has been drawn up that emphasises prevention, local management, and continuous improvement to support the Group's ambition of being an industry leader in HSE and the working environment.

Based on the identified development areas, we have drawn up a Group-wide HSE strategy. The strategy, which is the result of a broad discussion across business units and close collaboration with the safety service, is based on four focus areas:

- Context: A clear Group-wide approach to HSE
- Expertise: Good knowledge among managers, employees and the safety service regarding the elements that form part of systematic HSE
- Capacity: Sufficient professional and management support, as well as tools that contribute to effective work processes
- Communication: Highlight positive stories, share good practices and strengthen collaboration across the board

This year we have seen a revitalisation of the Group HSE forum. This forum has helped strengthen the work on

learning and interaction across business areas. The forum consists of resources who play key roles in the work on HSE or adjacent disciplines, as well as the Chief Safety Officer. The Group HSE Forum acts as an advisory body and is a crucial instrument for the discussion and endorsement of central matters linked to HSE management across the Group.

Local management, especially the manager's responsibilities and influence in creating a safe and positive working environment, is a central topic of Vy's management development programme. We also emphasise the importance of healthy relationships between employees and between managers and employees when it comes to ensuring continuous improvements from a preventive perspective.

In 2022, Vygruppen entered into a Group-wide agreement with an external occupational health service. The occupational health service is considered a key instrument in the continued work on prevention and systematic HSE. The transition to an external occupational health service provider also involved the acquisition of the former Vy BHT.

HSE at CargoNet

As part of our systematic HSE work and to reduce the number of personal injuries, we have carried out a comprehensive HSE risk assessment of terminal activities at CargoNet. The risk assessment had a broad perspective in relation to the working environment and safety of employees. The assessments were based around the fact that personal injuries do not occur in a vacuum but are the result of several factors. The assessment has therefore resulted in an action plan that covers a large part of the organisation and includes new initiatives and further develops existing activities to nurture a positive culture for safety and HSE. Prioritised areas include developing a culture of adverse event reporting, skills development in the field of HSE, management development, personal protective equipment, health-promoting activities and increased collaboration with other parties that our employees interact with and that affect safety and the working environment. We will expand this work in 2023 to include other departments in the work.

Helse, -miljø og sikkerhetserklæring

- Vår visjon er null skader, og vi skal jobbe forebyggende for å unngå skader og ulykker.
- Vi skal være synlige ledere, lede i tråd med våre verdier og ledelsesprinsipper, og sikre økt nærvær.
- Vi skal jobbe systematisk med forebyggende HMS for å sikre trygge arbeidsplasser og redusere belastningsskader og sykefravær.
- Vi skal jobbe for et inkluderende, ikke-diskriminerende og mangfoldig arbeidsmiljø, der enkeltmennesket respekteres og verdsettes.
- Vi skal lede an det kontinuerlige forbedringsarbeidet basert på åpenhet, læring og samspill på tvers.
- Vi skal stille krav og sikre god oppfølging av våre leverandører når det gjelder helse, miljø og sikkerhet.




Ole Bakstad
 
Ole Engebrethaugen
 
Erik Rahne
 
Ingvild Storis
 
Synne Homble


Marius Holm
 
Irene Katrin Thunshelle
 
Kristian Kolind
 
Kristin Elisabeth Fløgestad

- HSE skills development: Safety representative meeting conducted, work on the use of nanolearning and e-learning on skills development for safety representatives is ongoing.
- Reporting culture: The organisation is highly familiar with using Synergi as a reporting system, but work is already ongoing to make the system more accessible for individual employees (all employees will be given their own account) and the content will be simplified.

2022 HSE Award

We presented an internal HSE Award for the first time this year. The purpose of the award is to showcase good initiatives and stimulate efforts in this crucial area. The inaugural award was presented to Managing Director Vivian Arnesen on the Gjøvik Line for the work that has been put in to improve HSE results. Arnesen heads up a unit of nearly one hundred employees. The Gjøvik Line has low levels of absence due to illness, high employee satisfaction and has not experienced a single personal injury resulting in absence. The outstanding results are the result of, among other things, excellent collaborations with employee representatives and safety representatives based on the principle of mutual trust and respect. This is how Arnesen explains the great results:

«Reporting is very important to us and we make sure that reporting takes place within a positive framework. This means that no-one should be hung out to dry if they make a mistake. It's also important for us to provide feedback on the reports we receive. Unfortunately, mistakes will always happen, but it's important that we all learn our lessons from the incidents that occur.»

I also find that we have a very positive dialogue with employees, employee representatives and the Health & Safety Committee representatives. I believe that, together, we have created a culture in which we encourage each other to help mitigate the risk of accidents and adverse events. We achieve this because we are all committed to ensuring that we have a positive working environment and to keeping one another safe by sharing our own experiences. In this way, we gain knowledge and raise awareness in everyday situations and help each other avoid mistakes and prevent injuries.»

Inclusive Workplace (IW) industry programme

The IW industry programme for bus services and passenger transport will help us achieve our goal of reduced absence due to illness, lower drop-out rates, and preventive working environment efforts during restructuring. The industry programme is part of the 2019-2022 IW agreement.

Vy has been an active contributor ever since the industry programme was incorporated into the IW agreement. During the term of the agreement, we have applied for funding for several projects organised by our bus and train divisions. In 2022, we focused in particular on measures linked to the Women on Rails project and the Personalised Physical Activity and Nutrition Information project. These

research projects have resulted in new knowledge about the factors that affect absence due to illness, as well as the development of an e-learning module on ergonomics and lifestyle for operational train employees. The aim is to reduce absence due to illness. The e-learning content is distributed via e-mail, Workplace and information screens.

The IW agreement will be continued and the same is the case for the participation of Vy Tog and Vy Buss in the industry programme for passenger transport. Vy Buss has initiated work in connection with the challenges posed by the growing number of involuntary part-time positions related to the working environment, absence due to illness and recruitment. The project is being carried out in collaboration with relevant research communities and in close collaboration with the main safety representatives and Chief Safety Officer.

Full speed ahead for the express bus division after the pandemic

During and after the pandemic, the express bus division was affected by challenging financial conditions and furloughed employees. Employees have faced uncertainty and a fear of catching COVID-19 at work, while also being asked to make a key contribution to society by keeping Norway running.

Since the pandemic came to an end, the bus division has made targeted efforts and almost all customers have now returned. In December, the journey volume was 99 per cent of the corresponding figure for 2019, the last normal year prior to the pandemic. During the pandemic, Vy Ekspressbuss was forced to furlough a number of employees and the situation was financially challenging. There was great joy when society reopened, and employees were able to return to work. By the end of the year, 100 per cent of our drivers had returned to work.

Traffic safety

Traffic safety is a central aspect of Vy culture and employees have high levels of expertise and pride relating to traffic safety. Throughout the Group as a whole, we will work to further reduce adverse events and dangerous situations to prevent injuries and deaths.

Traffic safety on the railways

In accordance with the regulations defining railway accidents, Vy recorded a total of 15 accidents in 2022. This is two fewer than the previous year. Accidents are followed up on in accordance with established procedures and internal investigations are implemented as needed. The investigations show that many of the accidents are due to circumstances outside of Vy's control. We systematically record adverse events and report these to the infrastructure manager. Traffic safety is given a high priority and audits, risk management and management by objectives are used to mitigate risk both internally and in collaboration with others. Our work on emergency preparedness helps us to mitigate harm.

Vy Tog has been ISO 45001 certified since 2019. This is a standard that applies to the working environment and defines the minimum requirements for systems in order for them to protect employees from illness and accidents due to conditions in the workplace.

In 2022, 2,051 animals were run over on the Norwegian railways. The statistics do not indicate what percentage involved Vy trains. This is 74 fewer than in 2021. Bane NOR has implemented an action plan to reduce the number of animals run over by trains. Preventive measures are continuously being worked on to reduce collisions, the most important of which include the clearing of vegetation and erection of wildlife fencing.

The greatest risks in the freight division can be attributed to activities at the terminals. This is a priority area and the LTI (lost time injuries) rate in 2022 was marginally lower than in 2021.

Safety and service standards

As one of the largest operators in passenger transport, Vy is responsible for the safety of a great number of people on our trains. To provide our customers with excellent service and safety, we made extra efforts in this area during 2022. The responsibility for passenger safety is managed through continuous overview and control on board our trains. Through management follow-up and various information channels, we have worked on some important selected deliveries relating to safety. We have also emphasised service initiatives that are important to our customers, such as appropriate information on board trains and at platforms and train personnel being available on board, as well as clean and tidy trains.

Traffic safety in the bus division

Vy Buss is highly committed to HSE and traffic safety. For several years, Vy Buss and the Chief Safety Officer, employee representatives and trade organisation have been working together to implement higher requirements for safety measures in the event of bus collisions. Unfortunately, we experienced another tragic head-on accident between two buses in 2022, which led to one driver passing away

and the other driver being seriously injured. A proposal for increased collision protection was sent for consultation by the Norwegian Public Roads Administration in 2022 and we find that collision safety is increasingly included as a requirement in new tender competitions. Unfortunately, there are not yet any regulatory legal requirements to ensure that this is implemented on all buses, and it is currently up to the individual contracting authorities to impose such requirements in tender competitions.

Another important focus area for buses in 2022 was to further develop local training, as well as to strengthen and further develop local instructors and mentors travelling with drivers.

Based on our own research, we have paid particular attention to measures to prevent buses from rolling uncontrollably. Vy Buss has developed new e-learning on the topic, and this is now mandatory for all employees. In recent years, digital learning has become an important tool in improving and standardising internal training and further improving our HSE and traffic safety efforts. In addition to this, we also conduct regular risk assessments, as well as internal and external audits performed by our ISO certification body. These activities entail local and central measures and observations that result in continuous improvement of the work on traffic safety and HSE.

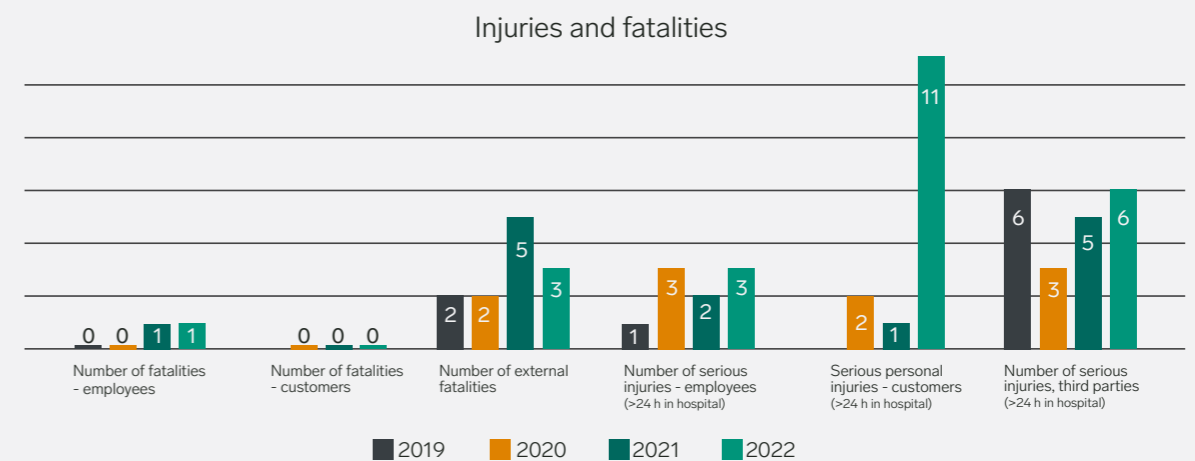
In the aforementioned Vy Championship, participants are also assessed based on safe driving style. This is a crucial part of the competition.

Safe and satisfied colleagues

Employee satisfaction and customer satisfaction have a cause-and-effect relationship. A safe and developing workplace is fundamental to being able to achieve safety for passengers. Ongoing systematic work is therefore carried out in relation to absence due to illness and the prevention of personal injuries.

Absence due to illness

Nevertheless, absence due to illness has increased by 0.2 percentage points to 8.0 per cent. This is 0.5 percentage points higher than the target of 7.5 per cent for 2022. One of the main reasons for failing to achieve this year's goal is



the high levels of absence due to the pandemic during the first few months of the year. Vy aims to reduce absence due to illness to 6.4 per cent by the end of 2027. We also have a target for LTIs, i.e. occupational injuries that result in absence beyond the day of the injury (self-reported and with a medical certificate). The LTI index shows 6.6 for the Group as a whole, which is somewhat higher than the previous year. The LTI target is 3.5 by the end of 2027.

The number of occupational injuries resulting in absence is low and stable within the passenger train and bus divisions, but there was an increase towards the end of the year. This is mainly down to the slippery conditions that led to fall-related injuries among operational employees. We therefore failed to meet the reduction target in 2022.

In the bus division, systematic prevention and follow-up work is being undertaken via the Best Practice programme. This is a knowledge sharing methodology in which managers that succeed in a field share their experiences so that other departments and managers can learn from them. With this starting point, managers can work systematically on activities that yield results. A survey is issued to all drivers twice each year and the drivers can say whether they have experienced the desired changes in their departments.

Women on rails

Absence due to illness for onboard employees on trains has been high over time, especially for local trains in the Eastern Norway region. Women have a significantly higher rate of absence due to illness than men, including when compared to the industry in general. Vy wishes to reduce the differences and absence due to illness and we are therefore participating in a large-scale collaborative project to prevent drop-outs from working life. This is a collaboration between the Norwegian Railway Association, the Norwegian Locomotive Drivers' Association, Vy and Spekter. The project is research-based and the purpose is to obtain more knowledge about the problem.

Absence due to illness project at Agilia

Agilia AS is a wholly owned Vy subsidiary that carries out cleaning activities on behalf of Vy and other customers. Agilia has a consistently high rate of absence due to illness, above the average for the cleaning industry. Cleaners are the profession with the highest rate of absence due to illness. The average rate of absence due to illness, including self-reported absence, was 13.3 per cent in 2022. Agilia has therefore entered a collaboration with the Norwegian Welfare Administration (NAV). The purpose is to identify all factors associated with absence due to illness in operations in order to understand key drivers so that guidelines and action plans can be drawn up to manage various causes of absence. Follow-up on absence due to illness is organised using clear roles and responsibilities and such follow-up work is quality-assured. This work has been initiated and will continue in 2023.

Employee satisfaction

At the end of the year, Vy had 11,512 employees, of which 2,009 were temporary employees and 1,028 were part-time employees. The majority of our part-time and temporary employees work in the bus division. The number of FTEs in

the Group is 9,746, of which 2,436 are in Sweden.

Vy employees develop our reputation through encounters with customers. Our employees' assessment of Vy as a workplace is therefore important to us. We have conducted employee surveys for a long time, with good results. The employee satisfaction level has remained stable and high in recent years. On the question "Overall, how satisfied are you in your role?" the score was 77, which is the same level as last year.

The figures for 2022 show an increase for 13 of the 14 parameters included in the employee survey and the proportion of employee "ambassadors" has also increased during the year.

Overall, how satisfied are you with your role?



Equality at Vy

Vygruppen aims to be an attractive employer. We want to attract, develop, and retain managers and employees with the correct expertise, regardless of age, gender, disabilities, sexual orientation or religious, ethnic, or cultural background. The Vy Code of Conduct, which is signed by all employees at the time of recruitment by the Group states:

Vygruppen employees must treat everyone they come into contact with through their work or work-related activities with courtesy and respect. Employees must refrain from behaviours that may have a negative impact on colleagues, the working environment or Vygruppen. This includes any form of harassment, discrimination, or other behaviour that colleagues or business associates may perceive as threatening or degrading.

Vygruppen will ensure equal treatment in connection with recruitment, promotion, and continuous professional development. Vygruppen will also emphasise diversity reflecting a cross-section of society. Recruitment efforts will be characterised by the fact that all applicants have equal opportunities for employment, regardless of age, gender, disability, sexual orientation, or religious, ethnic, and cultural background.

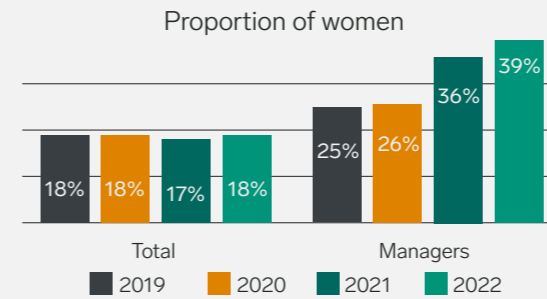
Further information can be found in Vy's equality report. The 2022 ARP report shows that there is a satisfactory distribution between genders regarding parental leave, as well as part-time and temporary employment.

We are working to increase the proportion of women

Vy undertakes continuous work to reduce the gender imbalance in the company. Parts of our operations still have a preponderance of male employees and we are seeking to recruit more females in male-dominated professions. The

proportion of women in the Group is 18 per cent.

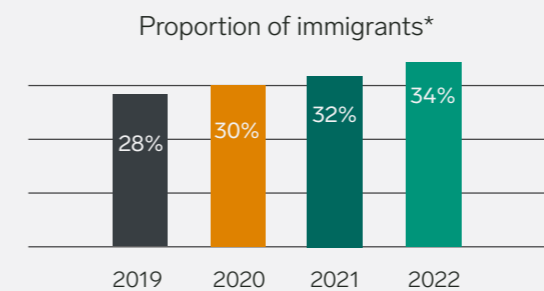
There is a higher proportion of women in management roles than in the Group as a whole. The distribution between men and women at senior management level is equal, while the proportion of female managers decreases further down the structure. The proportion of female employees at management level 2, for example, is 50 per cent and 21 per cent at level 5. The ever-improving balance between women and men in management roles is the result of targeted work to increase the proportion of women through internal and external recruitment.



We continue to increase diversity

The work on identifying the risk of discrimination at Vy is conducted as an integral part of the multipartite collaboration, safety work and the administration's reporting and improvement work. In addition, diversity, equality and development is a separate topic in the mandate for the Group Board of Directors' remuneration committee. The matter will be considered annually by the committee with an emphasis on the administration's efforts to ensure greater diversity in management, better framework conditions for talent development within the group, as well as a review of the facts relating to equality at Vy. In addition to the efforts to ensure better equality and anti-discrimination, we have a well established whistleblowing system in place, which has been supplemented to include the possibility of direct external reporting.

The proportion of immigrants working for Vy now amounts to 34 per cent of all employees, an increase of two percentage points from 2021. The largest proportion of immigrants work in positions within the bus and cleaning divisions. This proportion is growing across all the Group's divisions.



*Definition SSB: Immigrants are defined as people who have immigrated to Norway and were born abroad to foreign-born parents and four foreign-born grandparents.

Vy and NAV collaborate on the recruitment of bus drivers

Vy works with several different measures to ensure ethnic diversity. We have a good cooperation with NAV in different parts of the country to provide more opportunities to acquire expertise, both in terms of language and driving skills, so that they can qualify for work as a bus driver. There was a significant shortage of bus drivers in Norway in 2022 and Vy is working continuously to recruit drivers and encourage more people to choose the profession. That is why NAV, Vy and Agere Trafikkskole joined forces to recruit more drivers. Among the many job seekers at NAV, there are many wanting to become bus drivers. Emphasis has been placed on the recruitment of women and often immigrant women to the profession of bus driver, which has a preponderance of men. In September, we launched an adapted course for jobseekers via the NAV system. The course provides formal qualifications as a professional driver in just 23 weeks. Jobseekers must attend an interview and pass a test, after which there is a possibility of direct employment.

We have a number of initiatives in our bus division to increase diversity in different areas;

- Facilitation to retain older employees
- Zero tolerance policy against discrimination on grounds of ethnicity, national origin, race, skin colour, language, religion, sexual orientation and beliefs.
- Uniform options now include hijabs
- Work to increase the proportion of women in areas where there has been a significant increase in vacant positions in recent years
- Adaptations for employees with disabilities
- The requirement for Norwegian as the working language has been included as a measure to promote integration and a positive working environment. This also includes identifying employees' language proficiency using the "Bussnorsktesten" test.

Vy's support for Ukraine

Vy employees tend to vote for a charitable cause to which to make a financial donation at Christmas. Due to the tragic situation in Ukraine, the Christmas gift of NOK 150,000 was already awarded in March to the Norwegian Red Cross to aid their work with the victims of the war in Ukraine, following input from Vy's employees. At Christmas, Vy donated 30,000 fleece blankets to the Norwegian Red Cross for its aid work in Ukraine. In March, Vy's freight division bought the entire stock of its Ukrainian wheel supplier for freight carriages, KLW Interpipe. This was to help them financially during the difficult situation, as they were forced to shut down production and send all of their employees home from the factory in Dnipropetrovsk Oblast.

When war struck and many people were forced to flee, refugees also arrived in Norway. Vy decided early on that it wanted to help refugees by offering free transport to their destination in Norway via our trains and express buses. This scheme ran between March and September.

Code of Conduct and rights

At Vy, we have a clear Code of Conduct relating to ethics and corporate social responsibility. Human rights, labour rights and anti-corruption efforts are all described. Equality and equal opportunities efforts are expanded upon in the principles of the Group's HR policy. This policy states, among other things, that:

- All Vygruppen employees are equal, regardless of gender, age, disability, sexual orientation, or religious, ethnic and cultural background.
- We aim to maintain a broad and diverse spectrum of managers and staff in which individual qualities are respected and valued.
- Improved gender balance and increased diversity (ethnicity, age, and disability) are desired at all levels of the Group and will be emphasised in connection with recruitment and skills development.

In 2022, Vygruppen received four reports of misconduct. This is four fewer reports than in 2021. Of the reports received, two were related to matters associated with teamwork, harassment and bullying and the other two were related to other matters. All reports were received via Vygruppen's internal whistleblowing channel and were managed in accordance with Vygruppen's whistleblowing procedures.

Vy considers it important to ensure positive dialogue between the employer and employee so that, together, we can identify the best and most long-term solutions to ensure compliance with rights and agreements. Vy has permanent forums and processes in place to ensure this. Our employees have rights that are comprehensively defined through collective agreements and contracts. Employees are represented on the company's Board of Directors. There are also health and safety committees, which hold regular meetings, at both the senior level and across units within each of the divisions and companies. In addition, Vy has a long-standing tradition and strong procedures in place to facilitate This work.

Vy operates in Norway and Sweden. Here, the handling of human rights and labour rights is adequately safeguarded, and our employees have rights defined through laws and agreements. Employees are represented on the company's Board of Directors. Vy Buss has an excellent multipartite collaboration, including a European Workers Council (EWC) that meets twice per year and at which employee representatives from both countries will meet with the company's senior management team to share information and discuss the company's strategy and activities. The management, main employee representatives and Chief Safety Officer will meet in Norway between eight and ten times per year. Locally, collaboration meetings are convened each month and are attended by managers from the department, employee representatives and safety representatives alike.

Internal control and anti-corruption efforts

We continuously work on internal control measures to

minimise risk. This includes conducting risk assessments relating to misconduct and corruption. The Code of Conduct is part of the employment contract for new recruits and is available to all employees via the intranet.

Key personnel in all divisions have been trained on measures to prevent corruption. We have an internal whistleblowing procedure and channel that is communicated through a simplified whistleblowing poster and has been established in accordance with the requirements set out in the Working Environment Act. We also have an external whistleblowing channel that was created in 2021. As part of this year's management programme, more than 250 managers completed an e-learning course on the Code of Conduct and anti-corruption efforts.

In the freight division, we provide e-learning on the Code of Conduct. For our bus division, the Code of Conduct can be found in our Handbook for Managers, which is available on the intranet, our employee manual and the handbook for bus drivers, the latter two constituting the working regulations for bus drivers.

Based on data we have collected from our internal control system, we have analysed statuses and given recommendations for improvements to our systems, procedures, and practices. No serious errors or incidents linked to irregularities or corruption have been found during this work, but the analyses have provided a basis for measures we can implement to improve our data and internal processes. Moreover, we are not aware of any criminal cases linked to corruption that are being brought against our companies or employees. Vy's management teams and Boards of Directors are notified of the statuses and developments as part of the internal control reviews each year.

Management development

Vy's managers are crucial when it comes to the safety and satisfaction of our committed and customer-focused employees. We therefore conduct various forms of management training. Digital management training has enabled 300 managers to complete more than 2,500 e-learning modules to gain greater insight into the management framework at Vy. The topics have included sustainability and diversity, procurement, the Code of Conduct, information security, collective labour law, privacy and GDPR, processes, quality and certification, the governance model and the authority matrix, as well as whistleblowing.

More than 370 managers and key employees at Vy have also attended management training associated with effective management. These include: Relationship-oriented and result-oriented management, psychological safety and dialogue and feedback.

We also convened a management meeting with 430 managers and key employees, including the main employee representatives and Chief Safety Officer. Together, this helps develop a culture of improvement and leadership.

Summarised results table

	2022	2021	2020
Number of train journeys (millions)	55.7	35.8	39.4
Number of bus journeys (millions)	110.8	77.1	77.7
Number of transported TEU - freight trains (1,000)	374	369	340
Punctuality - passenger trains (Norway)	84.8 %	87.8 %	90.5 %
Punctuality - freight trains	87.9 %	91.8 %	92.8 %
Customer satisfaction - passenger trains (index 0-100)	78	74	69
Customer satisfaction - express bus (index 0-100)	85	84	85
Energy consumption, passenger trains - electricity (MWh)	452 485	399 251	409 607
Energy consumption, passenger trains - diesel (million litres)	0.7	2.4	6.1
Energy consumption, bus - diesel (million litres)	44.2	26.6	18.9
Energy consumption, bus - biodiesel (million litres)	0.4	4.2	9.7
Energy consumption, bus - HVO (million litres)	13.5	18.4	18.5
Energy use, bus - gas (million m3)	12.1	11.8	18.2
Energy consumption, bus - electricity (MWh)	16 734	7 920	2 244
Energy consumption, freight trains - electricity (MWh)	101 275	99 936	92 663
Energy consumption, freight trains - diesel (million litres)	7.6	7.8	7.0
Energy consumption, passenger trains - (kWh/seat kilometre)	0.0397	0.0382	0.0397
Energy consumption, passenger trains - diesel (litres/seat kilometre)	0.0096	0.0082	0.0095
Energy consumption, bus - diesel (litres/carriage kilometre)	0.340	0.325	0.427
Energy consumption, bus - biodiesel (litres/carriage kilometre)	0.279	0.325	0.427
Energy use, bus - HVO (litres/carriage kilometre)	0.348	0.349	0.345
Energy consumption, bus - biogas (kg/carriage kilometre)	0.491	0.432	0.551
Energy consumption, bus - electricity (kWh/carriage kilometre)	1.467	1.133	1.117
Energy consumption, freight trains - electricity (kWh/tonne kilometre)	0.040	0.042	0.042
Energy consumption, freight trains - diesel (litres/tonne kilometre)	0.010	0.010	0.010
Emissions to air, passenger trains - tonnes CO2e (GHG scope 1&2)	29 966	34 863	46 063
Emissions to air, buses - tonnes CO2e (GHG scope 1&2)	146 688	93 873	83 070
Emissions to air, freight trains - tonnes CO2e (GHG scope 1&2)	40 965	36 390	32 976
Emissions GHG scope 3 tonnes CO2e	25 266	27 066	24 739
Number of deaths, employees	1	1	0
Number of deaths, customers	0	0	0
Number of external fatalities	3	5	2
Number of serious injuries, employees (>24 h in hospital)	3	2	3
Number of serious injuries, customers (>24 h in hospital)	11	1	2
Number of serious injuries, external (>24 h in hospital)	6	5	3
Number of railway accidents	15	17	24
Number of employees	11 512	12 457	11 284
Number of full-time equivalents	9 746	9 760	9 250
Employee satisfaction at Vy	77	77	76
Absence due to illness	8.0 %	7.8 %	8.1 %
LTI (number of lost time injuries per million hours worked)	6.6	5.3	5.0
MTI (number of injuries with and without absence per million hours worked)	8.2	6.1	NA
Proportion of women	18 %	17 %	18 %
Proportion of women in management positions (in the business units)	39 %	34 %	26 %
Proportion of immigrants*	34 %	32 %	30 %
Reports of bullying/discrimination/harassment received	4	8	12

Note: * Statistics Norway defines immigrants as persons who have immigrated to Norway and who were born abroad to foreign-born parents and four foreign-born grandparents.

Due diligence, principles and reporting standards

For more detailed information, please refer to the chapters on carbon accounting, the GRI report, the Transparency Act, the due diligence report, and the ARP report.

At Vy, we work in accordance with an annual cycle and governance systems that take into account the recommendations set out in the OECD Guidelines for Multinational Enterprises and we conduct due diligence in accordance with the OECD method and the UN's Guiding Principles on Business and Human Rights (UNGPs).

Our guidelines for sustainability, corporate social responsibility and our Code of Conduct have been endorsed by the Board of Directors and are incorporated in our management system. Through internal reporting and risk assessments in our own divisions and in our supply chain, we identify and monitor negative impacts. Through measures and action plans, we stop, prevent, reduce, or rectify negative impacts and we are transparent about our objectives, measures and results in the annual and sustainability report and due diligence report.

Our corporate social responsibility therefore involves the Group following these fundamental principles:

- All division managers are responsible for ensuring that their unit observes our sustainability objectives and corporate social responsibility in the way in which the unit conducts its operations
- We conduct due diligence in connection with human rights and decent working conditions in our own divisions and in the supply chain
- In order to ensure that we have safeguarded the environment and carried out our own assessments associated with sustainability and corporate social responsibility, we conduct stakeholder and materiality analyses to identify and prioritise the areas we will work on
- Sustainability and corporate social responsibility must be incorporated into our strategic foundation and our values
- Vy is helping to fulfil the UN's Sustainable Development Goals
- We endorse the principles set down in the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs) and the principles set down in the ILO Core Conventions
- We actively work to combat all forms of corruption
- We will actively contribute to reducing the environmental impact from the transport sector
- We report annually on the status and development of corporate social responsibility through our annual and sustainability report

Throughout the year, we conduct risk assessments to assess the probability of incidents occurring and the scope/materiality of such incidents in the form of negative or positive impact. In situations where this can be measured financially, this will be used as the materiality criteria. Risk assessments are drawn up for subsidiaries, business units and the Group as a whole and are considered by the company management/division management and boards, as well as by corporate management and the Group's Board of Directors.

Key risk assessments include:

- Comprehensive risk assessment associated with strategy and goal attainment
- Climate risk
- Traffic safety and other physical risk
- Reputational risk
- Supply chain risk, including human rights violations

On the basis of the risk assessments, we draw up measures to mitigate the risk situation and, where there are positive opportunities for improvement, we will prepare and exploit such opportunities. The main elements from the climate assessment are:

- Closed/damaged sections of railways and roads due to landslides/flooding, etc. resulting from climate change (physical risk)
- Failure in the supply chain due to physical climate risk and regulatory changes (regulatory risk)
- Regulations, increased climate taxes and climate shame may lead to a reduced demand for our services

At the same time, climate change and measures to reduce climate change may lead to increased demand and competitiveness for public transport and rail freight. Improved framework conditions in the form of climate support and investments in infrastructure, including electrification, could also yield positive effects for Vy.

Stakeholder analyses and materiality

Every two years, we conduct enhanced stakeholder analyses in which stakeholders are interviewed and asked to provide their specific assessments on key sustainability factors (ESG) for Vy. These are ranked based on the stakeholders' subjective self-assessment of materiality.

The selection of stakeholders for interviews and surveys is based on identification of key stakeholders within Vy's value chain. Selected stakeholders for the 2022 survey were:

- The Owner, represented by the Ministry of Transport and Communications
- Contracting authorities and public transport companies: The Norwegian Railway Directorate and Ruter
- Sector suppliers: Bane NOR
- Trade unions: NLF and NJF

- Special interest organisations: Zero and the Norwegian Society for the Conservation of Nature
- Employees through intranet surveys
- Division management and corporate management
- Interviews with selected key persons in the divisions in Norway and Sweden who have a good overview of their overall activities
- Interviews with representatives from the marketing departments in Norway and Sweden (including review of market research and customer surveys)

On the basis of the aforementioned risk assessments and stakeholder dialogue, the Vy corporate management team has prioritised significant sustainability areas for Vy based on the degree of financial impact on the company and environmental and social materiality.

Throughout this year's process, Vy has chosen the following material topics for sustainability reporting with reference to GRI:

- Economic performance
- Anti-corruption
- Energy
- Emissions
- Occupational health and safety
- Customer health and safety

Reporting standards

For the 2022 financial year, Vy has chosen to report in accordance with the option with reference to GRI: Foundation 2021 (see separate detailed report in the chapter following the financial report). This reporting is a supplement to the formal requirements set down in national laws and regulations, as well as the international regulations that form the basis for annual and sustainability reporting:

- The IFRS accounting standard
- Reporting in accordance with Section 3-3 a and c of the Accounting Act
- Activity and reporting requirements in accordance with Sections 26 and 26 a of the Equality and Anti-Discrimination Act
- Reporting in accordance with Section 5 of the Norwegian Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act)
- The GHG Protocol

The annual and sustainability report has also been drawn up in accordance with the State's expectations set out in the ownership report for 2022-2023, with a focus on the following areas:

- Responsible business
- Climate
- Human rights and decent working conditions
- Taxes and prevention of financial crime
- Pay and remuneration

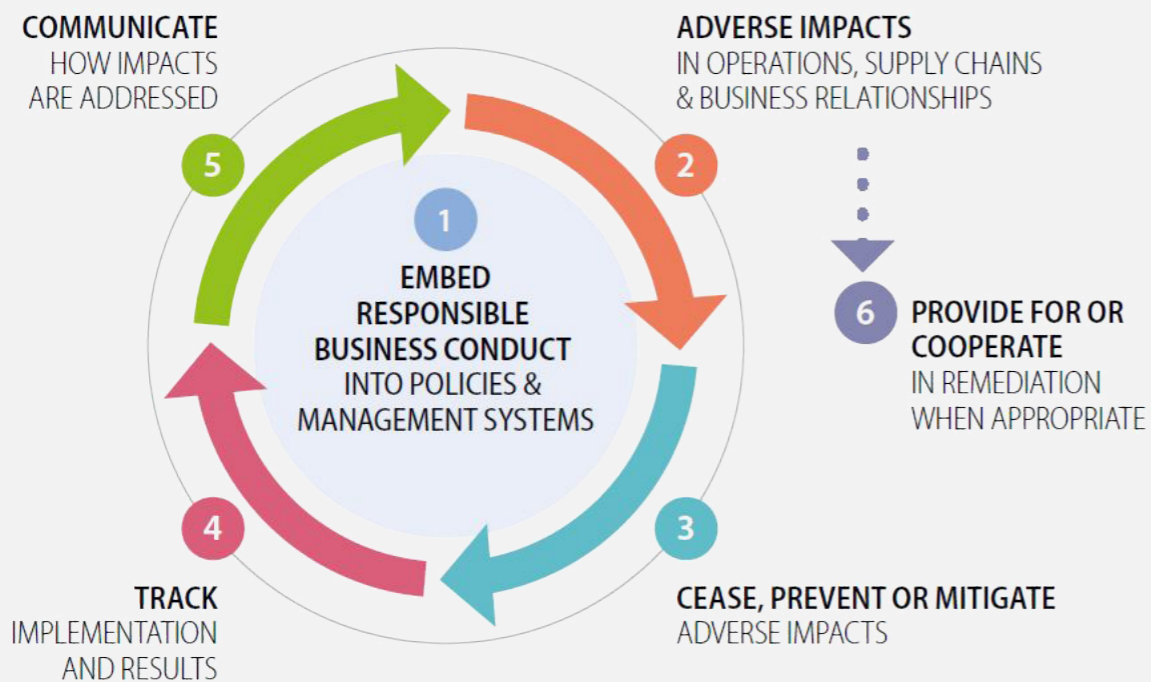








Figure: Due diligence process and support measures Source: OECD Due Diligence Guidance for Responsible Business Conduct

Vy has adopted established frameworks to ensure compliance with sustainability requirements

What	Who	How
Reporting standard	 Global Reporting Initiative	Vy has chosen to report in accordance with the option with reference to GRI: Foundation 2021
	 GHG Protocol	Vy reports on its own and its suppliers' greenhouse gas emissions in accordance with the international standards for carbon reporting, Greenhouse Gas Protocol Scope 1, 2 and 3
Certification	 ISO 14001/9001/39001/45001	Our divisions have different certifications within: Environment 14001, Quality 9001, Working Environment 45001 and Traffic Safety 39001
Guidelines	 Global Impact	Guidelines that encourage the organisation to implement sustainable and socially responsible solutions. Consists of ten principles relating to human rights, the environment, etc.
	 OECD Guidelines	These guidelines set out clear expectations for business due diligence with regard to human rights, labour rights, the environment, anti-corruption and transparency
Membership	 Grønnvaskingsplakaten Greenwashing Poster	A guide that can be compared to the Be Cautious Pledge for the media. It not only deals with the climate, but includes all of the UN Sustainable Development Goals
	 Green Point Norway	Vy is also a control member of Green Point Norway (Grønt Punkt Norge) and we fulfil our statutory responsibilities for the collection and recycling of packaging
	 Ethical Trade Norway	Vy is a member of the Ethical Trading Initiative (Etisk Handel Norge), the purpose of which is to promote responsible supply chains
	 Oslo Industry for Climate	Vy is a member of Industry for Climate (Næring for klima) and we have signed a "Climate Contract" with the City of Oslo in order to actively contribute to the Oslo climate targets and lead the way as a climate-responsible role model in the capital
	 Skift	A business-driven climate initiative working to ensure that Norway can reach its climate targets by 2030

Report of the Board of Directors of the Vy Group

Summary of the Year 2022 (Last year's figures in brackets)

2022 has been an eventful year for Vy. The start of the year was heavily influenced by the authorities' infection control measures, and when these ceased it took time for society to normalize. After two pandemic years with significant loss of income and heavy losses, passengers have now largely returned to trains and buses.

During the autumn, travel activity has settled down to a level that is somewhat below what we had in 2019.

At the same time, new challenges have arisen which have an impact on results. War in Europe has affected the supply chain, and the price of important input factors such as electricity and fuel has increased significantly.

The year has also been characterized by significant work with tenders for the traffic packages for passenger trains in Eastern Norway, and uncertainty about the outcome. This has great significance for the scope of the group's future passenger train operations.

Demand for the transport of goods by rail is developing positively and has contributed to increased volumes. Production challenges due to among other things winter conditions, infrastructure faults and access to parts have limited volume growth in CargoNet. Demand for the transport of goods by rail is developing positively and has contributed to increased volumes. Production challenges due to, among other things, winter conditions, faults on the infrastructure and reconstruction at Alnabru have limited the volume growth in CargoNet.

Vy has implemented a number of measures both to make it safe to travel, improve the customer offer and improve profitability:

- Improved the customer offer to make it more attractive to travel environmentally friendly
- Adapted the offer based on customer needs and demand
- Continued streamlining of operations and support functions
- Renegotiated agreements where possible
- Worked to obtain extended compensation schemes related to Covid-19

The development in important management parameters for the year:

- Growth in the number of journeys by passenger train of 56 per cent compared to last year, and a change of -16 per cent compared to 2019 in Norway
- Growth in the number of journeys by bus of 44 per cent compared to last year, and a change of - 12 per cent compared to 2019
- Punctuality for passenger train operations is 84.8 per cent (87.8 per cent)
- Punctuality in freight operations is 87.9 per cent (91.8 per cent) upon arrival at the terminal
- Absence due to sickness in the period is 8.0 per cent (7.8 per cent)
- H1 (frequency of occupational accidents with absenteeism) is 6.6 (5.3)
- CO2 emissions have increased by 26 per cent due to increased activity and the increased price of bio fuel, which has led to a shift away from bio fuel in tender contracts

Financial development:

- The operating profit is 407 MNOK (-1,026 MNOK)
- Profit after tax is 133 MNOK (-1,026 MNOK)
- The return on book equity in the last 12 months. is 4.5 per cent (-27.1 per cent)
- Considerably improved profit in passenger trains business compared to last year
- Improved profit in bus business compared to last year
- Weaker results for freight rail compared to last year

- There has been a net reversal of previous provisions for future losses on contracts of 576 MNOK, mainly due to renegotiations of public transport contracts, which provide higher profitability over the term of the contracts

Summary of Results and Trends for the Business Areas

Passenger Train Operations

Vy tog operates the passenger train service in Eastern Norway and the traffic package West. In addition, Vy tog operates four train contracts in Sweden. The agreement to operate the traffic in Eastern Norway expires in mid-December 2023, and the Norwegian Railway Directorate is negotiating with Vy and Flytoget about a possible allocation of two traffic packages for this area starting in mid-December 2023. The decision on the allocation of the traffic packages has great significance for the future scope of the company's passenger train operations.

Operating income for passenger train operations in 2022 is 7,947 MNOK (7,023 MNOK), a change of 13 per cent from the previous year. The income includes public purchases of passenger transport services in Norway of NOK 3,295 million (NOK 3,422 million). This includes additional compensation from the Norwegian Railways Directorate for loss of income as a result of the pandemic of 275 MNOK (746 MNOK)

The total number of journeys in the Norwegian passenger train business is 52.6 million, and inclusive Sweden 55.7 million. This gives a growth in the number of journeys in Norway of 58 per cent compared to last year, and a reduction of 16 per cent compared to the previous normal (2019 level). The main reason for the improvement is the cessation of infection control measures and a gradual return to a new normal travel activity.

The operating profit for the passenger train business is 576 MNOK (-860 MNOK). The main reason for the improvement is large growth in the number of passengers compared to last year, and renegotiated contracts with public transport bodies. This has resulted in a significant improvement in underlying operations and thus also provided a basis for reversing

previous loss provisions for contracts. In 2022, previous loss provisions of 567 MNOK related to train tenders in Norway and Sweden have been reversed. At the same time, increased energy prices have a significant negative effect on the result.

In Norway, Vy trains achieved a punctuality of 84.8 per cent, 3 per centage points weaker than last year and significantly lower than the goal of 90 per cent. The main reason is several errors in the infrastructure. Operator-dependent punctuality (measurement of punctuality deviations directly due to Vy) is 97.9 per cent, marginally under the target.

Bus Operations

Vy buss operates routes under contract with county municipalities in Norway and Sweden, as well as express, air and tour bus services on a commercial basis. The number of scheduled bus journeys in Norway and Sweden was significantly reduced as a result of the pandemic, but the route offer in public public transport vontracts has largely been maintained by the county authorities through 2022. The number of journeys increased significantly as a result of the end of measures to curb the pandemic and a normalization of travel activity.

The number of journeys with our commercial buses has developed positively throughout the year and has in parts of the period been at the same level as 2019. Vy has increased the offer in line with increased travel activity.

In total the number of journeys increased by 44 per cent compared to 2021, and for the year 12 per cent lower than the normal year 2019.

Total operating income is 7,621 MNOK (6,410 MNOK). Operating profit is 25 MNOK (-4 MNOK). The main reason is improved travel activity following the pandemic and cost adjustments. At the same time, increased energy prices have had a significant negative effect on the result. Included in the result is a write-down on assets in contracts of 87 MNOK.

Freight operations

CargoNet has increased turnover through the pandemic. There is growing interest in the market for moving goods from road to rail, and the customer offer has increased significantly with more departures on the Nordlandsbanen

(grocery and fish) and towards southern Sweden. The number of transported container units has increased by 2 per cent compared to last year.

The average punctuality for freight trains has decreased and ended at 87.9 per cent (91.8 per cent) delivered within 15 minutes. That is still significantly better than the target of 92 per cent.

The operating income is 1,247 MNOK (1,065 MNOK), and the operating profit 19 MNOK (71 MNOK). The main reason for the decline in profit is increased energy and fuel prices, problems with the production equipment caused by poor winter maintenance on the Nordlandsbanen and reduced activity and productivity at the Alnabru terminal due to rebuilding, as well as challenges with maintenance.

Customer experience and innovation

The Customer experience and innovation business area aims to develop and offer good customer experiences and customer information, as well as contribute to a sustainable travel lifestyle. The operating profit is -99 MNOK (-166 MNOK). Various mobility services in combination with a good travel planner strengthen the customer offer and make it easier to travel by public transport.

Within tourism, Vy sells group-based round trips with fjord, mountain and cultural experiences to Norwegian customers, tourists and international tour operators. The main part of the business is in our part-owned companies Fjord Tours Group and Flåm Utvikling. We are working to develop several attractive tourism packages with train, bus and boat, together with local tourism players. Tourism is of particular importance for Bergensbanen and Flåmsbanen.

Travel has been severely affected by the pandemic, but during the year there has been a significant improvement in demand. The number of journeys on the Flåm Line in 2022 was 59 per cent of the 2019 level.

The pandemic made it challenging for Vybil in the establishment phase, and as the road to profitable operation was therefore too long, Vy terminated its car-sharing service in Oslo in autumn 2022.

Corporate Governance and Management

Vygruppen AS is owned by the Norwegian state represented by the Ministry of Transport and Communications.

The Vy Group has adopted a separate framework for internal control, and has established internal control systems that include values, guidelines for ethics and social responsibility, organisation, authorisation structure and governing documents.

The board annually reviews the Group's vision and main goals, values, its strategies and plans. Annual risk analyses are carried out in the Group and in the business areas, including analysis of the effects of climate change. The risk of errors in financial reporting is assessed through separate risk analyses and periodic follow-up meetings with the business areas.

On the basis of the risk analyses, the internal control system is revised as necessary, including management documents, guidelines, procedures and key controls.

A board liability insurance has been taken out for the Group. The insurance covers liability for claims made against the insured as a result of acts or omissions by the insured in his/her capacity as general manager, board member, member of the management or equivalent board body in the group.

The board has considered and adopted a report on corporate governance, which is part of this annual and sustainability report.

A Sustainable Strategy

The Board reviews the Group's strategy annually, and such a review has been made in 2022. The assessment is based on, among other things, risk analyses and choice of risk level, materiality analyses related to sustainability, assessments of the market and development of competition, as well as internal analyses.

Our *vision* is that Vy makes it easy to make environmentally friendly choices. Vy's *main goal* is growth through more sustainable travel and freight transport by rail, and the highest possible profitability over time.

In order to deliver on our vision and main goals, Vy will prioritise four main areas:

- good customer experiences every day
- industry-leading innovation
- efficient and reliable in everything we do
- committed and customer-oriented employees

The strategy has been operationalised and incorporated into the Vy Group's action plans, and the board monitors progress and status for goal achievement.

We will increase the number of climate-friendly journeys through good customer experiences every day, created by our committed and customer-oriented employees. Through efficient production and industry-leading innovation, we will create an offer that makes more people choose to travel with Vy, which in turn reduces emissions and costs for society.

For a detailed account of our work with sustainability, goals and results, we refer to the chapter on sustainability in this annual and sustainability report. See also the chapters on Gender equality report for Vy and The transparency act and a report on due diligence

Risk

Financial risk

The Group's activities entail various types of financial risk: market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall risk management plan focuses on the capital markets' unpredictability and seeks to minimise the potential negative effects on the Group's financial results. The Group can use financial derivatives to hedge against certain risks within a specified framework.

In the Vy Group, the main part of revenues and expenses are in NOK and SEK. In day-to-day operations, the group is exposed to currency risk in connection with operations abroad as well as purchases with settlement in foreign currency.

Surplus liquidity is invested in banks, Norwegian certificates and bonds with short remaining maturities, as well as money market and corporate bond funds.

The Vy Group focuses on counterparty risk in financial transactions by having established limits for exposure and regular follow-up of credit quality on individual counterparties.

Further information on the Group's financial risk management is described in note 15 to the financial statements.

Operational risk

Operational risk analyses are carried out systematically, including in the field of traffic safety, environmental impact, procurement and the achievement of financial targets. In addition, comprehensive risk analyses are carried out for the Group's activities as part of the annual long-term plan and budget work, where both potential negative and positive effects are identified, and measures are implemented to manage the risk level. These analyses include assessments of changes in framework conditions, competition and market situation, consequences of environmental requirements, and climate challenges.

Based on the risk analyses, goals, measures and control activities have been established that reduce identified risks.

The most important risk elements are loss of tenders and reduced profitability in major tender contracts for passenger train services due to weak expected travel development, increased power and fuel prices that cannot be fully passed on to customers, and failure in deliveries from sector supply companies that lead to reduced quality and reduced income.

During and after the pandemic, there is a particular risk of reduced income as a result of temporary or permanent changes in travel patterns, and the removal of support schemes that compensate for this. The risk in this area is now significantly higher than desired, and measures are being implemented to limit the consequences and adjust future risk levels.

Vy must have a capital structure that is appropriate according to the Group's business scope, risk in contracts, size, and ambitions. Because of the pandemic and the authorities' restrictions, demand for Vy's capital structure is weaker than has been stipulated in internal and external targets.

To ensure competitiveness, the equity ratio should be at a level that makes it possible to invest in the development of the company. The business-specific risk is also significant for assessing the necessary capitalisation, depending on, among other things, the company's contract and business portfolio.

In the work with risk assessments, positive opportunities have also been identified, such as the development of tourism, increased growth for trains and buses, as well as agreements with a more balanced approach to risk sharing.

Vy is exposed to physical and regulatory climate risk. More frequent climate-related events such as landslides, floods and forest fires may lead to the disruption of operations. Climate policy instruments may limit the travel activity of foreign tourists from planes and cruise ships and may affect energy prices. On the other hand, a more ambitious climate policy could increase demand for public transport and rail freight, and increase investment in infrastructure, which would strengthen the railway's quality and competitiveness.

Financial development

The net profit for the Vy Group is 133 MNOK (-1,026 MNOK), an improvement of 1,159 MNOK compared to last year. Operating profit is 407 MNOK (-1,026 MNOK).

Net profit after tax for the parent company Vygruppen AS is -32 MNOK (-824 MNOK). Group contributions and dividends from subsidiaries are included in the parent company's annual profit with 41 MNOK (58 MNOK). Operating profit in the parent company is -105 MNOK (-213 MNOK)

The group's net cash flow from operational activities is 1,952 MNOK (1,544 MNOK), and payment on lease obligations amounts to 1,794 MNOK (1,698 MNOK). Net investments excluding leasing are 32 MNOK (225 MNOK). The investments have mainly been used to increase capacity and profitability within the group's passenger train and bus business areas. Change in cash and bank deposits in the period is 118 MNOK (-391 MNOK).

No dividend has been paid to the owner for 2021. For the group, the equity is 3,572 MNOK

(2,992 MNOK), which gives an equity share of 23,3 per cent (16.9 per cent).

Equity was significantly reduced as a result of large losses during the pandemic, but has a positive development in 2022, particularly as a result of changes in pension obligations. The fixed assets are expected to increase significantly in 2023 as a result of the activation of train lease obligations, which will result in a lower equity share. The equity ratio is expected to gradually strengthen over time based on a positive profit development.

For the parent company, the equity is 3,540 MNOK (3,395 MNOK) and the equity share is 41.9 per cent (35 per cent).

The group's return on book equity in 2022 is 4.5 per cent (-27.1 per cent).

The owner at the Ministry of Transport and Communications has an expectation of a 50 per cent dividend from the Vy Group's annual profit after tax, where the dividend level in each year must be assessed specifically. The board is focused on strengthening profitability and equity to provide a basis for future dividends. The pandemic years have reduced equity, and we can expect a significant increase in fixed assets if Vy is awarded one or both of the train contracts in Eastern Norway and thus a reduced share of equity in 2023. Based on this, the board recommends that in order to ensure a sound equity against the group's future risk and scope that no dividend is paid for 2022. The following disposition of the year's profit for the parent company Vygruppen AS is proposed:

Dividend	0 MNOK
Transferred other equity	-32 MNOK
Total net profit	-32 MNOK

The accounts have been prepared on the assumption of continued operations, and the board confirms that the assumption is present.

Outlook

Our goal is growth and profitability through good offers to customers and efficient operations, as well as continued development of the business to ensure future competitiveness.

The level of travel has increased throughout the year and seems to have stabilised at a

level that is 10-15 per cent lower than before the pandemic. Vy continues to work for the development of the customer offer and for more people to choose public transport.

Vy has negotiated with clients to ensure that the company's train contracts are financially sustainable, and new agreements have been entered into with effect from the second half of the year for traffic package West and for most of the train contracts in Sweden.

There has been a significant increase in power and fuel prices during the year, and this is expected to be a significant challenge in the future as well, in addition to price increases for other input factors.

There is considerable risk regarding the future scope of Vy's passenger train operations, and also uncertainty regarding the organization and company structure of the railway. Following the government's cancellation of further competitions for train contracts, the Norwegian Railway Directorate has initiated a process for the direct award of traffic agreements for train traffic in Eastern Norway, divided into two agreements, Eastern Norway 1 and Eastern Norway 2. It is Vy that operates the passenger train traffic in the entire Eastern Norway today, with the exception of Flytoget's shuttle service to Oslo Airport. The Railway Directorate has chosen Vy as the preferred contracting party for the traffic package Eastern Norway 1, and Flytoget as the preferred contracting party for Eastern Norway 2. The Railway Directorate has also asked Vy to provide a combined offer for the two traffic packages. Vy believes that there are economies of scale in running the train traffic in Eastern Norway with one operator only, and that a split would be unfortunate for customers and more expensive for society. Negotiations with both companies are still ongoing, and no decision has been taken on the final award. Eastern Norway 2 accounts for more than half of Vy's passenger train operations in Eastern Norway, and the possible loss of this traffic will have major consequences for Vy. The start of the new agreements is set for December 2023.

The government has also initiated a review of the railway's organisation and company

structure, including an investigation into a possible merger between Vy and Flytoget. At the request of the owner, the board has given its input to this report, and are positive about a merger of the companies.

In the bus business, we expect that the route offer, and thus also Vy's income, will mainly be maintained in accordance with agreements with the public transport companies. Despite the fact that the power and fuel prices lead to increased costs for the public transport companies and the counties, it is important to maintain public transport services in order to restore and increase the share of public transport in the future. For the commercial bus routes, the offer is increased in line with the development in demand.

In CargoNet, efforts are being made to make production more robust and capable of meeting the growth in demand. The investment in new customer solutions and improvement measures is continued to improve profitability. In addition, reinvestment in new trains must be made. Better and predictable framework conditions, including the continuation of the environmental support scheme, are very important for long-term profitability in freight transport by rail.

Within tourism, we have adapted the offer and marketing to Norwegian tourists, and international tourists are gradually returning. We are preparing for normal travel activity from 2025.

Investing in public transport is an important part of good social development. Effective public transport reduces climate emissions, congestion, noise and resource use, contributes to making cities better to live in and frees up space for human development and nature. Increased transport of goods by rail rather than road is also important for Norway to reach its climate targets. Our vision is that Vy should make it easy to choose environmentally friendly travel.

The board would especially like to thank our employees who every day carry out important work in maintaining a good offer for our travellers and our freight customers.

Board of directors of the Vy Group



Berit Svendsen
Chairman of the board



Geir Inge Stokke
Vice chairman of the board



Espen Almlid
Member of the board



Dina Elverum Aune
Member of the board



Semming Semmingsen
Member of the board



Ove Sindre Lund
Member of the board



Petter Louis Pettersen
Member of the board



Grethe Therese Thorsen
Member of the board

Oslo, 1st March 2023

Board of directors of the Vy Group

Berit Svendsen
Berit Svendsen / Chairman of the board

Geir Inge Stokke
Geir Inge Stokke

Espen Almlid
Espen Almlid

Dina Elverum Aune
Dina Elverum Aune

Semming Semmingsen
Semming Semmingsen

Ove Sindre Lund
Ove Sindre Lund

Petter Louis Pettersen
Petter Louis Pettersen

Grethe Thorsen
Grethe Therese Thorsen

Gro Bakstad
Gro Bakstad / CEO

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Income statement

	Notes	2022	2021
Operating revenue	5	17 631	15 289
Payroll and related expenses	23	7 276	6 668
Depreciation and impairment	7	2 282	2 280
Other operating expenses	28	7 678	7 340
Total operating expenses		17 236	16 288
Share of loss(-)/profit of joint ventures	11	9	-26
Share of loss(-)/profit in associates	10	3	-1
Operating profit		407	-1 026
Financial items			
Financial income	29	65	41
Financial expenses	29	-278	-181
Net financial expenses - pensions	24, 29	-24	-16
Change in unrealised fair value	29	-12	-
Net financial items		-249	-156
Profit before income tax		158	-1 182
Income tax expense	22	-25	156
Profit for the year		133	-1 026
Attributable to			
Non-controlling interest		-	-
Equity holders		133	-1 026
Total		133	-1 026
OTHER COMPREHENSIVE INCOME			
Profit for the year		133	-1 026
Items that will not be reclassified to profit or loss			
Actuarial gain/loss	24	618	-139
Tax on items that will not be reclassified	22	-136	31
Items that may be reclassified in net income in future periods			
Currency translation differences		-28	-70
Total comprehensive income for the year		587	-1 204
Attributable to			
Non-controlling interest		-	-
Shareholders equity		587	-1 204
Total comprehensive income for the year		587	-1 204

Statement of financial position

	Notes	31.12.2022	31.12.2021
ASSETS			
Intangible assets	9	1 037	1 088
Deferred Tax Assets	22	245	387
Property, plant and equipment	7	8 577	10 928
Investments in associates	10	18	16
Financial fixed assets		95	109
Plan assets	24	210	-
Total non-current assets		10 182	12 528
Investments in joint ventures	11	176	133
Inventories	12	481	519
Trade and other receivables	14	1 838	1 827
Financial assets	17	1 757	1 875
Derivative financial assets	16	4	-
Cash and bank deposits	19	905	783
Total current assets		5 161	5 137
TOTAL ASSETS		15 343	17 665
EQUITY AND LIABILITIES			
Share capital	20	3 387	3 686
Retained earnings		185	-694
Total equity		3 572	2 992
Debt	21,30	5 566	7 669
Deferred tax	22	117	105
Retirement benefit obligations	24	808	1 385
Provisions for other liabilities and charges	26	213	456
Total long term liabilities		6 704	9 615
Trade and other payables	25,26	3 088	3 194
Tax payable	22	22	17
Debt	21,30	1 956	1 844
Derivative financial instruments	16	1	3
Total short term liabilities		5 067	5 058
TOTAL EQUITY AND LIABILITIES		15 343	17 665

Oslo, 1st March 2023


Board of directors of the Vy Group

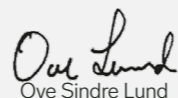

Berit Svendsen/ Chairman of the board


Espen Almlid


Geir Inge Stokke

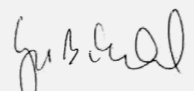

Dina Elverum Aune


Semming Semmingsen


Ove Sindre Lund


Petter Louis Pettersen


Grethe Therese Thorsen


Gro Bakstad / CEO

Group cash flow statement

	Notes	2022	2021
Profit for the period before income tax		158	-1 182
Depreciation and impairment	7	2 282	2 280
Gain/loss on sale of property, plant and equipment (PPE)		-42	-13
Difference between exp. and paym. made/receiv. for pensions	24	-170	-47
Change in provisions for other liabilities and charges	26	-540	454
Change in unrealised fair value	29	10	-
Interest items		2	-17
Shares of profit/loss (-) from associates and joint ventures	10, 11	-12	27
Change in working capital		268	41
Taxes paid		-4	1
Net cash flow from operating activities		1 952	1 544
Acquisition of subsidiaries, less cash acquired	33	-	14
Changes in financial non-current assets		100	-26
Purchase of PPE and investment property	7, 8	-169	-288
Proceeds from sale of assets		37	75
Net cash flow to investment activities		-32	-225
Proceeds from borrowings		-	1
Repayment of borrowings		-8	-13
Lease payments		-1 794	-1 698
Net cash flow to financial activities		-1 802	-1 710
NET CHANGE IN CASH AND BANK DEPOSITS FOR THE YEAR		118	-391
Cash and bank deposits as at the beginning of the year	19	783	1 177
Foreign exchange gain/loss on cash and bank deposits		4	-3
CASH AND BANK DEPOSITS AS AT THE END OF THE YEAR	19	905	783

Statement of changes in equity

2022	Notes	Retained earnings			Total
		Share capital	Acc. currency translation	Retained earnings	
Equity 1st of January	20	3 686	31	-725	2 992
Profit for the year		-	-	133	133
From other comprehensive income		-	-28	482	454
Change in income tax rate	20	-290	-	290	-
Reduction of capital to cover losses	20	-7	-	-	-7
EQUITY 31st OF DECEMBER		3 387	3	182	3 572

2021	Notes	Retained earnings			Total
		Share capital	Acc. currency translation	Retained earnings	
Equity 1st of January	20	3 686	101	409	4 196
Profit for the year		-	-	-1 026	-1 026
From other comprehensive income		-	-70	-108	-178
EQUITY 31st OF DECEMBER		3 686	31	-725	2 992

Segment information

Business segments

As of 31st of December 2022, the Group has its main activities in the following segments:

- (1) Train: Passenger train operations
- (2) Bus: Passenger bus operations
- (3) Freight: Freight train operations
- (4) Customer experience and Innovation
- (5) Other entities and Group functions

Segment assets in the tables below consist mainly of property, plant and equipment, intangible assets, inventories and other assets and cash, while deferred tax asset and derivative instruments are not included.

2022	Train	Bus	Freight	Customer experience and Innovation	Other/elim	Group
Sales revenue	3 748	7 528	1 207	1	665	13 149
Public purchases	3 629	-	-	-	-	3 629
Other revenue	570	93	40	156	-6	853
Operating revenue	7 947	7 621	1 247	157	659	17 631
Operating expenses	6 339	6 563	1 086	261	705	14 954
Depreciation, impairment	1 032	1 036	142	4	68	2 282
Total operating cost	7 371	7 599	1 228	265	773	17 236
Share of profit/loss in joint ventures and associated companies	-	3	-	9	-	12
Operating profit	576	25	19	-99	-114	407
Segment assets	3 871	7 192	1 257	230	2 308	14 858
Investments	270	261	284	-	62	877

2021	Train	Bus	Freight	Customer experience and Innovation	Other/elim	Group
Sales revenue	2 680	6 277	1 024	1	616	10 598
Public purchases	3 957	-	-	-	-	3 957
Other revenue	386	133	41	167	7	734
Operating revenue	7 023	6 410	1 065	168	623	15 289
Operating expenses	6 758	5 482	867	275	626	14 008
Depreciation, impairment	1 125	931	127	33	64	2 280
Total operating cost	7 883	6 413	994	308	690	16 288
Share of profit/loss in joint ventures and associated companies	-	-1	-	-26	-	-27
Operating profit	-860	-4	71	-166	-67	-1 026
Segment assets	5 647	7 579	1 103	226	2 713	17 268
Investments	963	2 203	111	12	34	3 323

Please refer to note 5 for further details.

Notes

All figures in the report are in MNOK.

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2. Shares in subsidiaries
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33. Business combinations
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The consolidated financial statements were approved by the Board of Directors on 1st of March 2023.

Note 1

General information and Group accounting principles

General information

Vygruppen AS and its subsidiaries (Vy Group) operates in the following areas:

- Passenger train and bus transport
- Freight train transport
- Customer experience and Innovation

Additionally, the Group has its own insurance operation which is organized in a separate captive, Finse Forsikring AS.

All Vygruppen AS shares are owned by the Norwegian Ministry of Transport and Communication.

The Vy Group's main offices are located in Oslo.

The financial statements for year 2022 were approved by the Board of Directors on 1st March 2023.

All numbers in the report are in million Norwegian Kroner (MNOK), unless otherwise stated

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as approved by the EU.

Significant accounting principles used in the preparation of the Group financial statements are described below. These principles are used consistently for all presented periods, unless otherwise stated.

The consolidated financial statements have been prepared under the historical cost convention with the exception of financial derivatives, certain financial assets and financial liabilities which are valued at fair value.

Accounting principles applied in 2022 are consistent with the accounting principles that were used for the financial statements in 2021.

The Group adopts the going concern basis in preparing its consolidated financial statements.

Changes in accounting principles, new standards and interpretations

IFRS 17 Insurance Contracts

IFRS 17 is adopted by the IASB and replaces IFRS 4 Insurance Contracts. IFRS 17 states principles for recognition, measurement, presentation and disclosure of insurance contracts. The new standard is not considered to be of importance to the Group's operations. The standard takes effect on 1st of January 2023.

Other

IASB has also adopted several small changes and clarifications in several different standards. It is not expected that any of these changes will have considerable effect for the Group.

Assumptions and accounting estimates

Application of the Group accounting principles implies that the management must exercise judgment through use of estimates and assumptions. Estimates and assumptions are continuously evaluated and are based on experience combined with expectations of future events that are probable at the time of evaluation.

Areas where the use of assumptions and estimates are significant for the Group accounts:

Leases IFRS 16

When determining the lease period for the individual contract, the Group must assess whether there are extension options and termination rights that must be taken into account when determining the lease term. These assessments involve a great deal of discretion as extension options and termination rights that it is reasonably certain that the group will use will be included. The Group has established guidelines for assessments so that all relevant issues are handled in a consistent manner. Leases for train and bus material and premises used in relevant agreements for the execution of passenger or goods transport are considered in connection with these.

Determining the discount rate as a basis for calculating the present value of future lease obligations also involves the use of judgment. A fixed methodology has been established for this process.

Fixed assets

The Group continues to evaluate expected useful life and expected residual value on fixed assets to determine annual depreciation. The Group reviews its fixed assets values and the need for write downs. These reviews require considerable judgment. See the note on fixed assets for a description of impairment tests and related sensitivity analysis.

Provisions for contract losses

The Group conducts tests annually to evaluate provisions for contract losses based on indications of impairment. For property, plant and equipment an impairment test is performed first. Then the present value of future cash flow for each separate contract is measured. These evaluations involve a large degree of judgment. We refer to the note on Provisions for a more detailed description.

Retirement benefit obligation

The Group has considerable liabilities related to employees' pension rights in defined pension benefit plans. Calculations are based on economic and demographic assumptions. Changes to assumptions can considerably affect the calculated liabilities of future retirement benefit expenses. For more information on pensions and a more detailed description on the assumptions used, see the retirement benefit obligation note to the financial

statements.

Included in the note is a sensitivity analysis that illustrates how sensitive the calculations are to changes in key assumptions. Actuarial gains and losses related to such changes are included in other comprehensive income with a direct effect to equity, after deducting deferred tax. Effects from plan changes, closure and settlement included in the financial accounts (P&L) constitute estimates.

Accrued revenue

Parts of the Groups' revenue come from a fare cooperation with other transport operators. These revenues are accrued on the number of travels, composition of ticket types and historical data. These evaluations entail a significant degree of judgment and use of estimates.

Due to the Covid-19 pandemic, the fare cooperation with Ruter for 2022 is based on a fixed and agreed split of revenues, which also includes government grant received by Ruter.

Provision for costs of periodic maintenance

The Group prepares an ongoing provision for accrued costs for periodic maintenance in accordance with the obligation in the lease agreement. This is based on estimated cost per kilometer driven, the Group's route and maintenance plan and regulation in the lease agreement. These assessments involve the use of judgment and estimates. Please see note for periodic maintenance for further details.

Consolidation principles

The Group financial statements show the total financial result and the total financial position for the parent company and its subsidiaries.

Subsidiaries

Subsidiaries are companies where the Group exercises control. Control occurs when the Group, as an investor, has the ability to influence variable yield that the Group has a right to or is exposed to.

Subsidiaries are consolidated from the time the Group obtain control and are excluded from consolidation when control ceases to exist.

Transactions with non-controlling owners in subsidiaries are treated as equity transactions.

Joint ventures and associates

Joint ventures are companies or entities where Vy has joint control with one or several other investors.

Share of associates are companies where Vy has considerable, but not controlling influence. Normally, considerable influence is defined as having an ownership between 20 % and 50 % of the voting rights.

Ownership in both joint ventures and associates are accounted for using the equity method of accounting.

Acquisitions

The acquisition method of accounting applies to business combinations. Compensation is measured at fair value on the transaction date which is when risk and control is transferred and will normally coincide with the implementation date. An allocation of the acquisition price is based on fair value of assets and liabilities acquired. Additional value that cannot be allocated to identifiable assets and liabilities are allocated to goodwill. If fair value of identifiable assets and liabilities is higher than consideration given, the excess is charged to income.

The principles on how to recognize acquisition of associates and joint ventures are the same as for acquisition of subsidiaries.

Segment information

Vy reports its operating segments according to how Group management, which is the operating decision-maker, adopt, follow-up and evaluates decisions.

Currency

Functional currency and presentation currency

The financial statements for Vy Group are presented in Norwegian kroner, which is both the functional currency and presentation currency for the parent company.

The Vy Group operates mainly in Norway, as well as in Sweden. Income statements and balance sheets from Group entities with a functional currency different from the presentation currency are converted accruing currency translation differences directly to equity through other comprehensive income.

Transactions

Operating income and –expenses, purchases as well as financing expenses are mainly in the following currencies: Norwegian Krone (NOK), Swedish Krona (SEK) and Euros (EUR). Transactions in foreign currency are re-calculated to the functional currency at the transaction date. Foreign exchange gains and losses from such transactions and from the translation of foreign currencies are recognised in the income statement.

Public grants

Public grants are recognized when it is reasonably certain that the company will meet the conditions stipulated for the grants and that the grants will be received. Operating grants are recognized systematically during the grant period. Grants are deducted from the cost which the grant is meant to cover. Investment grants are capitalized and recognized systematically over the asset's useful life. Investment grants are recognized either as deferred income or as a deduction of the asset's carrying amount.

Revenue

The Group's revenues come mainly from sale of passenger- and freight transport services.

Sale of services, including public purchase of passenger traffic services, is included in the accounting period the services are delivered. This corresponds with the transfer of services to the customer which in practice means when the journey has taken place, in line with IFRS 15. In connection with public purchase of passenger traffic services, the group has an agreement regarding sharing the profit with the Norwegian Railway Directorate (Jernbanedirektoratet). The share of profit is accounted for as a reduction of operating revenue.

Dividends received from companies other than subsidiaries, associates and joint ventures are recognized on the date when the decision was made by the distributing company.

Leases

The Vy Group has an extensive number of lease arrangements of trains, buses and property directly used in the Group's transportation services. The general rule is that the lessee must recognize the lease liability and the associated "right-of-use asset" for the use of the underlying asset over the lease term. All leases that transfer the right to control the use of an identifiable asset (the lessee decides the use and receives the financial (dis-) advantages) are recognized.

The lease liability is measured as present value of future fixed lease payments. Payments that depend on an index or a rate is based on the circumstances at the recognition date.

For lease agreements entered, the discount rate equivalent to the interest rate in the lease agreement is used, if present. Alternatively, the marginal loan rate will be used.

The Group has chosen to apply the exemption rule for short-term leases up to 12 months durations and leases for which the underlying asset is of low value, as these contracts are expensed directly in the income statement.

For contracts that also include other product or service deliveries, the Group has chosen to use the main rule where "non-lease components" are expensed as operating expenses separately from the lease component.

In determining the lease period, the regular lease period is adjusted for extension options and termination rights, which with reasonable certainty is assessed that the Group will exercise.

The right-of-use assets are assessed for impairments in accordance with IAS 36 with specific judgement on how the corresponding liability is to be handled.

Property, plant and equipment

Property, plant and equipment (PPE) and operating related property is shown at cost less subsequent depreciation. Cost includes expenditure which is directly attributable to the acquisition of the items such that it's ready for use.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Borrowing costs accrued during construction of PPE, are capitalized until the asset is ready for intended use.

Depreciation on other assets is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, as follows.

Right-to-use assets are depreciated over the period the assets are expected to be used and the lease period.

Railroad vehicle	10 – 30 years
Buses	5 – 12 years
Buildings	10 – 50 years
Other fixed assets	5 – 30 years
Right of use assets IFRS 16	2 – 20 years

The fixed assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are included in the income statement and are determined by the difference between the sales price and the balance sheet value.

Intangible assets

Intangible assets that have been acquired separately are carried at cost. The costs of intangible assets acquired through an acquisition are recognized at their fair value in the Group's opening balance sheet. Capitalized intangible assets are recognized at cost less any amortization and impairment losses.

Internally generated intangible assets, excluding capitalized development costs, are not capitalized but are expensed as occurred.

The economic life is either definite or indefinite. Intangible assets with a definite economic life are amortized over their economic life and tested for impairment if there are any indications. The amortization method and period are assessed at least once a year. Changes to the amortization method and/or period are accounted for as a change in estimate.

Intangible assets with an indefinite economic life are tested for impairment at least once a year, either individually or as a part of a cash-generating unit. Intangible assets with an indefinite economic life are not amortized. The economic life is assessed annually with regard to whether the assumption of an indefinite economic life can be justified. If it cannot, the change to a definite economic life is made prospectively.

Research and development

Expenses relating to research activities are recognised in the statement of comprehensive income as they incur. Expenses relating to development activities are capitalised to the extent that the product or process is technically and commercially viable and the Group has sufficient resources to complete the development work. Expenses that are capitalised include the costs of materials, direct wage costs and a share of the directly attributable common expenses. Capitalised development costs are recognised at their cost minus accumulated amortisation and impairment losses.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life of the asset.

Impairment

Depreciable intangible assets as well as property, plant and equipment are considered for impairment when there are indications that future earnings cannot justify balance sheet value.

Goodwill and intangible assets with indefinite useful life are not subject to depreciation but are tested annually for impairment.

Impairment is recognized if the carrying amount is higher than the recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each reporting date, one considers the possibilities for a reversal of prior impairments (except goodwill).

Possible contract losses

The Group's activity results in entering into long-term public contracts for delivery of public transportation. For several of the contracts, the Group assumes part of the risk for the development in several cost areas (for example salaries, interest and fuel) without any income adjustment. This could result in contract losses if future remaining costs are higher than estimated revenues. For certain contracts, the group also bears the risk of declining revenues.

Before a provision is performed for contracts that may result in losses according to IAS 37, an evaluation is completed in accordance with IAS 36 (see section for impairment above). Then the Group measures continuously the present value of future expected cash flow from operational activities in each separate contract, where estimated payments consist of all future unavoidable operating costs including wear on assets. The provision is limited to the lower of continuing the contract or to go out of the contract. The provision is reversed over the expected loss period. At each reporting date, one considers the possibilities for a reversal of prior contract losses.

Financial assets held for trading purposes

A financial asset is classified as held for trading purposes if its primary reason for acquiring is to result in gains due to short-term changes in fair value.

Fair value of listed investments is based on its last registered value. If the market for the security is not active or if it concerns a security that is not listed, the Group uses evaluation methods to determine fair value.

Inventory

Inventory is valued at the lower of acquisition cost and net realizable value. Acquisition cost is calculated using the average price method.

The cost of finished goods and work in progress comprises of design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Incurred borrowing costs that are directly related to the acquisition or manufacture of the goods, is included in the cost price of the goods.

Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Receivables

Receivables include trade receivables and are initially measured at original value which is also considered to be fair value.

For subsequent measurement receivables are considered at amortised cost using the effective interest method, less provisions for probable losses.

Provisions are made for expected future losses based on the best estimate on the balance sheet date. Assessment is based on information about past, present and future estimates.

Cash and bank deposits

Cash and bank deposits including restricted tax withholdings and restricted bank deposits in Finse Forsikring are specified in note 19.

If bank overdrafts are utilized, it will be included in borrowings under current liabilities.

Tax

Income tax expense for a period consists of tax payable and deferred tax.

Deferred income tax is calculated on all temporary differences between tax- and book values as well as tax effect of net losses carry forwards. Deferred income tax is determined using tax rates and tax laws that apply on the balance sheet date. Deferred tax asset that are expected to be utilized are included on the balance sheet.

Deferred income tax asset and liability are offset when there is a legally enforceable right to offset, and it is related to income taxes levied by the same taxation authority for (i) the same taxable entity or (ii) for separate taxable entities where the intention is to settle taxable positions on a net basis.

Retirement benefit obligations

The companies in the Group operate various pension schemes; both defined benefit plans and defined contribution plans.

Defined benefit pension plans are schemes where the employer commits to periodical pension benefits to the employee when he/she retires. The pension payment will mainly depend on number of years in the plan, compensation level at retirement age and the size of the benefits from the national insurance scheme.

The liability recognized on the balance sheet is the present value of the defined benefit pension plan at the balance sheet date, less the fair value of plan assets at the balance sheet date. The defined pension liability is calculated annually by an independent actuary using the projected unit credit method. The cost of pension contributions and net interest rate on the defined benefit pension plan obligation is included in net income.

Changes to the pension plan benefits (plan changes) and settlement effects are expensed or recognized as income continuously in the income statement. Actuarial gains and losses that are caused by new information and changes to the actuarial assumptions are included instantly, through other comprehensive income.

Defined contribution plans are pension plans under which the employer pays contributions towards the employees' future pension without further obligations after the contribution is paid. The payments are included in the income statement as payroll and related expense.

Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise of costs relating to severance pay and associated termination and liquidation costs. Provisions are not recognized for ongoing operations nor future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Provisions are measured at the present value of the expected expenditure required to settle the present obligation. The discount rate used to determine the present value reflects current market assessments of the time value of money and the increases specific to the liability. The increase in the provision due to passage of time is recognized as interest expense.

Other short-term debt

Other short-term debts include trade payable and are initially measured at original value which is also considered to be fair value. At later measurement dates, trade receivables will be considered at amortized cost by using the effective interest method.

Dividend distribution

The dividend distribution to the company's shareholders is recognised as a liability in the Group's financial statements when the dividend is approved by the General Assembly.

Fair value estimation

The Group measures several financial assets and financial liabilities at fair value. For classification of fair value, the Group uses a system that reflects the significance of the input that is utilized in the preparation with the following divisions:

Level 1

Fair value is measured using quoted prices from active markets for identical assets and obligations.

Level 2

Fair value is decided by using input based on other observable factors; either direct (price) or indirect (derived from prices) rather than noted prices (used in level 1) for the asset or obligation.

Level 3

Fair value is measured using inputs that are not based on observable market data.

Note 2

Shares of subsidiaries

The table shows the parent company's directly owned investments at 31.12.22. The group also owns companies and interests indirectly.

Subsidiaries	Established- / acquisition- date	Registered office	Votes and profit share	Book value shares in subsidiaries in parent company	Equity	Profit/ loss for the year
Vy Buss AS	1st December 1996	Oslo	100 %	1 333	1 327	-187
Agilia AS	1st October 2001	Oslo	100 %	61	29	-13
Finse Forsikring AS	1st December 2001	Oslo	100 %	59	299	11
CargoNet AS	1st January 2002	Oslo	100 %	103	105	-28
Vy Gjøvikbanen AS	1st April 2005	Oslo	100 %	30	98	26
Vy Tåg AB	1s January 2007	Gävle	100 %	-	62	11
Vy Tog AS	16th June 2016	Oslo	100 %	516	427	312
Vy Mobility AS	14th May 2018	Oslo	100 %	74	77	-14
Tømmervogner AS*	31st December 2008	Oslo	45 %	2	9	0
TOTAL				2 178	2 433	118

* Vygruppen AS owns 45% and CargoNet AS owns 55%.

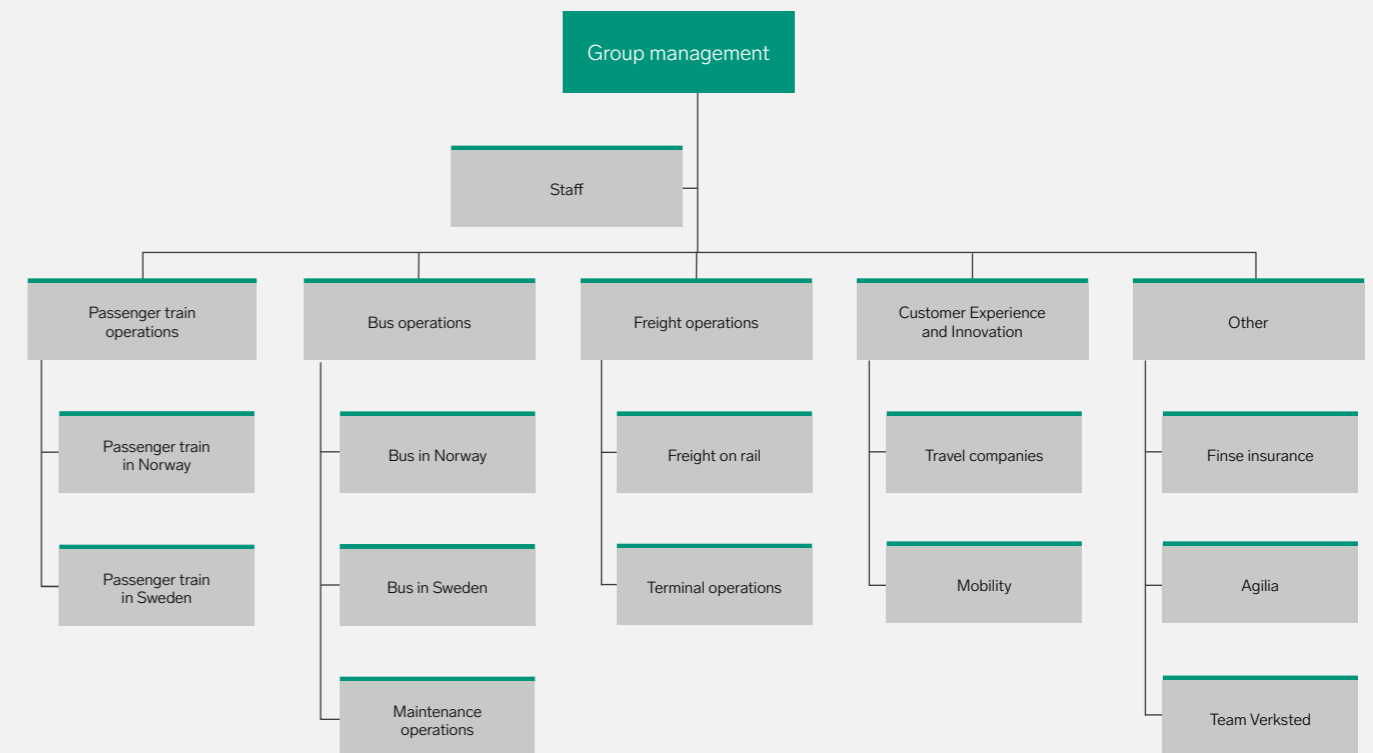
The equity presented is 100 % of the equity recognized in the subsidiary's statement of financial position as of 31st of December 2022.

Note 3

Group- and company structure

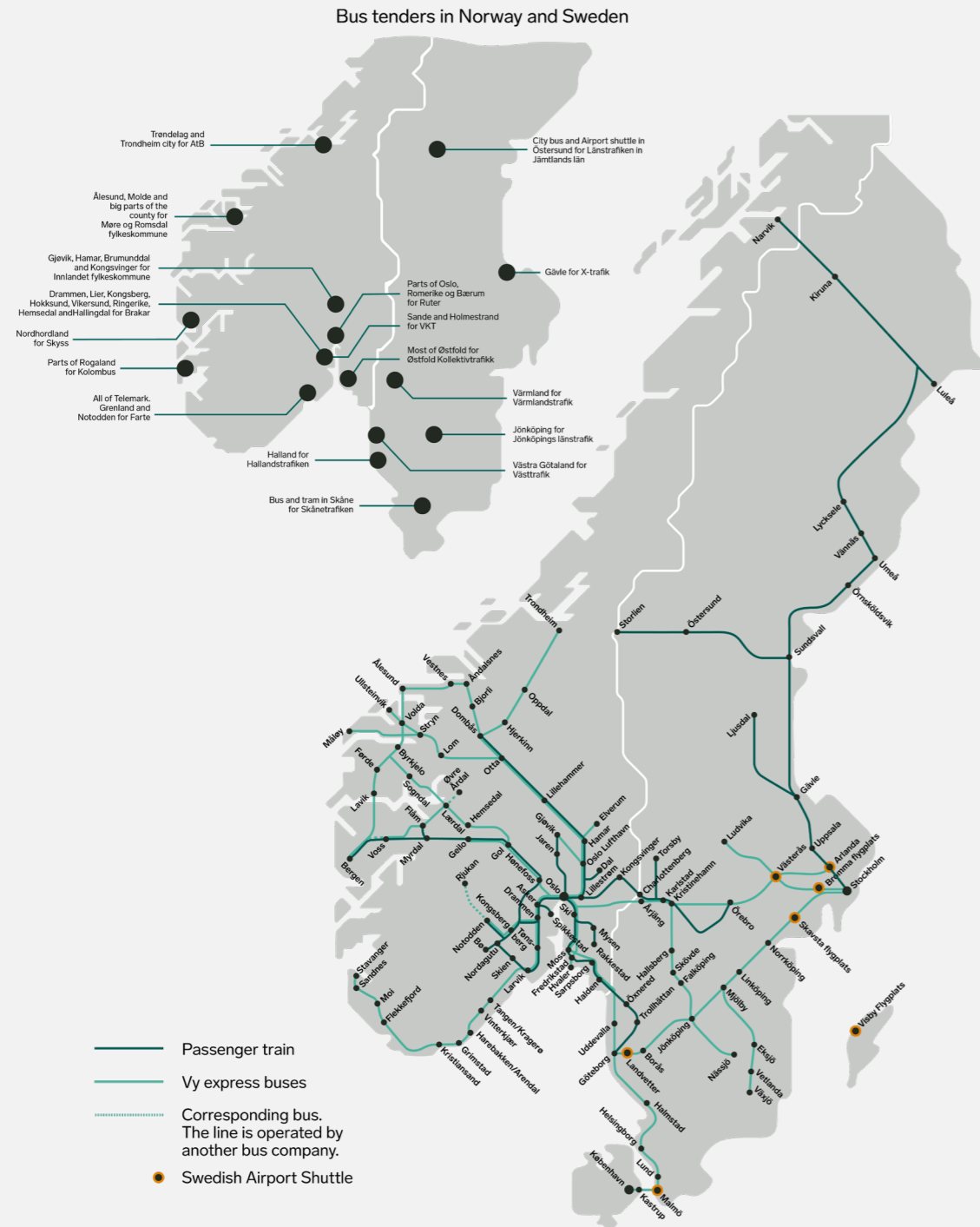
Vy operates in Norway and Sweden. Operations are run in accordance with the Business Segments which slightly differs from the legal structure:

- Vy Gjøvikbanen AS, Vy Tåg AB, Vy Tog AS and part of Vygruppen AS are included in the Train segment.
- The Bus segment consists of the Vy buss group operations.
- The Freight segment consists of the CargoNet group operations.
- Customer experience and Innovation consists of mobility solutions together with activities connected to Flåmsbana and Fjord Tours.



Note 4

Vy Group's passenger operations in the Nordic Region



Note 5

Segment information

Analysis of Operating income by category	2022	2 021
Transport revenue	16 107	13 930
Other revenue	1 524	1 359
TOTAL	17 631	15 289

Analysis of Operating income by country	2 022	2 021
Norway	14 872	12 836
Sweden	2 759	2 453
TOTAL	17 631	15 289

The Group mainly operates in Norway. The Group also has some operations in Sweden.

Information on important customers

The Group has one customer that constitutes more than 10% of operating income. The Government's purchase from the Vy group is included in note 31. In connection with the Covid-19 pandemic, the Government has adopted a support scheme by allowing the Norwegian Railway Directorate to enter into temporary additional agreements regarding the state purchase of passenger train services. Income from this support scheme is included in the government's purchase of services from the Vy Group.

Operating revenue

Most of the Group operations are personnel transport by train and bus. The transport date regulates the recognition of the revenue and is thus when the service is delivered. The Group also has revenue on agreements with counties and municipalities as well as a Traffic agreement with the State of Norway. Revenue from these arrangements is also recognized at the transport date. Additionally, the Group has revenue from freight, terminal services, workshop services and various ad hoc services. For all these revenue are recognized when the services are delivered.

Type	Segment	IFRS 15 accounting treatment
Personnel transport	Passenger train and bus	Revenue recognition when the service is delivered (transport date)
Food and on board services	Passenger train and bus	Revenue recognition when the service is delivered
Agreements with counties and municipalities	Bus	Revenue recognition when the service is delivered
Workshop services	Bus	Revenue recognition when the service is delivered
Agreements with counties and municipalities	Passenger train	Revenue recognition when the service is delivered (transport date)
Traffic agreement with the state of Norway and public purchaser abroad	Passenger train	Revenue recognition when the service is delivered
Fees	Passenger train	Revenue recognition when the service is delivered
Freight and terminal services	Freight	Revenue recognition when the service is delivered
Other services - sale of ad hoc services, renting premises etc.	All	Revenue recognition when the service is delivered

Note 6 Leases

Specification of changes in the period	Liability	Assets
Total opening Balance right-to-use assets / lease obligations as per 1 January 2022	9 490	9 111
Lease payments	-1 797	-
Depreciations	-	-1 839
Additions and changes in agreements	-185	-170
Other / currency effects	-2	-28
Total Closing Balance as of 31 December 2022	7 506	7 074

Interest expenses on the leasing obligation amounted to 236 MNOK in 2022.

	Liability	Assets
Total opening Balance right-to-use assets / lease obligations as per 1 January 2021	8 251	8 028
Lease payments	-1 707	-
Depreciations	-	-1 870
Additions and changes in agreements	3 026	2 988
Other / currency effects	-80	-35
Total Closing Balance as of 31 December 2021	9 490	9 111

Interest expenses on the leasing obligation amounted to 188 MNOK in 2021.

For more specification on the effects from right-of-use assets in the financial accounts, refer to note 7 Property, plant and equipment.

Liabilities	2022	2021
Short-term liability	1 955	1 844
Long-term liability	5 551	7 646
Total	7 506	9 490

There is also future rental obligations of approx. 990 MNOK (nominally) not included. This concerns the rental of operating assets for which an agreement has been entered into, but not delivered. The Right-of-use assets and obligation will be recognized when the assets are received and made available for the Group.

Supplementary information

Leases not recognized	2022	2021
Short term agreements (between one month and one year)	84	62
Costs aligned to low-value items	33	31
Total	117	93

P&L

Revenue from sub-lease	7	8
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Cash Flows

Total cash flows on leases	2 033	1 894
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For more information on the Group's handling of leases, refer to the principles. For future maturities for the Group's lease liabilities, refer to note 15.

Note 7 Property, plant and equipment

	Machinery and equipm.	Transport equipment	Land and buildings	Assets under construction	Right-to-use bus and train	Right-to-use buildings	Right-to-use other assets	Total
At 1st of January 2022								
Accumulated acquisition cost	1 843	12 165	250	55	12 055	2 944	72	29 384
Accumulated depreciation	-1 595	-10 733	-167	-	-4 923	-1 002	-36	-18 456
TOTAL	248	1 432	83	55	7 132	1 942	36	10 928

Year ended 31st of December 2022

Opening net book value	248	1 432	83	55	7 132	1 942	36	10 928
Exchange differences	-1	-6	-	-	-23	-5	-	-35
Acquisition of subsidiary	-1	-	-48	-	-	-	-	-49
Accumulated depr. acq. of subsidiary	1	-	42	-	-	-	-	43
Additions	52	85	-	17	548	166	9	877
Disposals at acquisition cost	-159	-498	-3	-21	-1 046	-35	-15	-1 777
Accumulated depreciation disposals	150	481	3	-	155	34	15	838
Transfers within PPE	9	11	-	-20	-	-	-	-
Depreciations	-61	-291	-7	-	-1 523	-263	-10	-2 155
Impairments	-2	-47	-	-	-43	-	-	-92
TOTAL	236	1 167	70	31	5 200	1 839	35	8 577

At 31st of December 2022

Accumulated acquisition cost	1 743	11 757	199	31	11 534	3 070	66	28 399
Accumulated depreciation	-1 507	-10 590	-129	-	-6 334	-1 231	-31	-19 822
TOTAL	236	1 167	70	31	5 200	1 839	35	8 577
Deprecation period	5 - 30 years	5 - 30 years	3 - everlast.		1 - 10 years	1 - 20 years	1 - 10 years	

	Machinery and equipm.	Transport equipment	Land and buildings	Assets under construction	Right-to-use bus and train	Right-to-use buildings	Right-to-use other assets	Total
At 1st of January 2021								
Accumulated acquisition cost	1 751	12 555	232	47	9 794	2 305	62	26 746
Accumulated depreciation	-1 593	-10 888	-157	-	-3 386	-716	-32	-16 772
TOTAL	158	1 667	75	47	6 408	1 589	30	9 974

Year ended 31st of December 2021

Opening net book value	158	1 667	75	47	6 408	1 589	30	9 974
Exchange differences	-3	-23	-	1	-31	-4	-	-60
Acquisition of subsidiary	5	42	19	-	130	-	-	197
Accumulated depr. Acq. of subsidiary	-4	-19	-2	-	-42	-	-	-67
Additions	131	66	1	85	2 194	699	18	3 194
Disposals at acquisition cost	-51	-544	-2	-	-32	-56	-9	-693
Accumulated depreciation disposals	51	489	1	-	21	56	8	627
Transfers within PPE	10	68	-	-78	-	-	-	-
Depreciations	-49	-314	-9	-	-1 449	-342	-12	-2 175
Impairments	-	-1	-	-	-68	-	-	-69
TOTAL	248	1 432	83	55	7 132	1 942	36	10 928

At 31st of December 2021

Accumulated acquisition cost	1 843	12 165	250	55	12 055	2 944	72	29 384
Accumulated depreciation	-1 595	-10 733	-167	-	-4 923	-1 002	-36	-18 456
TOTAL	248	1 432	83	55	7 132	1 942	36	10 928
Deprecation period	5 - 30 years	5 - 30 years	3 - everlast.		1 - 10 years	1 - 20 years	1 - 10 years	

Depreciation, amortization and impairment	2022	2 021
Depreciation charges PPE	2 155	2 175
Impairment charges PPE	92	69
Amortization and impairment of intangible assets (note 9)	35	49
Negative goodwill arising from acquisitions (note 33)	-	-13
Total	2 282	2 280

Property, plant and equipment, and contract losses

Operating revenue in the Group is mainly related to long term tender contracts which means significant investments in property, plant and equipment (PPE). In the presentation of the accounts as at 31st of December 2022 an evaluation of the value of the Groups' PPE is performed, where there are indications of permanent impairment (IAS 36).

To test the balance sheet value, calculations using value in use have been performed. Value in use is calculated for every cash flow generating unit (CGU). Calculation of value in use has been performed on the tenders where there is an indication of permanent impairment on PPE.

The value in use is calculated as present value of expected future cash flows for each tender. Revenue from the contracts and expected operating expenses, including overhead that can be allocated to each separate CGU, are included in the contracts' lifespan in the future cash flows. If there exists repurchase values on transport equipment, these are included in the cash flow at the end of the contract and based on experiences or residual value guarantees from suppliers. Within several of the contracts, the contracting entity has the option to extend the contracts. When it is probable that the options will be exercised, the effect of the option period is included in the cash flows. Impairments are undertaken if the balance sheet value is lower than the recoverable amount. The recoverable amount is the higher of fair value less sales costs and value in use.

In addition to evaluating balance sheet values according to IAS 36, the contracts are also evaluated for any additional provisions according to IAS 37. In these evaluations the Group measures continuously present value of future expected cash flows from operational activities in each separate contract, where estimated payments include all future unavoidable operating expenses. The provision is limited to the lower amount of continuing or exiting the contract. The provision is released over the expected loss period. See note 27 for further details about contract losses.

In the future cashflows evaluations in accordance with IAS 36 and IAS 37, the following main assumptions are used:

Growth rate of	3,0 %	
Discount rate	9,5-10,2%	evaluations according to IAS 36
Borrowing rate	3,7-7,9%	evaluations according to IAS 37

Based on the main assumptions, the Group has made impairment on assets in 2022 by MNOK 92 (2021: MNOK 69). The Group has cash-generating units where the assets are valued at value in use as at 31 December 2022 and in total written down by MNOK 116 (2021: 69).. The Group also has cash-generating units where the assets are valued at the fair value of transport equipment as at 31 December 2022, which are written down by MNOK 35 (2021: MNOK 12). For contracts where the assets are written down to fair value, total value in use is MNOK 212, which was approximately MNOK 3 higher than fair value.

Sensitivity

To describe the uncertainty that are included in the IAS 36 impairment calculations, sensitivity analysis on selected variables in the calculation have been performed. A sensitivity analysis is performed on contracts where PPE is impaired in the current year.

Discount rate

A change in discount rate of +/- 1 % -points affects changes to present value differently across contracts. Yearly change in EBITDA of 1 MNOK per contract will also give an effect of the calculated net present value. The overview below shows these effects.

Discount rate Change in factors	Change in present value	Actual accumulated impairment	Estimated accumulated impairment*
Interest rate +1%	-24 447	151 275	164 697
Interest rate -1%	25 859	151 275	137 113

EBITDA

Change in factors	Change in present value	Actual accumulated impairment	Estimated accumulated impairment*
EBITDA + 1 MNOK per contract	19 676	151 275	146 001
EBITDA - 1 MNOK per contract	-19 676	151 275	156 549

* Actual accumulated impairment affected by evaluations of market value of transport equipment.

The cash-generating units rated at fair value for transport equipment would be classified at Level 2 in a valuation hierarchy. The assets that are valued at value in use would be classified at level 3 in a valuation hierarchy.

Note 8 Periodic maintenance

Periodic maintenance on leased trains	2022	2021
Prepaid maintenance as of 1st of January	14	25
Accrual for incurred maintenance cost through the year	-85	-85
Performed maintenance through the year	42	74
PREPAID MAINTENANCE AS OF 31ST OF DECEMBER	-29	14

As a train lessee, the Group is under the lease agreement responsible for carrying out heavy maintenance. Provisions for maintenance costs are continuously recorded on the basis of estimated costs per kilometer driven, and the route- and maintenance plan. Costs are estimated based on existing maintenance contracts, and experience with historic maintenance work. Actual incurred maintenance costs are offset against the provision. Upon return of the leased equipment, the Group will have to compensate, or will be entitled to a compensation from the lessor, based on the equipment's maintenance level, assessed at the end of the lease period. The assessment involves use of judgment and estimates. The amount of prepaid maintenance is included in the balance sheet within Provisions for other liabilities (see note 26).

Note 9 Intangible assets

	Goodwill		Other		Total	
	2022	2021	2022	2021	2022	2021
At 1st of January						
Accumulated acquisition cost	659	693	799	846	1 458	1 539
Accumulated amortization and impairments	-215	-225	-155	-112	-370	-337
TOTAL	444	468	644	734	1 088	1 202
Changes during the year						
Opening net book value	444	468	644	734	1 088	1 202
Exchange differences - acquisition cost	-12	-34	-19	-53	-31	-87
Exchange differences - amortization and impairments	3	10	3	6	6	16
Additions	-	-	9	6	9	6
Amortization and depreciation	-	-	-35	-49	-35	-49
TOTAL	435	444	602	644	1 037	1 088
At 31st of December						
Accumulated acquisition cost	647	659	789	799	1 436	1 458
Accumulated amortization and impairments	-212	-215	-187	-155	-399	-370
TOTAL	435	444	602	644	1 037	1 088

Goodwill is mainly related to the acquisition of Flygbussarna. Other intangible assets relate to brand, contracts and relationships, customer database and dedicated parking lots at the airports. Brand and parking lots are not being amortized.

Impairment testing of goodwill and intangible assets with indefinite useful lives

Goodwill and intangible assets with indefinite useful lives are tested annually for impairment by comparing the carrying amount with the recoverable amount. The ratio is monitored based on what is considered as the natural cash-generating unit (CGU) associated with each acquisition. The recoverable amount is calculated based on the value the asset will add to its CGU. Liquidity prognosis' based on approved budgets are approved by leadership for the next five year period. The cash flows from the tender period are limited to the end of the agreement-/tender period. For the commercial agreements, the cash flows after the first five years utilize estimated growth rates. The assumptions used for calculating value is use vary between the different CGU's and the discount rates take into account the specific risk connected to each CGU.

No impairment charges relating to goodwill and intangible assets with indefinite useful lives have been recognised during year 2022.

Note 10

Investments in associates

	2022	2021
Book value 1st of January	16	35
Disposals/ -sale of associates	-	-18
Share of profit/loss	3	-1
NET BOOK VALUE 31ST OF DECEMBER	18	16

Share of profit/loss is after tax, non-controlling interests and dividends paid.

On 9 April 2021, the Vy Group acquired the remaining 50,67% shares in Minibuss 24-7 AS for a cash consideration of 19 MNOK. As from the same date, the company became a fully owned subsidiary of the Vy Group. The acquisition was formally approved by The Norwegian Competition Authority in May, and the company was accounted for as an associated company in the Group figures from that date. The ownership in Minibuss 24-7 was as of 31.12.2020 accounted to MNOK 21, and in connection with the transaction a loss of the original ownership interest of MNOK 3 was accounted (included in the row "Disposals/-sale of associates").

Profit/loss, assets and liabilities of its associates, all of which are unlisted, are as follows:

2022	Registered office	Assets	Liabilities	Revenues	Profit/Loss	% Interest held
Nordlandsbuss AS	Bodø	345	301	196	3	34 %
Peer Gynt Tours AS	Oslo	8	6	18	-0	34%
Sjøholt Last og Buss AS	Ørskog	5	4	16	0	49 %
TOTAL		358	311	230	3	

2021	Registered office	Assets	Liabilities	Revenues	Profit/Loss	% Interest held
Nordlandsbuss AS	Bodø	63	21	102	-12	34%
Peer Gynt Tours AS	Oslo	5	3	14	-1	34%
Sjøholt Last og Buss AS	Ørskog	6	4	15	-	49%
TOTAL		74	28	131	-13	

Note 11

Investment in joint ventures

	2022	2021
Book value 1st of January	133	133
Share of profit/loss	9	-26
Other equity movements	34	26
NET BOOK VALUE 31ST OF DECEMBER	176	133

Share of profit and loss includes adjustments from prior years.

The Vy Group's interest in joint ventures is as follows:

Joint venture:	Year of acquisition	Registered office	Votes and profit share	Equity	Profit/loss	Book value 31st of December
Flåm Utvikling AS	2013	Aurland	50 %	79	12	90
Fjord Tours Group AS	2019	Oslo	50 %	262	-3	288

The amounts below show the Group's share of assets and liabilities as well as revenue and expenses in joint ventures.

Assets	2022	2021
Non-current assets	135	138
Current assets	54	39
TOTAL	189	177

Liabilities	2022	2021
Long term liabilities	5	7
Short term liabilities	14	8
TOTAL	19	15
NET ASSETS	170	162

Income/expenses	2022	2021
Operating revenue	165	50
Operating expenses	-156	-76
PROFIT AFTER TAX	9	-26

Description of operations:

Flåm Utvikling AS

For 20 years, Flåm Utvikling AS has operated the travel product Flåmsbana with Vygruppen AS as a supplier of train transport services. Flåm Utvikling conducts product development, sales, marketing, customer relationship management and brand development of Flåmsbana, as well as the foundation for commercial year-round operations of Flåmsbana. Flåmsbana is the country's first year-round mountain/fjord railway destination.

Fjords Tours Group AS

Fjord Tours Group AS is owned 50% each by Vygruppen AS and Fjord1 AS, and is the companies' joint tourism venture. Together with the subsidiary Fjord Tours AS the company shall develop, market and sell sustainable collective-based round trips. In addition they sell individual train journeys and other transport products to international tour operators and agents. Today "Norway in a nutshell", with among others the Bergen Line and Flåmsbana, is the most famous round trip. The tourists travel with public transport and the package includes accommodation, activities and other experiences. In 2022 Fjord Tours Group bought the remaining shares (26%) in Fjord Tours AS, and owns now 100% of the subsidiary. Fjord Tours Group has participated in the establishment of a new, local tourism company in 2022 in Hardanger, Book Hardanger AS, and owns 33% of the company. Fjord Tours Group owns also 34% of the shares in Best Artic AS as well as 31% of the shares in Geiranger Fjordservice.

Note 12

Inventory

	2022	2021
Components	473	513
Not completed parts	8	6
TOTAL INVENTORY	481	519

Note 13

Guarantees

The Group has bank guarantees in connection with the normal operations. As per 31 December 2022 the upper limit on these guarantees is 1 042 MNOK (1 613 MNOK).

Note 14

Trade and other receivable

	2022	2021
Trade receivables	1 271	1 147
Less: provision for impairment of receivables	-8	-14
Trade receivables - net	1 263	1 133
Prepayments	399	480
Other receivables	176	214
TOTAL TRADE AND OTHER RECEIVABLES	1 838	1 827

The carrying amounts of the trade receivables, prepayments and other receivables approximate their fair value. Trade receivables include mainly freight revenue, rental revenue and non-calculated public purchase amounts due from counties.

Maturity of receivables:	2022	2021
Matured receivables on balance sheet date	184	182
Matured between 0 - 2 mnths ago	150	137
Matured between 2 - 6 mnths ago	18	10
Matured more than 6 mnths ago	16	35

Note 15

Financial risk management

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and to maintain an optimal capital structure to reduce the cost of capital. The Group manages some of its excess liquidity in interest bearing products like deposits, commercial papers and bonds, in accordance with guidelines prepared by the Board of Directors. The Board sets the principles of risk management and gives guidelines for specific risk areas. In accordance with the guidelines' demand of security, spread of risk and liquidity, Vy should maximize the return of the managed capital.

The Group invests portions of the surplus liquidity in interest-bearing products such as bank deposits, certificates, bonds with short remaining maturity and money market funds.

Financial risk factors

The Group's activities result in various types of financial risk: market risk (foreign exchange-, interest rate-, and price risk), credit risk and liquidity risk.

The Group's risk management policy focuses on the capital markets unpredictability and strives to minimize the potential negative effects on the Group's financial results. The Group uses financial derivatives to hedge certain risks.

Risk management is carried out by a centralized Group treasury department. Group treasury identifies, evaluates, and hedges financial risk in co-operation with the Group's operating units.

Market risk

Foreign exchange risk

Currency risk is the risk that fluctuations in the exchange rate will lead to changes in the Group's income statement, statement of financial position or cash flows.

The Group operates in the Nordic region, makes purchases from foreign suppliers and is therefore exposed to currency risks. The Group minimizes currency risk associated with larger investments from foreign suppliers by mainly entering into agreements in NOK or sometimes are being hedged. The goal is to create predictability with respect to future payments measured in NOK.

The Group has certain investments in foreign subsidiaries, whose net assets are exposed to currency risk. This risk is not considered to be of significant importance to the Group.

Interest rate risk

Interest rate risk is the risk that a fair value of a financial instrument or future cash flows will fluctuate due to changes in market interest rates.

The Group has no outstanding certificates and bond loans. The excess liquidity was invested in the Norwegian money market and was therefore exposed to changes in Norwegian money market rates. The management of excess liquidity has a short average interest duration and therefore the fair value changes due to changes in money market rates are moderate.

Other price risk

The Group has a risk associated with price changes related to electric power and diesel used in its train and bus operations. The Group are only in a limited extent hedging its future electricity and diesel needs.

Liquidity risk

Liquidity risk is the potential inability to meet short term liabilities.

Vy's management monitors the Group liquidity reserve (consists of overdraft facility and cash equivalents) through rolling forecasts based on the Group's expected cash flow.

Vy reduces liquidity risk on maturity of financial obligations by accessing a number of financing sources, as well as maintaining adequate liquidity to cover planned operating-, investing-, and refinancing needs without assuming new debt due within 12 months. Liquidity consists of bank deposits, interest rate certificates, money market funds and a credit facility.

Vy has a high credit rating. Standard & Poor's rates Vy's long-term debt at BBB+ (Negative outlook). This high credit rating gives Vy good access to external financing.

The table below shows future maturities for the Group's liabilities as at 31st of December 2022:

Liquidity risk	< 1 year	1 - 2 years	2 - 5 years	> 5 years
Short term liabilities	3 158	-	-	-
Debt	4	2	5	5
Lease obligations	1 852	964	2 044	2 163
Property, plant and equipment	744	-	-	-

Credit risk

Credit risk is the potential loss if an external part cannot meet its financial obligations to Vy. The Group's exposure to credit risk is mainly related to individual customers.

Passenger train- and bus operations mainly sell its services on a cash basis. Deferral of payment is given to public authorities based on long-term agreements. Revenue from freight operations is divided between several medium sized customers whose financial development is tracked through updated credit assessments. Other subsidiaries have its parent company as their main customer. The Group is therefore to a small degree exposed to credit risk.

Vy is exposed to credit risk through placement of excess liquidity with issuers of debt securities. The parent company has established limits for credit exposure against sectors and individual counterparties based on credit assessments.

Vy has risk against its counterparties in interest- and currency derivative agreements. Vy focuses on counterparty risk in its financial transactions.

Vy assesses maximum credit risk to be the following:	2022	2021
Cash and bank deposits	905	783
Placements	1 757	1 875
Financial derivatives	4	-
Trade receivable and other short term receivables	1 838	1 827
TOTAL	4 504	4 485

The credit risk (counterparty risk) is reduced by diversifying exposure across several counterparties. Strict requirements are set for the counterparty's creditworthiness with a minimum A- rating from S&P, or equivalent from another international rating agency upon conclusion of the agreement. Counterparty risk is continuously monitored. The Vy Group has agreements that regulate judicial offset calculations in a bankruptcy situation (ISDA agreements) with several banks.

Excess liquidity is placed in Norwegian certificates and bonds with short-term remaining maturity, as well as Norwegian money market funds. Guidelines are established for credit exposure against several sectors, and specific issuers based on credit assessments. In addition there are established guidelines for money market funds and bond funds.

For the wholly owned subsidiary, Finse Forsikring AS, the Board of Directors has approved extended limits on placement of surplus liquidity. The company has made investments in listed mutual funds on the Oslo Exchange; "Skagen Global", "Nordea Stabile Aksjer Global Etisk" and "Storebrand Global Multifactor".

A decline in value of 36 % gives a calculated portfolio risk of -21 MNOK (2021: 46 % -30 MNOK). The evaluation and determination of percentage decline in value has been set in accordance with the Financial Supervisory Authority of Norway's regulations on reporting stress tests for insurance and pension companies.

Note 16 Derivatives

	2022		2021	
	Assets	Liabilities	Assets	Liabilities
Interest and exchange rate swaps	4	-	-	-3
Energy swaps	-	-1	-	-
TOTAL	4	-1	-	-3

Fair value changes in derivatives are continuously recognized in the income statement. Derivatives are classified as current assets or contractual obligations.

Changes derivatives fair value:	2022	2021
This period's change in fair value:	6	-3
Accumulated change in fair value:	3	-3

Note 17 Other financial assets at fair value through profit or loss

Securities	2022	2021
Stocks and other fixed income securities/ Funds – Norway	1 619	1 731
Stocks and other fixed income securities/ Funds – Globally	58	66
Deposits	80	78
TOTAL	1 757	1 875

Fair value is based on changes in original interest rate, currency exchange and spread (at recording time) against market interest rate, currency exchange rates at the reporting date.

Effective interest rate on short term bank deposits was 2,9 % as at 31st of December 2022 (2021: 1,03 %).

Changes in fair value of securities	2022	2021
This period's change in fair value	-17	3
Accumulated change in fair value	24	41

Note 18 Financial instruments by category

Assets at 31st of December	Loans and receivables		Assets at fair value through profit and loss		Total	
	2022	2021	2022	2021	2022	2021
Financial fixed assets	95	109	-	-	95	109
Derivatives	-	-	4	-	4	-
Trade and other receivables (excl. prepayments)	1 439	1 348	-	-	1 439	1 348
Financial assets at fair value through profit or loss	-	-	1 757	1 875	1 757	1 875
Cash and bank deposits	905	783	-	-	905	783
TOTAL	2 439	2 240	1 761	1 875	4 200	4 115

Vy Buss AS has its own pension fund for employees with public pension benefits. The equity contribution amounting 65 MNOK equals the fair value and is included in financial fixed assets.

Liabilities at 31st of December	Other financial liabilities at amortised cost		Liabilities at fair value through profit and loss		Total	
	2022	2021	2022	2021	2022	2021
Debt (excl. financial lease liabilities)	16	23	-	1	16	24
Lease liabilities IFRS 16	7 506	9 490	-	-	7 506	9 490
Derivatives	-	-	1	3	1	3
Trade and other payables (excl. statutory liabilities)	2 864	2 992	-	-	2 864	2 992
TOTAL	10 386	12 505	1	4	10 387	12 509

Financial assets and liabilities at fair value through profit and loss per 31st of December 2022:

	Level 1	Level 2	Level 3	Total
Derivatives used for hedging	1 757	-	-	1 757
Derivatives	-	4	-	4
TOTAL ASSETS	1 757	4	-	1 761
Debt and accrued interest	-	-	-	-
Derivatives used for hedging	-	1	-	1
TOTAL LIABILITIES	-	1	-	1

For description of the different levels used, see note 1 Vy Group accounting principles.

Financial assets and liabilities at fair value through profit and loss per. 31st of December 2021:

	Level 1	Level 2	Level 3	Total
Derivatives used for hedging	1 875	-	-	1 875
TOTAL ASSETS	1 875	-	-	1 875
Debt and accrued interest	-	-	-	-
Derivatives used for hedging	-	3	-	3
TOTAL LIABILITIES	-	3	-	3

For description of the different levels used, see note 1 Vy Group accounting principles.

Note 19

Cash and bank deposits

	2022	2021
Cash and bank deposits	905	783

Includes restricted funds of 160 MNOK (2021: 155 MNOK).

Note 20

Share capital

	No. of shares	Ordinary shares	Total MNOK
Shares at 1st of January 2022	3 685 500	3 685 500	3 686
Shares at 31st of December 2022	3 387 905	3 387 905	3 387

There is only one class of shares. The par value of a share is NOK 1,000,- which is owned by the norwegian Government (Ministry of Transport and Communication).

In 2022 no dividend payment was made for the fiscal year 2021. No dividend for the fiscal year 2022 is proposed. The decision will be made at the General Assembly in 2023.

Two capital reductions were carried out in 2022. The share capital was first reduced by MNOK 290 to cover uncovered losses. Then a capital reduction by withdrawal of property of MNOK 7 in connection with the transfer of assets related to the recovery and emergency operations for trains from Vygruppen AS to BaneNor SF.

Note 21

Interest bearing debt

	31.12.2022	31.12.2021
Long term liabilities		
Lease obligations IFRS 16	5 551	7 646
Mortgage loan	13	18
Other loans	2	5
Total	5 566	7 669
Short term liabilities		
Lease obligations IFRS 16	1 955	1 844
Other current debt	1	-
Total	1 956	1 844
TOTAL DEBT	7 522	9 513

The exposure of the Group's debt and lease obligations to interest rate changes and the contractual dates as at the balance sheet date are as follows:

	2022	2021
Loans and hedgings		
6 months or less	2 652	3 072
Over 6 months	-	-
Non-current borrowings expire in:		
Between 1 and 2 years	288	472
Between 2 and 5 years	1 312	983
Over 5 years	1 052	1 617
Effective interest rate at the balance sheet date in %:		
Other loans	NOK 4,37	1,44
Other loans	SEK 1,93	1,00

The carrying amounts of the non-current borrowings approximate their fair value.

	2022	2021
The carrying amounts of the Group's loans are denominated in the following currencies:		
NOK	2 017	2 325
SEK	635	747
TOTAL	2 652	3 072
The Group has the following unused loan facilities:		
Floating interest rate		
- Expiring within one year	400	400
TOTAL	400	400

The facility that expire within one year is a bank overdraft related to the Vy Group bank account system. Credit is granted for one year at the time and is renewed annually.

Note 22

Deferred income tax/Income tax expense

	2022	2021
Income tax expense:		
Current income tax payable	22	17
Changes in deferred tax	3	-173
Total income tax expense	25	-156
Tax payable on the balance sheet are as follows:		
Current payable tax expense	21	17
Insufficient/ too much tax provision prior years	1	-
Tax payable on the balance sheet	22	17
Tax payable in the balance sheet will partly be offset by proposed group contributions which will to be decided by the general assembly in 2022.		
Reconciliation between nominal and actual tax expense rate:		
Profit before income tax	158	-1 182
Expected income tax using the nominal tax rate	31	-286
Tax effect from the following items:		
Other permanent differences related to investments (exemption method)	-2	1
Other non-deductible expenses	2	132
Other non-taxable income	-2	-3
Effect of change deferred tax asset not recognized	-2	-
Insufficient tax provision prior years	-2	-
Income tax expense	25	-156
Effective tax rate	16 %	13 %

Specification of the tax effect from temporary differences and losses carried forward:

Deferred income tax asset and liabilities are offset where there is a legally enforced right to offset current tax assets against current tax liabilities and where the deferred income taxes are due to the same tax authority. The deferred tax liabilities and deferred tax assets are presented net in the table below while in the balance sheet the numbers are presented gross. Recognized deferred tax liabilities relate to the operations in Sweden while recognized deferred tax assets relate to the operations in Norway.

2022	01.01.	Exchange diff.	Acq. of subsidiary	Income statement charge	Charge to other compr. Income	Charged directly to equity	Tax effect Group contr.	Tax received	31.12.
Benefit (+) / Liability (-)									
Fixed assets	-1 013		-4	228	-	-	-	-	-789
Intangible assets	-635	18	-	31	-	-	-	-	-586
Financial assets	-65	-	-	-146	-	-	-	-	-211
Inventories	65	-	-	44	-	-	-	-	109
Receivables	4	-	-	-9	-	-	-	-	-5
IFRS 16	295	-	-	58	-	-	-	-	353
Value changes to financial current assets	-111	-	-	29	-	-	-	-	-82
Retirement benefit obligations	1 438	-	-	-25	-618	-	-	-	795
Provisions for other liabilities and charges	524	-	-	-424	-	-	-	-	100
Gains (losses)	-44	-	-	9	-	-	-	-	-35
Losses carried forward	1 751	-32	-	199	-	-	-66	-	1 852
Other	14	-	-	-32	-	-	-	-	-18
Total gross temporary differences	2 223	-14	-4	-38	-618	-	-66	-	1 483
Off-balance sheet deferred tax benefits	-974	25	-	12	-	-	-	-	-937
Net temporary differences	1 249	11	-4	-26	-618	-	-66	-	546
Net deferred tax asset/liability balance sheet 22%	282	2	-1	-4	-136	-	-15	-	128

2021	01.01.	Exchange diff.	Acq. of subsidiary	Income statement charge	Charge to other compr. Income	Charged directly to equity	Tax effect Group contr.	Tax received	31.12.
Benefit (+) / Liability (-)									
Fixed assets	-1 189	0	-12	188	-	-	-	-	-1 013
Intangible assets	-715	47	-	33	-	-	-	-	-635
Financial assets	-31	-	-0	-33	-	-	-	-	-65
Inventories	36	-	-	29	-	-	-	-	65
Receivables	-1	-	-	5	-	-	-	-	4
IFRS 16	219	-	-14	90	-	-	-	-	295
Value changes to financial current assets	-131	-	-	21	-0	-	-	-	-111
Retirement benefit obligations	1 306	-	-	-7	139	-	-	-	1 438
Provisions for other liabilities and charges	234	-	-	290	-	-	-	-	524
Gains (losses)	-51	-	-	7	-	-	-	-	-44
Losses carried forward	1 304	-62	-	635	-	-	-96	-30	1 751
Other	25	3	-	-14	-	-	-	-	14
Total gross temporary differences	1 006	-13	-26	1 242	139	-	-96	-30	2 223
Off-balance sheet deferred tax benefits	-579	53	-	-448	0	-	-	-	-974
Net temporary differences	427	41	-26	794	139	-	-96	-30	1 249
Net deferred tax asset/liability balance sheet 22%	104	8	-6	173	31	-	-21	-7	282

	2022	2021
Deferred income tax assets		
Deferred income tax assets to be recovered after more than 12 months	274	557
Deferred income tax assets to be recovered within 12 months	222	131
Total	496	688
Deferred tax liabilities		
Deferred income tax liabilities to be recovered after more than 12 months	-364	-403
Deferred income tax liabilities to be recovered within 12 months	-3	-3
Total	-367	-406
Total net deferred income tax asset as shown in the balance sheet	128	282

Deferred tax assets on tax losses carried forward are recognized when it is probable that the Group will utilize the losses towards future taxable profits. The Group has not recognize deferred income tax assets in Sweden of 196 MNOK (214 MNOK) in respect of losses carried forward amounting to 951 MNOK (998 MNOK).

Note 23

Payroll and related expenses

	2022	2021
Wages and salaries, including employment taxes	6 719	6 171
Pension costs – defined contribution plans (note 24)	405	364
Pension costs – defined benefit plans (note 24)	70	72
Other employee benefit expenses	82	61
TOTAL	7 276	6 668

Benefits for Chief Executive Officer and key management are covered to in the note for related-party transactions (note 31).

	2022	2021
Average full-time equivalent	9 746	9 760
Average number of employees	11 512	12 238

The calculation is based on a weighted average of the actual full-time equivalent for the year.

Note 24

Retirement benefit obligations and similar obligations

General

The Group has pension arrangements related to age-disability- and bereaved benefits for spouses and children. Below is a more detailed description of type of arrangements and how these are structured.

Defined benefit pension plans in Norway

The companies in the Group have several collective pension agreements that are handled by the Norwegian Public Service Pension Fund (SPK) or insurance companies. The Norwegian companies comply with the law on public pension. The plan covers benefits from the pension basis up to 12G and results in a age- and disability pension of 66 % of the pension basis when fully vested. The obligations connected to these agreements covers 436 (523) active members, 2 527 (2 419) retirees and 1 650 earned rights. The retirement benefit plans entitle defined future services that mainly are dependent on the number of contribution years and wage level at the time of retirement.

The pension benefits received are coordinated with the National Insurance scheme and will also be dependent on its benefits paid out.

The companies have, through tariff agreements, retirement benefit obligations in affiliation with Early Retirement Pension Regulated by Contract (AFP). Obligations through this agreement cover 436 active members.

The additional defined benefit pension plan agreement for top leadership is not funded and will be paid through operations.

Closing of the defined benefit plan and changing to contribution scheme

A decision was made during 2017 to close the current defined benefit plan in SPK for employees that were older than 55 years of age by the year end of 2018/2019. These employees were included in a new, closed defined benefit plan with effect from 1 January 2019. All employees younger than 55 years of age were granted an earned right in the SPK and were included in a new defined contribution plan in Storebrand as of January 2019. The employees included in the new defined contribution plan in Storebrand are also included in a private AFP pension plan. This scheme is also accounted for as a defined contribution plan. For Vy Buss AS there is a planned transfer from the defined benefit plan to the defined contribution scheme related to the operator contracts with Fylkeskommunen.

As of 31st of December 2022, 2 965 (2 767) employees are active members in the defined contribution scheme in Storebrand.

Other arrangements in Norway and Sweden

There are additionally defined contribution plans in Vy buss in Norway, Vy Buss and Vy Tåg in Sweden which covers 9 268 employees (9 194 employees).

The pension plan in Sweden is a Multiemployer plan and the employer is responsible for the benefits until payments are made in full. According to the statement from Redovisningsrådet, this is a performance based settlement. It has so far not been possible to obtain sufficient information to calculate and allocate obligations and assets for this plan, and therefore it is treated as a defined contribution plan. The companies have not received actuary estimates for any of the fiscal years from 2007 until today. This is an issue faced by most companies with a retirement benefit obligation with the Multiemployer plan in Sweden.

In the tables below, employment taxes (notional numbers) are included for both gross obligations and this year's expense.

Specification of net defined benefit pension plan obligations	2022	2021
Present value of earned pension rights for funded collective pension plans	4 943	5 606
Fair value of plan assets	-4 385	-4 268
Present value of unfunded obligations	558	1 338
Unrecognised actuarial losses	40	47
Net pension obligation on the balance sheet	598	1 385
<i>In statement of financial position</i>		
Plan assets	210	-
Pension obligation	808	1 385
Net pension obligation on the balance sheet	598	1 385
Changes in pension retirement obligations:		
Book value net pension obligation 1st of January	1 385	1 294
This years' actuarial deviations	-552	116
Service cost/change in obligation due to payroll tax	-21	79
Net financial expenses - pensions	24	16
Payments to plan	-238	-120
Book value 31st of December	598	1 385
Pension expenses included in the accounts, defined benefit pension plan		
Present value of current pension earnings	70	73
Employee contribution	-	-1
Total return on pension plan, incl. in payroll and related expenses – see note 23	70	72
Total financial items in the accounts		
	24	16
Total pension expenses defined benefit pension plan		
	94	88
Defined contribution plan		
Employer's contribution, included as payroll and related expense – see note 23	405	364
Total pension expenses	499	452

Sensitivity analysis with change in central assumptions

The table below shows estimates for potential effects with change in assumptions that significantly affects the defined benefit pension plans in Norway. Actual results may substantially differ from these estimates.

	Discount rate		Salary growth rate		Increase in G and pension settlement	
	1 %	-1 %	1 %	-1 %	1 %	-1 %
Increase (+)/decrease (-) net pension obligation at 31st of December in %	(28-30)%	28-30%	10-12%	(2-4)%	42-44%	(23-25)%
Increase (+)/decrease (-) this period's net pension expense in %*	(11-13)%	14-16%	1-3%	(1-3)%	11-13%	(9-11)%

* Net pension expense through ordinary resultat in 2023

The population is characterized by a high average age on participants that affects the sensitivity analysis.

Financial assumptions (defined benefit plans in Norway)

	2022	2021
Discount rate	3,85 %	2,20 %
Expected return on plan assets	3,85 %	2,20 %
Average salary growth	3,50 %	2,50 %
G-regulation	3,25 %	2,50 %
Annual reg. of pension increases	2,50 %	1,75 %
Average social security tax	14,10 %	14,10 %

Explanation to chosen assumptions as per 31 December 2022

The discount rate is set at 3,85% (2,2%) and is determined based on preferential bonds (OMF). The OMF-market is considered a deep and liquid market with applicable terms to maturity that qualifies as a reference for interest rate according to IAS 19.

Salary adjustments for Norwegian schemes is primarily calculated as the total of expected real salary growth of 1,25 % and long term inflation of 2,0 %. A factor of 0,25% has also been added to take account of expected higher inflation in the short term. Pension adjustments disbursement primarily follows average expected inflation and salary growth.

On the demographic factors, the tariffs K2013 and K 63 has been used for determination of mortality rate and disability risk.

Average remaining life expectancy for a person retiring when he/she turns 65 years old is according to K2013:

Male	20,9 years
Female	24,1 years

Actuarial deviations in 2022 are mainly due to changes in economic and actuarial parameteres as well as return on funds in one of the schemes is higher than expected.

Risk evaluation of defined benefit contribution plans

The Group is exposed to a range of risks via its defined benefit contribution plans due to uncertainties in assumptions and future events. The key risks are:

Expected longevity

The Group has assumed an obligation to pay pension to the employees for as long as they live. An increase in life expectancy among members results in an increased obligation for the Group.

Yield risk

The Group is affected by a reduction in actual yield on the pension assets, which will cause an increase to the Group's obligations.

Inflation- and salary growth risk

The Group's pension obligation is exposed to both inflation and salary changes, even though salary development changes are closely related to inflation. Higher inflation and salary changes than used in the pension calculations, increases the Group's obligations.

Note 25

Trade and other short term payables

	2022	2021
Trade payables	837	801
Social security and other taxes	226	202
Other short term liabilities (including provisions for other liabilities and charges)	2 025	2 191
TOTAL	3 088	3 194

The amount due to related parties is in 2022: 124 MNOK (2021: 164 MNOK).

Book value of trade and other payables corresponds to fair value. Other current liabilities include pre-paid revenue, accrued payroll and related expenses as well as other accrued expenses.

Note 26

Provisions for other liabilities and charges

	Reorgani- zation obligation	Provision for contract losses (see note 27)	Other	Total
2022				
At 1st of January	101	710	4	815
Change in provision during the year	-18	38	34	54
Used/reversed during the year	-	-577	-2	-579
Exchange differences	-	-7	-	-7
TOTAL	83	164	36	283

	Reorgani- zation obligation	Provision for contract losses (see note 27)	Other	Total
2021				
At 1st of January	197	172	10	379
Change in provision during the year	1	676	1	678
Used during the year	-97	-123	-7	-227
Exchange differences	-	-15	-	-15
TOTAL	101	710	4	815

Classification in the statement of financial position:

	2022	2021
Non-current liabilities	213	456
Current liabilities (included in note 25)	70	359
TOTAL	283	815

Legal disputes

The Vy Group is involved in legal disputes, with some being tried in the courts. Accruals are made for disputes where there is a probable and quantifiable risk of losing.

Restructuring

The Vy Group announced a restructuring plan in 2016. The purpose of the restructuring is to adapt to the changes required by the railway reform. The restructuring provision of 25 (43) MNOK at the end of 2022. The accruals include in addition 58 (58) MNOK as compensation according to changed pension.

Note 27

Contract losses

38 MNOK (676 MNOK) has been expensed for future losses in train tender in Norway and Sweden. A previous loss provision is reversed with 567 MNOK (114 MNOK) regarding train operation and 9 MNOK (9 MNOK) regarding bus operation in Norway. Reversal of former provision for onerous contracts is mainly due to renegotiated contracts in the train segment. The contracts are long-term and small changes in the assumptions can lead to major changes in the values. It is the income estimate that is the most important parameter, and the uncertainty is high. A change of +/-1% in traffic revenues each year on the two largest contracts in Sweden will result in a change in value of 18 MSEK. It is expected that the most significant part of the installment flows will take place in the next two years. See note 7, 25 and 26 for further information.

Note 28

Other expenses

	2022	2021
Sales- and overhead expenses	1 446	1 344
Energy used in operations	2 047	1 260
Repair and maintenance, machinery rental, property expenses	2 373	2 323
Other operating expenses	1 812	2 413
Total	7 678	7 340
Auditing fees total operations (excluding VAT):	2022	2021
Statutory audit fee	7	5
Other services	1	1
Total fee to auditor	8	6

Note 29

Financial income and expenses

	2022	2021
Interest income	49	26
Other financial income	4	13
Net foreign exchange gains	12	2
Total financial income	65	41
Interest expense	-238	-190
Other financial expenses	-6	-5
Net foreign exchange losses	-34	14
Total financial expenses	-278	-181
Net financial expenses - pensions	-24	-16
Unrealised value changes	-12	-
Total financial items	-249	-156

Note 30

Liabilities from financing activities

	Liabilities	Asset held to hedge liabilities	Financial lease liabilities	Total
Liabilities as per 1 January 2022	22	3	9 490	9 515
Cash flow from financial activities	-7	-	-1 797	-1 804
Non-cash changes				
Acquisition lease liabilities	-	-	428	428
Other transactions	-	-2	-613	-615
Currency translation differences	-	-	-2	-2
Liabilities as per 31 December 2022	15	1	7 506	7 522

	Liabilities	Asset held to hedge liabilities	Financial lease liabilities	Total
Liabilities as per 1 January 2021	13	-	8 252	8 264
Cash flow from financial activities	-13	-	-1 707	-1 720
Non-cash changes				
Acquisition lease liabilities	23	-	2 986	3 009
Other transactions	-	3	40	43
Currency translation differences	-	-	-81	-81
Liabilities as per 31 December 2021	22	3	9 490	9 515

Note 31

Related party transactions

The Vy group has the following related parties:

Owner

As the owner of Vy, the Ministry of Transport and Communication is a related party. In addition, other businesses owned by the Ministry of Transport and Communication is also a related party to Vy.

Companies within the same Group

All subsidiaries, associates and joint ventures as noted in notes 3, 10 and 11, as well as other Group companies that are related parties to these companies, is a related party to Vy.

Board of Directors and executive management

Executive management and the Board of Directors are also related party to the Vy group.

Below is an overview of transactions, balances and guarantees to related parties:

	2022	2021
Sale of goods and services:		
Public purchase of passenger traffic services	3 295	3 422
Sales of other goods and services	487	317
TOTAL	3 689	3 712
Purchases of goods and services:	3 672	3 146

Year-end balances arising from sales/purchases of goods/services:

	2022	2021
Receivables		
Associated companies	1	-
Entities owned by the Ministry of Transportation	159	216
TOTAL	160	216
Debts		
Entities owned by the Ministry of Transportation	161	199
TOTAL	161	199

There are no related party loans.

Guarantees

Vygruppen AS issued a guarantee of 150 MSEK on behalf of its fully owned subsidiary Vy Tåg AB related to a contract with Norrtåg AB

Vygruppen AS has issued a guarantee of 240 MNOK to Jernbanedirektoratet on behalf of its fully owned subsidiary Vy Tog AS, regarding the contract Trafikkpakke 3 Vest.

Compensation of members of the Board and executive management (Figures in TNOK)

Board members	Title	2022	2021
Berit Svendsen	Chairman of the board	512	496
Åsne Havnelid	Vice chairman of the board (until 20.06.22)	188	301
Wenche Teigland	Member of the board (until 20.06.22)	208	300
Semming Semmingsen	Member of the board	279	270
Geir Inge Stokke	Member of the board	259	230
Dina Aune	Member of the board (from 20.06.22)	100	-
Espen Almlid	Member of the board (from 20.06.22)	100	-
Ove Sindre Lund	Staff representative	259	250
Grethe Therese Thorsen	Staff representative	237	230
Petter Louis Pettersen	Staff representative (from 15.06.21)	279	97
Jan Audun Strand	Staff representative (until 15.06.21)	-	183
TOTAL		2 421	2 357

All employees are included in the collective pension agreement. The agreement premium is not included above. For Vygruppen AS, the General Meeting has approved a fee for the Chairman of the Board of 486 TNOK, Vice Chairman 296 TNOK and the other board members 242 TNOK each. In addition, fees for members of the audit committee with 75 TNOK for the leader, and 43 TNOK for each of the other members, and the compensation committee with 37 TNOK for the leader and 23 TNOK for each member. Fees for the staff representatives exclude their employee wages.

2022 (Figures i TNOK)	Title	Salary*	Variable salary	Other benefits	Total benefits paid	Calcul. Pension expense*
Gro Bakstad	Chief Executive Officer	3 840	-	250	4 090	342
Irene Katrin Thunshelle	Chief Financial Officer	2 598	-	130	2 728	-
Synne Hombles	Executive Director Mobility and Travel	2 887	-	130	3 017	-
Morten Müller-Nilssen	Executive Director Organization and HR (until 31.01.22)	197	-	11	207	-
Kristin Elisabeth Flagstad	Executive Director Organization and HR (from 01.02.22)	1 788	-	119	1 907	-
Ole Engebret Haugen	General Manager Vy buss	2 864	-	120	2 984	-
Erik Röhne	CEO, Director of Vy Passenger Train	3 081	-	130	3 211	-
Ingvild Storås	General Manager CargoNet (from 01.01.22)	2 770	-	130	2 900	-
Marius Holm	Executive Director Communications and Public affairs	1 951	-	130	2 081	-
Kristian Kolind	Executive Director Strategy and IT	2 311	-	130	2 441	-
TOTAL		26 611	-	1 410	28 021	342

*Calculated pension expenses for executives are related to compensation for loss of pension scheme in previous employment

No severance pay or severance pay has been paid in 2022 that exceeds the principles in the executive pay declaration. See section "e) Pension" in guidelines below for further information on executives pension schemes

2021 (Figures in TNOK)	Title	Salary*	Variable salary	Other benefits	Total benefits paid	Calcul. Pension expense**
Gro Bakstad	Chief Executive Officer (from 07.09.20)	3 739	-	250	3 989	333
Irene Katrin Thunshelle	Chief Financial Officer	2 530	-	130	2 660	-
Synne Hombles	Executive Director Mobility and Travel	2 811	-	130	2 941	-
Morten Müller-Nilssen	Executive Director Organization and HR	2 359	-	130	2 489	-
Ole Engebret Haugen	General Manager Vy buss	2 788	-	120	2 908	-
Arne Fosen	CEO, Director of Vy Passenger Train (until 31.01.21)	253	-	11	264	-
Erik Röhne	General Manager CargoNet (until 31.01.21) and then CEO Vy Passenger Train)	2 980	-	130	3 110	-
Marius Holm	Executive Director Communications and Public affairs (from 01.08.21)	792	-	54	846	-
Kristian Kolind	Executive Director Strategy and IT (from 01.02.21)	2 063	-	119	2 182	-
SUM		20 315	-	1 074	21 389	333

**Calculated pension expenses for executives are related to compensation for loss of pension scheme in previous employment

Executive salary and benefits policy:

Current guidelines regarding salary and benefits to executive employees, determined by the board in Vygruppen AS in 2022, applies until the general meeting in Vygruppen AS in 2023, and therefore this applies to the determination of compensation for senior executives in 2022.

These guidelines are used as a basis for determining salaries and allowances for 2022. Through changes to the company's articles of association in the general meeting in 2022, the provisions of the Norwegian Companies Act § 6-16b and related regulations were made applicable to Vygruppen AS. This obliges the company to prepare guidelines for remuneration for executive employees which must be considered by the general meeting. The guidelines must be revised and approved by the general meeting for significant changes, and at least every four years. The general meeting in 2023 will deal with the guidelines in accordance with this. New guidelines will be published afterwards. This executive remuneration report has been designed in accordance with the board's guidelines for remuneration to executive employees discussed at the general meeting in 2022.

These guidelines apply to executives as this term is defined in the Public Limited Liability Companies Act and the Accounting Act. This means that they also apply to employees who are member of the board, CEO and group management in VY. The CEO and the group management are stated in these guidelines as "executive employees". Guidelines and principles as expressed in this statement, are applied in setting executive salaries in Group subsidiaries.

Main principles for executive salaries in Vy

Principles for remuneration to senior executives in the Vy Group are determined by the Group Board and follow "Guidelines for salaries and other remuneration of senior executives in enterprises and companies with state ownership interest" determined by the Ministry of Industry and Fisheries with effect from 30th of April 2021.

The policy of the Vy Group is to have most openness about salaries and terms for executive management only limited to competitive conditions

The Board annually evaluates the CEO's salary and terms, based on a yearly evaluation. The CEO determines the remuneration of the other members of the Group Management.

Executive compensation in the Vy Group is determined using the following main principles:

- Executive compensation should be competitive, but Vy will not be a market leader in compensation when compared to equivalent companies. To ensure this, an annual external compensation evaluation on central executive positions is performed including benchmarking with comparative positions outside Vy.
- Total executive compensation in Vy shall reflect the level of responsibility, results and development, and take into consideration the size and complexity of the operation. The main part of the compensation shall be fixed salary.
- The compensation shall promote the achievement of the company's goals and sustainable value creation for the owners. The compensation shall also contribute to the company's strategy, long-term interests and financial sustainability.
- The compensation must not take form or be at a level where it impairs the Groups' reputation. The compensation system shall attract and keep skillful leaders.
- The compensation system should be perceived as understandable and acceptable both internally and externally.
- The work of ensuring moderation in executive salaries and compliance with company guidelines is part of the annual cycle of the board's compensation committee. This work is discussed in committee meetings in December, January and February. In addition, the board reviews these guidelines annually.

The compensation to executive management in Vy consist of the following elements:

The total level of executive management compensation is composed of fixed salary and other benefits. Benefits are: fringe benefits, bonus, right to severance under given conditions and pension.

a) Fixed salary

The fixed salary is assessed once a year. At hiring of executives, the grandfather-principle should apply and be discussed among executives a level above before the candidate is given an offer. The CEO must consult the Chairman of the Board before hiring and setting executive salaries.

b) Board positions

In addition to employee-elected board representatives, no senior executives receive special compensation for board positions within the group. Employee board remuneration is stated in a separate note in the annual accounts.

c) Fringe benefits

Examples are free phone, free internet service, car compensation and free newspapers.

d) Bonus

The CEO and the other executives have a bonus arrangement. The company's practice is that the group management has the same goals as the CEO. The maximum bonus for CEO is four months salary. For other executives maximum bonus is limited to three months salary.

The bonus is linked to achievement of the companies goals as they are defined in the yearly strategy- and budget process. The bonus targets are established for one year at a time and shall be described and based on objective, definable and measurable criteria which the leader may influence. The bonus to executive management will change from year to year depending on achievement of objectives, but will average through several years be between 50 % and 75 % of maximum bonus for the individuals. The basis for calculation of bonus may consist of both Group common goals and specific goals for the individual leader. Any bonus payment requires delivery on ambitious targets. Bonus goals are graded and full bonus achievement presupposes delivery that is significantly better than goals.

Annual bonus goals are announced as part of the executive pay statement as long as this does not conflict with the company's need to protect competition sensitive information. Vy seeks access to claim back performance-based compensation granted on a manifestly incorrect basis or misleading information

e) Pension

The pension conditions for senior executives shall be in line with other employees' terms except CEO (see below). There are no former senior employees continues to earn occupational pensions after leaving the Group.

All employees are members of a collective pension scheme. The pension scheme in the SPK was ended 1.1.2019 ,and closed for employees over 55 year as of 31th of December 2018. For all other employees, a new deposit scheme is established in Storebrand.

This scheme has a 5.5 per cent deposit rate up to 7.1G, and 15 per cent between 7.1 and 12G. The pension scheme contains a private AFP, childrens pension and a group life insurance. The disability coverage is the same as in the scheme previously in SPK.

The CEO's pensionable age is 70 years and is included in the regular collective pension arrangement. The arrangement carries rights to a pension of maximum 12 G. On top of that, according to the employment contract ,the CEO is partly compensated with a wage supplement for lapse of defined benefit pension scheme by previous employer. The wage supplement is regulated yearly at the same time and with the same per centage as fixed salary.

f) Severance arrangements

The CEO has the right to six months of severance in addition to six months salary. Any other salary in this severance period will reduce the severance compensation.

For senior employees who are not the top manager in the company, an agreement can be entered for a reasonable severance pay. For the CEO severance pay is given against waiver of job security see the Working Environment Act §15-16(2). For other senior executives, the severance pay will be paid if the employee does not dispute the dismissal. The total salary including severance cannot exceed 12 months of fixed salary. Compensation for a possible non-compete clause will be added. The severance pay is reduced krone by krone if the employee in the severance pay period joins a new position, gets paid positions or receives income from business activities, where he or she is an active owner.

Previous agreement with senior executives are made under previous guidelines, and may deviate from the revised guidelines from 2021. The discrepancies are not considered significant.

Bonus criteria

For 2021, the board changed the bonus criteria for senior executives in Vy to further highlight the connection between bonus goals and the company's long-term value creation. It is possible to pay out per bonus criterion, and there is no dependence on whether the target for operating profit has been achieved. This is done to enable more balanced priorities related to the strategic goals. In this way this will facilitate long-term loadbearing capacity.

The bonus scheme is based on goal achievement within the following areas:

- Customer and reputation (weighed 40% - target set for customer satisfaction and reputation)
- Economy and efficiency (weighed 30% - target set for operating profit (regarding profit for the third tertial due to the pandemic) and improvement initiatives)
- Employees - job satisfaction and HMS (weighed 10% - target set for sick leave, injuries and employee engagement)
- Strategy (weighed 20% - to be assessed discretionary by the board. The assessment will include work with the new corporate strategy and tender work)

In addition, the board makes an overall discretionary assessment of the bonus achievement in its entirety.

If the result is weaker than the set threshold value per criteria, no bonus is given. Full bonus per criteria requires that the company delivers significantly better than target.

The pandemic situation and the consequences for the Group meant that no bonus was paid for 2021 even though some of the bonus criteria were met.

Based on the company's strategy, long-term interests and financial sustainability, the board has in 2022 stated eight different bonus criteria. This are based on main areas that are considered central to meeting the company's challenges and all anchored in the group's strategy:

1) Economic (weighed 30%). The pandemic has hit Vy's economy hard, and will affect the results in 2022. The goal is a development through the year 2022 which entails the reestablishment of a positive operating result for 2023. Bonus targets have been set related to financial results in the last four-month period, which reflect the goal of reestablishing profitable operations. In addition, there is a need to continuously deliver on targeted improvements in operations, and these are included in the bonus targets.

2) Customer and reputation (weighed 40%). Vy wants satisfied customers and a better reputation. We achieve this through good operations and high-quality customer meetings. Bonus targets have been set in connection with average results for measurements of customer satisfaction throughout the year. In addition, bonus targets have been set in connection with quantified improvement ambitions for Vy's reputation.

3) Employees (weighed 10%). Bonus goals have been set in connection with the employees' evaluation of their own well-being (organizational surveys), reduction in injuries with absence and implementation of management training for all managers. All three areas are considered to be key indicators of whether Vy is able to take care of and develop its employees in a good way.

4) Strategic initiative (weighed 20%). Vy's strategy "Our views for 2025" defines four main focus areas: Good customer experiences every day, Sector-leading innovation, Efficient and reliable in everything we do and Committed and customer-oriented employees. The board assesses strategic priorities and initiatives within these four areas, and evaluates the administration's deliveries. Based on this a qualitative and discretionary assessment of bonus achievement is made.

If the result is weaker than the set threshold value per criteria, no bonus is given. Full bonus per criteria requires that the company delivers significantly better than target. In addition, the board makes an overall discretionary assessment of the bonus achievement in its entirety.

The board's statement on the implementation of the remuneration scheme for senior executives in Vy in 2022

The executive compensation policy for 2022 has been completed in accordance with abovementioned guidelines. The pandemic situation and the consequences it has for the group means that no bonus will be paid for 2022 even if some of the target areas have been met. The fixed salary for the CEO was adjusted by 2,7% in 2021 to NOK 3.840.445. Members of the group management got regulated their fixed salary with the same per centage.

In addition, two new employment agreements have been made in 2022 in the group management: new manager of freight operations and new manager of HR and Staff. Fixed salary in all employment agreements entered into is based on an established framework for salary assessment to ensure moderation in salary development. Reference is also made to note information that provides an overall overview of salaries and other remuneration paid to senior executives in 2022. No severance pay or severance pay has been paid that exceeds the principles in the current guidelines.

Current guidelines and principles for salary to executives also applies for the determination of executive salaries in group companies. All group companies have in 2022 followed these principles without exception. Employees who are members of the board of Vygruppen AS are elected by employees. They have received board fees that have been approved by the general meeting, in addition to payroll through their position in the group.

Note 32 Contingencies

The group has contingent liabilities in respect of legal claims arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities other than those provided for.

Note 33 Business combinations

There are none business combinations during 2022.

On 6 May 2021, Vy Buss AS acquired the remaining 50,67% shares in Minibuss 24-7 AS for a cash consideration of 19 MNOK. As from the same date, the company became a fully owned subsidiary of Vy Buss AS. Up until 5. mai 2021, Minibuss 24-7 AS was accounted for as an associated company in the Group figures. See also note 10. On the 29 th of September Vy Buss AS acquired 100% of the shares in Geilo Turbusser AS for a cash consideration of 25 MNOK.

Cash flow regarding acquisition

	2022	2021
Consideration paid	-	44
Cash and bank deposit in the company at acquisition date	-	-58
Net cashflow regarding acquisition	-	-14

Identified assets and liabilities on the balance sheet recognized from the acquisition:

	2022	2021
Current assets	-	90
Property, plant and equipment	-	125
Current liabilities	-	-46
Lease liability IFRS 16	-	-72
Borrowings	-	-22
Deferred tax benefit	-	-4
Total net identifiable assets	-	71
Property, plant and equipment	-	5
Deferred tax regarding property, plant and equipment/intangible assets	-	-1
Previous value of the shares in Minibuss 24-7 AS	-	-18
Negative goodwill	-	-13
Total	-	44

Negative goodwill arose in connection with the acquisition of the remaining shares in Minibuss 24-7 AS. The amount has been recognised in "Depreciation and impairment" in the income statement.

Note 34 Events after the reporting date

There are no material events which have occurred after the reporting date that will affect the Groups' profit and final position.

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Income statement

	Notes	2022	2021
Operating revenue	4	6 362	5 539
Payroll and related expenses	18	1 921	1 763
Depreciation and impairment	6,22	847	945
Other operating expenses	23	3 699	3 044
Total operating expenses		6 467	5 752
Operating profit		-105	-213
Financial items			
Financial income	24	489	127
Financial expenses	24	-412	-763
Net financial expenses - pensions	19, 24	-12	-7
Change in unrealised fair value	24	-10	-2
Net financial items		55	-645
Profit before income tax		-50	-858
Income tax expense	17	18	34
Profit for the year		-32	-824
Attributable to			
Equity holders		-32	-824
OTHER COMPREHENSIVE INCOME			
Profit for the year		-32	-824
Items that will not be reclassified to profit or loss			
Actuarial gain/loss	19	237	-97
Tax on items that will not be reclassified	17	-52	21
Total comprehensive income for the year		153	-900
Attributable to			
Equity holders		153	-900

Overview financial position

	Notes	31.12.2022	31.12.2021
ASSETS			
Deferred tax assets	17	58	92
Property, plant and equipment	6, 22	1 604	3 152
Investments in subsidiaries	2	2 178	1 812
Financial fixed assets	13	78	113
Loans to group companies	25	1 291	1 291
Total non-current assets		5 209	6 460
Investments in joint ventures	8	160	126
Inventories	9	262	343
Trade and other receivables	10, 11, 12	707	752
Financial assets	11	1 391	1 506
Cash and bank deposits	11, 13, 14	723	492
Total current assets		3 243	3 219
TOTAL ASSETS		8 452	9 679
EQUITY AND LIABILITIES			
Ordinary shares	15	3 387	3 685
Retained earnings		153	-290
Total equity		3 540	3 395
Interest bearing liabilities	5, 7, 16	847	2 521
Retirement benefit obligations	19	364	660
Provisions for other liabilities and charges	21	95	101
Total long term liabilities		1 306	3 282
Trade and other payables	20	2 617	2 106
Interest bearing liabilities	5, 7, 16	989	896
Total short term liabilities		3 606	3 002
TOTAL EQUITY AND LIABILITIES		8 452	9 679

Oslo, 1st March 2023

Board of directors of the Vy Group


Berit Svendsen / Chairman of the board


Espen Almlid


Geir Inge Stokke


Dina Elverum Aune


Semming Semmingsen


Ove Sindre Lund


Petter Louis Pettersen


Grethe Therese Thorsen


Gro Bakstad / CEO

Cash flow statement

	Notes	2022	2021
Profit for the period before income tax		-50	-858
Depreciation and impairment	6, 22	847	945
Impairments of shares in subsidiaries and joint ventures	2	-30	698
Gain/loss on sale of assets		-20	8
Net changes to obligations and retirement benefit oblig.	19	-60	5
Change in provisions for other liabilities and charges	21	-6	-96
Change in unrealised fair value	24	10	2
Interest items		-39	-30
Change in working capital		650	-44
Taxes paid		-	7
Net cash flow from operating activities		1 302	637
Acquisition of subsidiaries	2	-336	-261
Changes in financial non-current assets	8	99	-26
Purchase of PPE	6	3	-16
Dividends received	24	0	14
Net cash flow to investment activities		-234	-289
Lease payments received from group companies		62	64
Lease payments		-910	-919
Group contributions paid to subsidiaries		-	-11
Net cash flow to financial activities		-848	-866
Net change in cash and bank deposits for the year		220	-518
Cash and bank deposits as at the beginning of the period	14	492	997
Foreign exchange gain/loss on cash and bank deposits		11	13
Cash and bank deposits as at the end of the year	14	723	492

Statement of changes in equity

2022	Notes	Share capital	Retained earnings	TOTAL
Equity 1 st of January	15	3 685	-290	3 395
Profit for the year		-	-32	-32
From other comprehensive income		-	185	185
Coverage of uncovered losses	15	-290	290	-
Red. of capital by withdrawal of property	15	-7	-	-7
Equity 31st of December		3 387	153	3 540
2021	Notes	Share capital	Retained earnings	TOTAL
Equity 1 st of January	15	3 685	610	4 295
Profit for the year		-	-824	-824
From other comprehensive income		-	-76	-76
Equity 31st of December		3 685	-290	3 395

Notes

All figures in the report are in MNOK.

1. General information and a summary of the most important accounting principles
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25. Related party transactions
26. Contingencies
27. Events after the reporting date

The financial statements were approved by the Board of Directors on 1st of March 2023.

Note 1

General information and summary of important accounting principles

We refer to note 1 in the Vy group annual report, with the exception of the following:

Associated companies and joint ventures in Vygruppen AS

Ownership in companies where Vygruppen AS has considerable, but not controlling influence, and ownership in joint venture companies, are treated using the cost method of accounting is applies. Considerable influence is considered to be when the company owns between 20 % and 50 % of the voting shares.

Investments in subsidiaries

Subsidiaries is valued at cost and tested for impairment when there are indications that future earnings cannot justify balance sheet value. Impairment is recognized if the carrying amount is higher than the recoverable amount. It is performed an assessment of reversal of former impairment loss when indications of this exists.

Note 2

Shares in subsidiaries

See note 2 in Vy group report.

See note 24 below for write-down for shares in subsidiaries during the year 2022..

Note 3

Passenger train operations in the Nordic Region

See note 4 in Vy group report.

Note 4

Segment information

Vygruppen AS has only one operating segment - passenger train.

Analysis of operating income by category	2022	2021
Transport revenue	5 737	5 124
Other revenue	625	415
Total	6 362	5 539

Information on important customers

The company has one customer, the Ministry of Transport and Communications, that constitutes more than 10 % of operating income (see note 25).

Note 5 Leases

Specification of changes in the period	Liability	Assets
Total opening Balance right to use assets/lease obligations per 1 January 2022	3 417	3 088
Total opening Balance right-to-use assets / lease obligations	3 417	3 088
Lease payments	-911	-
Depreciations	-	-838
Additions and changes in existing agreements	-670	-691
Total Closing Balance 31. December 2022	1 836	1 559

Interest expenses leaseobligation amounted to 51 MNOK in 2022

Specification of changes in the period	Liability	Assets
Total opening Balance right to use assets/lease obligations per 1 January 2021	3 450	3 142
Total opening Balance right-to-use assets / lease obligations	3 450	3 142
Lease payments	-919	-
Depreciations	-	-929
Additions and changes in existing agreements	886	875
Total Closing Balance 31. December 2021	3 417	3 088

Interest expenses leaseobligation amounted to 57 MNOK in 2021

For more specification on the effects from right-of-use assets in the financial accounts refer to note 6 "Fixed Assets"

Liabilities	2022	2021
Short term liabilities	989	896
Long term liabilities	847	2 521
Total liabilities	1 836	3 417

Supplementary information

Leases not recognized	2022	2021
Short term agreements (between one month and one year)	29	15
Costs aligned to low-value items	1	1
Total	30	16

P&L	2022	2021
Revenue from sub-lease	63	64

Cash Flows	2022	2021
Total cash flows on leases	966	978

Future lease payments	2022	2021
Future nominal lease obligations related to lease of passenger trains not yet received	6	143

Note 6 Property, plant and equipment

At 1st of January 2022	Mach- inery and equipm.	Transportation	Under construction	Right-to-use transportation assets	Right- to-use buildings	Total
Accumulated acq.cost	738	339	21	5 323	1 277	7 698
Accumulated depreciation	-726	-309	-	-3 030	-481	-4 546
Total	12	30	21	2 293	796	3 152

Year ended 31st of December 2022						
Opening net book value	12	30	21	2 293	796	3 152
Additions	-	-	-3	-753	62	-694
Disposals at acq. cost	-112	-315	-	-100	-12	-539
Accumulated depreciation disposals	112	308	-	100	12	532
Depreciations continuing operations	-5	-4	-	-756	-82	-847
Total	7	19	18	784	776	1 604

At 31st of December 2022						
Accumulated acq.cost	627	24	18	4 470	1 315	6 454
Accumulated depreciation	-619	-5	-	-3 687	-539	-4 850
Total	8	19	18	783	776	1 604

Depreciation period (years)	5 - 30 years	5 - 30 years		1 - 6 years	1 -20 years	
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At 1st of January 2021	Mach- inery and equipm.	Transportation	Under construction	Right-to-use transportation assets	Right- to-use buildings	Total
Accumulated acq.cost	731	332	21	4 873	875	6 832
Accumulated depreciation	-720	-299	-	-2 278	-327	-3 624
Total	11	33	21	2 595	548	3 208

Year ended 31st of December 2021						
Opening net book value	11	33	21	2 595	548	3 208
Additions	-	-	15	449	424	888
Disposals at acquisition cost	8	7	-15	-	-22	-22
Accumulated depreciation disposals	-	-	-	-	23	23
Depreciations	-7	-10	-	-751	-177	-945
Total	12	30	21	2 293	796	3 152

At 31st of December 2021						
Accumulated acq.cost	738	339	21	5 323	1 277	7 698
Accumulated depreciation	-726	-309	-	-3 030	-481	-4 546
Total	12	30	21	2 293	796	3 152

Depreciation period (years)	5 - 30 years	5 - 30 years		1 - 6 years	1 -20 years	
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Note 7

Liabilities from financing activities

	2022	2021
Liabilities 1. January 2022	3 417	3 450
Cash flow from financial activities	-911	-919
Non-cash changes		
Additions to liabilities	137	886
Other changes	-807	
Liabilities 31 December 2022	1 836	3 417

Note 8

Investments in joint ventures

	2022	2021
Book value 1st of January	126	100
Addition of associates	34	26
Net book value 31st of December	160	126

Vygruppen AS has interest in joint ventures as follows:

Joint venture:	Year of acquisition	Registered office	Votes and profit share	Equity	Profit/loss	Book value 31st of December
Flåm Utvikling AS	2013	Aurland	50 %	79	22	90
Fjord Tours Group AS	2019	Oslo	50 %	302	-2	304
Total				381	20	394

The table above shows equity that includes this year's profit, profit/loss and book value (100 %).

Description of operations:

Flåm Utvikling AS

Flåm Utvikling has for 20 years, with Vygruppen AS as a provider of train transport services, operated the tourism product; the Flåm line. Flåm Utvikling conducts product development, sales, marketing, customer relationship management and brand development of the Flåm line, as well as develops the foundation for commercial operations of the Flåm line all year-round. The Flåm line is the country's first complete all year-round mountain/fjord destination.

Fjord Tours Group AS

Fjord Tours Group AS is owned 50% each by Vygruppen AS and Fjord1 AS, and is the companies' joint tourism venture. Together with the subsidiary Fjord Tours AS the company shall develop, market and sell sustainable collective-based round trips. In addition they sell individual train journeys and other transport products to international tour operators and agents. Today "Norway in a nutshell", with among others the Bergen Line and Flåmsbana, is the most famous round trip. The tourists travel with public transport and the package includes accommodation, activities and other experiences. In 2022 Fjord Tours Group bought the remaining shares (26%) in Fjord Tours AS, and owns now 100% of the subsidiary. Fjord Tours Group has participated in the establishment of a new, local tourism company in 2022 in Hardanger, Book Hardanger AS, and owns 33% of the company. Fjord Tours Group owns also 34% of the shares in Best Arctic AS as well as 31% of the shares in Geiranger Fjordservice.

Note 9

Inventory components

	2022	2021
Components	262	343
Total inventory	262	343

Note 10

Trade and other receivables

	2022	2021
Trade receivables	230	192
Group internal trade receivables	228	272
Less: provision for impairment of receivables	-0	-
Trade receivables - net	458	464
Prepayments	160	169
Other receivables	89	119
Total trade and other receivables	707	752
Loans to group companies	-	-
Total	707	752

The carrying amounts of the trade receivables, prepayments and other receivables approximate their fair value. Trade receivables include mainly passenger train income.

Maturity of receivables:	2022	2021
Matured receivables on balance sheet date	4	21
Matured between 0 - 2 mnths ago	3	-9
Matured between 2 - 6 mnths ago	1	2
Matured more than 6 mnths ago	-0	28

Note 11

Financial risk management

This table shows future maturities for the Company's liabilities as of 31st of December 2022:

Liquidity risk	< 1 year	1 - 2 years	2 - 5 years	> 5 years
Short term liabilities	2 618	-	-	-
Lease obligations train	895	55	-	-
Lease obligations property	109	104	306	512
Property, plant and equipment	-	-	-	-

Vygruppen AS assesses maximum credit risk to be the following:	2022	2021
Cash and bank deposits	723	492
Financial assets	1 391	1 506
Trade receivable and other short term receivables	707	752
Total	2 821	2 750

Note 12

Periodic maintenance on leased trains

	2022	2021
Periodic maintenance on leased trains		
Prepaid maintenance as of 1st of January	28	36
Accrual for incurred maintenance cost through the year	-82	-82
Conducted maintenance through the year	42	74
Prepaid maintenance as of 31st of December	-12	28

As a train lessee, the Company is under the lease agreement responsible for carrying out heavy maintenance. Provisions for maintenance costs are continuously recorded on the basis of estimated costs per kilometer driven, and the route- and maintenance plan. Costs are estimated based on existing maintenance contracts, and historic maintenance work. Actual incurred maintenance costs are offset against the provision. Upon return of the leased equipment, the Company will have to compensate, or will be entitled to a compensation from the lessor, based on the equipment's maintenance level, assessed at the end of the lease period. The assessment involves use of judgment and estimates. The balance is included in Provisions for other liabilities and charges (see note 21).

Note 13

Financial instruments by category

Assets at 31st of December	Loans and receivables		Assets at fair value through profit and loss		Total	
	2022	2021	2022	2021	2022	2021
Year						
Financial fixed assets	78	112	-	-	78	112
Trade and other receivables (excl. prepayments)	1 839	1 874	-	-	1 839	1 874
Financial assets at fair value	-	-	1 391	1 506	1 391	1 506
Cash and bank deposits	723	492	-	-	723	492
Total	2 640	2 478	1 391	1 506	4 031	3 984

Liabilities at 31st of December	Loans and receivables		Assets at fair value through profit and loss		Total	
	2022	2021	2022	2021	2022	2021
Year						
Financial lease liabilities	1 836	3 417	-	-	1 836	3 417
Trade and other payables excl. statutory liabilities	2 542	2 031	-	-	2 542	2 031
Total	4 378	5 448	-	-	4 378	5 448

Financial assets and liabilities at fair value through profit or loss at 31st of December 2022:

	Level 1	Level 2	Level 3	Total
Derivatives used for hedging	1 391	-	-	1 391
Total assets	1 391	-	-	1 391

The meaning of the different levels are described in the note regarding accounting principles

Financial assets and liabilities at fair value through profit or loss at 31st of December 2021:

	Level 1	Level 2	Level 3	Total
Derivatives used for hedging	1 506	-	-	1 506
Total assets	1 506	-	-	1 506

Note 14

Cash and bank deposits

	2022	2021
Cash and bank deposits	723	492

Includes restricted funds of 82 MNOK (2021: 81 MNOK).

Note 15

Share capital

See note 20 in Vy group report.

Note 16

Debt

The Group has the following undrawn borrowing facilities:	2022	2021
Floating interest rate		
- Expiring within one year	400	400
Total	400	400

The facility that expires within one year is a bank overdraft related to Vy group bank account system. The credit is for one year at the time and is renewed annually.

Note 17

Deferred income tax/Income tax expense

	2022	2021
Income tax expense		
Current income tax payable	-	-
Changes in deferred tax	-18	-34
Total income tax expense	-18	-34
Tax payable on the balance sheet are as follows:		
Current payable tax expense	-	-
Tax on group contribution received this year	-	-
Tax payable on the balance sheet	-	-
Reconciliation between nominal and actual tax expense rate:		
Net income before tax	-50	-858
Expected income tax using the nominal tax rate (22 %)	-11	-168
Tax effect of the following items:		
Other non-deductible expenses	74	134
Other non-taxable income	-81	-
Income tax expense	-18	-34
Effective tax rate	36 %	4 %

	Book value 01.01.	Rece.tax ded. for losses	Acquisition of subsidiary	Income statement charge	Charge to other comprehensive income	Charged directly to equity	Tax effect Group contribution	Book value 31.12.
2022								
Benefit (+) / Liability (-)								
Fixed assets	-596	-	-	153	-	-	-	-443
Inventories	37	-	-	43	-	-	-	80
Receivables	-5	-	-	-6	-	-	-	-11
Lease obligations	168	-	-	-29	-	-	-	139
Value changes to financial current assets	-	-	-	10	-	-	-	10
Retirement benefit obligations	657	-	-	-60	-237	-	-	360
Provisions for other liabilities and charges	101	-	-	-18	-	-	-	83
Gains (losses)	-18	-	-	4	-	-	-	-14
Losses carried forward	77	-	-	-17	-	-	-	60
Total gross temporary differences	421	-	-	80	-237	-	-	264
Net temporary differences	421	-	-	80	-237	-	-	264
Net deferred tax asset/liability on the balance sheet 22%	92	-	-	18	-52	-	-	58

	Book value 01.01.	Rece.tax ded. for losses	Acquisition of subsidiary	Income statement charge	Charge to other comprehensive income	Charged directly to equity	Tax effect Group contribution	Book value 31.12.
2021								
Benefit (+) / Liability (-)								
Fixed assets	-802	-	-	206	-	-	-	-596
Inventories	17	-	-	20	-	-	-	37
Receivables	-7	-	-	2	-	-	-	-5
Lease obligations	86	-	-	82	-	-	-	168
Value changes to financial current assets	-2	-	-	2	-	-	-	-
Retirement benefit obligations	552	-	-	8	97	-	-	657
Provisions for other liabilities and charges	197	-	-	-96	-	-	-	101
Gains (losses)	-23	-	-	5	-	-	-	-18
Losses carried forward	196	-30	-	-75	-	-	-14	77
Total gross temporary differences	214	-30	-	154	97	-	-14	421
Net temporary differences	214	-30	-	154	97	-	-14	421
Net deferred tax asset/liability on the balance sheet 22%	47	-7	-	34	21	-	-3	92

Deferred income tax asset and liabilities are offset when there is a legally enforced right to offset current tax assets against current tax liabilities, and when the deferred income taxes relate to the same tax authority. The offset amounts are as follows:

	2022	2021
Deferred income tax assets		
Deferred income tax assets to be recovered after more than 12 months	128	220
Deferred income tax assets to be recovered within 12 months	33	8
Total	161	228
Deferred tax liabilities		
Deferred income tax liabilities to be recovered after more than 12 months	-100	-134
Deferred income tax liabilities to be recovered within 12 months	-3	-2
Total	-103	-136
Total deferred income tax assets (net)	58	92

Note 18

Payroll and related expenses

	2022	2021
Wages and salaries, including employment taxes	1 730	1 562
Pension costs – defined contribution plans (note 19)	125	121
Pension costs – defined benefit plans (note 19)	40	45
Other employee benefit expenses	26	35
Total	1 921	1 763

Benefits for Chief Executive Officer and key management are referred to in the note for related-party transactions (note 25).

	2022	2021
Average man-labour year	1 939	1 926
Average number of employees	2 271	2 316

31st of December 2022 man-labour year 1903 and number of employees 2210.

The calculation is based on a weighted average based on the true number of man-labour year throughout the year.

Note 19

Retirement benefit obligations and similar obligations

General

The Group has pension arrangements related to age-disability- and bereaved benefits for spouses and children. Below is a further description of type of arrangements and how these are organized.

Defined benefit pension plan

The companies in the Group have several collective pension agreements that are handled by the Norwegian Public Service Pension Fund (SPK) or insurance companies that for the Norwegian companies satisfy the demands according to the law on public pension. The arrangement covers benefits from the pension basis up to 12G and results in a age- and disability pension of 66 % of the pension basis when fully vested. The obligations connected to these agreements covers 251 active members, 374 retirees and 120 earned rights. The retirement benefit plans entitle defined future services that mainly are dependent on the number of contribution years and wage level at the time of retirement. The pension benefits are coordinated with the National Insurance benefits, and will depending on the size of the benefit from the National Insurance Scheme.

The companies have, through tariff agreements, retirement benefit obligations in affiliation with Early Retirement Pension Regulated by Contract (AFP). Obligations through this agreement cover 251 active members.

The additional defined benefit pension plan agreement for top leadership is not funded and will be paid through operations.

Closing of the defined benefit plan and changing to contribution scheme

A decision was made during 2017 to close the current defined benefit plan in SPK for employees within Vygruppen AS that were older than 55 years of age by the year end of 2018/2019. These employees were included in a new, closed defined benefit plan with effect from 1st January 2019. All employees younger than 55 years of age were granted an earned right in the SPK and were included in a new defined contribution plan in Storebrand as of January 2019. The employees included in the new defined contribution plan in Storebrand are also included in a private AFP pension plan. This scheme is also accounted for as a defined contribution plan.

As of 31st of December 2022, 1980 employees are active members in the defined contribution scheme in Storebrand.

Specification of net defined benefit pension plan obligations	2022	2021
Present value of earned pension rights for funded collective pension plans	1 933	2 198
Fair value of plan assets	-1 591	-1 562
Present value of unfunded obligations	342	636
Unrecognised actuarial losses	22	24
Net pension obligation on the balance sheet	364	660
Changes in pension retirement obligations:		
Book value net pension obligation 1st of January	660	559
This years' actuarial deviations	-207	85
This years net return on assets/increase in obligation continued operations	-5	51
Net financial items in the account from discontinued operations	12	7
Payments to plan	-96	-42
Book value 31st of December	364	660
Pension expenses included in the accounts, defined benefit pension plan		
Present value of current pension earnings	40	45
Total return on pension plan, incl. in payroll and related expenses – see note 18	40	45
Total financial items in the accounts	12	7
Total pension expenses defined benefit pension plan	52	52
Contribution plans		
Total return on pension plan, incl. in payroll and related expenses – see note 18	125	121
Total pension expenses	177	173

Sensitivity analysis with change in central assumptions

The table below shows estimates for potential effects with change in assumptions that significantly affects the defined benefit pension plans in Norway. Actual results may substantially differ from these estimates.

	Discount rate		Salary growth rate		Increase in G	
	1 %	-1 %	1 %	-1 %	1 %	-1 %
Increase (+)/decrease (-) net pension obligation at 31st of December in %	(32-33%)	26-27%	8-9%	(7-8%)	9-10%	(7-8%)
Increase (+)/decrease (-) this period's net pension expense in %	(12-13%)	15-16%	2-3%	(1-2%)	4-5%	(3-4%)

The Population is affected by high average age on participants that affects the sensitivity analysis.

The last few years' development in pension expenses and pension obligations shows:

	2022	2021	2020	2019	2018	2017
INCOME STATEMENT						
Present value of current pension earnings	40	45	71	90	220	232
Curtailments/transfer	-	-	-46	91	-	-
Plan changes during the year	-	-	-	-	60	-
Tot.cost in the income statment	40	45	25	181	280	232
Tot.financial.items in the acc.	12	7	12	18	29	33
Tot.pension cost in the acc.	52	52	37	199	309	265

	2022	2021	2020	2019	2018	2017
Financial position						
Total obligations	1 933	2 198	2 129	2 682	7 072	6 808
Pension assets	-1 591	-1 562	-1 593	-1 962	-5 420	-5 297
Total net pension obligations	342	636	536	720	1 652	1 511
Non-recognised actuarial losses	22	24	23	22	39	46
Net pension oblig. at the balance sheet date	364	660	559	742	1 691	1 557

Financial assumptions (defined benefit plans)

	2022	2021	2020	2019	2018	2017
Discount rate	3,85 %	2,20 %	1,50 %	2,05 %	2,85 %	2,50 %
Expected return on plan assets	3,85 %	2,20 %	1,50 %	2,05 %	2,85 %	2,50 %
Average salary growth	3,50 %	2,50 %	1,75 %	2,70 %	2,50 %	2,25 %
G-regulation	3,25 %	2,50 %	1,75 %	2,10 %	2,60 %	2,40 %
Annual reg. of pension increases	2,50 %	1,75 %	1,00 %	1,35 %	1,85 %	1,65 %
Average social security tax	14,10 %	14,10 %	14,10 %	14,10 %	14,10 %	14,10 %

Explanation to selected assumptions 31st of December 2022

The discount rate has been set at 3,85 % (2,2%) and is determined with basis in preferential bonds (OMF). The OMF-market has been assessed to represent a deep and liquid marked with relevance to maturities that qualifies to be used as a reference for interest rate according to IAS 19.

Salary adjustment for Norwegian arrangements are mainly calculated as the sum of expected nominal salary growth of 1,25 % and long term inflation of 2,00 %. In addition a faktor of 0,25% is added to take account of expected higher inflation in the short term. Regulation of pensions during disbursements mainly follows average of inflation growth and salary growth.

For the demographic factors, the tariffs K2013 and K63 has been used for determination of mortality rate and disability risk.

Average remaining life expectancy for a person retiring when he/she turns 65 years old will according to K2013 be:

Female	24,1 years
Male	20,9 years

Actuarial deviations in 2022 are mainly due to changes in economic parameters.

Risk evaluation of defined benefit contribution plans

The company is affected through its defined benefit contribution plans by several factors due to uncertainties in assumptions and future development. The most central factors are described as follows:

Expected longevity

The company has assumed an obligation to pay pension to the employees for as long as they live. An increase in life expectancy among members results in an increased obligation for the company.

Yield risk

The company is affected by a reduction in actual yield on the pension assets, which will cause an increase to obligations for the company.

Inflation- and salary growth risk

The company's pension obligation has risks related to both inflation and salary development, even though the salary development is close related to inflation. Higher inflation and salary development than what is used in the pension calculations, result in increased obligation for the company.

Note 20

Trade and other payables

	2022	2021
Trade payables	174	222
Group internal trade payables	1 817	1 326
Social security and other taxes	75	75
Other current liabilities	551	483
Total	2 617	2 106

Total trade and other payables include liabilities to related parties in 2022: 96 MNOK (125 MNOK).

Book value of trade and other payables corresponds to fair value. Other current liabilities include pre-paid revenue, accrued payroll and related expenses as well as other accrued expenses.

Note 21

Provisions for other liabilities and charges

Provisions for other liabilities 2022	Reorganization obligation	Other	Total
At 1st of January	101	-	101
Used during the year	-18	12	-6
Total	83	12	95

Provisions for other liabilities 2021	Reorganization obligation	Other	Total
At 1st of January	197	-	197
Used during the year	-96	-	-96
Total	101	-	101

Analysis of total provisions:	2022	2021
Non-current liabilities	95	101

Legal disputes

Vygruppen AS is involved in legal disputes, where some of them will be tried in court. Provisions are made for disputes where it appears to be a probable and qualified risk of losing.

Restructuring

Vygruppen AS announced a restructuring plan in 2016. The purpose of the restructuring is to adapt to the changes required by the railway reform. The restructuring provision amounted to 25 (43) MNOK at the end of 2022, and is mainly due to downsizing. The accruals at 31.12.2022 includes in addition a compensation related to changed pension plans. This remaining accruals for this is 58 (58) MNOK at the end of 2022.

Note 22

Depreciation, amortization and impairment

	2022	2021
Depreciation charges (note 6)	847	945
Total	847	945

Note 23

Other expenses

	2022	2021
Sales- and overhead expenses	857	777
Energy used in operations	531	229
Repair and maintenance, machinery rental, property expenses	795	828
Other operating expenses	1 516	1 210
Total	3 699	3 044

Auditing fees for total operations (excluding VAT):

	2022	2021
Statutory audit fee	2	2
Other services	0	0
Total fee to auditor	2	2

Note 24

Financial income and expenses

	2022	2021
Interest income	71	54
Group contribution	41	58
Reversal of write-down shares in subsidiaries *)	366	-
Net foreign exchange gains	11	15
Total financial income	489	127

Interest expense	-72	-62
Other financial expenses	-3	-2
Write-down shares in subsidiaries **)	-336	-698
Net foreign exchange losses	-1	-1
Total financial expenses	-412	-763

Net financial expenses - pensions	-12	-7
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Change in unrealised fair value	-10	-2
Total financial items	55	-645

*) Vy Tog AS 366 MNOK

***) Vy Tåg AB - 336 MNOK

Note 25

Related party transactions

Vygruppen AS has the following related parties:

Owner

As the owner of Vygruppen AS, the Ministry of Transport and Communication is a related party. In addition, other businesses owned by the Ministry of Transport and Communication will also be a related party to Vygruppen AS.

Companies within the same Group

All subsidiaries, associates and joint ventures as noted in notes 2 and 8 as well as other Group companies that are related parties to these companies will be a related party to Vygruppen AS.

Board of Directors and executive management

Executive management or on the Board of Directors are also related party to Vygruppen AS.

Below is an overview of transactions, balances and guarantees to related parties:

	2022	2021
Sale of goods and services:		
Public purchase of passenger traffic services	2 751	2 839
Sales of other goods and services	437	296
Sales to other companies within the Group	344	269
Total	3 532	3 404
Purchases from companies in the Group:	329	322
Purchases of goods and services:	2 991	2 494
Total	3 320	2 816

Intercompany balances with related parties as a result of buying and selling of goods and services:

	2022	2021
Receivables:		
Group internal trade receivables	166	207
Associated companies	-	0
Entities owned by the Ministry of Transportation	114	82
Total	280	289
Debts		
Group internal trade payables	1 818	1 326
Entities owned by the Ministry of Transportation	95	125
Total	1 913	1 451
Loans to related parties		
Other companies in the Group	1 291	1 291

There are no borrowings from related parties.

Vygruppen AS has issued a guarantee of 150 MSEK on behalf of its fully owned subsidiary Vy Tåg AB related to a contract with Norrtåg AB.

Vygruppen AS has issued a guarantee of 240 MNOK to Jernbanedirektoratet on behalf of its fully owned subsidiary Vy Tog AS, regarding the contract Trafikkpakke 3 Vest.

Compensation for members of the Board and executive management

See note 31 in Vy group report.

Note 26

Contingencies

The group has contingent liabilities in respect of legal claims arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities other than those provided for.

Note 27

Events after the reporting date

There are no material events which have occurred after the reporting date that will affect the Groups' profit and final position.

Statement from the Board and CEO regarding the annual report 2022

The Board of Directors confirm that to the best of our knowledge the condensed set of Group financial statements and the financial statements for the parent company for the period 1 January 2022 to 31 December 2022 have been prepared in accordance with IFRS as determined by EU, with requirements of supplementary information in the Accounting Act, and that the information in the accounts give a true and fair view of the company's and Group's assets, liabilities, debt, financial position and profit or loss as a whole.

The Board of Directors confirm that the annual report give a true and fair view of the development, profit and position for the company and the Group, as well as a description of the most central risk- and uncertainty factors the company and the Group faces.

Oslo, 1st of march 2023

Board of directors of the Vy Group

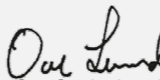

Berit Svendsen / Chairman of the board


Geir Inge Stokke


Espen Almid

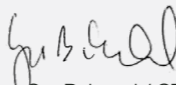

Dina Elverum Aune


Semming Semmingsen


Ove Sindre Lund


Petter Louis Pettersen


Grethe Therese Thorsen


Gro Bakstad / CEO

Tax policy

Background

In line with expectations from the owner enshrined in Eierskapsmeldingen (Meld.St.8 2019–2020), Vy Group AS has prepared a policy for the group's tax behaviour. The policy has been communicated to all our subsidiaries.

About Vygruppen and our tax policy

Vy Group is a transport and tourism group owned by the Norwegian state via the Ministry of Transport. We will ensure customers the best journey by providing environmentally friendly, smart, cost-effective and safe transport. In addition, the Group provides freight of goods on track.

All our activities are carried out with a focus on safety and are based on environmental solutions.

Our tax policy rests on three fundamentals:

1. Sustainability

Tax revenues are a prerequisite for sustainable development.

Profitable companies contribute to increased tax revenues, which in turn contributes to the financing of the individual state's development. Through success in our work, we will indirectly contribute to the funding of key institutions such as health, welfare and education, as well as fixed assets and infrastructure.

2. Origin and transparency

Our companies must pay taxes to the country where the values are created.

Vy Group operates in Norway and Sweden. Regardless of where the business is located, all our companies shall pay tax to the host country where the values are generated. In addition, all our companies are expected to act transparently towards each host country's tax authorities, including

providing timely and correct information to form the basis for taxation of the company. Our companies are expected to follow the tax laws of the countries in which they operate, both in terms of the letter and intent of the law.

Through active follow-up, Vy Group will ensure that our companies are operated responsibly and professionally. This also means that we will contribute to increased awareness of tax legislation and compliance with the rules that apply to the individual company.

3. Integrity and fairness

We are not participating in artificial schemes to reduce taxes.

Vy Group should not knowingly contribute to harmful tax practices. We will to the best of our ability ensure that our companies do not engage in harmful or potentially harmful tax behavior. At the same time, we consider it appropriate that the companies within the group are taking advantage of the tax incentives that exist for its businesses. Our companies are further encouraged to:

a) Comply with tax legislation

Companies must comply with all applicable laws and regulations in the countries in which they operate.

b) Do not participate in undermining the country's tax base or encourage to transfer of profits

Companies must not adopt artificial schemes, such as the use of internal pricing to move taxable profits from where they have their business.

c) Do not take part in aggressive tax planning

Selskapene bør ikke ta del i noen form for aggressiv skatteplanlegging som tapper det lokale skattegrunnlaget.

To the General Meeting of Vygruppen AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Vygruppen AS, which comprise:

- The financial statements of the parent company Vygruppen AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Vygruppen AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially

misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 1 March 2023
Deloitte AS

Eivind Skaug
Eivind Skaug
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

Carbon accounting

Introduction

The carbon accounts provide an overview of all greenhouse gas emissions from Vygruppen, internally and in our value chain. For Vy, the accounting constitutes an important instrument for identifying and reducing our climate impact. We use our carbon accounts strategically to identify and prioritise initiatives to cut emissions. Few businesses have unlimited time and resources at their disposal and it is therefore important that we first focus on the initiatives that have the greatest impact – zero emissions are urgent!

Transport and road traffic account for nearly one third of greenhouse gas emissions in Norway. Norwegian greenhouse gas emissions must be cut by 55% compared to 1990, before moving to zero by 2050. As a major transport player, Vy is an important part of the solution and must be a driving force in ensuring that Norway achieves its targets.

Norway's total greenhouse gas emissions in 2020 (Shown in million tonnes of CO₂ equivalents)



Sources: Norwegian Environment Agency and Statistics Norway
Note: Emissions from foreign shipping and aviation are not included

The 2022-2033 National Transport Plan (NTP) sets out targets that Vy and others in the transport sector need to deliver on:

- New urban buses shall be zero-emission vehicles or run on biogas by 2025
- By 2030, 75 per cent of new long-distance buses shall be zero-emission vehicles
- Ambition of transferring 30 per cent of freight transport exceeding 300 km from road to sea and rail by 2030

Vy has set an ambitious goal of saving society from the emission of one million tonnes of CO2 equivalents by 2025 (Scope 4) by transporting more passengers and more freight by rail. When people choose to travel by public transport instead of passenger car or plane and to ship freight by rail instead of road, we can save society from significant emissions. At the same time, increased production and more passengers will result in higher emissions from our own operations. Our buses currently have low emissions, but the goal is zero emissions. We are therefore in the process of implementing several measures, such as electrifying our bus fleet, reducing electricity consumption for our train division and phasing out the use of diesel at freight terminals.

Vy has an ambition to cut emissions in line with the climate report (Paris Agreement) and, since 2013, Vy has reduced absolute emissions by 20%, corresponding to 616,700 tonnes of CO2 eq. In 2013, the number of passengers was 6,099 million passenger kilometres and, in 2022, this figure was 6,070 million passenger kilometres, while freight amounted to 2,700 tonne kilometres in 2013 and 3,280 tonne kilometres in 2022. Vy is implementing a number of initiatives that will lead to significant cuts in CO2 as part of the journey to achieve net zero emissions from the business as a whole by 2050. Going forward, Vy will work to establish science-backed climate targets, including plans to cut emissions by both 2030 and 2050.

Methodology for calculating emissions

Vygruppen has drawn up and published carbon accounts since 2013 and the reporting has gradually improved year on year. Through improved reporting, we have been able to revise and adjust previous years to the best of our ability to ensure that the accounts remain comparable over time. Even though this could lead to the total greenhouse gas emissions for Vy (Scope 1-3) increasing compared to previous years' carbon calculations, it does not necessarily mean that emissions have increased but that the scope of the carbon calculations are more detailed and now include more activities. Vy reports using the location-based and market-based methods for electricity consumption and also shows absolute emissions and carbon intensity.

Vy uses five principles in its climate reporting:

1. Relevance - Calculations take into account the most significant emissions
2. Completeness – Calculations are as complete as practicable
3. Consistency – The calculation methodology is consistent (possibly recalculated in the event of changes to methodology)
4. Transparency - Assumptions and estimates are communicated openly
5. Accuracy – Calculations are as accurate as practicable

The carbon accounts are drawn up in accordance with the international standard, Greenhouse Gas Protocol Scope 1, 2 and 3. Carbon accounts drawn up in accordance with the GHG Protocol divide emissions into three categories. Direct emissions (Scope 1), indirect emissions from energy supply (Scope 2) and indirect emissions related to the purchase of other goods and services (Scope 3). We use CO2e, a unit used in carbon accounting that corresponds to the effect a given amount (usually one tonne) of CO2 has on global warming over a given period of time (usually 100 years).

In 2022, we made a major update to the methodology used to calculate emissions. The 2022 carbon accounts have been adapted to "GRI 305 emissions", which further details the scope and what is to be covered by Scope 1 - 3. A major change from previous years is that the greenhouse gas emissions in Scope 1 (direct emissions from the consumption of fuel) have been divided into Scope 1 fossil emissions and Scope 1 biogenic emissions. Although biofuels such as B100 and HVO are based on renewable raw materials, the exhaust pipe will still emit CO2 during use.

According to the GHG Protocol, the emission of biogenic CO2 is considered neutral (capture = emission) and is therefore not included in Vy's total greenhouse gas emissions as calculated using the GHG Protocol.

Biogenic emissions have nevertheless been included in tables and results. Separating Scope 1 emissions into fossil emissions (CO2 from the combustion of fossil fuels based on non-renewable fuels) and biogenic emissions (CO2 from the combustion of biofuels based on renewable fuels) will increase understanding and provide knowledge of what proportion of emissions in Scope 1 are based on renewable and non-renewable fuels.

Vy wishes to focus on reducing emissions of both fossil and biogenic greenhouse gas emissions. Depending on the raw materials used in biofuel, the production of biofuel will involve the capture and storage of biogenic carbon via photosynthesis (well to tank - Scope 3). This effect is not included in Vy's carbon accounts and is also difficult to quantify as it largely depends on the raw material type. It is therefore assumed that estimated biogenic greenhouse gas emissions are conservative estimates.

Further updates in 2022 included reviewing Scope 3 to add further activities that result in greenhouse gas emissions.

Scope 3 now includes the following activities:

Included in previous annual reports:

- Rail replacement bus services in Norway and Sweden
- Employee travel by plane and taxi
- Well to tank (indirect) emissions from the production of fuel
- Emissions from subcontractors for freight and bus services, such as hotels, tyres, textiles, technical equipment/hardware, cleaning products, maintenance and services

New in 2022:

- Emissions from the manufacturing and maintenance of passenger trains, freight trains and buses
- Washing and cleaning of buses and trains
- Office premises (rent, lighting, heating, communal costs, mortgages)

- Operation of IT infrastructure

Scope 1 and 2

According to the GHG protocol, Scope 1 emissions are direct emissions of greenhouse gases from cars and machinery. Scope 1 emissions are emissions measured at the exhaust pipe and are categorised as "tank to wheel" emissions. For Vy, Scope 1 emissions relate to the combustion of diesel for buses and trains.

For Scope 2, Vy uses both the location-based method (calculations are based on the country in which the electricity was produced, including the Norwegian and Swedish electricity mix) and the market-based method (we take into account the guarantees of origin we purchase for train operations) in its calculations. Using the market-based method, emissions from electricity pursuant to the product declarations for electricity suppliers from NVE will be used for any electricity without a guarantee of origin. In both cases, the 'well to wheel' model is used so that any emissions connected with the production of the energy itself are also included. In 2022, we chose to switch to the Norwegian and Swedish electricity mix instead of the Nordic electricity mix, in order to provide the most relevant picture of actual CO2 emissions per kWh. Electricity production in Norway is unique, with the highest proportion of renewable electricity in Europe. Hydro-power accounts for the majority of the production, as well as an increasing proportion of wind power.

Scope 3

For Scope 3, we include upstream emissions (Category 1-8); production and processing of goods and services that the company purchases from others, such as flights and transport services. We have chosen not to include downstream emissions (Category 9-15), as we do not consider these emissions relevant to our activities. Vy has a target of including all significant indirect emissions and conducts annual materiality analyses. In order to calculate and assess materiality for Scope 3 emissions, we start by carrying out a "screening" to determine the activities that are expected to have the greatest impact. We then carry out a spend analysis using data from the finance system and finally we conduct an assessment based on industry-specific emissions. We use "CDP Technical Note: Relevance of Scope 3 Categories by Sector" as the basis for the transport sector. For 2022, we asked our largest suppliers to submit figures, including around 40 bus suppliers with framework agreements for "alternative travel" (rail replacement bus services). Alternative travel (rail replacement bus services) accounts for greenhouse gas emissions of approximately 7,583 tonnes of CO2 equivalents in Norway and 839 tonnes of CO2 equivalents in Sweden, a decrease of 16% from 2021. Emissions from alternative travel therefore corresponded to 5% of the emissions from Vygruppen's emissions in 2022 (Scope 1 and Scope 2, excluding biogenic emissions).

The total Scope 3 emissions in 2022 have been calculated as 25,300 tonnes of CO2 equivalents for activities linked to the Group and around 64,500 tonnes of CO2 equivalents for the manufacturing and maintenance of trains and buses, as well as "well to tank" emissions from the production of fuel. Scope 3 emissions from activities linked to the Group account for approximately 16.5% of emissions from our own operations (Scope 1 and 2, excluding biogenic emissions and using the location-based method).

Vy started calculating Scope 3 in 2019 and has recalculated and updated for the previous years in order to ensure that the carbon accounts are as historically accurate as possible. Increased Scope 3 (emissions from the manufacturing and maintenance of passenger trains, freight trains and buses, washing and cleaning of buses and trains, office premises and operation of IT infrastructure) has also been added to previous years' carbon calculations based on kilometres driven.

Scope 4

Vy also reports on Scope 4, which is not yet an official category in accordance with the GHG Protocol. Scope 4 shows emissions avoided, i.e. CO2e emissions that would have occurred if our bus and train passengers had instead travelled by passenger car and if rail freight was instead transported by lorries on the roads.

The purpose of Scope 4 calculations is to show what the greenhouse gas emissions could have been if the alternative to train and bus was to drive a car. A general assumption is therefore that all passenger kilometres by bus and train also correspond to a standard car (carrying 1.6 people in the vehicle), using a mixture of petroleum, hybrid and electric cars. Of course, this is not completely accurate, as it would not be realistic to assume that everyone who travels by bus and train would have driven the same stretch by car if bus and train were not available options. We can also assume that a small proportion of those who currently travel by bus and train would have taken a flight instead.

For freight, the assumption is that all tonne kilometres travelled by freight trains would have gone by road (lorry) if there was no opportunity to ship freight by rail.

Greenhouse gas emissions from Scope 1, 2 and 3, excluding biogenic carbon, for passenger trains, buses and freight trains in 2022 were 242,880 tonnes of CO2 eq. This results in reduced emissions in relation to alternative transport of 687,000 CO2 eq.

Asplan Viak assists Vygruppen in drawing up carbon accounts and quality-assures the methodology, emission factors and figures.

Scope 4	Scope	Alternative emissions from cars and lorries	Enhhet
Passenger km by bus - replacing cars	3 528 023 172 pkm	372 641	tonnes CO2 eq.
Tonne km by freight train - replacing lorries	3 283 161 643 tonne km	288 919	tonnes CO2 eq.
Passenger km by train - replacing car	2 541 626 084 pkm	268 454	tonnes CO2 eq.
Total emissions, alternative transport		930 014	tonnes CO2 eq.

Datagrunnlag

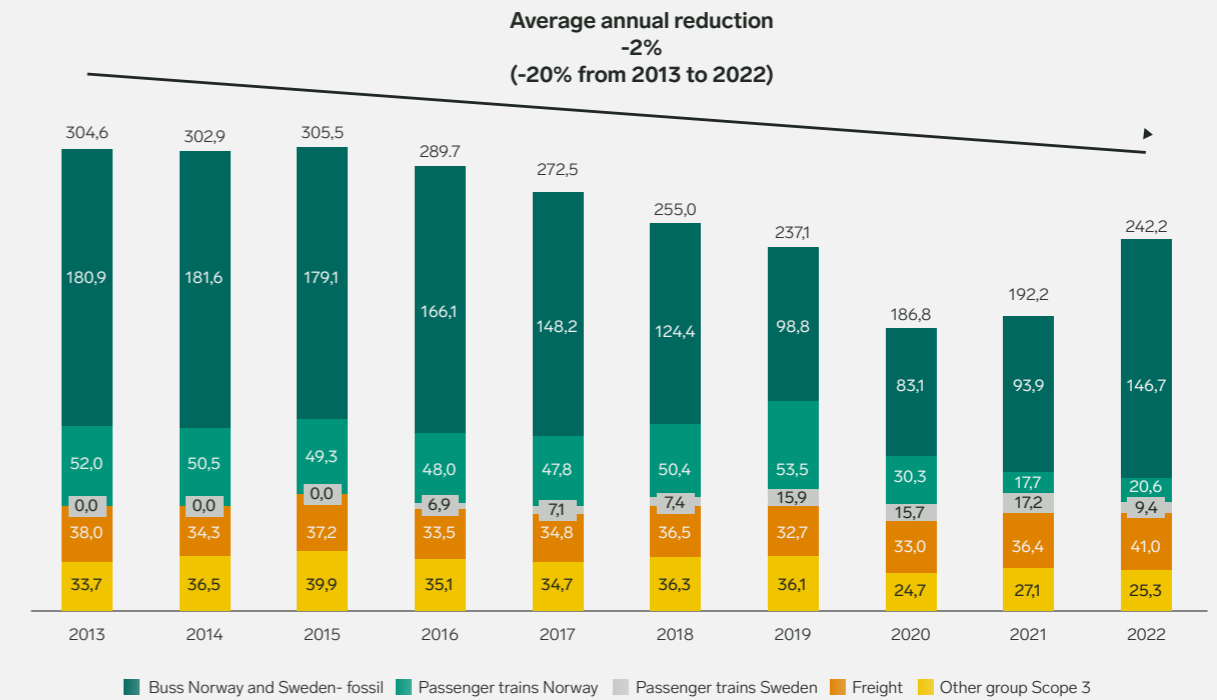
Scope	Main category	Sub-category	Data source	Emission factors	Unit/explanation	
1	Vy buss, Road diesel, buses, litre	Transport	Vy sustainability reporting	Fossil: 2,16 Biogenic: 0,48	kg CO ₂ eq/litre	
	Vy buss, Biodiesel B30 RME bus, litre	Transport	Vy sustainability reporting	Fossil: 1,92 Biogenic: 0,71	kg CO ₂ eq/litre	
	Vy buss, Biodiesel B100 RME bus, litre	Transport	Vy sustainability reporting	Fossil: 0,17 Biogenic: 2,36	kg CO ₂ eq/litre	
	Vy buss, Biodiesel HVO bus, litre	Transport	Vy sustainability reporting	Fossil: 0,04 Biogenic: 2,47	kg CO ₂ eq/litre	
	Vy buss, Biogas bus, kg	Transport	Vy sustainability reporting	Fossil: 0,0012 Biogenic: 1,11	kg CO ₂ eq/litre	
	Team Verksted, Heating Oil Workshop, litre	Bygninger	Vy sustainability reporting	Fossil: 2,54 Biogenic: 0,0	kg CO ₂ eq/litre	
	Agilia, Construction diesel, litre	Transport	Vy sustainability reporting	Fossil: 2,67 Biogenic: 0,0	kg CO ₂ eq/litre	
	CargoNet, construction diesel, trains, litre	Transport	Vy sustainability reporting	Fossil: 2,67 Biogenic: 0,0	kg CO ₂ eq/litre	
	CargoNet, construction diesel, terminals, litre	Transport	Vy sustainability reporting	Fossil: 2,67 Biogenic: 0,0	kg CO ₂ eq/litre	
	Vy Gjøvikbanen, construction diesel, trains, litre	Transport	Vy sustainability reporting	Fossil: 2,67 Biogenic: 0,0	kg CO ₂ eq/litre	
	Vygruppen, construction diesel, trains, litre	Transport	Vy sustainability reporting	Fossil: 2,67 Biogenic: 0,0	kg CO ₂ eq/litre	
	Vy Tog Vest, construction diesel, trains, litre	Transport	Vy sustainability reporting	Fossil: 2,67 Biogenic: 0,0	kg CO ₂ eq/litre	
	Tågkompaniet, construction diesel, trains, litre	Transport	Vy sustainability reporting	Fossil: 2,67 Biogenic: 0,0	kg CO ₂ eq/litre	
2	Vy buss, Electricity, buses, kWh	Transport	Vy sustainability reporting	Please see emissions factors for location-based, market-based and product declarations	kg CO ₂ eq/kWh	
	Vy buss, Electricity, workshops, kWh	Buildings	Vy sustainability reporting			
	Team Verksted, Electricity, workshops, kWh	Buildings	Vy sustainability reporting			
	Agilia, Electricity, workshops, kWh	Service	Vy sustainability reporting			
	CargoNet, Electricity, trains, kWh	Transport	Vy sustainability reporting			
	CargoNet, Electricity, terminals, kWh	Buildings	Vy sustainability reporting			
	Vy Gjøvikbanen, Electricity, trains, kWh	Transport	Vy sustainability reporting			
	Vygruppen, Electricity, trains, kWh	Transport	Vy sustainability reporting			
	Vy Tog Vest, Electricity, trains, kWh	Transport	Vy sustainability reporting			
	Tågkompaniet, Electricity, trains, kWh	Transport	Vy sustainability reporting			
	Location-based: NO electricity mix	Emission factor	High-voltage/Low-voltage			0,046 / 0,034
	Location-based: SE electricity mix	Emission factor	High-voltage/Low-voltage			0,049 / 0,041
	Market-based: Guarantees of Origin NO	Emission factor	NVE			0,011
	Market-based: Guarantees of Origin SE	Emission factor	Corresponding electricity from guarantee of origin Norway (NVE)			0,011
	Product declarations NO	Emission factor	NVE			0,405
Product declarations SE	Emission factor	www.aib-net.org	0,077			

Scope	Main category	Sub-category	Data source	Emission factors	Unit/explanation
3	Upstream emissions				
	1: Procurement of goods and services	Maintenance and spare parts, trains and locomotives	Electricity and fuel consumption in internal production used in intercompany agreements with Vygruppen. Overview of suppliers and the number of spare parts (new parts, not rotatables that are reused) used as part of maintenance. Information received from suppliers. Energy consumption at workshops: litres of diesel and kWh.	Emission factor for electricity and diesel, see Scope 1, 2 and 3:3	
		Uniforms for transport	Number of garments/items, kg per garment/item and number of shipments. Information received from supplier.	22,3	kg CO ₂ eq/kg textiles
		Bed linen and towels	Bags. Number of kg and number of shipments. Information from supplier.	22,3	kg CO ₂ eq/kg textiles
		IT equipment and operations (hosting)	Consumption of electricity and fuel in connection with the delivery. Figures received from supplier.	Emission factor for electricity and diesel, see Scope 1, 2 and 3:3	
		Cleaning services	Number of products and kg per product. Information received from supplier	0,013	kg CO ₂ eq/NOK 1000
		Cleaning chemicals	Consumption/spend with the largest suppliers	0,058	kg CO ₂ eq/NOK 1000
		Tyres	Consumption/spend with the largest suppliers	0,058	kg CO ₂ eq/NOK 1000
		Maintenance and spare parts, buses	Number of new tyres and retreaded tyres. Information obtained from the largest tyre supplier to Vy buss.	Emission figures provided by supplier: New tyres: 200,9 Retreaded: 54,2	kg CO eq/tyre
		Onboard café	Energy consumption at workshops: litres of diesel and kWh. Manufacturing and maintenance of buses based on bus and train kilometres	Emission factor for electricity and diesel, see Scope 1, 2 and 3:3	
				Consumption of electricity and fuel in connection with the delivery. Figures received from supplier.	Emission factor for electricity and diesel, see Scope 1, 2 and 3:3
	2: Fixed assets	Rolling stock, passenger trains	Average calculation of emissions associated with maintenance and use of spare parts for passenger trains based on the carriage kilometres driven by passenger train LCA Flirt, Neosys AG 2012	0,255	kg CO ₂ eq/train kilometre
		Bus stock	Average calculation of emissions associated with maintenance and use of spare parts for buses based on the carriage kilometres driven by bus Source:ecoinvent	Not publicly available	kg CO ₂ eq/bus kilometre
		Rolling stock, freight trains	Average calculation of emissions associated with maintenance and use of spare parts for freight trains based on the carriage kilometres driven by freight train Source:ecoinvent	Not publicly available	kg CO ₂ eq/tonne km
	3: Emissions relating to energy production	3A – Upstream emissions from purchased fuel	Vy sustainability reporting Emission figures: Defras 2022, UK Government GHG Conversion Factors for Company Reporting, 2022 NS-EN 16258:2012 Methodology for calculation and declaration of energy consumption and GHG emissions of transport services (freight and passengers)	Road diesel: 0.54 Biodiesel, B30: 0.54 Biodiesel, B100 RME: 0.46 Biodiesel, HVO: 0.35 Biogas: 0.16 Fuel oil: 0.53 Construction diesel: 0.57	kg CO ₂ eq/litre
		3B – Upstream emissions from purchased electricity	Vy sustainability reporting	Location-based NO/SE: 0 Market-based guarantees of origin NO/SE: 0 Product declarations NO/SE: 0	kg CO ₂ eq/kWh
		3D – Production of electricity for resale	N/A. Not applicable		

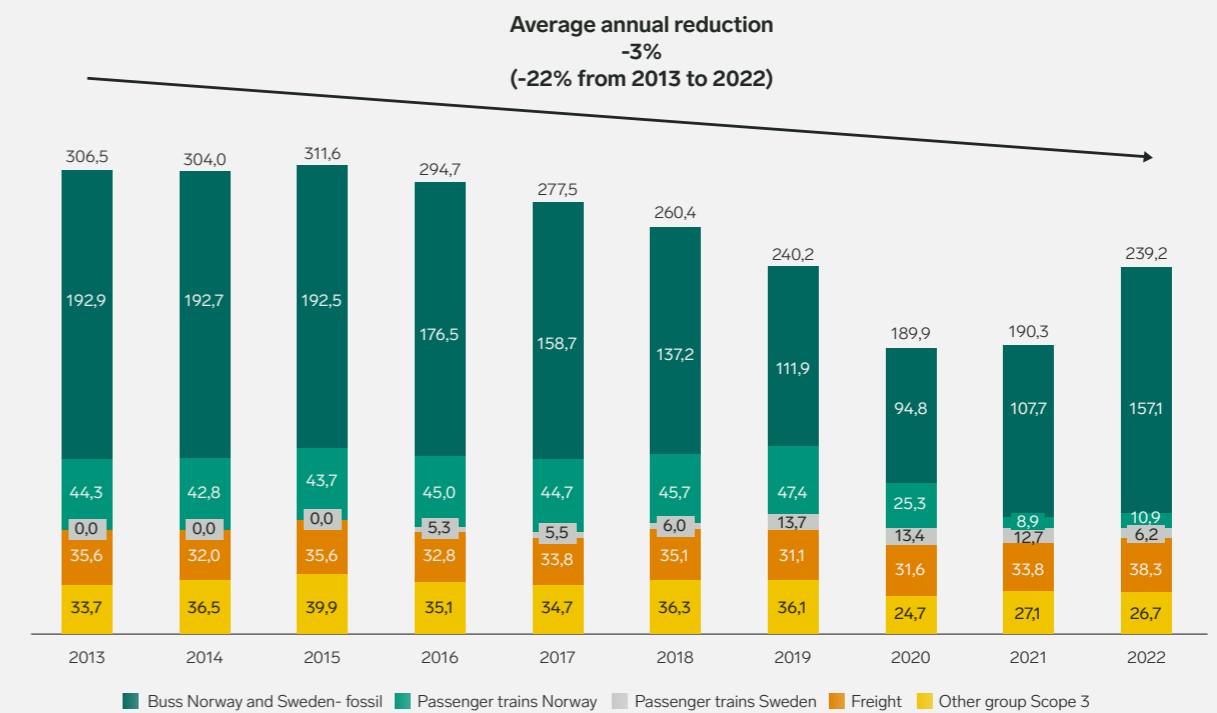
Scope	Main category	Sub-category	Data source	Emission factors	Unit/explanation	
3	4: Purchased transport and distribution services	Rail replacement bus services	Scheduled and unscheduled kilometres driven distributed by the Euroclass of the buses used. Data from internal system.	Emission factor for electricity and diesel, see Scope 1, 2 and 3:3		
		Rail replacement taxis	Average emissions, passenger car	Taxi, 1 person: 0,164	kg CO2 eq/passenger km	
		Subcontracting passenger transport services from subcontractors (buses)	Scheduled and unscheduled kilometres driven distributed by the Euroclass of the buses used. Data from internal system.	Emission factor for electricity and diesel, see Scope 1, 2 and 3:3		
		Subcontracting freight transport services from subcontractors (freight)	Not included, information not available			
	5: Waste management	Waste management	Number of transport journeys and associated fuel. Information received from suppliers.	Emission factor for electricity and diesel, see Scope 1, 2 and 3:3		
		Replenishing water and emptying septic tanks	Fuel consumption, fuel type and average consumption per vehicle. Information received from suppliers.	Emission factor for electricity and diesel, see Scope 1, 2 and 3:3		
	6: Business trips	Hotel accommodation	Number of overnight stays. Information obtained from suppliers. Defras 2022, UK Government GHG Conversion Factors for Company Reporting, 2022	10,4 (Defras 2022) 3,99 (from supplier)	kg CO2 e/room per night	
		Flights	Travel expenses. Converted to number of km by air, consumption calculated depending on distance and consumption of aviation fuel	Average 134	kg CO2 eq/journey. Number of journeys and average km per journey in Norway and the Nordic region	
		Transport for office workers (e.g. taxi)	Average emissions, passenger car	Taxi, 1 person: 0,164	kg CO2 eq/passenger km	
	7: Employees' travel to and from work	Not included				
	8: Rented premises/leased equipment	Rent	Consumption/spend	0,0141	kg CO2 eq/NOK 1000	
	Downstream emissions					
		9: Downstream transport and distribution services	N/A. Not applicable			
		10: Processing of sold products	N/A. Not applicable			
		11: Use of products sold	N/A. Not applicable			
	12: Final processing of sold products	N/A. Not applicable				
	13: Let premises/equipment	N/A. Not applicable				
	14: Franchises	N/A. Not applicable				
	15: Investments	N/A. Not applicable				
4	Emissions avoided	Alternative transport by car and lorry	Passenger km driven by bus and train Tonne km driven by freight train	Car: 0.106 kg CO2 eq/pkm Truck: 0.088 kg CO2 eq/tonne km		

The Vy Group's greenhouse gas emissions 2013 – 2022

Absolute emissions (location-based), 1,000 tonnes CO2e, Scope 1, 2 and 3 without biogenic CO2 emissions from biodiesel

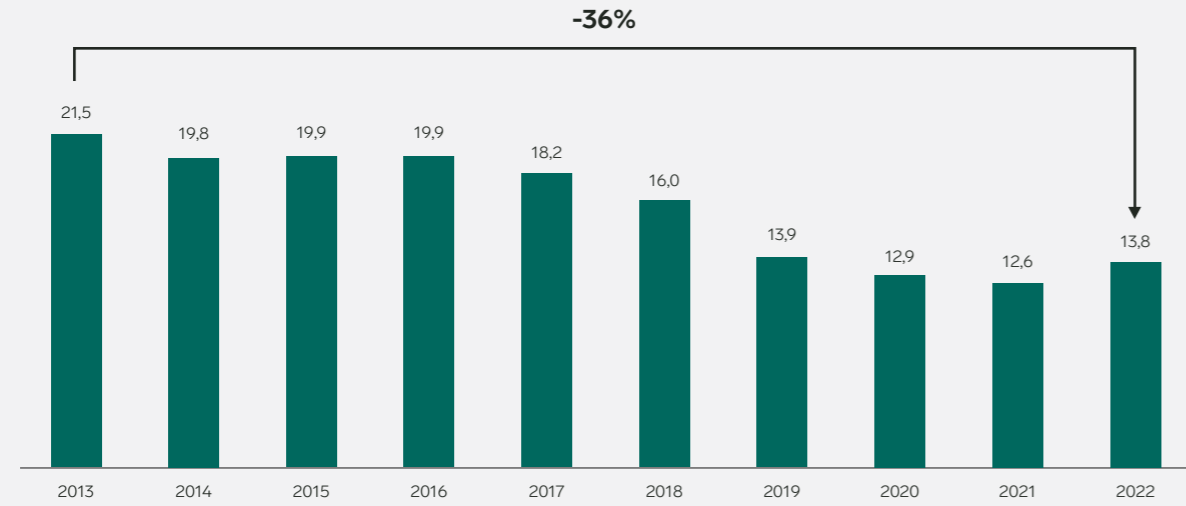


Absolute emissions (market-based), 1000 tonnes CO2e, Scope 1, 2 and 3, excluding biogenic CO2 emissions from biodiesel



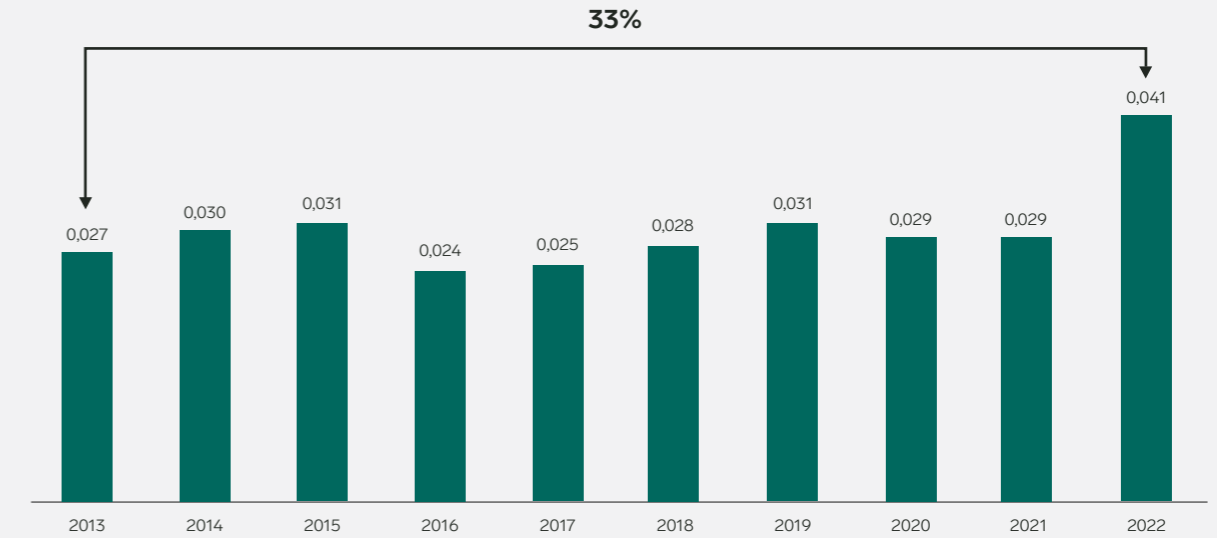
Emission intensity for the Vy Group per million NOK traded

Tonnes CO2e / operating revenue (MNOK) - Scope 1, 2 and 3, excluding biogenic carbon (location-based method)



Carbon productivity for the Vy Group

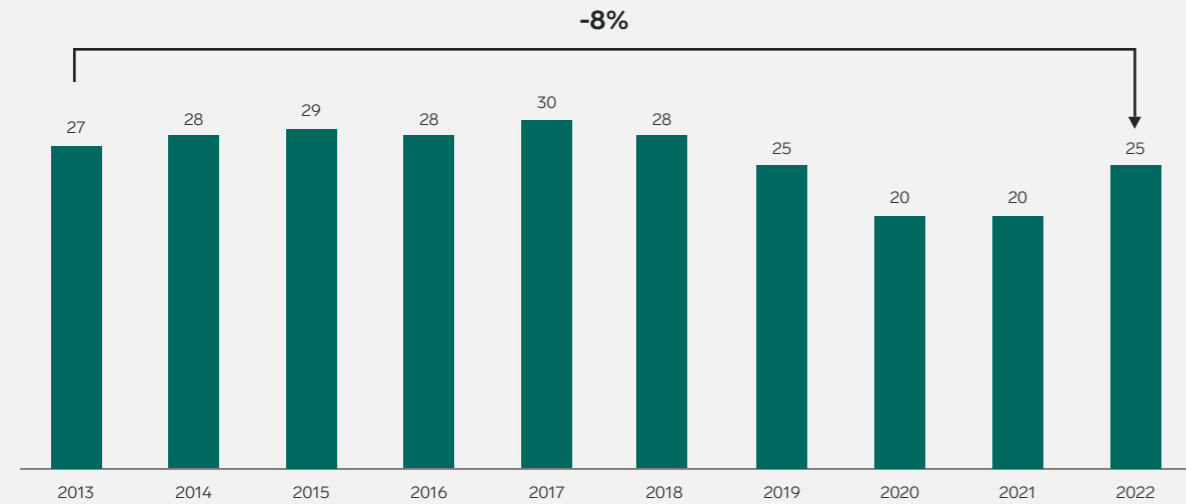
CAPRO = EBITDA + payroll and personnel costs (MNOK) / greenhouse gas emissions (CO2e tonnes)



Note: Carbon productivity shows the extent to which value creation occurs in a manner that reduces greenhouse gas emissions. Carbon productivity is a measure of green growth. Source: Stoknes, P.E. (2019). Hvordan måle ekte grønn vekst og unngå grønnvaskingsfellen (How to measure true green growth and avoid the greenwashing trap). For further information, see: <https://www.magma.no/hvordan-male-ekte-gronn-vekst-og-unnga-gronnvaskingsfellen>

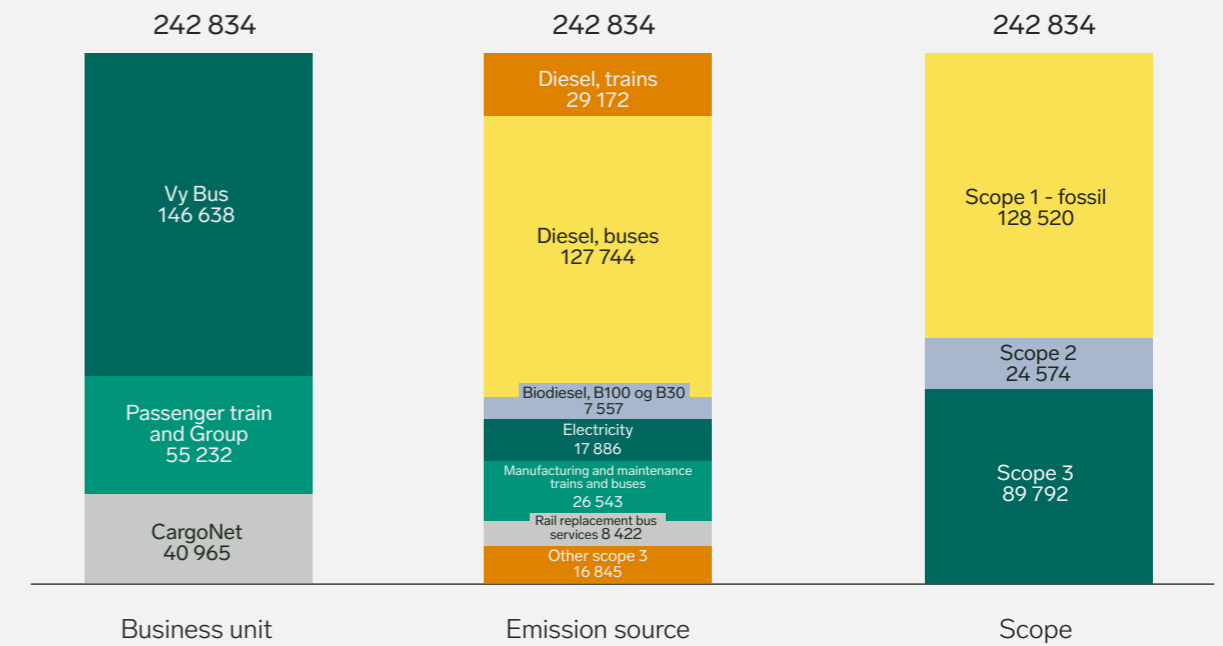
Emission intensity for the Vy Group per full-time equivalent

Tonnes CO2e / number of FTEs - Scope 1, 2 and 3, excluding biogenic carbon (location-based method)



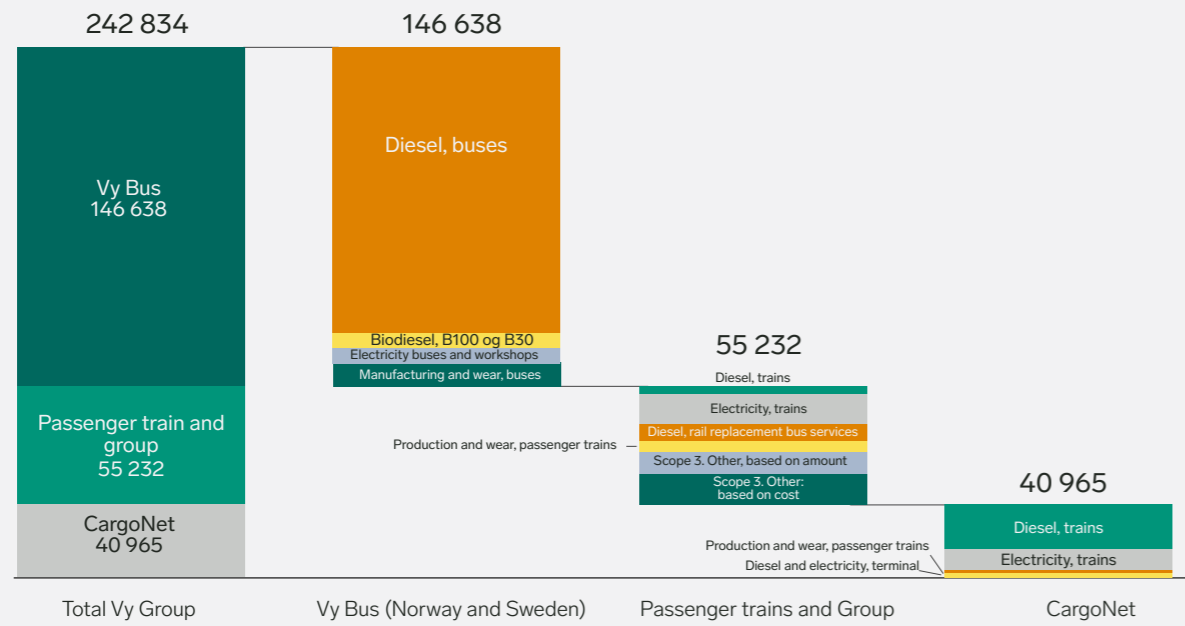
Emissions for the Vy Group distributed by source and scope of emissions, tonnes of CO2 equivalents

Scope 1, 2 and 3, excluding biogenic carbon (location-based method)



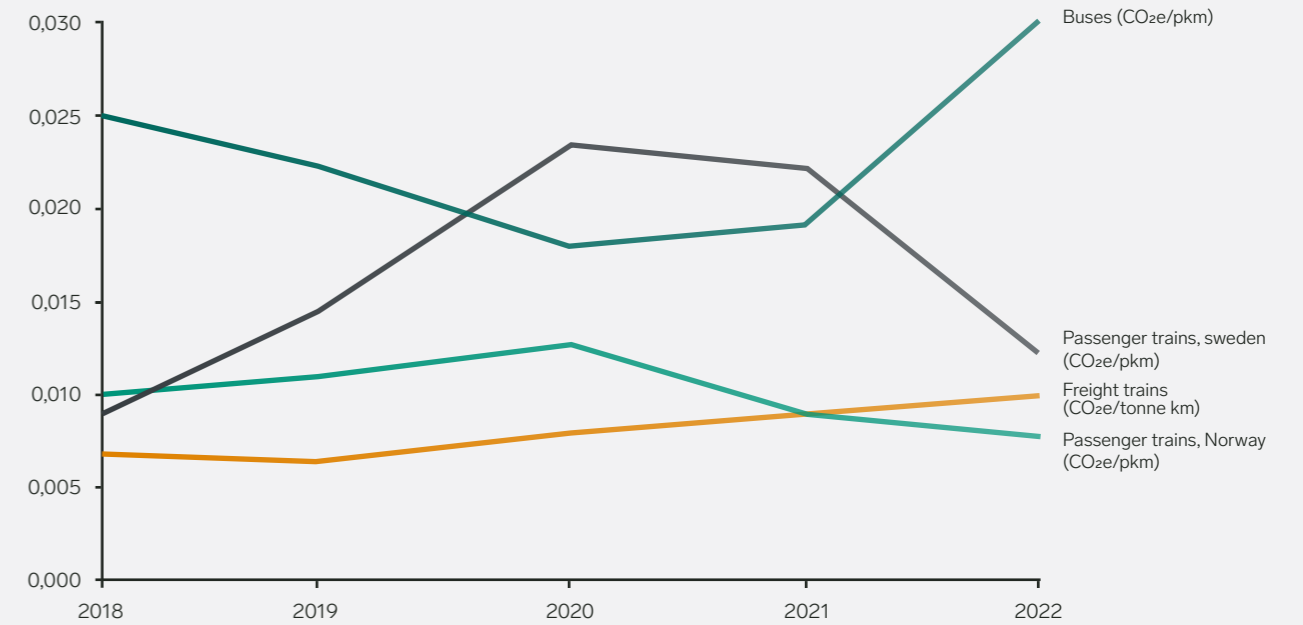
2022 carbon accounts for the Vy Group, distributed by FOs, tonnes of CO2 equivalents

Scope 1, 2 and 3, excluding biogenic carbon (location-based method)



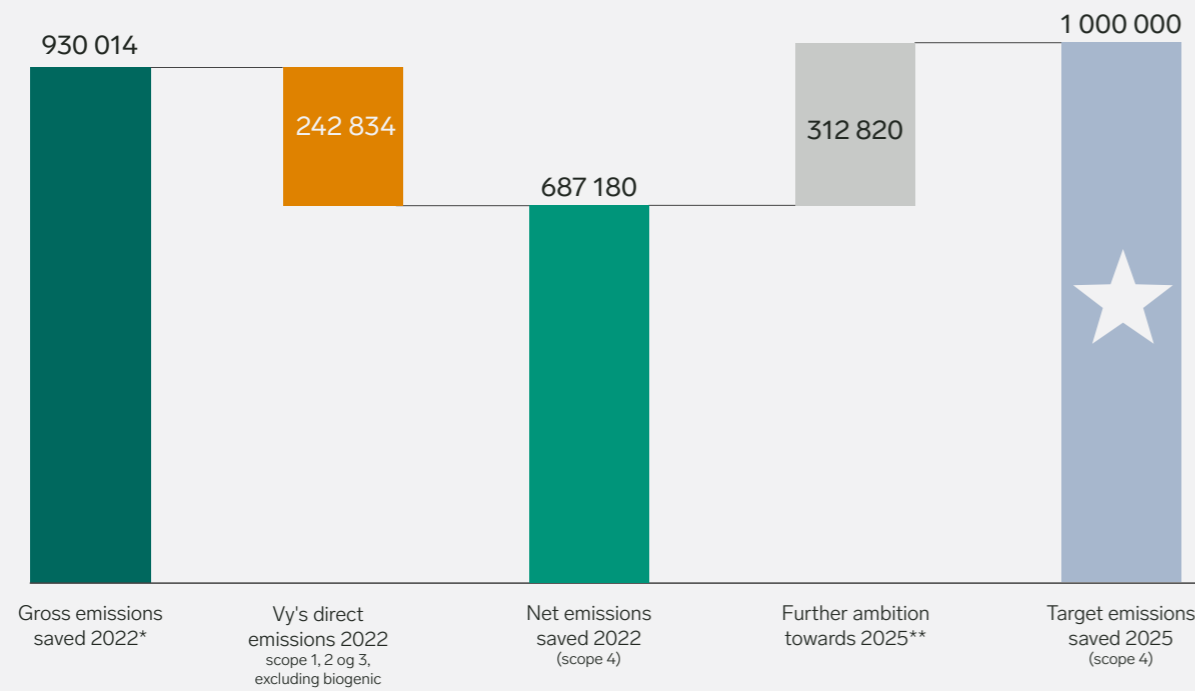
Emissions in kg CO2 eq/pkm and tonne km from 2018 to 2022

Scope 1 + 2, location-based, excluding biogenic



CO2 emissions saved in 2022, including 2025 target and further ambitions towards 2025

Vy Group, tonnes of CO2 equivalents



Source: Asplan Viak
 Note: *) Car instead of buses and trains (Norway and Sweden) and lorry instead of rail freight.
 Note: **) Excluding Win new tenders, open the Fallo Line, transport more goods, etc.

Corporate governance

1. Reporting on corporate governance

This statement is prepared according to the chapters in the Norwegian Code of Practice for Corporate Governance. Vygruppen AS and the

Vygruppen (the Vy Group) follows the Code, with exceptions because the Group is not listed on a stock exchange, is owned 100 % by the Norwegian State and has certain limits in the articles of association.

The Code is composed to ensure that companies listed on the stock exchange shall have ownership control and corporate governance that clarifies the roles between share owners, the Board of Directors and management in addition to what is included in the legislation. The recommendation shall strengthen the confidence the share holders, the capital markets and other interested parties have towards the company.

The Group Board has adopted a set of values and guidelines for ethics and social responsibility which are published on vy.no.

2. Nature of business

Vy is a transport group with activity in Norway and other Nordic countries. The parent company, Vygruppen AS, is owned by the Norwegian Government represented by the Ministry of Transport and Communication. The Group's headquarter are in Oslo.

The groups business as stated in the articles of association:

- The company social mission is to provide efficient, available, secure and environment friendly passenger and freight transport
- The company business is passenger traffic by rail in Norway, transport of passengers and goods in Norway and other Nordic countries as well as business connected to the above
- The business can be run by the company itself, by wholly owned subsidiaries,

through other partly owned companies or cooperating companies. The company can do business in other Nordic countries as far as this helps to strengthen the company effectiveness on the Norwegian market and/ or helps to strengthen the company's ability to solve the social duties which is the reason for state ownership

3. Equity and dividends

Vygruppen AS is a State Limited Liability company. This is a type of limited liability company where the state owns 100 % of the shares. The responsible minister or whom he gives authority safeguards the rights of the shareholders in the general meeting.

Important special rules for such companies are:

- The general assembly is not bound by the dividend recommendation given by the board of directors
- The Office of the Auditor General of Norway audits the management of state ownership and has a right to demand information from CEO, the board and the external auditor

The government expects that the dividend level should be 50 % of the Group profit after tax, but the exact level will be decided annually. The board has not been given mandate to approve the distribution of dividends or to increase the number of shares.

4. Equal treatment of shareholders and transactions with close associates

The company has only one class of shares. They are not listed on a stock exchange and there are no share transactions.

The Norwegian Railway Directorate, governed by The Ministry of Transport and Communication, and Vygruppen AS have entered into an agreement about public purchase of passenger traffic services on non-profitable lines that are not exposed to

competition. Similarly, the Ministry of Transport and Communication has entered into an agreement with Vy's subsidiary Vy Gjøvikbanen AS regarding operation of the Gjøvik line.

Guidelines on how to treat material transactions between the company and members of the Board of Directors or management are included in the Group's ethical guidelines and in the instructions for the Board of Directors and President and CEO.

5. Freely negotiable shares

The articles of association do not include any restrictions on negotiability.

6. General assembly

The general assembly consists of the government represented by the Ministry of Transport and Communication. The ministry calls the meeting. An annual ordinary meeting is held before the end of June.

The members of the Board, CEO and the auditor have the right to attend the General Assembly meetings.

The other recommendations in the code regarding the general assembly are not applicable due to the state ownership.

7. Nomination committee

The general assembly consists of the government represented by the Ministry of Transport and Communication. The general assembly has not appointed a nomination committee.

8. The Board of directors: composition and independence

The board is elected by the general assembly. Two or three board members with deputies are elected by and among the employees. An agreement has been made not to have a corporate assembly, and therefore the employees elect a board member with deputy in addition to the above representatives. The members of the Board of Directors are chosen based on experience, competence, diversity and ability to contribute to the development of the company. Company

management cannot be a member of the Board of Directors and do not own shares in the company. Information on board members is published on vy.no.

9. The work of the Board of Directors

The Board's work is governed by the Norwegian Companies Act, which is to manage the company's values on the behalf of the owners. The task of the Board has been determined in separate instructions. The Board works according to an annual activity plan. The work plan is based on the Board's main tasks with emphasis on goals, strategy, organisation and control of the business. The board evaluates its activities annually.

The Board has established a separate set of instructions for the CEO.

The board shall ensure that there are satisfactory systems for internal control of the company's activities, and that risk analyses are carried out regularly with follow-up preventive measures and emergency measures.

The Board shall according to the principles of association ensure that the company acts socially responsible.

The Board has established audit and remunerations committees.

10. Risk management and internal control

To ensure the quality of internal control, a separate governing system has been implemented. This includes leadership documents, preparedness plans, safety procedures and processes to govern and control operations. Guidelines, routines, handbooks and authorization matrixes are in place to ensure the quality of the company's economics, accounting and financing issues.

Risk analysis of the different activities of the Group are evaluated on an annual basis, and measures are taken to control the risks. The board annually reviews the company risk management and internal control.

11. Remuneration of the Board of Directors

Information on the compensation of the board and key management is included in notes to the financial statement. The remuneration if the board is not linked to the company's performance. The shareholder elected members of the Board of Directors do not normally take on specific assignments for the company.

12. Remuneration of executive personnel

The Board of Directors hires the CEO and decides the remuneration. The board evaluates the CEO's performance and salary conditions on an annual basis, and reviews the compensation of key management. The board has prepared a statement on the determination of salaries and other remuneration for senior executives. The CEO is authorized to determine salaries and other compensation for the company / group's top management within the state's "Guidelines for salaries and other remuneration to senior executives in companies and companies with state ownership" and the principles for executive salaries set by the board. The guidelines for remuneration of management are on the agenda of the general assembly. Information on the compensation of the board and key management is included in notes to the financial statement.

13. Information and communications

Public information is communicated by the senior management of the Group. Dates for important events and publication of financial information are posted on the company's website.

Through § 10 in the articles of association, Vy has a distinct duty to inform the shareholder about the Group's operation. Matters of principle or social significance should be communicated to the Minister of Transport and Communication before the Board of Directors makes their final decision.

Every year the Board of Directors is obliged to present to the Minister of Transport and Communication a plan for the operations of the Vy Group which includes the following aspects:

1. An assessment of the market and the Vy Group, including the development since the last plan.
2. The Group's main activities for the next few years, including plans for major restructuring, further development and unwinding of existing operations and development of new ones.
3. The level of investments, major investments and their financing.
4. The Group's economic development.
5. A report on measures and results regarding the company's social mission

The Board of Directors has to submit information regarding material changes of already communicated plans to the Minister of Transport and Communication

14. Take-overs

Based on the state ownership this part of the code is not considered relevant for the company.

15. Auditor

The auditor is elected by the general assembly. The auditor submits an annual plan to the board for the audit work. The auditor submits annually a Management Letter to the Board of Directors, reporting the main findings from the audit of the company and status regarding management and internal control. The Board of Directors hosts an annual meeting with the auditor where the CEO will not be present.

The auditor participates in board meetings that deal with reporting and other issues on which the board is to comment. The auditor attends the General Assembly.

Vy has adopted a policy with guidelines for the purchase of additional services from the auditor, which is to ensure that the auditor appears, and is perceived as, independent and objective.

The remuneration of the auditor is included in notes to the financial statement.

Gender equality report for Vy

Vy's HR policy guidelines set out the framework for our work on gender equality:

All Vygruppen employees are equal, regardless of gender, age, disability, sexual orientation or religious, ethnic and cultural background. We aim to maintain a broad and diverse spectrum of managers and staff, in which individual qualities are respected and valued. Improved gender balance and increased diversity (ethnicity, age and disability) are desired at all levels of the Group and will be emphasised in connection with recruitment and skills development.

State of gender equality

The figures relating to gender balance and gender differences in connection with parental leave, part-time employment and temporary employment at Vy as of year-end 2022 are presented below and have been summarised for the business units that form part of the Group and are subject to the activity and reporting requirements relating to gender equality and anti-discrimination.

	Women	Men	Share of women
Parental leave	90	249	27%
Part time	159	658	19%
Temporality	236	1179	17%
Total number of employees	2040	9472	18%

For the proportion of employees who took parental leave at Vy throughout 2022, there is a greater proportion of women than represented in the total number of employees. A quarter of employees who took parental leave in 2022 were women, even though women only represent 18 per cent of employees. This correlates well with the fact that the average age of female employees at Vy is more than five years lower than the average age of male employees. It would therefore be natural for there to be a high proportion of female employees at an age at which parental leave would be relevant.

For part-time employees, we see that the proportion of women is close to the total proportion of female employees. Women are not overrepresented among part-time employees. We can therefore assume that part-time positions are not primarily offered to or requested by female employees.

The same can be seen with regarding to temporary employment. The proportion of female employees in temporary positions is very close to the total proportion of female employees in the Group. It would therefore not appear that women are employed in temporary positions to a greater extent than men.

Our work to promote equality and prevent discrimination

The Vy Code of Conduct, which is signed by all employees when joining the Group, states the following in Section 11 on Human dignity, equality, and integration:

Vygruppen employees must treat everyone they encounter

through their work or work-related activities with courtesy and respect. Employees must refrain from behaviours that may have a negative impact on colleagues, the working environment or Vygruppen. This includes any form of harassment, discrimination or other behaviour that colleagues or business associates may perceive as threatening or degrading.

Vygruppen will ensure equal treatment in connection with recruitment, promotion and continuous professional development. Vygruppen will also emphasise diversity reflecting a cross-section of society. Recruitment activities will be characterised by all applicants experiencing equal opportunities for employment, regardless of age, gender, disability, sexual orientation or religious, ethnic and cultural background.

In addition, the work on equality and anti-discrimination is also anchored in Vy's HR policy guidelines, which, among other things, states the following:

Vygruppen shall be an attractive employer. Our employees are Vygruppen's most important resource. We must attract, develop and retain managers and employees with the right skills.

We have therefore adopted the following HR policy principles:

Recruitment

- *Vygruppen seeks to attract and employ the best applicants, regardless of gender, age, disability, religion, sexual orientation and cultural differences.*
- *We aim to ensure an active internal labour market in which employees are given the opportunity to compete*

- for vacant positions.
- Recruitment shall take place in a manner that ensures that candidates are subject to individual, objective and confidential consideration and provides applicants with a positive experience of the company.

Pay and working conditions

- Vygruppen will offer competitive and stimulating pay and working conditions in order to recruit, develop and retain well qualified employees and managers. We will be neither a wage leader nor a wage driver in our industries.
- Pay and working conditions are determined through guidelines and collective agreements in the individual companies.

Skills development

- Vygruppen will facilitate targeted skills development based on business needs so that the Group will attract, develop and retain the necessary expertise to realise its strategy.
- The most important form of skills development is learning in the work situation. Courses, online training and other organised training will be used as a supplement as needed.
- Each employee has a special responsibility for maintaining and developing their skills, but managers are responsible for planning and facilitating skills development within their areas of responsibility.
- All employees are expected to actively share their knowledge and experiences with colleagues.

Working environment

- Vygruppen aims to become the industry leader in HSE within the Nordic region. Our employees must have a safe place to work that not only enables them to develop but motivates them too. Our working environment will facilitate good health and safety to prevent physical and psychological injury.
- When organising work, we will consider the age and life situation of each employee.
- We will have an inclusive working environment that is free from substance misuse, violence, and harassment.

Equality and equal status

- All Vygruppen employees are equal, regardless of gender, age, disability, sexual orientation or religious, ethnic and cultural background.
- We aim to maintain a broad and diverse spectrum of

managers and staff, in which individual qualities are respected and valued.

- Improved gender balance and increased diversity (ethnicity, age and disability) are desired at all levels of the Group and will be emphasised in connection with recruitment and skills development.

The work on identifying the risk of discrimination at Vy is conducted as an integral part of the multipartite collaboration, safety work and the administration's reporting and improvement work. In addition, diversity, equality, and development are separate topics of the mandate for the Group's Board of Directors' remuneration committee and the matter is considered by the committee annually and focuses on the administration's measures to ensure greater diversity among management employees, better framework conditions for talent development at the Group, and a review of the facts relating to equality at Vy.

When recruiting, there may be a risk of unwillingness to accommodate employees with disabilities. There may also be negative expectations of female employees due to absence, pregnancy and leave of absence. We are not aware that these risks currently occur to any great extent. We manage the risk by ensuring that we have a Code of Conduct and values in place that are communicated and applied day-to-day and by adopting sound recruitment procedures.

With regard to promotions, development opportunities/ training, there is little risk of discrimination among driving personnel, but this risk may be higher among administrative employees and managers. We manage the risk by working to achieve greater transparency in promotions and successor planning (both at level 3 and lower management levels), as well as through compliance with the internal procedures for job advertisements. For 2023, we have defined a separate KPI for the proportion of female employees in administrative and management roles to ensure positive developments in this area.

In addition to the measures that are proactively implemented to ensure greater equality and anti-discrimination, we have a well-established whistleblowing system, which has also been supplemented to include the possibility of direct external whistleblowing.

The Transparency Act and a report on due diligence

The Transparency Act entered into force on 1 July 2022. The purpose of the Act is to promote companies' respect for fundamental human rights and decent working conditions in connection with the production of goods and delivery of services, as well as ensuring public access to information on how companies manage negative consequences on fundamental human rights and decent working conditions. The Transparency Act sets out requirements for companies to conduct due diligence in accordance with the OECD Guidelines for Multinational Enterprises, respond to written requests for information and report on the work carried out in this field.

Matters relating to the safeguarding of fundamental human rights and decent working conditions at the company have been addressed in our GRI report and the chapter relating to "Committed and customer-oriented employees" in the annual and sustainability report, and reference is made to these for further information. This report largely includes information about our work on due diligence in the supply chain.

The table below presents our key figures in relation to the work on fundamental human rights and decent working conditions.

Indicators for fundamental human rights and decent working conditions for 2022	Vy Group	Vy pas-senger train	Gjøvik Line	Vy bus	K & I	CargoNet	Agilia	Team Verksted
Number of managers/board members who have been trained (proportion as %)	13	9	-	10	-	8	1	2
Number of employees who have been trained	37	-	-	2	-	-	-	0
Number of information requests received	1	-	-	-	-	-	-	0
Number of whistleblowing reports received	2	-	-	0	0	0	1	0
Number of suppliers	1 183	211	108	2 978	-	800	77	1 088
Number of agreements*	177	220	2	147	40	13	-	-
Number of agreements/suppliers registered outside of Norway	4	12	0	40	5	50	4	82
Number of agreements that have been risk-assessed	177	220	2	147	40	13**	77	-
Number of agreements with a significant risk of violation of human rights and decent working conditions	52	112	2	22	6	35	25	100
Number of suppliers in violation of our Code of Conduct, fundamental human rights and decent working conditions	0	0	0	0	0	0	0	0
Number of suppliers on which demands for improvement have been imposed	2	0	0	5	0	0	0	0
Number of suppliers for which the contract has been terminated due to breaches	0	0	0	0	0	0	0	0
Number of criminal cases	0	0	0	0	0	0	0	0

Figure 1: *There may be multiple suppliers under a single agreement
 ** An overall risk assessment has been carried out for suppliers with a spend exceeding NOK 1 million

Vy has been working on responsible business conduct for many years, but over the past year has worked systematically to better meet the requirements set down in the Transparency Act. This is also a priority area in which we will be working on continuous improvements in the coming years.

and assessed and communicated to affected parties. Our policy to safeguard labour and human rights covers all the Group's business areas and companies and applies to employees, temporary workers and consultants representing the business areas and companies.

Our policy is to conduct our business practices and carry out due diligence in accordance with the UN's Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. As part of due diligence, we will identify actual and potential risk of negative impact on human rights that we have caused, contributed to, or are directly linked to through our activities, both internally and in the supply chain. Our aim is to stop, prevent and/or reduce such impact. The effect of the measures will be monitored

The content of this policy will apply to our suppliers through the "Supplier Code of Conduct". The Code of Conduct applies to all Vygruppen suppliers and their subcontractors. Our policy to safeguard labour and human rights and the Code of Conduct were revised this year and both the policy and Code of Conduct have been adopted by the Group CEO of Vygruppen. All management teams have also been informed of the policy on labour and human rights.

Vygruppen's policy and Supplier Code of Conduct are

available on our website, <https://www.vy.no/en/the-vy-group/sustainability-and-social-responsibility>.

We report on the status of our sustainability work once per year as a separate matter to Vy's owner, the Ministry of Transport and Communication, and as a matter for the Group Board of Directors.

Organisation

The head of each business area is responsible for compliance with the policy to safeguard labour and human rights, including due diligence, in their business and underlying business activities.

Group Procurement, which is organised as part of the Group Centre, has specialist expertise relating to procurements and ethical trade and acts as the Group's Procurement department. The responsibility for planning, entering and following up on contracts has been distributed through the governing document "Roles and responsibilities in the procurement process" and service agreements entered into with the companies. Each year, corporate management issues an authorisation to enter and follow up on contracts covering multiple business areas.

In the service agreements entered with the business areas, ethical trade has been specified and Group Procurement assumes responsibility to conduct work to ensure sustainability in the supply chain, including conducting risk analyses, implementing measures and reporting on these. The work shall be conducted by a dedicated resource, the Sustainable Procurement Advisor, who will conduct due diligence in relation to the supply chain. The Sustainable Procurement Advisor collaborates closely with other procurement employees on procurements and contract follow-up in situations where a risk of negative consequences has been identified in relation to sustainability. The Sustainable Procurement Advisor also has a specific responsibility for maintaining and incorporating sustainability in systems, procedures and processes within the Procurement department.

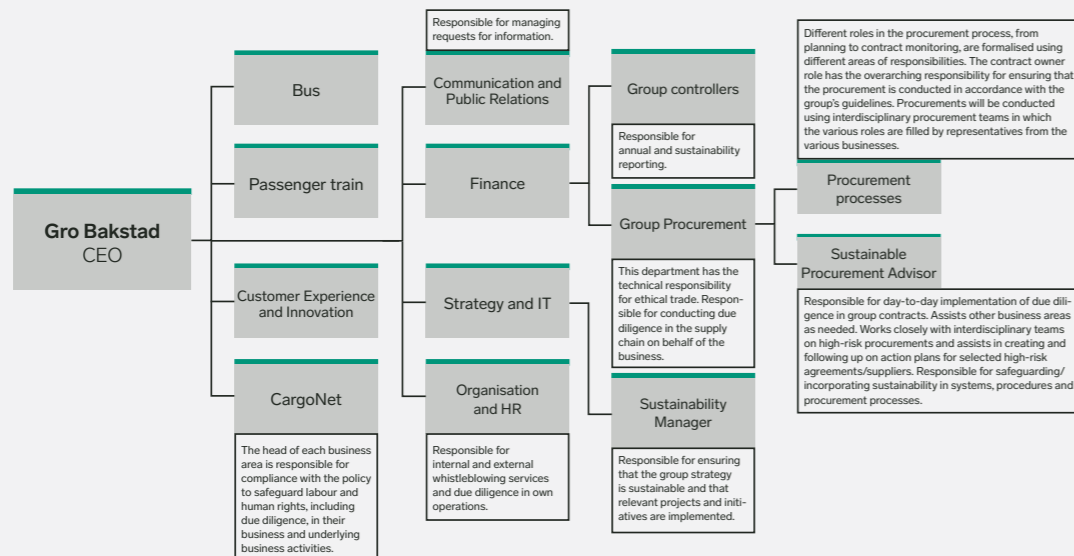


Figure 2: This is how the work with basic human rights and decent working conditions is organised in Vy.

In accordance with Roles and responsibilities in the procurement process, the contract manager shall have the overall responsibility for implementing new contracts in the line, including following up on users, suppliers and other stakeholders during the contract period. A contract manager, usually from the line, is appointed for every contract at Vy. Contract follow-up takes place through an interdisciplinary collaboration between the contract manager, procurement coordinator, technical manager, and others to ensure that the terms of the contract are followed up. In cases where the contract is labelled as high risk in relation to sustainability, the Sustainable Procurement Advisor will also be part of the interdisciplinary team.

In connection with the preparation of Vygruppen's annual and sustainability report, each business area and/or company must report on the following:

- Actual negative consequences on labour and human rights and significant risk thereof within their own business and in the supply chain as identified through mapping.
- Brief description of the procedure for identifying such consequences.
- For identified negative consequences and significant risk thereof, a description of measures that have been or will be implemented to stop, prevent, or reduce the impact must be available.
- A description of actual or anticipated results for each measure.
- An overview of identified cases of human rights violations, including any recovery measures that have been or will be implemented.

This reporting has been included as part of the ordinary reporting for the annual and sustainability accounts. Facts and figures linked to labour and human rights will be collected as a collaboration between the Procurement department, Group Finance and each business area and will be consolidated at group level.

Identifying negative consequences and significant risk

Vy conducts overall risk assessments relating to environmental, social, and ethical matters in relation to its procurement plans and agreement portfolios each year. The overall risk mapping is divided into the risk of violation of labour and human rights and the risk of violation of pay and working conditions. Regarding the risk of violation of labour and human rights, the Norwegian Agency for Public and Financial Management's high-risk list will normally be used as the basis, together with information obtained through previous due diligence and from any stakeholders. If the

product category is not included on the Norwegian Agency for Public and Financial Management's high-risk list, other sources such as the Swedish National Agency for Public Procurement's Risk Analysis Service, MVO's CSR Risk Check Tool, the US Department of Labor's list of goods produced by child labour or forced labour, the Responsible Sourcing Tool or the ITUC overview of workers' rights in different countries must be checked.

If the contract area is covered by the regulations on pay and working conditions in public contracts and the general application regulations, it will generally be considered to be a high-risk category.

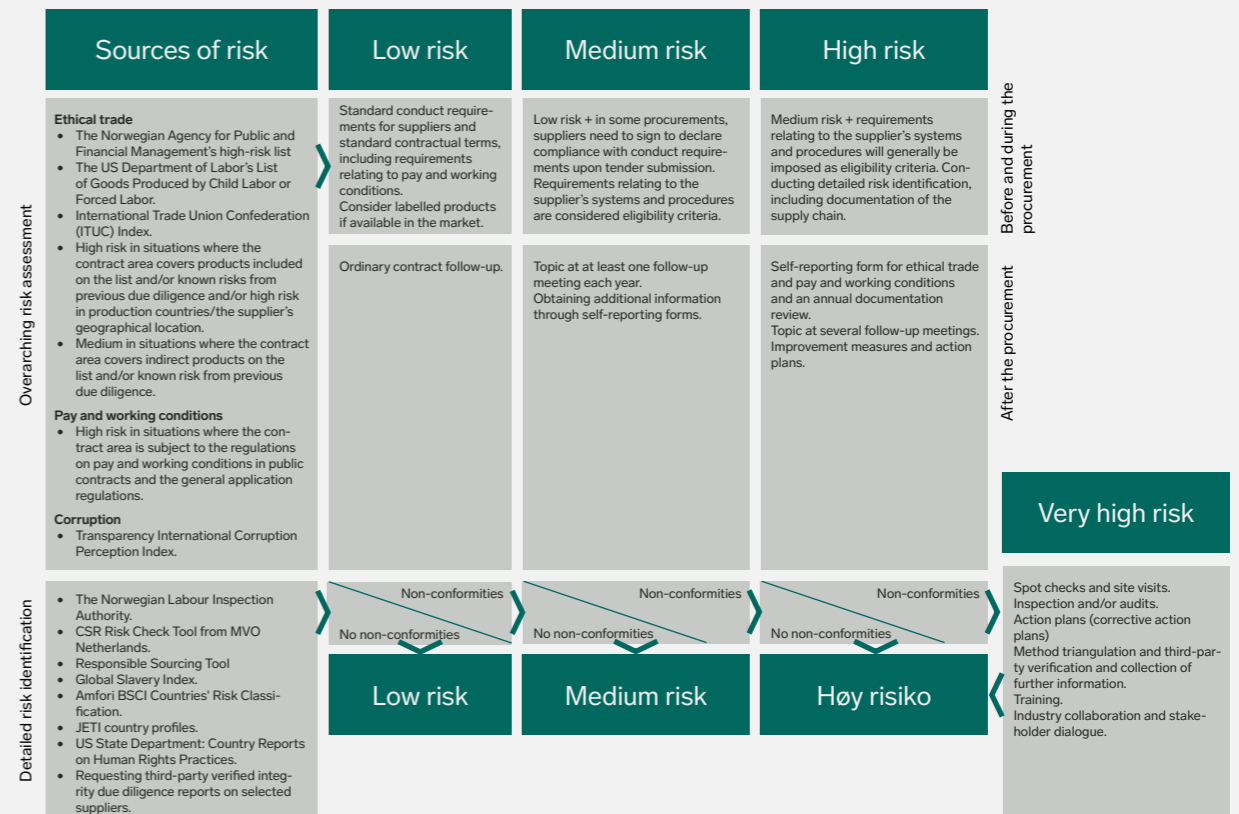


Figure 3: Risk assessments and monitoring of fundamental human rights and decent working conditions

Procedures and guidelines

The Code of Conduct is part of the employment contract for new recruits and is available to all employees via the intranet. Vygruppen has an internal whistleblowing procedure and whistleblowing channel that has been publicised using a simplified whistleblowing poster in accordance with the requirements set out in the Working Environment Act. An external whistleblowing channel has also been established. The Communication department is responsible for the whistleblowing service and acts as the point of contact for all enquiries from the public regarding the Transparency Act.

Vygruppen's Supplier Code of Conduct is included as a contractual term in all agreements. If the contract area has been deemed medium or high-risk, an assessment

must always be performed to establish whether ethics requirements should also be included as eligibility criteria. The eligibility criteria must be adapted based on the procurement.

We prioritise following up on the most significant risk factors relating to violation of labour and human rights based on severity and probability. We conduct background checks and obtain information from suppliers using self-reporting forms and follow-up meetings. If non-conformities are detected, we will set out clear demands for improvements. For selected suppliers, we also conduct additional documentation checks, spot checks, inspections and/or audits in the supply chain, as well as site visits and third-party assessments. Follow-up and measures for each supplier are collated in a separate contract monitoring tool in Excel. In 2023, Vy will implement

a new procurement system that will provide better opportunities to systematise contract monitoring.

As of today, no violations of labour and human rights have been uncovered, but inadequate work has been uncovered in relation to due diligence and compliance with Vy's Code of Conduct at some of our suppliers.

While Vy, through its activities, has an important social mission that contributes to a more sustainable society, Vy recognises that its business can also have a potential negative impact on people, society and the environment. At the same time, we want to contribute to positive developments in the supply chain and we strive to establish relationships with suppliers that show a particular willingness and ability to work on positive developments in the supply chain. We recognise that we are not currently dealing with every conceivable negative impact in the supply chain.

Due diligence in our own operations

Vygruppen is a responsible employer, matters relating to human rights and pay and working conditions for our employees are a key aspect of the multipartite collaboration. Considerations relating to decent working conditions in the form of job security, maintaining health and general pay conditions are anchored in the Main Agreement and Collective Agreements as part of this collaboration.

Through the Code of Conduct and group wide HSE declaration, we have defined requirements and expectations for our own activities and for suppliers when it comes to working to promote an inclusive, anti-discriminatory and diverse working environment in which individuals are respected and valued. Vy regularly conducts risk analyses in which working conditions, especially matters relating to maintaining a safe and positive working environment, are included and this forms the basis for our preventive work. Matters relating to labour rights and other working conditions are regularly subject to discussions with employees through the multipartite collaboration. Both trains and buses are certified in accordance with ISO 45 001. This means that high demands are placed on continuous improvement in our work on participation and involvement.

For further information about our work relating to HSE and the working environment, please refer to the supplementary descriptions in the GRI report's chapter on Occupational Health and Safety.

Due diligence in the supply chain

In 2022, we revised the methodology for risk identification and conducted general and more thorough risk analyses on the supply chains in the parts of the group for which this had not previously been done. We have prioritised implementing measures to prevent and mitigate risk in the supply chains relating to bus services. A particular priority has been to work with the suppliers of electric buses, as this is an area in which we consider the risk of negative consequences to be particularly high. Furthermore, we have

also prioritised mapping larger subcontractors' work on due diligence, particularly with respect to agreements relating to maintenance, cleaning, catering, and IT.

In 2022, we included data from supplier ledgers to ensure that the risk analysis also covered suppliers that are not part of our contract system. We have conducted overarching risk analyses on all agreements and suppliers with procurements of up to NOK 1 million. This has given us an overview of the risk associated with our direct suppliers, which are largely companies registered in Norway, but we have less overview of the extended supply chain. As a result, we do not have sufficient overview of any potential violations and significant risk of negative consequences, particularly for tier 2 and 3 suppliers. This is something we would like to improve, and we work continuously with high-risk suppliers to obtain a better overview of their supply chains. For several years, Vy has imposed standard conduct requirements on suppliers in all agreements and we verify compliance upon entering the contract. Most of our suppliers have adopted their own code of conduct and impose conduct requirements on suppliers, but we find that the work on due diligence remains immature in several industries and that several of our suppliers have inadequate overview and monitoring of risk in their own supply chains.

The ownership report (Report to the Storting 6 2022-2023) states that "The government's expectation for the company to conduct due diligence in accordance with recognised methods such as the OECD's due diligence guide is thematically broader than the scope of the Transparency Act, as it also covers matters relating to the climate, nature and corruption in addition to human rights and decent working conditions". Vy uses carbon accounting and measures to safeguard the climate and environment in relevant group agreements. Risk analyses are also conducted regarding corruption for our suppliers (tier 1). However, we still find that climate, the environment, money laundering and corruption could be better included in risk analyses and monitoring of the supply chains, and we will prioritise this work in 2023.

Vy has identified significant risk of negative consequences in the following contract categories:

Operation and maintenance services, including materials and parts

Operation and maintenance services for rolling stock and road vehicles are major and important contract areas. In 2022, we mapped the work on due diligence at four of the largest suppliers for train maintenance services. These suppliers also purchase materials and parts. We convened meetings with our largest maintenance suppliers, and we were clear about our expectations. In 2023, we will continue working to obtain a better overview of the supply chain and risks associated with various materials and parts. This will be a topic at follow-up meetings, and we anticipate conducting 1-2 supplier audits. One of our major suppliers of wheel bodies for freight trains is from the Ukraine and we are continuously monitoring the agreement. Our subsidiary, Team Verksted, is responsible for a large proportion of the service and maintenance services supplied to Vy buss and has initiated work to identify risk in the supply chains.

Requirements have been imposed regarding pay and working conditions in maintenance contracts, but we want to further examine compliance with the requirements. In 2023, we will also continue our work to obtain a better overview of the supply chains, including for parts and contracted personnel and to obtain greater insight into our suppliers' due diligence work in their own supply chains.

Electric and conventional buses

There is a very high risk of violation of labour and human rights on the part of some of the suppliers within electric buses and a high risk on the part of others. These buses are primarily manufactured in China, which is also the country of manufacture used by other bus suppliers. There is a particularly high risk in the battery supply chain. There is no prohibition on buying from China, but thorough assessments must be conducted when considering suppliers from the country. The suppliers are perceived as immature when it comes to due diligence and Vy plays an important part in developing and implementing the requirements set down in the Transparency Act in connection with these suppliers. Thorough risk analyses and information gathering were some of the activities carried out in 2022. Requirements have been imposed to draw up action plans for high-risk suppliers. Regular meetings are convened with these suppliers, at which the status and progress are reported. Efforts are also under way to identify the supply chains for conventional buses and to obtain better insight into the associated risks. The contract area will remain a priority and we will continue the work to identify, influence, acquire greater insight into and explore whether dialogue can be established with stakeholders. Vy has also joined the Network for Sustainable Batteries under the auspices of the Norwegian Agency for Public and Financial Management.

Bus materials (tyres, auto glass, fuel, etc.)

In 2022, we collected information about the work on due diligence among the largest suppliers of tyres, auto glass, AdBlue and fuel. We also met with our biggest tyre supplier and communicated an expectation for continued improvement of the work going forward, as well as a request for a better overview of the supply chain. We will continue working on follow-up in 2023 and obtain a better overview of suppliers and risks associated with charging stations.

Electronic equipment

Vy has entered into agreements concerning mobile phones, PCs, tablets, and multi-function devices. We have worked on these agreements over time and have obtained self-reporting from the major IT equipment suppliers at the end of 2021. We are considering conducting spot checks on selected products in 2023.

In 2022, we worked to obtain an overview of suppliers of electronic equipment for buses and trains. Self-reporting has also been obtained from the biggest suppliers to gain an overview of how they work on due diligence. This work will continue in 2023 and we will also conduct detailed analyses on risks associated with the various products.

IT services (abroad)

We do not have a sufficient overview of the work on due diligence among our IT service providers abroad, especially in India. In 2022, we procured a new contract for IT operations services in India. Conduct requirements were

imposed as part of the contract and these will be followed up in 2023. In addition, other suppliers producing services abroad will also be followed up in relation to their work on due diligence.

Textiles

Vy has entered into agreements for uniforms, workwear, bedding, and towels, as well as other materials for personnel, such as footwear and bags. We consider all of these agreements to entail significant risk, as textiles is an industry with a known risk of violation of labour and human rights and a large proportion of the production under our agreements takes place in China and India. When entering into agreements for uniforms, we impose strict sustainability requirements, and these are monitored through quarterly meetings throughout the year. In 2023, we want to collaborate with Tradebroker to gain a better overview of our work on due diligence among our workwear suppliers.

Transport services, including replacement services and sub-contracted carriers

Vy uses several subcontractors that provide replacement services. This includes replacement buses and taxis in the event of non-conformities relating to passenger transport by train and freight transport by road in the event of non-conformities relating to freight services. Vy Buss also uses subcontractors to provide services to local authority and county council clients. Transport services are also used in connection with the filling of water and emptying of septic tanks, as well as waste management.

Freight transport by road and passenger transport on road are both industries to which general collective agreements apply. The regulations relating to the duty of disclosure and supervision therefore apply. Vy imposes requirements relating to pay and working conditions when entering into agreements in contract areas covered by the regulations on pay and working conditions in public contracts, as well as the general application regulations. This involves a large number of agreements and systematic follow-up, and control of compliance is therefore challenging. Vy conducts spot checks and documentation checks, but the frequency and continuity could be improved. Replacement transport associated with passenger transport is difficult to monitor, as this primarily involves unplanned services.

Cleaning services, including cleaning chemicals

Vy is a significant buyer of cleaning services and has entered contracts with external suppliers, but also with the subsidiary Agilia, which performs cleaning services for Vy's train services.

The cleaning industry is associated with a known risk of violation of pay and working conditions and the Norwegian Labour Inspection Authority has issued clear guidelines for how the duty of disclosure and supervision must be fulfilled when buying cleaning services. All our contracted suppliers of cleaning services are registered with the Cleaning Register. However, a potential for improvement has been identified in relation to compliance with the Norwegian Labour Inspection Authority's guidelines and this will be prioritised in 2023. Furthermore, we will work to obtain a better overview of suppliers of washing and cleaning services for buses, and we will also follow up on cleaning chemical agreements in 2023.

Consumables

Vy has several suppliers that provide gifts and branded promotional items, office supplies and hygiene products for trains. At the end of 2021, we obtained documentation from these suppliers, and we are considering conducting random checks for selected products in 2023.

Accommodation, meal services and catering

Vy has entered into agreements concerning canteen services, catering for trains, drinking bottles for trains and coffee machines and coffee. We have also entered into agreements with several hotels to ensure accommodation for driving personnel. In 2022, we mapped how our catering suppliers for trains work on due diligence. A general collective agreement exists for accommodation, meal services and catering and the agreement imposes requirements relating to pay and working conditions.

Other

Vy has several smaller contract areas in which there may be significant risk of negative consequences, such as office furniture, painting, and security services. We have not prioritised the follow-up of such services beyond imposing contractual requirements. In 2023, we want to further examine the pay and working conditions in the service areas for contracted personnel and workers at terminals.

Planned measures in 2023

- Conducting systematic training for employees.
- Introducing a new procurement system and improved system support for supplier monitoring.
- Strengthening the framework for due diligence to better include climate, nature and corruption in the methodology for risk identification in the supply chain and monitoring of subcontractors (tier 2 and 3).
- Clarifying roles and responsibilities and improving procedures to implement due diligence.
- Improving internal procedures to verify pay and working conditions and increasing the number of inspections.
- Increasing dialogue with stakeholders, special interest organisations and other clients in the same industry, especially within the high-risk contract areas of electric buses, textiles, IT equipment and maintenance and cleaning.
- Collaborating with Tradebroker on due diligence in its agreements.
- Continuously improving due diligence and the implementation of measures in high-risk categories, as mentioned under each contract category above.

GRI report and clarification of sustainability reporting for 2022

Framework

This report has been drawn up with reference to the GRI standard, GRI: Foundation 2021. The reporting is a supplement to the formal requirements set down in national laws and regulations, as well as the international regulations that form the basis for our annual and sustainability reporting:

- The IFRS accounting standard
- Reporting in accordance with Section 3-3 a and c of the Norwegian Accounting Act
- Activity and reporting requirements in accordance with Sections 26 and 26 a of the Equality and Anti-Discrimination Act
- Reporting in accordance with Section 5 of the Norwegian Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act)
- GHG Protocol (Greenhouse Gas Protocol)

The annual and sustainability report has also been drawn up in accordance with the state's expectations set out in the ownership report for 2022-2023, with a focus on the following areas:

- Responsible business
- Climate
- Human rights and decent working conditions
- Taxes and prevention of financial crime
- Pay and remuneration

Report with reference to the GRI standard GRI: Foundation 2021

1. The organization and its reporting practices

GRI 2-1 Organizational details

This report has been drawn up for the Vy Group, which consists of the parent company Vygruppen AS and its subsidiaries. Vygruppen AS is a state-owned limited liability company with the Ministry of Transport and Communications as the owner and general assembly. The head office is situated in Oslo and the company operates in Norway and Sweden.

GRI 2-2 Entities included in the organization's sustainability reporting

This report has been drawn up using data from the Group's divisions with activities in Norway and Sweden in passenger transport by train and bus, rail freight and tourism, as well as the associated staff and support activities. Please refer to the segment note on page 63 of the annual and sustainability report.

GRI 2-3 Reporting period, frequency and contact point

This report has been drawn up for the 2022 financial year. The information presented in the report is based on documentation and realised figures in accounts, as well as non-financial information sources that constitute our best estimate. The report is dated 1 March 2023. Questions about the report can be directed to post@vy.no.

GRI 2-4 Restatements of information

Vy adheres to the GHG Protocol for carbon accounting (Scope 1 – 3) and, for 2022, has improved and expanded calculations of Scope 3 emissions to ensure better completeness and has recalculated for previous years. This resulted in an increase in Scope 3 emissions for 2021 of 12,664 tonnes (100 per cent) compared to the previous method. See also page 126 of the annual and sustainability report on changes to the methodology.

GRI 2-5 External assurance

Financial figures have been reviewed and accepted by the auditor. No external verification has been conducted for other sustainability figures. The work on sustainability and the annual and sustainability report has been considered by Vy's Board of Directors. Sustainability reporting requirements will soon be incorporated in the mandatory reporting standards (ESRS: European Sustainability Reporting Standards) and Vy will report in accordance with these requirements, including verification requirements, when the ESRS enters into force.

2. Activities and workers

GRI 2-6 Activities, value chain and other business relationships

Vy's main activities are in the transport sectors in Norway and Sweden, within the segments of passenger transport by train and bus, tourism and rail freight. The scope of these activities, both in terms of journeys/volume and revenue, has been addressed in the Board of Directors report on pages 51-53 of the annual and sustainability report, as well as the segment note on page 63.

The main input factors are:

- Employees, with an emphasis on drivers
- Purchase/lease of trains and buses
- Maintenance of trains/buses
- Running of trains and buses
- Fossil and non-fossil fuels for the running of trains and buses
- IT, marketing, ticketing and digital sales channels
- Road and rail infrastructure owned by the public and which Vy is charged to use
- Deliveries from sector suppliers in the railway, including the lease of trains, access to infrastructure and backend systems for ticketing.

The main services supplied are:

- Short and long-distance journeys by passenger train on behalf of the Norwegian Railway Directorate in Norway and the Swedish Transport Administration and other public procurement agencies in Sweden, for which revenue comes from the sale of tickets directly to passengers and/or in the form of the public procurement of transport services
- Bus services in the form of scheduled bus services under contracts with public sector procurement agencies (county councils, etc.) and commercial routes operated independently, for which revenue comes from ticket revenues from passengers
- A rail freight service for the business sector in the form of rail freight routes in Norway and to/from Sweden
- Tourism services based on public transport in collaboration with local and part-owned partners, of which Flåm Utvikling and Fjord Tours are the largest

There have been no significant changes to the main input factors and services during the year, with the exception of the car sharing service (Vybil) being discontinued during the autumn of 2022.

GRI 2-7 Employees

The average number of permanent employees in 2022 was 11,512, of which 2,040 were female and 2,491 worked in Sweden. The number of temporary employees at the end of 2022 was 2,009, of which 349 were female and 594 worked in Sweden. Vy does not have access to figures for all divisions relating to non-guaranteed employees but aims to prepare such figures for next year. For the bus division, this amounted to 1,485 employees. The number of full-time employees was 8,625, of which 1,574 were women and 1,687 worked in Sweden.

The number of full-time equivalents in 2022 was 9,746, of which 2,033 worked in Sweden. Data with the same level of detail is not available for FTEs as for the number of employees. This will be implemented in 2023.

The number of employees and FTEs remained stable throughout the year, but with fluctuations in both the passenger train and bus divisions depending on bus and train contracts that were won and lost. The number of FTEs remains at the same level as the previous year.

GRI 2-8 Workers who are not employees

Vy uses contracted personnel to cover temporary needs or in situations where it has been difficult to fill permanent positions. This mainly concerns consultancy and resources for staff and support functions, as well as IT and development. The figures have been obtained from records in HR systems and the purchase of services for this type of work. Contracting takes place using staffing agencies and major suppliers of strategy, IT, accounting and finance services. This is managed on the basis of contracts and costs and no detailed overview of numbers and FTEs is available for 2022. The number of contracted employees in 2022 was 193.

3. Governance

GRI 2-9 Governance structure and composition

Governance has been described in the "Corporate Governance" document included in this annual and sustainability report for 2022 and can be found on pages 136-138. Governance and management of financial and non-financial information takes place in the Group's Board of Directors, corporate management, boards and management of business units and in the monthly Business Reviews conducted between corporate management and the business units. The ownership representatives on the Group's Board of Directors have been elected by the general assembly (the Norwegian government represented by the Ministry of Transport and Communication). The ownership representatives are not employed by the owner and have disclosed any positions of trust that may constitute a potential conflict with Vy's interests. There are also three board members who have been elected from the employee base. A general meeting is held each year, as well as contact meetings with the ownership section of the Ministry of Transport and Communication, normally 4-5 times each year.

A description of the board members can be found at <https://www.vy.no/en/the-vy-group/corporate-governance>

GRI 2-10 Nomination and selection of the highest governance body

The representatives of the Group Board of Directors are selected by the owner, represented by the Ministry of Transport and Communication. A further three employee representatives are elected through direct election by and from employees. Board members selected by the owner are primarily elected on the basis of suitability and expertise in relation to the complexity of the company and the industry. The CEO is appointed by the Board of Directors. The corporate management team consists of the senior managers for business units and staff/support functions. The managers of the business units and staff/support functions are selected by the CEO/Chairperson of the Board. These are selected based on personal suitability and expertise, as well as industry knowledge.

GRI 2-11 Chair of the highest governance body

Chairperson of the Board of Directors is elected by the general assembly (the Norwegian government represented by the Ministry of Transport and Communication) and is not a Vy Group employee. The Chairperson of the Board of Directors was paid a fee of NOK 512,000 for 2022, see note 31 on page 94 of this annual and sustainability report. The Board of Directors appoints a Group CEO as the chief executive of Vy. The Group CEO selects line managers and managers for group staff teams and these will constitute the corporate management team.

GRI 2-12 Role of the highest governance body in overseeing the management of impacts

The Board of Directors and corporate management team governs the Vy Group in accordance with an annual cycle that includes processes to establish strategies, action plans, financial targets and performance indicators (KPIs). The sustainability perspective has been incorporated into these processes. The strategy, action plans, financial targets and the determination of financial and non-financial KPIs and

objectives are considered and adopted by the Group Board of Directors. The attainment status for these is reported each month.

The Group Board of Directors reviews the sustainability work and sustainability reporting as a special topic once per year in addition to the annual consideration of the annual and sustainability report. This work and the report have been discussed and approved. The Chairperson of the Board and the Group CEO will review sustainability work and sustainability reporting as a dedicated topic once per year at contact meetings with the owner and this is in addition to the annual consideration of the annual and sustainability report at the annual general meeting. Other dialogue with stakeholders is conducted by the Vy Group management team.

GRI 2-13 Delegation of responsibility for managing impacts

The Board of Directors has authorised the CEO to undertake the day-to-day management of the Vy Group. All division managers are responsible for ensuring that the unit takes into account sustainability and corporate social responsibility as part of the performance of its activities and this work will be supported by the sustainability officer in the corporate staff team. The Group's finance function is responsible for collecting and reporting data. They report annually to the corporate management team and Group Board of Directors on matters relating to governance, status and developments in the field.

GRI 2-14 Role of the highest governance body in sustainability reporting

The corporate management team shall present an annual proposal for the establishment of financial and non-financial targets, including sustainability targets for the year and the upcoming five-year period. This shall be considered and adopted by the Group Board of Directors. Target attainment shall be reported to the Board of Directors on a monthly basis. Each year, the corporate management team will draw up a draft annual and sustainability report for the Group and this will include drafting any material topics that will form the basis for the strategy, objectives and reporting. The Group Board of Directors will consider and adopt the report with any adjustments.

GRI 2-15 Conflicts of interest

Vy has adopted a Code of Conduct that also governs any conflicts of interest. The Code of Conduct also applies to board members. Board members and management employees shall annually sign a declaration relating to ethics and corporate social responsibility and shall disclose any ownership interests and positions of trust in companies that have established or may establish business relationships with Vy. This information will be retained as a part of Vy's internal control regime. Such special information is not disclosed to stakeholders. Condensed CVs for board members and corporate management have been published and can be found at <https://www.vy.no/en/the-vy-group/corporate-governance>

The Vy Group has only a single owner and this means that there will not be any conflict of interest between owners.

GRI 2-16 Communication of critical concerns

Vy has established an internal and external whistleblowing channel for employees. Reports can also be submitted via Customer Service and other sources. Each year, the corporate management will inform the Board of Directors' audit committee of the status of the whistleblowing system and the types and number of reports received. Three reports were registered in 2022. These reports related to bullying/harassment and breach of duty.

GRI 2-17 Collective knowledge of the highest governance body

The Group Board of Directors is informed annually through a separate agenda item of the status and development of sustainability efforts, including new legal requirements and reporting requirements.

GRI 2-18 Evaluation of the performance of the highest governance body

Each year, the Group Board of Directors evaluates its activities, including the expertise, duties and working methods of the Board of Directors, as well as the Board of Directors as a corporate body, its relationship with corporate management and strategic topics/issues that the Board of Directors is required to prioritise. The environment and sustainability are among the topics that are considered together with topics relating to finance, reputation, commercial initiatives, etc., as well as the management of finance, the environment and human resources. The evaluation is conducted internally and, in some cases, with external assistance. For 2022, no significant changes to the composition of the Board of Directors or governance of Vy were made as a result of the evaluation.

GRI 2-19 Remuneration policies

The status of and guidelines relating to the remuneration of board members and senior executives are described in note 31 on pages 95-97 of the annual and sustainability report for 2022.

GRI 2-20 Process to determine remuneration

Vy follows the government's guidelines for executive pay in companies with direct state ownership and the Board of Directors has adopted guidelines for salaries and other remuneration for senior executives accordingly. The Board of Directors has established a remuneration committee that reviews the guidelines before a case is presented to the Group Board of Directors. The guidelines are discussed by the Group Board of Directors and subsequently by the general assembly.

GRI 2-21 Annual total compensation ratio

The Group CEO is the highest paid employee of the Group, with a salary and other benefits 7.5 times higher than the average per FTE for other employees. In 2022, the salary growth for the Group CEO was 2.5 per cent, while the average salary growth for the rest of the organisation was 3.7 per cent, which means that the Group CEO had a percentage increase of 0.68 of the percentage increase achieved by other employees.

4. Strategy, policies and practices

GRI 2-22 Statement on sustainable development strategy

Each year, the Board of Directors considers Vygruppen's strategy and this was revised in 2022. Risk assessments, stakeholder dialogue and materiality assessments in connection with sustainability, evaluation of market and competitor development, as well as internal analyses and risk assessments, form the basis for these assessments.

Vy is a transport group operating within the passenger train, bus and rail freight segments, as well as related activities. Our strategy means that we need to work to ensure that the transport solutions of today and tomorrow are as sustainable as possible. Vy believes that green public transport solutions are a prerequisite for the society of the future. When we travel and transport sustainably, we end up with space and energy-efficient solutions, cleaner air, fewer road accidents and less lost time due to fewer traffic jams. If you want more people to choose public transport solutions, it must be an easy choice to make.

Our **vision** is 'Vy makes choosing green easy'.

Our **main objectives** are growth through more sustainable journeys and rail freight and the greatest possible profitability over time.

In order to deliver on our vision and main objectives, Vy will prioritise the following four areas:

- Great customer experiences, every day
- Industry-leading innovation
- Being efficient and reliable in everything we do
- Committed and customer-focused staff

The strategy has been operationalised and incorporated in Vygruppen's action plans and the Board of Directors monitors the progress and status of goal attainment.

Through great customer experiences, every day, industry-leading innovation and efficient production - created by committed and customer-focused employees - we will increase the amount of climate-friendly journeys and transport. When more people choose Vy, which supplies services in a profitable manner, the company will also be able to give the owner returns on invested capital, while also contributing to a more sustainable society.

GRI 2-23 Policy commitments

Vy has established governing documents that impose requirements relating to responsible business. The company's articles of association state:

The Board of Directors shall ensure that there are satisfactory systems in place for internal control of the company's activities and that risk assessments are regularly conducted, including preventive measures and emergency preparedness measures. The Board of Directors will ensure that the company assumes corporate social responsibility. See <https://www.vy.no/en/the-vy-group/corporate-governance>. The articles of association have been adopted at the company's general meeting.

Vy's adopted documents on governance and corporate

management state that: To ensure comprehensive corporate governance, a dedicated management system has been established that includes governing documents, emergency preparedness plans, safety procedures and processes to manage and govern the company. As part of this, principles, guidelines, procedures, manuals and authority matrices have been drawn up to manage and control the company's finances, accounting and funding. Annual risk assessments are carried out of the Group's activities and measures are evaluated and implemented to manage the risk situation. See <https://www.vy.no/en/the-vy-group/corporate-governance>. The document has been adopted by the Board of Directors and forms part of Vy's Annual and Sustainability Report 2022.

The governing document, Sustainability and Corporate Social Responsibility at Vy, states the following:

Systematic work on sustainability shall be an integral part of corporate governance and improvement objectives shall be established. In this work, priority is given to areas in which we can make a significant contribution to society and to the fulfilment of the UN Sustainable Development Goals. Vy's operations shall comply with all fundamental requirements relating to responsible business conduct, as set down in e.g. the OECD Guidelines for Responsible Business Conduct. In order to highlight the Group's work on sustainability and to ensure common systematics, the focus is on common quality standards. All divisions of Vy that have not already been certified will be certified in accordance with the ISO 14001 Environmental Standard.

We have to follow these fundamental principles when exercising our corporate social responsibility:

- *All division managers are responsible for ensuring that their unit takes sustainability and corporate social responsibility into account in its operations*
- *Sustainability and corporate social responsibility must be incorporated into our strategic foundation and our values.*
- *We help to fulfil the UN's Sustainable Development Goals*
- *We support the principles of the UN Declaration on Human Rights and the ILO core conventions*
- *We actively work to combat all forms of corruption*
- *We will actively contribute to reducing the environmental impact from the transport sector*
- *We report annually on the status and development of corporate social responsibility through our annual and sustainability report*

The governing document, Sustainability and Corporate Social Responsibility, has been adopted by the Group CEO.

Vy has established a policy to safeguard labour and human rights at Vy. This document has been considered by the corporate management team and adopted by the Group CEO. The policy states the following about this work:

Vygruppen will respect internationally recognised human rights arising, among other things, from:

- *The Universal Declaration of Human Rights,*
- *The United Nations' Convention on Economic, Social*

and Cultural Rights,

- *The International Covenant on Civil and Political Rights,*
- *The ILO Declaration on Fundamental Principles and Rights at Work*
- *and relevant standards in international humanitarian law.*

We will conduct our business activities in a manner consistent with the UN Guiding Principles on Business and Human Rights by conducting due diligence in connection with our operations.

Vygruppen will conduct due diligence in accordance with the UN's Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Due diligence is an internationally recognised method in the work to safeguard human and labour rights. As part of due diligence, Vygruppen will identify actual and potential risk of negative impact on human rights that we have caused, contributed to or are directly linked to through our activities, both internally and in the supply chain. We aim to stop, prevent and/or reduce such impact. The effect of the measures will be monitored, assessed and communicated to affected parties.

The contents of the aforementioned policies are primarily communicated to suppliers in the form of requirements imposed in connection with tender processes and the follow-up of deliveries.

Vy has adopted its own processes to safeguard the rights of employees and these are managed and communicated through collaborative committees and negotiated as part of collective bargaining. Overarching guidelines are communicated via the employee manual, which is published on the company intranet.

Each year, managers and board members are required to sign a declaration confirming that they have reviewed and will comply with the company's Code of Conduct and Policy for Sustainability and Corporate Social Responsibility at Vy.

GRI 2-24 Embedding policy commitments

Adopted group principles and guidelines are managed and communicated through the respective corporate staff teams for the area of responsibility in question. For example, Group HR for HSE and Group Finance for finance and accounting. The corporate staff teams will establish processes to operationalise guidelines and legal requirements and will monitor this through reporting and meetings with the Group's divisions. Day-to-day operational responsibility has been delegated to the management teams in the different business units. The corporate staff teams are responsible for policy-making but may also be responsible for Group-wide services such as IT infrastructure, payroll and accounting. The heads of the various corporate staff teams are part of the corporate management team.

For some units, specific requirements are imposed with regard to partners and especially suppliers. A Supplier Code of Conduct has been established and is included as an integral part of contractual wording and Vy will monitor and check compliance in situations where this is indicated by risk assessments or reports.

Vy has established Group-wide management training using digital learning for key Group principles and guidelines required for Vy managers. The number/proportion of managers that have completed the training is a strategic KPI reported to corporate management and the Board of Directors. Group HR has been assigned the responsibility for developing and implementing management training.

GRI 2-25 Process to remediate negative impacts

Vygruppen will carry out due diligence in accordance with the UN's Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

As part of due diligence, Vygruppen will identify actual and potential risk of negative impact that we have caused, contributed to or are directly linked to through our activities, both internally and in the supply chain.

Such negative impact can be reported and managed via internal collaborative bodies, such as the established health and safety committee and collective bargaining, and externally through communication with Customer Service. Negative impacts can also be communicated via external forums, such as the Norwegian Railway Inspectorate with regard to e.g. traffic safety, the Norwegian Consumer Ombudsman and the legal system.

Negative impact can also be reported via special interest organisations, such as environmental organisations.

Internal risk and control procedures have been established for the early detection of negative non-conformities and to initiate measures and reduce or eliminate negative impacts. With regard to the environment, this could be linked to discharge/emissions to the environment and older pollution and contamination of the environment.

The work to detect and improve adverse situations is primarily addressed through risk assessments and internal control assessments, as well as in dialogue with employees and trade unions.

GRI 2-26 Mechanisms for seeking advice and raising concerns

The Working Environment Act sets out protection for employees and contractors wishing to report misconduct in the company and Vy's procedures have been drawn up in accordance with these rules. Employees and contractors have the right to report misconduct in the company. Misconduct refers to circumstances that contravene legal rules, the company's written Code of Conduct or ethical standards that are broadly endorsed in society.

Vy has established a whistleblowing system in the form of an internal and external whistleblowing channel for its employees. Information and regulations have been included in Vy's employee manual and are published on Vy's intranet. Employees and trade unions are familiar with the whistleblowing system through e.g. the health and safety committee's review. During the review by the Board of Directors' audit committee, it was commented that the scheme is communicated properly among employees and that employee representatives feel confident about the structure and approach.

Synergi and Delta are used by Vy Tog, CargoNet and Vy Buss as systems to report and manage adverse events (near-accidents and injuries) and non-conformities, including associated measures and activities of importance to safety management (risk assessment, examinations/investigations, emergency preparedness analyses/evaluations, causal analyses, etc.)

Reported matters are managed and, after the measures have been implemented and, if applicable, evaluated, the matter will be inspected and closed.

GRI 2-27 Compliance with laws and regulations

Vy was not convicted or fined for violating laws and regulations in 2022.

GRI 2-28 Membership associations

Vygruppen is a member of employers organisations and a number of special interest organisations. A selection of key organisations include:

- The employers' association Arbejdsgiverforeningen Spekter
- NHO Logistics and Transport
- Sveriges Bussföretag
- Västra Sveriges Bussbranchföråning
- Skift
- The tourism forum Forum for Reiseliv
- Ethical Trade Norway
- Sustainability Hub Norway

5. Stakeholder engagement

GRI 2-29 Approach to stakeholder engagement

Vy regularly communicates and convenes meetings with key stakeholders in the value chain. For public transport divisions and other contracting authorities, communication takes place in the form of mandatory reporting and follow-up meetings. For individual customers, day-to-day information and communication are provided via the Vy app, regular customer surveys are conducted and customers also enter into dialogue with Customer Service. For key sector suppliers, meetings are convened to review deliveries and identify areas for improvement. Communication and dialogue with employees take place through collaboration and health and safety committees, as well as collective bargaining and day-to-day management. Dialogue with suppliers takes place through negotiations, agreed reporting and meetings. Dialogue with the owner takes place through the general meeting, contact meetings, ownership meetings and written communication.

Vy operates in Norway and Sweden and dialogue with foreign suppliers primarily takes place via the suppliers' Norwegian/Swedish representatives. No significant language barriers have been reported in connection with dialogue.

GRI 2-30 Collective bargaining agreements

Vy has employees in Norway and Sweden. 86 per cent of employees are paid in accordance with a collective agreement.

The remainder are largely managers and administrative

employees with individual employment contracts. Annual pay increases are normally the average of the percentage limit established as part of negotiations for industries exposed to competition.

Disclosure on material topics

GRI 3-1 Process to determine material topics

Throughout the year, Vy conducts risk assessments in order to assess the probability of incidents and the scope/materiality of such incidents in the form of negative or positive impact. In situations where this can be measured financially, this will be used as the materiality criterion. Risk assessments are drawn up for subsidiaries, business units and the Group as a whole and are considered by the company management/division management and boards, as well as by corporate management and the Group's Board of Directors.

Key risk assessments include:

- Comprehensive risk assessment associated with strategy and goal attainment
- Climate risk
- Traffic safety and other physical risk
- Reputational risk
- Supply chain risk, including human rights violations

On the basis of the risk assessments, we draw up measures to mitigate the risk situation and where there are positive opportunities for improvement we will prepare and exploit such opportunities.

Every two years, we also conduct enhanced stakeholder analyses in which stakeholders are interviewed and asked to provide their specific assessments on key material topics (ESG) for Vy. These are ranked based on the stakeholders' subjective self-assessment of materiality.

The selection of stakeholders for interviews and surveys is based on identification of key stakeholders within Vy's value chain.

The Sustainability Officer and those responsible for sustainability accounting have used this as the basis for selecting stakeholders for interviews and surveys. Selected stakeholders for the 2022 survey were:

- The Owner, represented by the Ministry of Transport and Communications
- Contracting authorities and public transport companies: The Norwegian Railway Directorate and Ruter
- Sector suppliers: Bane NOR
- Trade unions: NLF and NJF
- Special interest organisations: Zero and the Norwegian Society for the Conservation of Nature
- Employees through intranet surveys
- Division management and corporate management
- Interviews with selected key persons in the divisions in Norway and Sweden that have a good overview of their overall activities
- Interviews with representatives from the marketing departments in Norway and Sweden (including review of market research and customer surveys)

On the basis of the aforementioned risk assessments and stakeholder dialogue, the Vy corporate management team has prioritised significant sustainability areas for Vy based on the degree of financial impact on the company and environmental and social materiality. The material topics for sustainability reporting have been selected on the basis of this prioritisation. We have selected the six most significant material topics for reporting.

This year's review means that we have expanded our GRI reporting to include the following material topics:

- Emissions to air
- HSE
- Health and safety for customers

GRI 3-2 List of material topics

Through this year's process, Vy has chosen the following material topics for sustainability reporting with reference to GRI:

- Economic performance
- Anti-corruption
- Energy
- Emissions to air (Emissions)
- HSE (Occupational health and safety)
- Customer health and safety

GRI 3-3 Management of material topics

Economic performance

During the COVID-19 period in 2020 and 2021, Vy achieved negative financial results from its activities. The main reason for this was reduced travel activity and revenues. In 2022, the situation improved after the measures to stop the pandemic were relaxed and Vy reported a profit after tax of MNOK 133.

Vy reports financial figures in accordance with the IFRS accounting standard and has a dedicated internal control regime in place to reduce errors in financial reporting. The status of and work on internal control measures are reviewed annually by the audit committee and Group Board of Directors. The owner's financial objective for the company is the highest possible return over time. This is measured in terms of profit for the year, developments in equity and return on equity.

The financial figures are audited by the elected auditor and the auditor's report forms part of the Annual and Sustainability Report for 2022. No significant non-conformities have been reported.

Anti-corruption

Vy regularly assesses the risk of corruption and irregularities. Corruption in connection with procurements can lead to poor quality and lower quantities and can potentially also support the violation of legislation relating to the working environment, human rights and the environment. The costs associated with the procurement will also often rise. Corruption in connection with the sale of services can also result in lower revenues for the company.

The governing document, Sustainability and Corporate Social Responsibility at Vy (see Section GRI 2-23 of this

document) and our Code of Conduct, stipulate that Vy will work actively to combat all forms of corruption. We do this by issuing information to managers and employees about our guidelines and by conducting ongoing internal control activities to reduce the risk of corruption and irregularities. The whistleblowing system is also used to detect possible non-conformities. In the event of possible non-conformities, the matter will be managed by specialists in Legal, HR and Finance to detect any actions that contravene our guidelines, determine and implement measures to mitigate negative impact and assess and implement measures relating to any implicated individuals internally or externally. This could, for example, lead to a loss of a supply contract or the termination of employment.

Vy conducts data analyses using data from internal systems and available public registers to detect any possible new non-conformities. This is monitored on an ongoing basis.

Energy and emissions

Vy is a major consumer of energy for the running of trains and buses. The production and use of energy has negative impacts in the form of CO₂e emissions. Vy is therefore committed to reducing energy consumption and using energy carriers with the least harmful emissions possible in accordance with the objective for Vy to actively contribute to reducing the environmental impact from the transport sector (cf. Section GRI 2-23 of this report). The work to reduce energy consumption and emissions is a consequence of this objective.

Targets are established and monitored in relation to energy consumption for train, bus and freight operations, either directly in the form of energy consumption per seat/carriage kilometre or in the form of emissions per seat/carriage kilometre. No targets have been established for total energy consumption as Vy's main objectives are growth through more sustainable journeys and freight transport by rail and the highest possible profitability over time. Achieving this goal would involve higher energy consumption and emissions, but often also lower energy consumption per driven kilometre than for other types of passenger and freight transport.

Coefficients for energy consumption and emissions, as well as goal attainment, are reported monthly to the management and Board of Directors.

For the bus division, meters have been installed on each bus to provide an overview of the driving style outcomes of the driver and this help provide instant feedback on impacts such as wear and tear on buses and energy consumption. Status and goal attainment are reported monthly through KPI charts for the bus division and the Group and this is considered to be a good performance indicator that contributes to reduced energy consumption and lower emissions. Another important measure for the bus division is the switch to fossil-free fuel, thereby achieving lower emissions. There is an increasing number of electric buses in service and electric express buses are currently being tested.

Our train services primarily run on electrical energy, with the exception of freight trains on the Nordland Line, which still need to use diesel due to a lack of electrification on the

route. In order to operate electric passenger and freight trains, Vy sources power with guarantees of origin. This provides a guarantee that the electricity we use is produced as renewable power at Norwegian hydro-power plants. Efforts are being made to install well functioning energy meters on board trains so that drivers can receive immediate feedback relating to energy consumption.

Occupational health and safety

Injuries incurred by our employees have a negative impact on the individual and lead to increased levels of absence due to illness, which necessitates temporary cover/overtime, potentially lower production capacity and increased costs.

In 2022, Vy's corporate management team adopted a Group-wide HSE declaration and this has been communicated to all managers during meetings throughout the year. The declaration states:

- Our vision is zero injuries and we work preventively to avoid accidents and injuries
- We will be visible leaders, we will lead in line with our values and leadership principles and we will ensure that we are approachable.
- We will work systematically on preventive HSE to ensure safe workplaces and reduce stress injuries and absence due to illness.
- We will work towards achieving an inclusive, non-discriminatory and diverse working environment in which individuals are respected and valued.
- We will pave the way for continuous improvement work on the basis of transparency, learning and interdisciplinary interaction.
- We will impose requirements and ensure adequate follow-up of suppliers with regard to health, safety and the environment.

Furthermore, a Group-wide HSE strategy has also been drawn up that provides a unified direction for continued work on preventive and systematic HSE. A key instrument in our preventive work is the establishment of a Group-wide agreement with an external occupational health service. HSE and the working environment are also a key theme in the management development programme that launched in 2022 and will continue throughout 2023.

Targets are established for the level of absence due to illness and occupational injuries and goal attainment are reported monthly. The status and measures are reviewed as part of monthly reports, by the health and safety committee, and at Business Reviews, board meetings and meetings with the owner. It is an objective for HSE work to be based on a combination of proactive and reactive performance indicators in order to better highlight the actual activities that form part of preventive work.

Absence due to illness was significantly higher than the target during the pandemic period but is now starting to normalise. Occupational injuries at freight terminals are higher than the target and measures have been implemented in the form of awareness raising, training and best practices among employees at freight terminals for the purpose of reducing the injury rate.

Customer health and safety

To Vy, it is crucial to ensure the safety of all customers. Accidents can lead to personal injuries, environmental damage and material damage. Accidents can also lead to high costs and negative impact on reputation, which in turn can result in a lower number of journeys and less revenue. Accidents may occur as a result of faults or errors on the part of Vy, but also on the part of sector suppliers such as Bane NOR or due to landslides, flooding, etc. which are factors that can also be linked to climate change. Historically speaking, the safety results for Norway and Vy are positive compared to the rest of Europe.

The governing document, Management, organisation and governance – Group principles, states the following:

- Vygruppen's activities shall not cause serious harm to people, the environment or material assets.
- Vygruppen's business units shall proactively prevent adverse events and shall have the necessary capacity to manage critical situations. To the extent possible, core activities should also be maintained in threat and emergency situations.
- Learning and continuous improvement shall be facilitated. Safety-related information shall be understandable and easily accessible in the organisation. No-one shall be punished for reporting errors and challenges.
- Safety work shall be adapted to the nature of the activities and shall be developed to meet changes to requirements and assumptions.

Vy has a defined safety organisation responsible for traffic safety. Work is carried out proactively in connection with risk assessments, regulations, analyses, emergency preparedness and other factors such as the MTO interaction between Man, Technology and Organisation in safety management. Security and national emergency preparedness are part of traffic safety at Vy and help ensure that Vy safeguards customers and properly manages Vy's responsibilities relating to public safety.

Adverse events (conditions, near-accidents and injuries) are recorded, followed up on and reported. There is a strong safety culture at Vy and this contributes to high levels of adverse events being reported. Our employee surveys and pulse surveys confirm the strong safety culture. See also discussion in the section relating to GRI 2-26 in this report.

There is extensive and positive collaboration with safety representatives and trade union representatives regarding traffic safety matters. One specific example of this is the fact that the safety representative is defined as a participant in risk assessments and that employee representatives should be involved in risk assessments relating to training and organisation.

Measures to improve traffic safety are implemented both internally at Vy but also in collaboration with sector suppliers - such as the infrastructure supplier, Bane NOR- in order to draw up and implement joint measures to further mitigate risk. The systematics for work on traffic safety and the reduction of accidents are considered satisfactory based on the risk situation and the inherent risk associated with all transport.

In order to manage residual risk, Vy has well established and tested emergency preparedness procedures in place. The emergency preparedness work has also focused on cyber incidents and continuity in order to maintain operations to the greatest possible extent following an incident. In the passenger train division, changes have been implemented in connection with the introduction of the corporate staff methodology and proactive crisis management. Emergency preparedness evaluations show that personnel are trained to manage the events that could occur in an appropriate manner.

When it comes to traffic safety, targets and KPIs are set for injuries, near-accidents/accidents and the use of traffic safety systems. Traffic safety reports, including reports, statuses and measures, are prepared for management each month and work is undertaken systematically at all levels of Vy to ensure continuous improvement and organisational learning.

GRI 201: Economic performance 2016

201-1 Direct economic value generated and distributed

The income statement can be found in the financial part of the annual and sustainability report on page 59 and in the segment note on page 63.

201-2 Financial implications and other risk and opportunities due to Climate change

Vy is exposed to physical and regulatory climate risk. More frequent climate-related events such as landslides, flooding and forest fires can lead to production stoppages. Climate policy instruments can limit travel activity from foreign tourists from planes and cruise ships and can also affect energy prices. On the other hand, a more ambitious climate policy could lead to increased demand for public transport, climate-friendly tourism and rail freight, as well as increased investments in infrastructure to strengthen the quality and competitiveness of the railway.

201-3 Defined benefit plan obligations and other retirement plans

No direct financial impact has been calculated for the impact of climate change, but this should be manageable in the short term as Vy is insured against some of this. Materiality has been assessed qualitatively. Vygruppen will consider the acquisition of methodology to assess the economic impact of climate change in 2023.

201-4 Financial assistance received from government

For train operations in Norway and Sweden, agreements have been entered into with the Norwegian Railway Directorate and the public purchasers in Sweden under which a remuneration is paid, in addition to revenue from passengers, for operating the train traffic on a route. Additionally, for the period from 2020 to summer 2022, extraordinary grants were also provided to help maintain virtually full production during the pandemic. The freight division also received environmental funding from the governments in Norway and Sweden in 2022.

MNOK	Norway	Sweden
Public procurement of passenger transport services	3 295	328
Environmental funding for rail freight	55	49

GRI 205: Anticorruption 2016

205-1 Operations assessed for risk related to corruption

As part of Vy's internal control processes, risk assessments and reviews of controls are carried out for irregularities and corruption in all business units. Based on the overall risk assessments for the industry and country of origin, certain suppliers are also subjected to risk assessments relating to corruption.

205-2 Communication and training about anticorruption policies and procedures

Senior executives must regularly sign off to show that the Code of Conduct has been reviewed and implemented in their division. The status of internal control activities relating to irregularities and corruption is drawn up annually and communicated to and considered by division management, corporate management and the Board of Directors. This year's management training included a dedicated sequence on the Code of Conduct and anti-corruption efforts.

98 per cent of Vygruppen's line managers in Norway and Sweden (265 people) completed the Group-wide digital management training in 2022, which includes learning and training on ethics and corruption. This represents 2.3 per cent of employees. The majority of our employees work on the trains and buses.

The 45 employees in corporate management, the managers of business units and corporate staff/support also completed the management training. During the year, the eight members of the Board of Directors, the corporate management team and managers of the business units were informed of the status and measures relating to internal control, including irregularities and corruption. In 2021 and 2022, members also signed a self-declaration relating to the Code of Conduct, as well as the guidelines for sustainability and any conflicts of interest.

Our statistical data does not distinguish between the countries as this was not deemed to be of relevance.

Requirements have been imposed on our suppliers with regard to business conduct through the "Supplier Code of Conduct". The Supplier Code of Conduct applies to all of Vygruppen's suppliers and their subcontractors. Our policy to safeguard labour and human rights and the Code of Conduct were revised this year and both the policy and Supplier Code of Conduct have been adopted by the Group CEO of Vygruppen.

All management teams have also been informed of the policy on labour and human rights.

Vygruppen's policy and Supplier Code of Conduct are available on the website, <https://www.vy.no/en/the-vy-group/sustainability-and-social-responsibility>.

205-3 Confirmed incidents of corruption and actions taken

No confirmed corruption cases were registered at Vy in 2022.

GRI 302: Energy 2016

302-1 Management approach disclosures	2022
1.1 The reporting organization shall report its management approach for energy using GRI 103: Management Approach	See GRI 103: Management Approach: Energy.

GRI 103: Management Approach: Energy

103-1 Explanation of the material topic and its Boundary	2022
a. An explanation of why the topic is material	See GRI 3-3 Management of material topics
b. The Boundary for the material topic, which includes a description of:	See GRI 3-3 Management of material topics
i. where the impacts occur;	See GRI 3-3 Management of material topics
ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.	See GRI 3-3 Management of material topics
c. Any specific limitation regarding the topic Boundary	See GRI 3-3 Management of material topics

103-2 The management approach and its components	2022
a. An explanation of how the organization manages the topic	See GRI 3-3 Management of material topics
b. A statement of the purpose of the management approach	See GRI 3-3 Management of material topics
c. A description of the following, if the management approach includes that component:	See GRI 3-3 Management of material topics
i. Policies	See GRI 3-3 Management of material topics
ii. Commitments	See GRI 3-3 Management of material topics
iii. Goals and targets	See GRI 3-3 Management of material topics
iv. Responsibilities	See GRI 3-3 Management of material topics
v. Resources	See GRI 3-3 Management of material topics
vi. Grievance mechanisms	See GRI 3-3 Management of material topics
vii. Specific actions, such as processes, projects, pro-grams and initiatives	See GRI 3-3 Management of material topics

103-3 Evaluation of the management approach	2022
a. An explanation of how the organization evaluates the management approach, including:	See GRI 3-3 Management of material topics
i. the mechanisms for evaluating the effectiveness of the management approach;	See GRI 3-3 Management of material topics
ii. the results of the evaluation of the management approach;	See GRI 3-3 Management of material topics
iii. any related adjustments to the management approach	See GRI 3-3 Management of material topics

GRI 302 - Energy

302-1 Energy consumption within the organization	2020	2021	2022	Unit	Comment
a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used.	1 146	1 307	2 017	mill MJ	Increased consumption of fossil diesel for bus transport from 2020 to 2022 due to increased costs/taxes on biodiesel and requests from contracting authorities to use energy sources with lower unit costs.
b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.	1 316,9	1 006	714,7	mill MJ	Reduced consumption of biodiesel for bus transport from 2020 to 2022. See explanation above.
c. In joules, watt-hours or multiples, the total:					
i. electricity consumption	624 180	673 859	684 496	MWh	Increased investment in electric buses from 2020 to 2022.
ii. heating consumption	0	0	0	MWh	
iii. cooling consumption	0	0	0	MWh	
iv. steam consumption	0	0	0	MWh	
d. In joules, watt-hours or multiples, the total:					
i. electricity sold	0	0	0	MWh	
ii. heating sold	0	0	0	MWh	
iii. cooling sold	0	0	0	MWh	
iv. steam sold	0	0	0	MWh	
e. Total energy consumption within the organization, in joules or multiples.	4 710	4 739	5 196	MWh	Total increased activity leads to increased consumption of fuel from 2020 to 2022.

f. Standards, methodologies, as-sumptions, and/or calculation tools used. g. Source of the conversion factors used.	Blended diesel for road transport in accordance with turnover requirements: 15.5% conventional and 4.5% advanced. Quantity data: Stated consumption of diesel in litres. Emission figures: Defras 2022, UK Government GHG Conversion Factors for Company Reporting. 2022 NS-EN 16258:2012 Methodology for calculation and declaration of energy consumption and GHG emissions of transport services (freight and passengers)
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302-2 Energy consumption outside of the organization	2020	2021	2022	Unit	Comment
a. Energy consumption outside of the organization, in joules or multiples.	98	112	93	mill MJ	Includes consumption of diesel for rail replacement bus services in Norway and Sweden
b. Standards, methodologies, assumptions, and/or calculation tools used.	See 302-1 f				
c. Source of the conversion factors used	See 302-1 f				

302-3 Energy intensity	2020	2021	2022	Unit	Comment
a. Energy intensity ratio for the organization.					
Buses	0,76	0,67	0,72	MJ/passenger kilometre, bus	5% reduction from 2020 to 2022
Passenger trains, Norway	1,02	1,17	0,75	MJ/passenger kilometre, train	26% reduction from 2020 to 2022
Passenger train, Sweden	0,98	1,14	0,76	MJ/passenger kilometre, train	22% reduction from 2020 to 2022
Freight trains	0,23	0,23	0,23	MJ/ tonne km	1% reduction from 2020 to 2022
b. Organization-specific metric (the denominator) chosen to calculate the ratio.					
Buses	2 793	3 120	3 528	million passenger kilometres, buses	
Passenger trains, Norway	1 490	1 188	2 008	million passenger kilometres, passenger trains	
Passenger train, Sweden	443	498	533	million passenger kilometres, passenger trains	
Freight trains	2 800	3 048	3 283	million tonne kilometres	
c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all.					
Includes consumption of diesel in litres and electricity in kWh for the running of trains and buses					
d. Whether the ratio uses energy consumption within the organization, outside of it, or both					
Includes direct fuel consumption for the running of trains and buses. Rail replacement bus services and other energy consumption in Scope 3 have been excluded.					

302-4 Reduction of energy consumption	2020	2021	2022	Unit	Comment
a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.	Not applicable. Base year/base line not defined				
b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all.	Not applicable				
c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.	Reduction of energy consumption not applicable, base year/baseline not defined.				
d. Standards, methodologies, as-sumptions, and/or calculation tools used	Not applicable				

302-5 Reductions in energy requirements of products and services	2020	2021	2022	Unit	Comment
a. Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples.	Not applicable. Base year/baseline not defined.				
b. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.	Reduction of energy consumption not applicable, base year/baseline not defined.				
c. Standards, methodologies, as-sumptions, and/or calculation tools used	Not applicable				

GRI 305: Emissions 2016

305-1 Management approach disclosures	2022
1.1 The reporting organization shall report its management approach for emissions using GRI 103: Management Approach.	See GRI 103
1.2 When reporting on GHG emissions targets, the reporting organization shall explain whether offsets were used to meet the targets, including the type, amount, criteria or scheme of which the offsets are part	Not applicable. Emission targets not defined.

GRI 103: Management Approach: Emissions

103-1 Explanation of the material topic and its Boundary	2022
a. An explanation of why the topic is material	See GRI 3-3 Management of material topics
b. The Boundary for the material topic, which includes a description of:	See GRI 3-3 Management of material topics
i. where the impacts occur;	See GRI 3-3 Management of material topics
ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.	See GRI 3-3 Management of material topics
c. Any specific limitation regarding the topic Boundary	See GRI 3-3 Management of material topics

103-2 The management approach and its components	2022
a. An explanation of why the topic is material	See GRI 3-3 Management of material topics
b. The Boundary for the material topic, which includes a description of:	See GRI 3-3 Management of material topics
i. where the impacts occur;	See GRI 3-3 Management of material topics
ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.	See GRI 3-3 Management of material topics
iii. Goals and targets	See GRI 3-3 Management of material topics
iv. Responsibilities	See GRI 3-3 Management of material topics
v. Resources	See GRI 3-3 Management of material topics
vi. Grievance mechanisms	See GRI 3-3 Management of material topics
vii. Specific actions, such as processes, projects, programs and initiatives	See GRI 3-3 Management of material topics

103-3 Evaluation of the management approach	2022
a. An explanation of how the organization evaluates the management approach, including:	See GRI 3-3 Management of material topics
i. the mechanisms for evaluating the effectiveness of the management approach;	See GRI 3-3 Management of material topics
ii. the results of the evaluation of the management approach;	See GRI 3-3 Management of material topics
iii. any related adjustments to the management approach	See GRI 3-3 Management of material topics

305-1 Direct (Scope 1) GHG emissions	2020	2021	2022	Unit	Comment
a. Gross direct (Scope 1) GHG emissions in metric tons of CO2 equivalent.					
Buses	49 522	58 967	102 808	tonnes CO2-e	Increased consumption of fossil diesel, due to increased cost of biodiesel and demands from clients to change fuel.
Passenger trains, Norway	9 565	54	45	tonnes CO2-e	Less use of diesel trains after 2019
Passenger trains, Sweden	6 789	6 319	1 902	tonnes CO2-e	Decreased scope of diesel trains after 2021.
Freight trains	18 674	20 877	23 765	tonnesCO2-e	Increased use of diesel trains in 2022
Other, Group	0	0	0	tonnes CO2-e	See scope 3
Total	84 550	86 217	128 520	tonnes CO2-e	
b. Gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all.	All gases are included, summed up in tonnes CO2 equivalents				
c. Biogenic CO2 emissions in metric tons of CO2 equivalent.					
Buses	91 842	81 152	69 975	tonn CO2-e	Reduced consumption of biodiesel
Passenger trains, Norway	0	0	0	tonn CO2-e	
Passenger trains, Sweden	0	0	0	tonn CO2-e	
Freight trains	0	0	0	tonn CO2-e	
Other, Group	0	0	0	tonn CO2-e	
Total	91 842	81 152	69 975	tonn CO2-e	
d. Base year for the calculation, if applicable, including:	Base year for the calculation not applicable, base year/baseline not defined.				
i. the rationale for choosing it;	Not applicable				
ii. emissions in the base year;	Not applicable				
iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.	Not applicable				

e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.	Blended diesel for road transport in accordance with turnover requirements: 15.5% conventional and 4.5% advanced. Quantity data: Stated consumption of diesel in litres. Emission figures: Defras 2022, UK Government GHG Conversion Factors for Company Reporting. 2022 NS-EN 16258:2012 Methodology for calculation and declaration of energy consumption and GHG emissions of transport services (freight and passengers)
f. Consolidation approach for emissions; whether equity share, financial control, or operational control.	Financial control. Parent company and 100 per cent owned subsidiaries

305-2 Energy indirect (Scope 2) GHG emissions	2020	2021	2022	Unit	Comment
a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent.					
Buses	1 529	1 776	1 923	tonnes CO2-e	
Passenger trains, Norway	9 580	9 963	12 004	tonnes CO2-e	
Passenger trains, Sweden	3 274	4 598	3 630	tonnes CO2-e	
Freight trains	2 704	2 994	3 360	tonnes CO2-e	
Other, Group	0	0	0	tonnes CO2-e	
Total	17 087	19 331	20 918	tonnes CO2-e	
b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent.					
Buses	13 243	15 613	12 336	tonnes CO2-e	
Passenger trains, Norway	5 422	2 589	3 881	tonnes CO2-e	
Passenger trains, Sweden	1 351	893	969	tonnes CO2-e	
Freight trains	1 617	877	1 182	tonnes CO2-e	
Other, Group	0	0	0	tonnes CO2-e	
Sum	21 633	19 972	18 369	tonnes CO2-e	
c. If available, the gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all.	All gases are included, summed up in tonnes CO2 equivalents				
d. Base year for the calculation, if applicable, including:	Base year for the calculation not applicable, base year/baseline not defined.				
i. the rationale for choosing it;	Not applicable				
ii. emissions in the base year;	Not applicable				
iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.	Not applicable				
e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.	Location, NO: Electricity, supply mix, high voltage, NO average 2018-2022, ecoinvent, IPCC2021. Location SE: Electricity, market for 2022, ecoinvent, IPCC2021. Market NO: product declaration electricity NVE, https://www.nve.no/energi/virkemidler/opprinnelsesgarantier-og-varedeklarasjon-for-stroemleverandoerer/ Market SE: AIB https://www.aib-net.org/sites/default/files/assets/facts/residual-mix/2021/AIB_2021_Residual_Mix_Results_1_1.pdf				
f. Consolidation approach for emissions; whether equity share, financial control, or operational control.	Financial control				
g. Standards, methodologies, assumptions, and/or calculation tools used.	NS-EN 16258:2012 Methodology for calculation and declaration of energy consumption and GHG emissions of transport services (freight and passengers) For the emission factors for electricity, we have used the Norwegian consumption mix with a 5-year average for the years 2018-2022 to develop the "physical" factors. The location-based consumption mix is based on 5-year averages calculated based on actual production, imports and exports in Norway and the Nordic region. The underlying data has been taken from the ENTSO-E Transparency Platform and has been processed using Excel and Power BI reports to extract the Nordic and Norwegian electricity mixes. In order to calculate emission intensity, the ENTSO data has been used in Simapro together with suitable ecoinvent processes for each technology. The "market-based" electricity mix with guarantees of origin for renewable power is based on Norwegian hydro-power. The emission factor for the residual mix is based on product declarations for electricity suppliers that do not buy guarantees of origin and has been developed by NVE. According to NVE, the factor is based on the fact that electricity of unknown origin is replaced using an estimate for the composition of electricity for which guarantees of origin have not been issued in Europe, i.e. a European residual mix.				

305-3 Other indirect (Scope 3) GHG emissions	2020	2021	2022	Unit	Comment
a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO2 equivalent.					
Buses	32 018	33 131	41 957	tonnes CO2-e	
Passenger trains, Norway	11 181	7 672	8 503	tonnes CO2-e	
Passenger trains, Sweden	5 674	6 256	3 881	tonnes CO2-e	
Freight trains	11 598	12 519	13 840	tonnes CO2-e	
Other, Group	24 739	27 066	25 262	tonnes CO2-e	
Total	85 210	86 644	93 443	tonnes CO2-e	

b. If available, the gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all.	All gases are included, summed up in tonnes CO2 equivalents		
c. Biogenic CO2 emissions in metric tons of CO2 equivalent.			
Buses	Information unavailable	tonnes CO2-e	
Passenger trains, Norway	Information unavailable	tonnes CO2-e	
Passenger trains, Sweden	Information unavailable	tonnes CO2-e	
Freight trains	Information unavailable	tonnes CO2-e	
Other, Group	Information unavailable	tonnes CO2-e	
Total	Information unavailable	tonnes CO2-e	
b. If available, the gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all.	Upstream categories included 1. Purchased goods and services 2. Capital goods 3. Fuel- and energy-related activities (not included in Scope 1 or Scope 2) 4. Upstream transportation and distribution 5. Waste generated in operations 6. Business travel 8. Upstream leased assets		
e. Base year for the calculation, if applicable, including:	Base year for the calculation not applicable, base year/baseline not defined.		
i. the rationale for choosing it;	Not applicable		
ii. emissions in the base year;	Not applicable		
iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.	Not applicable		
f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.	Defras 2022, UK Government GHG Conversion Factors for Company Reporting, 2022 An environmentally expanded input-output model based on trade statistics from the national accounts. Source: Asplan Viak AS.		
g. Standards, methodologies, assumptions, and/or calculation tools used.	An environmentally expanded input-output model based on trade statistics from national accounts, summarised using supply, use and input-output tables. The tables provide information about how various sectors in the economy use goods from other sectors as input factors in production, as well as how much of the production goes to various types of end consumers (public sector, households, capital goods, export). These tables can be processed and combined with emission statistics for the same sectors and this results in a model that can calculate the life-cycle emissions for the purchase of NOK 1 of goods or services from a given sector. Statistics Norway publishes input-output tables and sectoral emission figures for Norway with a delay of approximately two years. The same is the case in several other countries and EU28 (which is used as the proxy for imports to Norway). The tables can be downloaded from Statistics Norway and Eurostat's websites and must be processed for use in emission models.		

305-4 GHG emissions intensity	2020	2021	2022	Unit	Comment
a. GHG emissions intensity ratio for the organization.	Scope 1+2, without biogenic emissions				
Buses	0,018	0,019	0,030	kg CO2-e/passenger kilometre, bus	62% increase from 2020 to 2022
Passenger trains, Norway	0,013	0,008	0,006	kg CO2-e/passenger kilometre, trains	50% reduction from 2020 to 2022
Passenger trains, Sweden	0,023	0,022	0,010	kg CO2-e/passenger kilometre, traina	52% reduction from 2020 to 2022
Freight trains	0,0076	0,008	0,0083	kg CO2-e/tonne kilometre, rail freight	9% increase from 2020 to 2022
b. Organization-specific metric (the denominator) chosen to calculate the ratio.					
Buses	2 793	3 120	3 528	million passenger kilometres, buses	Based on an average of 20 passengers on the bus.
Passenger trains, Norway	1 490	1 188	2 008	million passenger kilometres, passenger trains	
Passenger trains, Sweden	443	498	533	million passenger kilometres, passenger trains	
Freight trains	2 800	3 048	3 283	million tonne kilometres	
c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).	Includes direct consumption of diesel in litres (Scope 1) and electricity (Scope 2) in kWh for the running of trains and buses. Rail replacement bus services and other energy consumption in Scope 3 have been excluded.				
d. Gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all.	All gases are included, summed up in tonnes CO2 equivalents				

305-5 Reduction of GHG emissions	2020	2021	2022	Unit	Comment
a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO2 equivalent.	Reduction of GHG emissions not applicable, base year/baseline not defined.				
b. Gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all.	Not applicable				
c. Base year or base-line, including the rationale for choosing it.	Not applicable				

d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).	Not applicable
e. Standards, methodologies, assumptions, and/or calculation tools used.	Not applicable

305-6 Emissions of ozone-depleting substances (ODS)	2020	2021	2022	Unit	Comment
a. Production, imports, and exports of ODS in metric tons of CFC-11 (trichloro-fluoromethane) equivalent.	0	0	0	tonnes CFC-11	
b. Substances included in the calculation.	No production, imports, and/or exports of ODS.				
c. Source of the emission factors used.	Not applicable				
d. Standards, methodologies, assumptions, and/or calculation tools used.	Not applicable				

305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	2020	2021	2022	Unit	Comment
a. Significant air emissions, in kilo-grams or multiples, for each of the following:					
i. NOX	515,2	483,8	486,7	tonnes NO2-e	
ii. SOX	0,56	0,64	0,73	tonnes SOx	
iii. Persistent organic pollutants (POP)	Information unavailable / incomplete				
iv. Volatile organic compounds (VOC)	Information unavailable				
v. Hazardous air pollutants (HAP)	Information unavailable				
vi. Particulate matter (PM)	2,45	2,69	3,01	tonnes NO2-e	
vii. Other standard categories of air emissions identified in relevant regulations	Not Available				
b. Source of the emission factors used.	European Environment Agency, Guidebook 2022, Emission factors, Passenger cars, light commercial trucks, heavy-duty vehicles including buses and motor cycles				
c. Standards, methodologies, assumptions, and/or calculation tools used.	Based on bus km, 70% Buss Euro VI, 30% Euro V.				

GRI 403: Occupational Health and Safety 2018

Disclosure 403-1 Occupational health and safety management system

The HSE management system is an integral part of Vygruppen's management system (LOS). Furthermore, the different business units work in accordance with specific procedures and guidelines that have been designed to support operations in the various business units.

The train and bus divisions are also certified in accordance with recognised standards such as ISO 9001 Quality and ISO 45001 Occupational Health and Safety. Vygruppen's management system has been designed and implemented in accordance with national rules and legislation and recognised guidelines from relevant national authorities.

Disclosure 403-2 Hazard identification, risk assessment, and incident investigation

The various business units carry out risk assessments on both a routine and non-routine basis, with a particular focus on barrier management. Risk assessments associated with exposure to risk for the workforce are regularly conducted. Hazard identification and risk assessments are considered critical components in the prevention of occupational accidents and incidents. The processes associated with the identification of hazards and assessment of risk are also subject to regulatory requirements and applicable ISO standards. Analyses are conducted under the supervision of quality managers and/or risk managers. Findings and lessons learned from operations are considered important

input for the continuous improvement process.

The principle of employees having the right to remove themselves from work situations they believe could cause injury or poor health and employees being protected against reprisals are fundamental principles of the Working Environment Act and other national regulations. Moreover, this principle is also a fundamental part of Vygruppen's modus operandi.

Injuries to personnel must be assessed and serious injuries must be investigated in accordance with the guidelines set out by the Group and business units. Traffic accidents associated with railway or bus operations leading to fatalities or serious injury to personnel will also be investigated by the police or the Norwegian Accident Investigation Board.

Disclosure 403-3 Occupational health services

The prevention of injuries and general work to ensure a safe working environment across the Group will be carried out in accordance with agreements with the occupational health service supplied by the external supplier Falck Helse AS. According to national rules and regulations, all Vy employees have the right to contact the service provider. Contact details can be found on the intranet.

Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety

In accordance with national rules and regulations and ISO 45001 requirements, operations shall be performed under the consultation and supervision of employee

representatives and committees. Committees will be established in each business unit and these will meet regularly. Meeting minutes shall be openly available on the intranet.

Furthermore, Vygruppen and its business units operate under the principle of close collaboration with employee representatives and other elected representatives and it is therefore essential to also ensure such representation at board level.

Disclosure 403-5 Worker training on occupational health and safety

All employees, especially operational employees, are required to complete appropriate training in connection with operational procedures and health and safety. First-line operators in bus, railway and freight divisions are required to complete special training in safe operations. Training and learning activities are available as part of the learning management systems (LMS). Furthermore, management will regularly undertake mandatory training on health and safety in the workplace in accordance with rules and regulations. Managers also have a role to play when it comes to promoting safe work and a workplace based on trust and psychological safety is part of management training.

Disclosure 403-6 Promotion of worker health

Promoting employee health is a key aspect of the overall collaboration with the occupational health service. Due to the nature of our operations, for which the majority of day-to-day work is characterised by sedentary positions (i.e. seated) and rotation, the health of employees constitutes an important topic to prevent and mitigate occupational health issues. Both the bus and train divisions have developed e-learning and supplementary guidance relating to this issue. We also work with the national transport sector programme (IW industry programme) to promote employee health for the purpose of reducing absence due to illness.

Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

Preventive and mitigating efforts linked to contract management and tender processes are governed using process specifications and guidelines issued by the Procurement department. Furthermore, suppliers are regularly subject to audits and invitations to tender (ITT) include Vygruppen's expectations relating to suppliers' approach to HSE. The follow-up of existing contracts with a particular focus on HSE has also been addressed in the Group's HSE declaration.

Disclosure 403-8 Workers covered by an occupational health and safety management system

The management system used by Vygruppen and the business units is in accordance with national rules and regulations. Rail and bus operations are also certified in accordance with applicable ISO standards.

All employees are covered by the management system. External workers are expected to carry out their work in accordance with the management system.

Disclosure 403-9 Work-related injuries

Statistics and an overview of categories of occupational injuries are presented to senior executive management and the Board of Directors on a monthly basis. Statistics are calculated in accordance with best practices in the industry (registerable working hours per 1,000,000 working hours) and focus on occupational injuries with (LTI) and without (MTI) absence.

Occupational injuries incurred by workers that are not employees will not be registered by Vy but by the worker's own employer.

Experiences from injury assessments are shared with operations and used for improvement purposes. Similar injuries that occur across the Group will be discussed by the Vygruppen HSE network.

	2022	2021	2020
Number of deaths, employees	1	1	0
Number of deaths, customers	0	0	0
Number of external fatalities	3	5	2
Number of serious injuries, employees (>24 h in hospital)	3	2	3
Number of serious injuries, customers (>24 h in hospital)	11	1	2
Number of serious injuries, external (>24 h in hospital)	6	5	3
Number of railway accidents	15	17	24
Number of employees	11 512	12 457	11 284
Number of full-time equivalents	9 746	9 760	9 250
Absence due to illness	8.0 %	7.8 %	8.1 %
LTI (number of lost time injuries per million hours worked)	6.6	5.3	5.0
MTI (number of injuries with and without absence per million hours worked)	8.2	6.1	NA

Disclosure 403-10 Work-related ill health

Detailed statistics on work-related ill health are not available. Long-term absence due to illness is followed up on in detail in accordance with the adopted guidelines. Long-term absence due to illness in 2022 was 4.5 per cent.

Work-related ill health suffered by workers that are not employees will not be registered by Vy but by the worker's own employer.

GRI 416: Customer Health and Safety 2016

Disclosure 416-1 Assessment of the health and safety impacts of product and service categories

a) Vygruppen's main activities are the transport of passengers and freight by road and rail. Passenger transport is always associated with some degree of risk, even though this risk is very low and generally accepted in society. Vygruppen therefore finds that all passenger transport is covered by GRI 416. Freight transport by rail does not have the same direct risk impact on customers, but this type of transport is also associated with inherent risk and is therefore also included in our reporting pursuant to GRI 416.

Disclosure 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

i. There has been no non-compliance with requirements at Vygruppen that has resulted in fines or other penalties.

ii. There has been no non-compliance with requirements that has resulted in warnings from the public authorities. For this section, Vygruppen has chosen to report any non-conformities invoked by the supervisory authorities for the railways, the Norwegian Railway Authority and the Swedish Transport Agency. In Norway, the Norwegian Railway Authority carried out three supervisory inspections, resulting in eight non-conformities relating to passenger transport and four non-conformities relating to freight transport. In Sweden, the Swedish Transport Agency carried out two audits, resulting in seven non-conformities for passenger transport and three non-conformities for freight transport. The reports state that the companies have adequate safety management and none of the non-conformities are considered to be of a serious nature. All non-conformities have been closed and the supervisory inspections have been completed.

iii. The main elements of the passenger train division in Norway are certified in accordance with ISO 9001, ISO 14001 and ISO 45001. Audits were conducted for all three standards in 2022 and no non-conformities or remarks were reported. The passenger train division in Sweden is certified in accordance with ISO 9001 and ISO 14001 and no non-conformities were reported following the audit in 2022. The bus division in Norway is certified in accordance with ISO 9001, ISO 14001, ISO 39001 and ISO 45001. Two non-conformities and 19 remarks were reported as a result of the auditing of our compliance with the standards. The bus division in Sweden was audited in accordance with ISO 39001 and ISO 14001 and this resulted in a total of 14 non-conformities being reported. All non-conformities have been closed and the audits have been completed.

Double materiality analysis



1) Ethics and anti-corruption are emphasised in particular in the ownership report, but are also largely considered a factor for which we have good processes in place

Level 1: Constitutes the core of our sustainability efforts. High focus, follow-up and communication on the topics

Level 2: Will be included in sustainability work. Regular focus, follow-up and communication on the topics

Level 3: Comply with requirements and monitor.

Explanation of topics and rationale

Encouraging more people to choose climate-friendly logistics and transport options

- The market share for public transport in Norway and the Nordic region is currently low. The more people travel by public transport instead of by passenger car or plane and the more freight is transported by rail rather than road, the more greenhouse gas emissions will be avoided for society. Public transport also provides other positive effects in the form of reduced noise, less use of space, less use of resources through sharing, reduced queues, fewer accidents and reduced levels of particulate matter and microplastics. Efforts to encourage more people to choose green are essential for Norway to reach its climate targets and for Vy, as a transport and freight operator, to win tenders or attract more customers.
- This topic is very important both to Vy and its stakeholders – reducing greenhouse gas emissions and helping Norway achieve its environmental targets. More passengers and freight moving from road to rail is essential to Vy's profitability.

Safety for customers and employees

- The operation of large, heavy vehicles entails risk and it is therefore essential that we actively work to minimise the probability of injuries or accidents. A safe transport experience is necessary to help increase customer satisfaction levels and loyalty, as well as to increase the probability of customers choosing the company again for future journeys. High safety levels are also an important parameter when it comes to winning tenders.
- Our services being safe is essential to our stakeholders. It should always be safe to go to work or travel with Vy. Accidents can impair customer satisfaction levels and loyalty, which could affect the number of passengers or the probability of winning tenders, which in turn could weaken the company's financial position.

Reliable transport

- High regularity and punctuality are very important for customers to choose to travel by train or bus rather than passenger cars or to choose to transport goods by rail rather than by road. Unreliable transport will reduce customer satisfaction levels and the number of customers choosing to travel by public transport.
- Regularity and punctuality are very important for customers to choose to use our products and services. Low reliability correlates closely with customer satisfaction and the number of journeys, which in turn affects the company's financial position.

Loyalty and well-being in the workplace

- Well-being and job satisfaction lead to a better quality of life for each employee and are important to the quality of work that is performed. Well-being can also contribute to lower levels of absence due to illness. Workplaces with high levels of well-being and a healthy psychosocial working environment also find it easier to recruit and retain employees.
- Our stakeholders want Vy to be a decent workplace that complies with rules and requirements. Well-being and job satisfaction can contribute to lower levels of absence due to illness and less turnover, which in

turn have a major impact on the company's financial position.

Efficient utilisation of resources

- Relates to cost-effectiveness (doing things right), purpose efficiency (doing the right things) and prioritisation efficiency (prioritising between different goals and purposes that may conflict with each other) so that the highest possible degree of goal attainment is achieved overall.
- Stakeholders expect a state-owned company to manage public funds in the best possible manner. Cost-effectiveness and the highest possible degree of goal attainment therefore have a significant impact on Vy's financial position.

Climate-friendly operations and responsible consumption

- In order to minimise impact on the climate and environment and ensure competitiveness in the market, we must focus on climate-friendly operations and responsible consumption. We do this by phasing in new zero-emission technology and by working towards the most energy-efficient operation of our vehicles. Vy wishes to reduce its use of resources, environmental destruction and greenhouse gas emissions by being a responsible business.
- Stakeholders require Vy to minimise its impact on the climate and environment. For Vy, it is important to ensure competitiveness in the market (winning tenders and reducing operating costs through energy-efficient operations).

Recruitment, training and skills development

- It is very important for the business to recruit and retain qualified and relevant expertise, precisely because the right employees can be crucial when it comes to achieving the company's strategy and results. All employees will receive the training, practice and instruction they require to perform their work safely and to master their duties. When employees have the opportunity to use and develop their skills, they not only become more committed but the quality of the services they deliver also improves. By working strategically on skills development, the company acquires the expertise required to meet current and future needs.
- Stakeholders expect a state-owned company to have proper processes in place in relation to this. Relevant expertise is extremely important to Vy, precisely because the right employees can be crucial in achieving the company's strategies and results. The right expertise will also affect safety, which in turn is important for the profitability of a transport company.

Diversity, equality and accessibility

- Diversity and equality can lead to increased productivity, innovation, better decision-making processes, increased employee satisfaction and lower turnover. Accessibility is about accommodating individuals with special needs (usually due to disabilities) and affects, among other things, the areas of information and communication technology, transport and access to products.
- Stakeholders require the company to reflect society as a whole, to not discriminate and transport to be accessible to those with disabilities. This topic can

positively influence Vy's financial position if we attract and retain a diverse group of talented employees, which can lead to a more innovative and productive workforce. We can also increase customer satisfaction and loyalty by better reflecting and understanding the needs of our diverse customer base. Violation of laws relating to equality and accessibility can result in sanctions, loss of reputation and fines.

Sustainable supply chain

- Ensuring responsible business practices by safeguarding labour and human rights, society and the environment through the supply chain. Impose requirements on business partners and follow up on requirements through contractual provisions. It is important to have knowledge of how human rights are safeguarded throughout the entire supply chain.
- Stakeholders are concerned that Vy, as a large state-owned company, must safeguard labour and human rights, society and the environment throughout the supply chain. Violation of rules and internal guidelines can lead to loss of reputation, customers and contracts – which in turn would have a negative impact on finances.

Affordable transport services

- Provide the population with broader access to public transport. This can help reduce traffic load and help the environment, as well as increasing access to e.g. jobs.
- Affordable transport services can also help increase customer satisfaction levels and loyalty by providing customers with a more accessible and financially attractive way in which to travel. This can help increase the number of customers and sales, as well as improving the reputation and competitiveness of the company. In addition to this, affordable transport services allow for the opportunity to reach new customer groups, such as pensioners or those on a low income, who would otherwise not have used public transport due to high costs. Affordable transport services can help promote social inclusion by providing everyone with the opportunity to participate in society and reach their destinations, regardless of income. It is also important for Vy to be cost-efficient enough to win contracts, as well as for end customers to choose to travel with us or use our products.
- Stakeholders are concerned that buses and trains must be competitive on price compared to flights and passenger cars and the same applies to rail transport compared to road transport. If the prices are too high, Vy will lose market share and contracts, which would have a significant impact on finances.

Healthy finances

- Essential to secure jobs and the existence of the company, as well as to make room for improvements, investments and further growth.
- Stakeholders are concerned that public funds are safeguarded in an appropriate long-term manner. A solid financial foundation allows the company to withstand economic downturns and plan for future growth.

Etikk og anti-korrupsjon

- Affects the company's reputation and trust among

customers, partners, employees and society in general. Having poor ethical standards or a history of corruption will have a negative impact on a company's competitiveness and ability to recruit and retain employees. Corruption and unlawful activity can lead to sanctions and criminal prosecution and can also lead to loss of trust and business opportunities.

- Stakeholders are concerned that Vy must have high ethical standards free from corruption, which is necessary to ensure a positive reputation. Corruption and poor business ethics can lead to penalties and negative publicity, loss of contracts and customers, which could harm the company's finances.

Cybersecurity, privacy and information security

- Cybersecurity allows for productivity and innovation by providing individuals and companies with the security to use the internet. The right solutions and processes enable companies and authorities to benefit from technology to improve how they communicate and deliver services, without increasing the risk of attacks.
- Stakeholders are concerned that regulations and laws are complied with to ensure that their personal data remains safe. Cyber threats can have a negative impact on Vy's finances if they prevent transport or e.g. through ransomware.

Innovation and new solutions

- Innovation is necessary for a company to survive in the long term. Without innovation, the company cannot improve its processes, products and services. Innovations are therefore necessary for a company to adapt in a rapidly evolving market.
- Digital and seamless journey experiences will provide customers with a more comfortable and efficient journey. This includes providing customers with the opportunity to easily book and manage journeys and offering services such as online check-in, mobile tickets and live tracking of the vehicle. This can help increase satisfaction on the part of customers and increase loyalty. Additionally, digital and seamless journey experiences also provide transport companies with the opportunity to collect data about customers, which can help the companies improve their services and adapt to customers' needs. This can also help increase efficiency and reduce costs by automating processes and eliminating paper-based systems. Finally, digital and seamless journey experiences provide transport companies with a competitive advantage over those that do not offer such services, which can help them win new customers and increase sales.
- Stakeholders are concerned that Vy must improve its processes, products and services. For Vy's finances, it is necessary to ensure ongoing innovation to retain market share and grow in new markets. Stakeholders are committed to ensuring a more comfortable and efficient journey experience through new and improved digital services. This includes providing customers with new digital possibilities on an ongoing basis. This affects Vy's finances by increasing efficiency and reducing costs using automated processes. Finally, digital and seamless journey experiences provide transport companies with a competitive advantage over those that do not offer such services, which can help them win new customers and increase sales.

Waste management and sorting at source

- A company that does not manage its waste properly can cause pollution and harm to the environment, as well as contributing to global warming and climate change. Sorting at source and recovery of materials can contribute to reducing the waste volumes sent to landfill and increasing the amount of materials that can be reused or recycled. In addition to this, waste management and sorting at source can help reduce costs associated with waste management, as recycled materials can often be sold back to the market at a lower price than new raw materials.
- Stakeholders expect Vy to manage this in an appropriate manner. Vy produces limited amounts of waste, especially hazardous waste, which in turn has minor impact on the company's finances.

Supporting an organised workforce

- A positive relationship with employees contributes to a more positive work culture. By supporting an organised workforce, the company can help promote fairer pay policies, better working conditions and a better working environment, as well as increased productivity and job satisfaction among employees. Working together with the trade unions helps improve the company's decision-making processes and decision-making, as it allows for dialogue and positive collaboration.
- Stakeholders expect Vy to promote a fair pay policy and ensure a positive working environment. By supporting an organised workforce, Vy can create a positive work culture and increase motivation among employees, which can result in increased productivity and better financial results. Structured working conditions can help reduce absence due to illness and increase attendance, which in turn can lead to increased productivity and reduced costs to cover absence due to illness.

GRI 302: Energy 2016	302-1 Energy consumption within the organization	Annual and Sustainability report 2022 page 156
	302-2 Energy consumption outside of the organization	Annual and Sustainability report 2022 page 157
	302-3 Energy intensity	Annual and Sustainability report 2022 page 157
	302-4 Reduction of energy consumption	Annual and Sustainability report 2022 page 157
	302-5 Reductions in energy requirements of products and services	Annual and Sustainability report 2022 page 157
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Annual and Sustainability report 2022 page 158
	305-2 Energy indirect (Scope 2) GHG emissions	Annual and Sustainability report 2022 page 159
	305-3 Other indirect (Scope 3) GHG emissions	Annual and Sustainability report 2022 page 159
	305-4 GHG emissions intensity	Annual and Sustainability report 2022 page 160
	305-5 Reduction of GHG emissions	Annual and Sustainability report 2022 page 160
	305-6 Emissions of ozone-depleting substances (ODS)	Annual and Sustainability report 2022 page 161
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Annual and Sustainability report 2022 page 161
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Annual and Sustainability report 2022 page 161
	403-2 Hazard identification, risk assessment, and incident investigation	Annual and Sustainability report 2022 page 161
	403-3 Occupational health services	Annual and Sustainability report 2022 page 161
	403-4 Worker participation, consultation, and communication on occupational health and safety	Annual and Sustainability report 2022 page 161
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	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Annual and Sustainability report 2022 page 163

Content Index

GRI Content Index		
Statement of use	Vygruppen (Vy Group) has reported the information cited in this GRI content index for the period January 1 2022 to December 31 2022 with reference to the GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021	
GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Annual and Sustainability report 2022 page 70-71
	2-2 Entities included in the organization's sustainability reporting	Annual and Sustainability report 2022 page 63
	2-3 Reporting period, frequency and contact point	Annual and Sustainability report 2022 page 147
	2-4 Restatements of information	Annual and Sustainability report 2022 page 126-127
	2-5 External assurance	Annual and Sustainability report 2022 page 147
	2-6 Activities, value chain and other business relationships	Annual and Sustainability report 2022 page 147-148
	2-7 Employees	Annual and Sustainability report 2022 page 148
	2-8 Workers who are not employees	Annual and Sustainability report 2022 page 148
	2-9 Governance structure and composition	Annual and Sustainability report 2022 page 148
	2-10 Nomination and selection of the highest governance body	Annual and Sustainability report 2022 page 148
	2-11 Chair of the highest governance body	Annual and Sustainability report 2022 page 148
	2-12 Role of the highest governance body in overseeing the management of impacts	Annual and Sustainability report 2022 page 148
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	2-14 Role of the highest governance body in sustainability reporting	Annual and Sustainability report 2022 page 149
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	2-17 Collective knowledge of the highest governance body	Annual and Sustainability report 2022 page 149
	2-18 Evaluation of the performance of the highest governance body	Annual and Sustainability report 2022 page 149
	2-19 Remuneration policies	Annual and Sustainability report 2022 page 149
	2-20 Process to determine remuneration	Annual and Sustainability report 2022 page 149
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	2-22 Statement on sustainable development strategy	Annual and Sustainability report 2022 page 150
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	2-24 Embedding policy commitments	Annual and Sustainability report 2022 page 151
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	2-29 Approach to stakeholder engagement	Annual and Sustainability report 2022 page 152
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GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Annual and Sustainability report 2022 page 155
	205-2 Communication and training about anti-corruption policies and procedures	Annual and Sustainability report 2022 page 155
	205-3 Confirmed incidents of corruption and actions taken	Annual and Sustainability report 2022 page 155

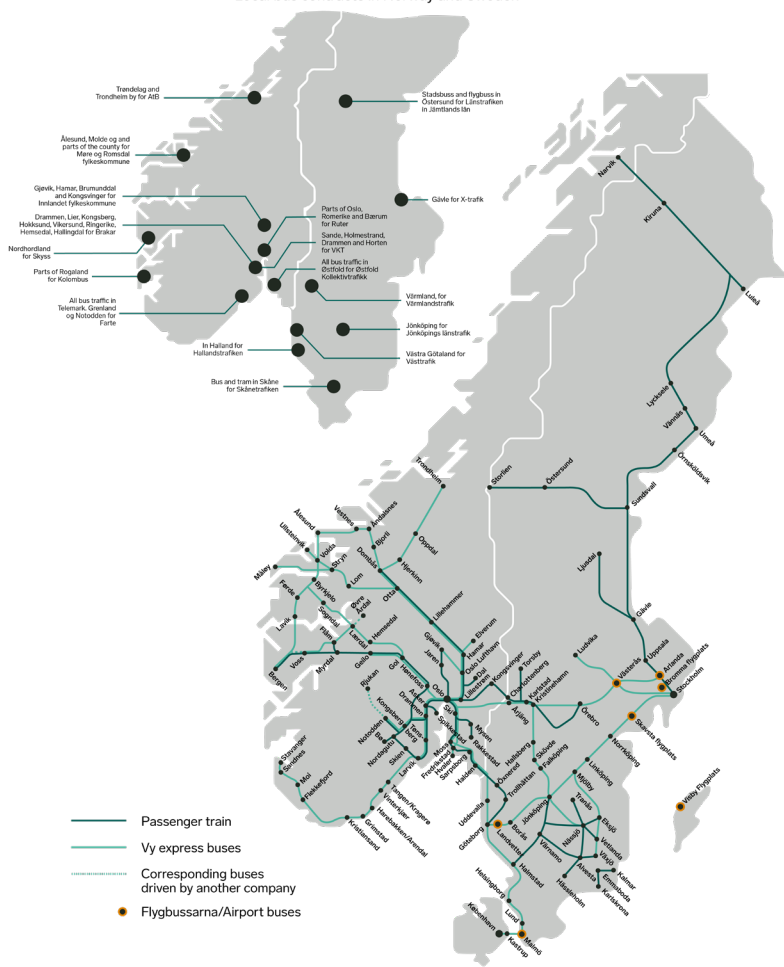


 2022



Vy is a Nordic transport Group

Local bus contracts in Norway and Sweden



Passenger train

Revenue 2022: 7 947 MNOK
2 566 FTEs



Rail freight

Revenue 2022: 1 247 MNOK
402 FTEs



Bus

Revenue 2022: 7 621 MNOK
6 090 FTEs



Customer experience and innovation

Development of mobility services and sustainable tourism



Key figures

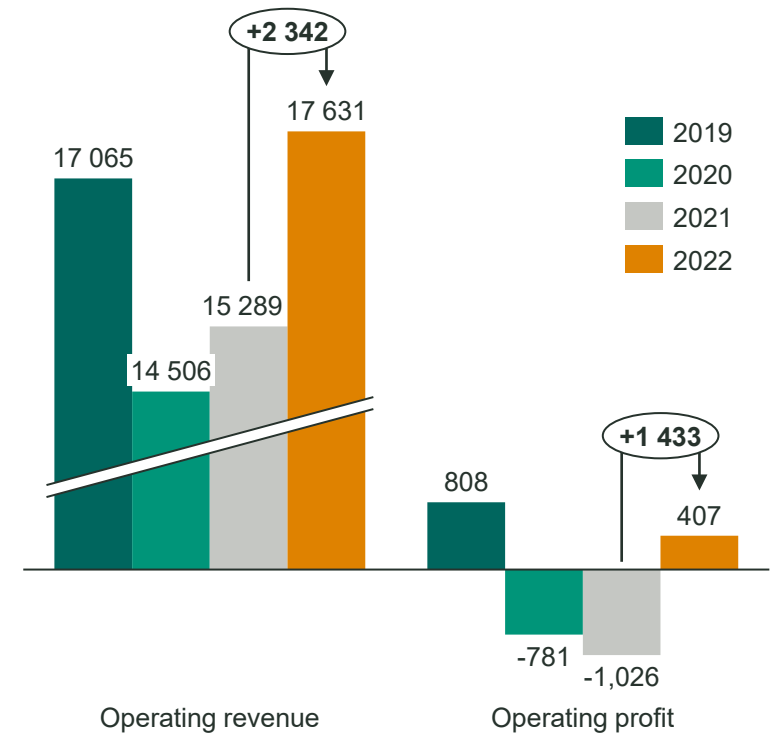
	2022	2021	2020	2019
Vy Group				
Sick leave ratio	8,0	7,8	8,1	7,1
LTIF (Lost time incident frequency)	6,6	5,3	5,1	7,9
Passenger train				
Number of train journeys (mill.)	55,7	35,8	39,4	78,7
Produced seat kilometres (mill.)	10 957	10 723	10 637	12 679
Punctuality (Norway)	85 %	88 %	91 %	86 %
Customer satisfaction (index 0-100)	78	74	69	67
Bus				
Number of bus journeys (mill.)	111	77	78	126
Produced bus kilometres (mill.)	207	184	161	169
Customer satisfaction express bus (index 0-100)	85	84	85	NA
Freight transport				
Number of transported TEU (1 000)	374	369	340	333
Net tonnkm. (mill.)	3 283	3 047	2 800	3 190
Punctuality	88 %	92 %	93 %	95 %

Vy delivers positiv result post COVID-19 pandemic

MNOK	2022	2021	2020	2019
Operating revenue	17 631	15 289	14 506	17 065
Operating profit	407	-1 026	-781	808
Profit before income tax	158	-1 182	-975	699
Net cash flow from operations	1 952	1 544	1 216	1 910
Net cash flow from financial activities	-1 802	-1 710	-1 579	-1 903
ROE %	4,5 %	-27,1 %	-18,7 %	11,2 %
Equity ratio (%)	23,3 %	16,9 %	24,8 %	29,1 %
Net interest-bearing debt	5 658	8 240	6 519	3 557
FTEs	9 746	9 760	9 250	9 308

Improvement in results post COVID-19 pandemic

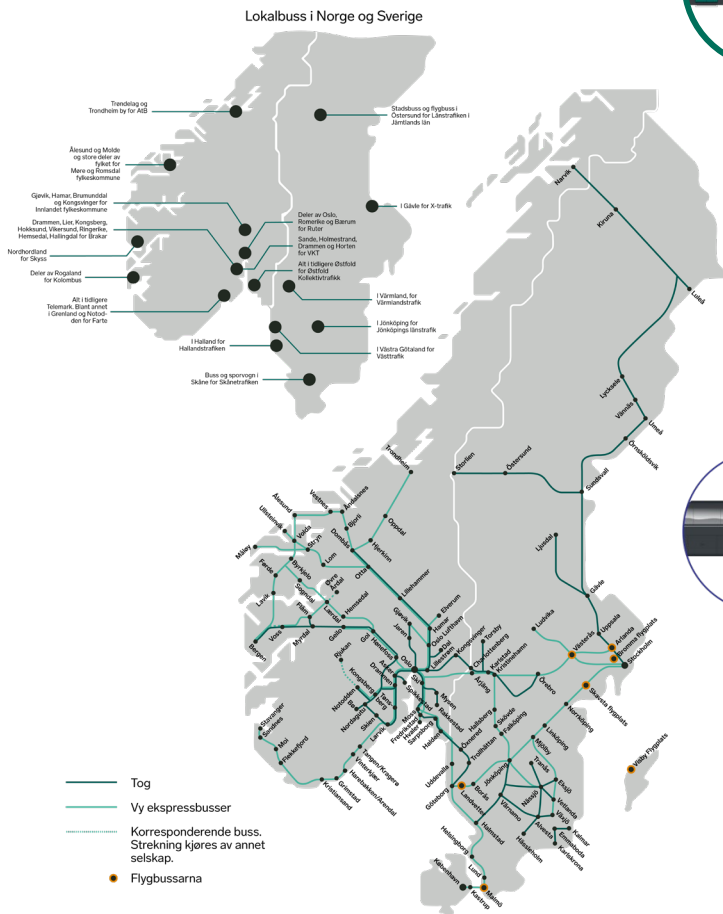
MNOK	2022	2021	2020	2019
Operating revenue	17 631	15 289	14 506	17 065
Payroll and related expenses	7 276	6 668	6 266	6 605
Depreciation and impairment	2 282	2 280	2 389	2 230
Other operating expenses	7 678	7 340	6 613	7 570
Total operating expenses	17 236	16 288	15 268	16 405
Share of profit/loss in joint ventures/associates	12	-27	-19	148
Operating profit	407	-1 026	-781	808
Net financial items	-249	-156	-194	-109
Profit before income tax	158	-1 182	-975	699
Income tax expense	-25	156	117	-135
Profit for the year	133	-1 026	-858	564



Financial position

MNOK	31. Dec. 22	31. Dec. 21	31. Dec. 20	31. Dec. 19
Total non-current assets	10 182	12 528	11 513	9 169
Total current assets	5 161	5 137	5 395	7 603
Total assets	15 343	17 665	16 908	16 772
Total equity	3 572	2 992	4 196	4 873
Total long term liabilities	6 704	9 615	8 202	7 077
Total short term liabilities	5 067	5 058	4 510	4 822
Total equity and liabilities	15 343	17 665	16 908	16 772
NIBD - including net pension liabilities	5 658	8 240	6 519	3 557
ROE	4,5 %	-27,1 %	-18,7 %	11,2 %
Equity ratio	23,3 %	16,9 %	24,8 %	29,1 %

Segments



Vy passenger train

MNOK	2022	2021	2020
No. of journeys by train (mill.)	55,7	35,8	39,4
Produced seat km. (mill.)	10 957	10 723	10 637
Operating revenue	7 947	7 023	7 269
Operating profit	576	-860	-305
Segment assets	3 871	5 647	6 027
Investments	270	963	1 535
FTEs	2 566	2 733	2 872



Vy bus

MNOK	2022	2021	2020
No. of journeys by bus (mill.)	110,8	77,1	77,7
Produced bus km. (mill.)	206,8	183,5	161,4
Operating revenue	7 621	6 410	5 627
Operating profit	25	-4	-331
Segment assets	7 192	7 579	6 286
Investments	261	2 203	1 678
FTEs	6 090	5 904	5 492



Rail freight

MNOK	2022	2021	2020
No. of transported TEUs (1 000)	374	369	340
Net tonnekm. (mill.)	3 283	3 047	2 800
Operating revenue	1 247	1 065	975
Operating profit	19	71	-20
Segment assets	1 257	1 103	1 111
Investments	284	111	65
FTEs	402	378	387



Customer experience and innovation

MNOK	2 022	2 021	2 020
No. of journeys Flåmsbana (1 000)	557	157	146
Operating revenue	157	168	140
Operating profit	-99	-166	-212
Segment assets	230	226	170
Antall årsverk	73	74	64

Important events

- **Increased costs and difficulties in the supply chains**

- 2022 has been a year with new challenges; war in Ukraine, energy shortages, inflation, economic decline and increasing climate challenges

- **Growth in the number of journeys compared to 2021, but still below the 2019 levels**

- As a result of decreasing restrictions related to Covid-19, the number of passengers has gradually risen during 2022 but is still below the 2019 level as a result of a new wave of pandemic and restrictions at the start of the year
- Increase in the number of journeys by passenger train in Norway by 58% compared to 2021, and a decrease of 16% compared to 2019
- Increase in the number of journeys by bus of 44% compared to 2021, and a decrease of 12% compared to 2019
- Vy's tourism offer has been severely affected by the corona pandemic but sees a significant improvement in demand in 2022 compared to last year. Number of trips on the Flåm Railway at 59% of the 2019 level

- **Process for direct negotiations on the Eastern traffic packages**

- Considerable work with tenders for the traffic packages for passenger trains in Eastern Norway, and uncertainty regarding the allocation and timetable for this

- **Customer offers**

- The customer offer has been increased significantly with more departures on the Nordlandsbanen and towards southern Sweden
- The flexible ticket solution "Smartprice" has been made available to all train customers in Eastern Norway
- Kolombus and Vy are launching a self-driving bus in central Stavanger. The bus is 8.3 meters long and is registered for 21 seats, in addition to standing passengers
- From December 2022, new recliners are available on Bergensbanen night trains
- In Sweden, Bus4You won the first place on SKI's customer survey for passenger transport for the 12th year in a row. In Norway, Vy Express is this year's climber on the Norwegian Customer Barometer. PwC names Vy one of this year's climate winners

Financial calendar

Board meeting:	Report:
31.05.2023	Interim report T1 2023
27.09.2023	Interim report T2 2023



- The reports are published at [Vy.no](https://vy.no)