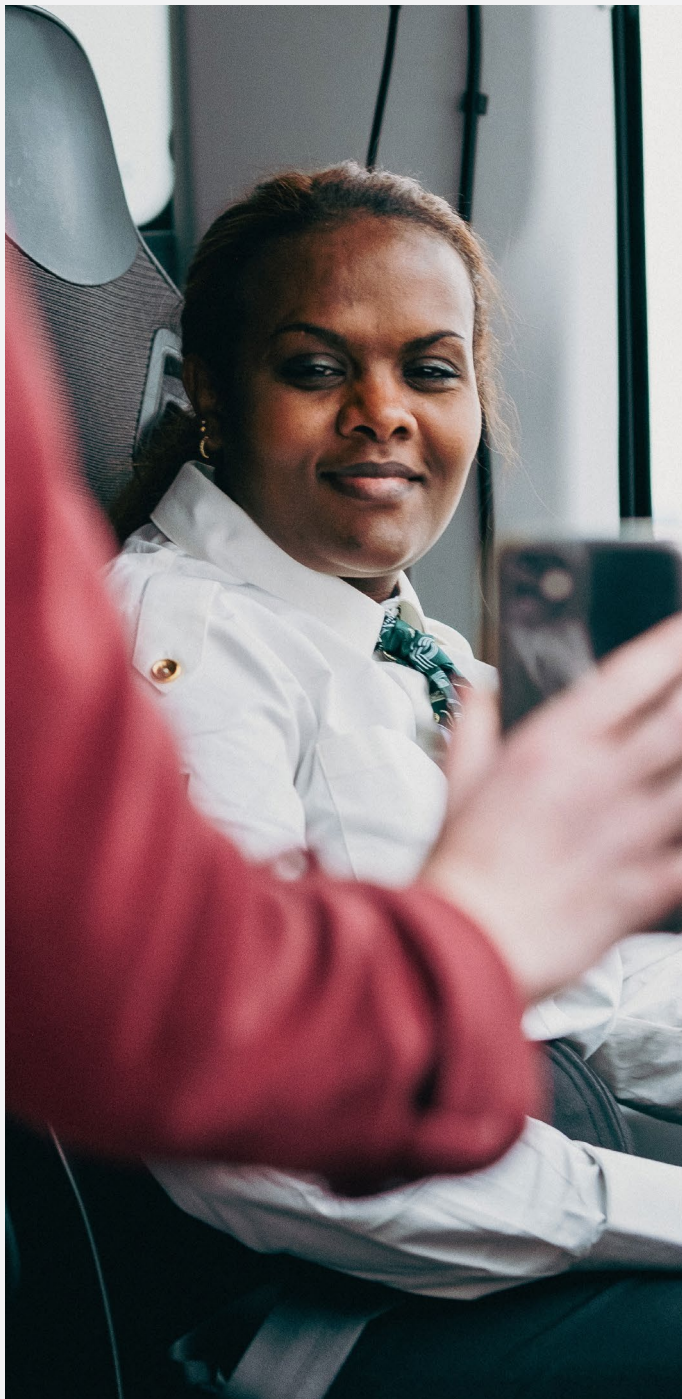




# Annual and Sustainability Report 2023

Vy Group





# Content

<b>Introduction by the CEO</b>	3	<b>Annual accounts</b>	
<b>This is Vy</b>		Annual accounts – Vy Group	47
Vy Group	5	Annual accounts - Vygruppen AS	86
Bus	6	Auditor's report	107
Passenger train	7	Tax Policy	109
Customer experience and innovation	8	<b>Corporate governance</b>	110
Freight	9	<b>Carbon accounts</b>	113
Group management	10	Data	118
<b>Key events in 2023</b>	11	Vy Group's greenhouse gas emissions	122
<b>Sustainability report</b>		<b>GRI report</b>	127
Introduction	12	<b>Climate and nature-related risks and opportunities</b>	152
Facts and numbers	14	<b>EU taxonomy</b>	157
Great customer experiences, every day	18	<b>Workplace equality and diversity report</b>	162
Industry leading innovation	23	<b>Account pursuant to the Norwegian Transparency Act</b>	168
Efficient and reliable in everything we do	29		
Committed and customer-oriented employees	32		
Summarised results table	37		
Due diligence, principles and reporting standards	38		
Framework overview	40		
<b>Board of director's report</b>	42		



# Every journey counts

## Introduction by the CEO

Around a third of greenhouse gas emissions in Norway originates from transport. Vy has an important part to play in reducing these emissions. Each train can replace 600 passenger cars and an increasing number of our buses are electric, while our freight trains replace 1 200 lorries on the road every single day. Together with our customers, we contribute to lower emissions and less congestion, while also working to ensure that the authorities prioritise public transport ahead of motorways and runways.

In 2023, we had 226 electric buses in our fleet, double the number compared to the previous year. We launched several new express bus routes and participated in a world-leading pilot project together with Kolumbus, in which we launched a new autonomous bus on a route in Stavanger. In the train division, we increased the number of departures on all lines between Østfold/Follo and Oslo and doubled the number of departures between Oslo and Gothenburg, while, in May 2024, departures in each direction on the Bergen Line will increase from four to six. These are important initiatives to encourage more people to choose to travel green.

It is particularly motivating to see the journey figures for all business areas finally at the same level as the journey figures for 2019. The most significant contributions to this have come from our talented employees at Vy, who give their all, provide excellent advice and help passengers and freight customers every single day – both when things are going as planned and if anything goes wrong.

## Vy secures all of Eastern Norway

When summarising the year 2023 for Vy, I would like to highlight the biggest upturn and the toughest challenge. We were informed on 3 March that Vy would continue to operate train services in Eastern Norway for the next ten years, with a start date coinciding with the annual change of train paths on 10 December. For most people, this might not seem such a big deal, as Vy already operates all local and regional trains in Eastern Norway. The two contracts for Eastern Norway mean that we will also operate all train services to Oslo Airport by 2028 at the latest, when the routes currently operated by the Airport Express Train (Flytoget) will become part of the regional train service.

The reason for integrating the airport service is that the region trains are full during rush hour. The Airport express trains is filled up at Oslo central station, where the region trains from the West is emptied. Sharing the space gives room for everybody. That is why the Norwegian Railway Directorate recommended to the Solberg government in two in-depth analyses in 2019 and 2020 that the current airport express train service be replaced by ordinary regional trains.

We have long argued that unified train operations in Eastern Norway would be better for customers and for society and we look forward to delivering more departures and an outstanding train service to everyone in Eastern Norway, including commuters, leisure passengers and air passengers.

## Extreme weather puts us to the test

Climate change means facing warmer, wilder and wetter weather. This is something we have experienced on several occasions recently. In August, Storm "Hans" hit us hard and the collapse of Randklev Bridge in Gudbrandsdalen means that we are still unable to transport freight on the Dovre Line. We help customers identify alternative routes and we are operating additional trains on the Røros Line, but punctuality and the quality of the deliveries to customers are significantly lower than usual.

We once again experienced extreme weather over Christmas and in January, with severe cold and unusually large volumes of snow, followed by rain and substantial snow-melting. In situations such as these, it becomes difficult to maintain the capacity required by our customers, as trains are covered in snow and ice and need to be thawed and repaired and roads are virtually impassable to buses. While we are constantly working to identify

improvements, we also need to be aware that we will experience weather conditions for which even the best preparations will not be sufficient. However, the new local trains that are being phased in from 2025 will be able to withstand extreme weather better than the oldest of our trains, which are now around 40-50 years old.

## Vy employees go the extra mile

Customers are negatively impacted when their journey does not go as planned. Our employees also experience a particularly challenging working day when trains cannot run or the roads are impassable. Our bus drivers find new routes to avoid road closures and CargoNet employees work at full capacity to ensure that goods reach their destination. When infrastructure fails, employees in the train division have to spring into action, survey the situation and work out how long it will last and how to transport passengers onwards. This happened much too often in 2023 and resulted in a train punctuality of 88 per cent in Norway. This is not good enough, but I am still proud of the efforts put in by our employees to ensure that customers are looked after in difficult situations such as these.

At the same time, we also need to ensure that useful and correct information is quickly shared at stations, on trains and in the Vy app. The app and improved access to data allow us to provide better information to customers. We are not satisfied and we will do better, but we are glad that our targeted efforts are yielding results and that customer satisfaction relating to information in connection with delays and other challenges increased in the most recent survey conducted in November 2023.

## Vy is part of the solution

Public transport and freight trains are an important part of the solution to environmental challenges. This means that Vy is well positioned for future growth and prepared for new and higher expectations and requirements. Our job is to make it easy for both private individuals and companies to make environmentally friendly choices. This work will continue at full capacity, because every journey counts.

  
Gro Bakstad  
CEO





# This is Vy

Vy is the largest land-based transport company in the Nordic region, operating passenger train, bus, freight and tourist services in Norway and Sweden. Vy is a state-owned limited liability company for which the Norwegian government's goal is to achieve the highest possible return over time within a sustainable framework and whilst achieving the most efficient attainment of public policy goals possible.

Number of employees

**11 643**

Number employed FTEs

**9 748**



## Bus

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

Number of journeys in 2023

**137,6 million**

Turnover

**8 466 MNOK**

Number of employed FTEs

**6 021**



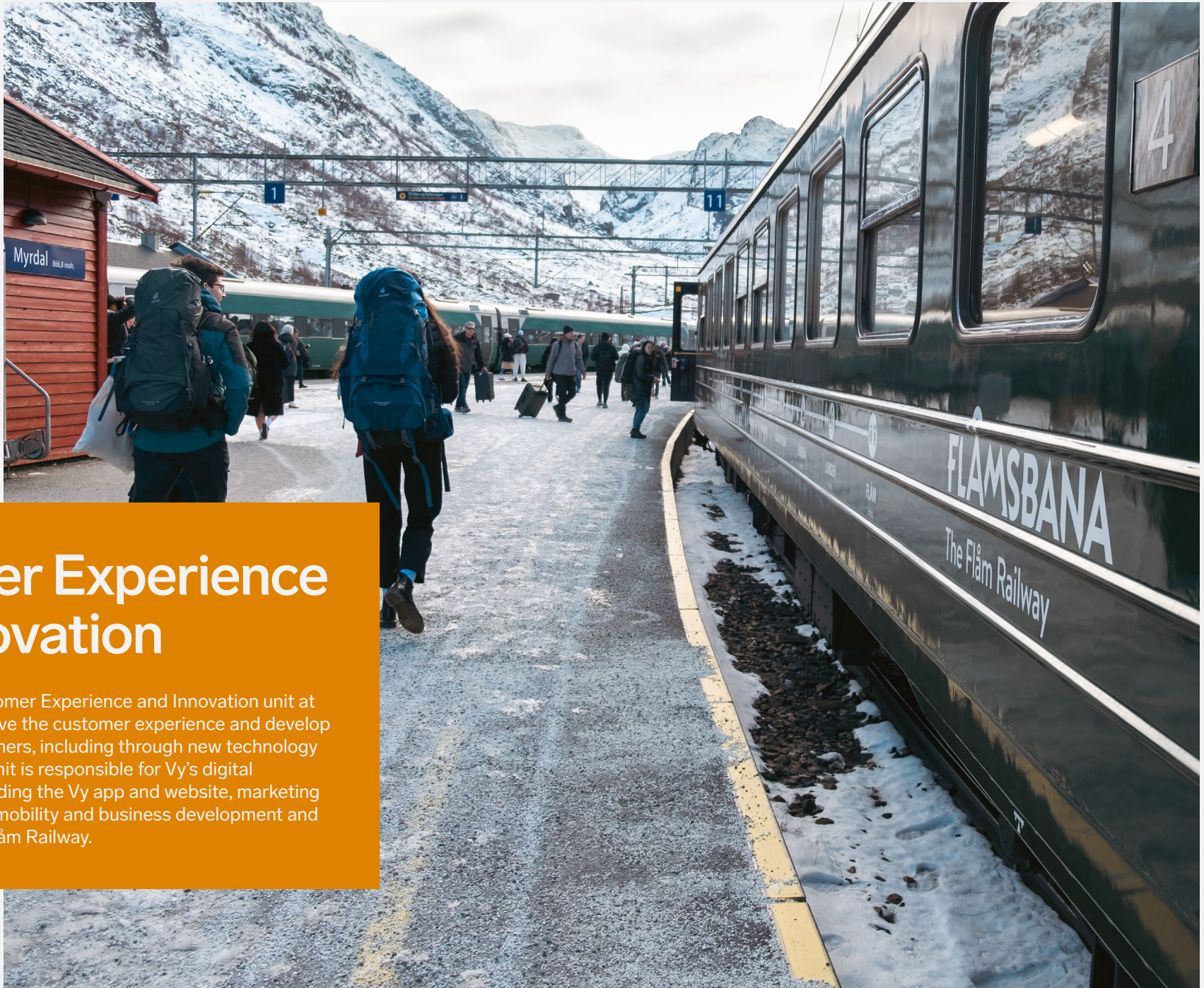
## Passenger train

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

Number of journeys in 2023  
**65,8 million**

Turnover  
**8 429 MNOK**

Number of employed FTEs  
**2 582**



# Customer Experience and Innovation

The mission of the Customer Experience and Innovation unit at the Vy Group is to improve the customer experience and develop new solutions for customers, including through new technology and digitalisation. The unit is responsible for Vy's digital customer services, including the Vy app and website, marketing and customer services, mobility and business development and tourism, including the Flåm Railway.





# Freight

Vy's freight division, CargoNet, is Norway's largest rail freight operator, transporting everything from food and mail to timber, ore and aviation fuel. CargoNet operates around 65 per cent of all rail freight in Norway, with a daily transport volume equivalent to around 1 200 lorries. The division provides reliable and eco-friendly rail freight in Norway and between Norway and Sweden. CargoNet also operates ten freight terminals.

Turnover

**1 268 MNOK**

Number of employed FTEs

**470**

# Group Management

As of 31.12.2023



**Gro Bakstad**  
CEO  
Vy



**Erik Røhne**  
Executive director  
Passenger train



**Ole Engebret Haugen**  
Executive director  
Bus



**Ingvild 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 in 2023



The Norwegian Railway Directorate awarded train traffic across Eastern Norway to Vy. This decision means that Vy will operate all trains in Eastern Norway for the next ten years and the shuttle service currently operated by the Airport Express Train will be integrated no later than 2028.

Vy secured the contract in Molde and Gjemnes again and is ready to operate on behalf of Fram for another ten years. Unfortunately, Vy lost the bus tender for Nedre Glomma. We also secured the contracts for Drammen and Grenland again and have entered into a new contract, Seljord-Grenland, starting from 01/01/2023.

The extreme weather system "Hans" destroyed many roads and railway lines. The storm led to cancellations of both bus and rail services. The Randklev Bridge on the Dovre Line washed away due to flooding, leading to major consequences for CargoNet's freight transport between Oslo and Trondheim. The bridge is expected to reopen during spring 2024.



The Vestfold Line has closed between Larvik and Porsgrunn as a result of Bane NOR not having the necessary permit to operate train services on the line. The line reopened for services on 7 December.



Following a decline due to COVID-19, passenger numbers are gradually picking up. In autumn 2023, Vy experienced higher passenger numbers than in 2019 across all business areas except the Flåm Railway. Nevertheless, passenger numbers are also climbing rapidly on the Flåm Railway.

Kolumbus and Vy have launched a new route for the large autonomous bus in the centre of Stavanger. The bus can go faster than previous autonomous buses and operates on a route featuring traffic lights, roundabouts, lane changes and tunnels.

The newly opened Blix Tunnel (Follo Line) closed on 19 December 2022 due to power issues. Bane NOR reopened the Follo Line for traffic on 5 March 2023.



For the 12th year in a row, Vy bus4you came out top in "Sveriges nöjdaste kunder" ("Sweden's most satisfied customers"). The survey was carried out by SKI, the Swedish Quality Index. Vy flygbussarna came second.

Vy has started working on bus tenders for Kongsberg and Vikersund. This is the largest electric bus contract for Vy to date and we believe it is also the first district tender in Europe using electric buses only.

Vy Express extended its bus route (VY190) between Stavanger and Bergen. The VY190 now runs all the way between Oslo and Bergen, becoming the longest bus route in Norway.



CargoNet has partnered with Bring to launch a new freight train service between Oslo and Jönköping. The train transports goods from IKEA to Norway six days per week and has a transport capacity corresponding to 34 articulated lorries per day.



The number of users of Vy's digital services has increased, reaching record numbers with 900 000 monthly users.

The new timetable for trains came into effect on December 11<sup>th</sup>. The timetable offers more departures and improved train services for many passengers. Among other things, Vy has doubled its departures between Oslo and Gothenburg.



# Sustainability Report

## - Sustainable strategy and deliveries

Vy is a transport group operating in the passenger train, rail freight, bus and tourism segments. We aim to achieve this in an environmentally friendly manner. Sustainability is an integral part of our strategy and governance system and is reflected in our vision *Vy makes choosing green easy*.

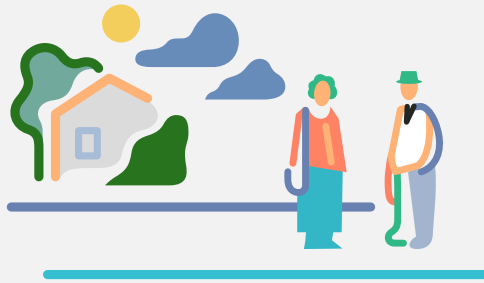
The market share for public transport in Norway and the Nordic region is currently low. The more people travel by public transport instead of by passenger car or plane and the more freight is transported by rail rather than road, the more greenhouse gas emissions will be avoided for society. Public transport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





## 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.



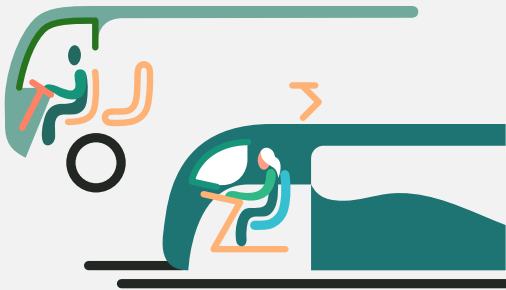
## Reduces noise

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.



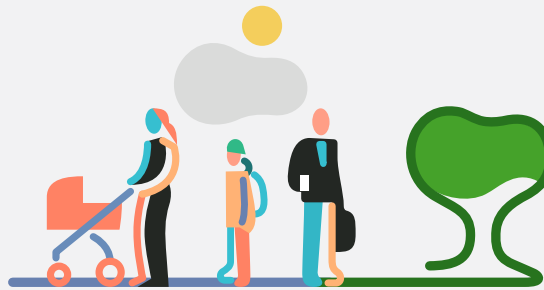
## Saves resources

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

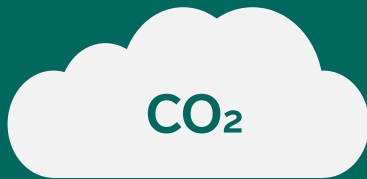
A heavy goods vehicle is involved in every third traffic fatality in Norway, which is twice as high as the European average. Vy's freight activities save the roads from around 1 200 articulated lorries every day. Freight traffic switching from road to rail therefore improves road safety.



## 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.

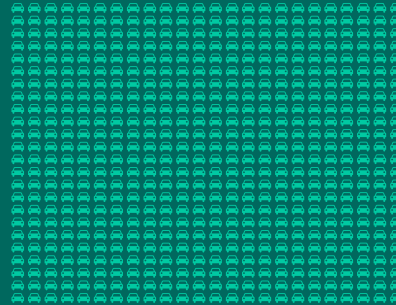
# Vy helps reduce greenhouse gas emissions



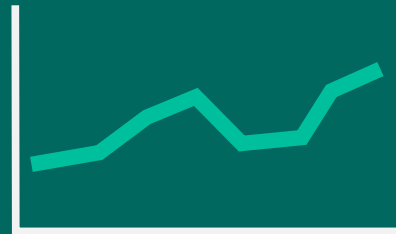
**770 790 tonnes**  
CO<sub>2</sub> equivalent\* saved  
compared to alternative  
transport by car and lorry.

This corresponds to the annual  
emissions from

**392 000 cars**



**600 cars**  
cars are on average replaced by  
a full train in rush hour traffic



**203 million**  
passengers transported by  
our trains and buses in 2023



**810 %**  
increase in kilometers  
driven with electric bus  
from 2020 to 2023



**1 200 lorries**  
articulated lorries are  
replaced by CargoNet's  
freight trains each day

\*Source: Asplan Viak, note: Based on passenger km by train and bus in 2023. The number of passenger km by bus and train compared to passenger car, with an average of 1.6 people in the car (based on RVU 2013/2014).

# The carbon footprint of different modes of travel

(CO<sub>2</sub>e per passenger kilometre)

Medium-sized petrol car (traffic jam) <sup>1</sup>



Medium-sized diesel car (traffic jam) <sup>2</sup>



Medium-sized petrol car <sup>3</sup>



Medium-sized diesel car <sup>4</sup>



Aircraft (economy) <sup>5</sup>



Bus (diesel) <sup>6</sup>



Electric car (SUV) <sup>7</sup>



Bus (biodiesel) <sup>8</sup>



Electric car (small) <sup>9</sup>



Bus (electric) <sup>10</sup>



Train (electric) <sup>11</sup>



 Modes of transport offered by Vy

Sources:

1-4, 7, 9: *Mantim Wates mil Entremamial Selne: Euroge (2020), Bnaryg sijieni Trace-gile In anall to laree aldiric vahkebe, page 3*

5, 6, 8, 11: *Chal or isknina noproin Semezter ach kllmakat (2021), Istontappar version 21, page 9*

10: *NHO Tansport, Hornoaithalakee ti Inalovr 2050,2020, page 9*

Primary objective:

## Great customer experiences, every day

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

### Measures:

- 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

### Strategic KPIs

- Customer satisfaction
- Reputation
- Further development of services to get more people to choose public transport

### Sustainable Development Goal



Primary objective:

## Industry-leading innovation

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

### Measures:

- Reduce energy consumption in service
- Leverage and adopt new technologies, including the development of services to increase customer satisfaction levels and improve customer information
- Reduce emissions, including a.o. by phasing in electric buses

### Strategic KPIs

- Further develop digital customer services
- Monitor and measure progress of activities to reduce emissions
- Further develop operational IT and other digital initiatives

### Sustainable Development Goal



Primary objective:

## Efficient and reliable in everything we do

Systematic work on internal processes and cooperation with others in the sector to ensure competitiveness, quality and better deliveries to our customers

### Measures:

- Improve and streamline processes
- Improve punctuality and regularity
- Ensure that continuous improvement is part of day-to-day operations

### Strategic KPIs

- Reliability (punctuality and regularity) and status of measures to improve reliability
- Cost-effectiveness

### Sustainable Development Goal



Primary objective:

## 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

### Measures:

- Focus on traffic safety, in the operation of our services and in the training of new employees
- Monitor HSE internally and in respect of suppliers
- Initiatives to reduce absence due to illness
- Initiatives to ensure an open and inclusive culture and well-being in the workplace

### Strategic KPIs

- Employee survey
- Absence due to illness
- Gender balance in management positions
- Status of strategic HSE initiatives

### Sustainable Development Goal





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 2023.

Transport constitutes one of the largest sources of greenhouse gas emissions in Norway and accounts for one third of Norway's emissions. There are also indirect emissions related to transport, for example from sites used for roads, the materials and energy consumed in construction and maintenance of infrastructure, fuel and the actual modes of transport themselves, such as cars and aeroplanes. The overall demand for transport therefore has an impact on other emissions and developments in other sectors beyond the transport sector (Norwegian Climate Committee 2050. The transition to low emissions – climate policy choices towards 2050. NOU 2023:25).

The key to the transition to a low emission society for the transport system will be to reduce the need for transport as much as possible, to move anything that can be moved to modes of transport with lower resource and energy consumption and lower emissions and finally, to improve technologies. The avoid - shift - improve (ASI) framework is a useful starting point for the transport sector. For Vy, it is important to help move journeys from cars and flights to public transport. At the same time, we are also committed to improving technology, for example switching from diesel buses to electric buses.

According to the Norway's Climate Action Plan, 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 vast amounts of space used to store cars and reduce congestion, accidents and reduce noise and resources associated with manufacturing, while also improving local air quality due to less microplastics and suspended dust 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 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 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) - Scope 4. In 2023, Vy helped Norway save the amount of greenhouse gas emissions by 770,790\* tonnes of CO<sub>2</sub> equivalents by offering public transportation and transportation of freights by rail. This corresponds to the annual emissions of 392,000 cars.

We have set an ambitious target of saving a total of one million tonnes of CO<sub>2</sub> 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. In 2023, Vy started its work to establish science-based climate targets in line with the Paris Agreement.

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 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.

*\*Source: Asplan Viak, note: Based on passenger km by train and bus in 2023. The number of passenger km by bus and train compared to passenger car, with an average of 1.6 people in the car (based on RVU 2013/2014).*





## 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 2023	Target figures for 2023	Target figures for 2024
Volume growth in trains Norway (%)	18%	16%	5%
Volume growth in commercial bus services (%)	23%	18%	5%
Volume growth in freight (TEU)	-3%	21%	18%
Customer satisfaction passenger trains Norway	78	78	80
Customer satisfaction commercial buses	81	86	85

### 3 GOOD HEALTH AND WELL-BEING



Vy 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.

### 11 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.

### 12 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.

### 13 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 sustainable public transport solutions. Our products contribute to fewer lorries on the road and less traffic in and around cities. We always strive to provide our customers with an enjoyable and predictable journey and to arrive on schedule. Every day, we contribute to solving the transport requirements of nearly 557,000 people in a green manner and there's more to come. Every journey counts!

## Vy to operate train services in Eastern Norway for the next 10 years

The first few months of 2023 were characterised by great uncertainty with regard to who would be awarded the train contract for Eastern Norway. In March 2023, it was announced that the Norwegian Railway Directorate had decided to award all train services in Eastern Norway to Vy. We look forward to operating all trains in Eastern Norway for the next ten years. Unified train operations will provide passengers with a much better train service and reduce costs on the part of society. We strongly believe that the new timetable will attract more customers.

## The 2023 Train Year

Following some challenging years with the pandemic and changed travel patterns, we have finally found that journey figures are returning to 2019 levels. The largest growth has been seen in Eastern Norway, especially on R14 (Asker-Kongsvinger). At the same time, traffic on the Østfold Line overall has surpassed the number of journeys from 2019 following the launch of the Follo Line and the direct Oslo-Ski line.

The pandemic has affected some of our habits. A larger proportion of people are working from home compared to pre-pandemic, especially on Fridays. We also find that passenger numbers are more spread out throughout the day, and significantly higher on weekends.

Being awarded the two major train contracts in Eastern Norway and the increase in the number of passengers have been crucial factors over the past year. However, 2023 was also a year characterised by several challenges linked to train infrastructure in Eastern and Western Norway, as well as on the Gjøvik Line. There were also challenges associated with the Follo Line,

especially the Blix Tunnel, which remained closed until 5 March.

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 98.3 per cent in 2023. This is on a par with the last few years and something we are constantly working to improve.

Total punctuality, which includes all delays regardless of cause, was 88 per cent for Vy's passenger trains. This is a small improvement from 2022, but below Vy's target of 90 per cent. In order to deliver a satisfactory train service, we are entirely dependent on the quality of deliveries from Bane NOR, which is responsible for the infrastructure. We attend regular collaboration meetings at several levels with Bane NOR regarding punctuality and we work together to ensure improvements. Poor punctuality is a major challenge for customers, who do not get what they expect. It is also challenging for employees, who often end up in difficult customer situations.

We are also working to accelerate and simplify customer communication using the Vy app and vy.no, so that customers receive quick and relevant information about their journeys.

We operate four train contracts in Sweden, where the overall punctuality was 83 per cent.

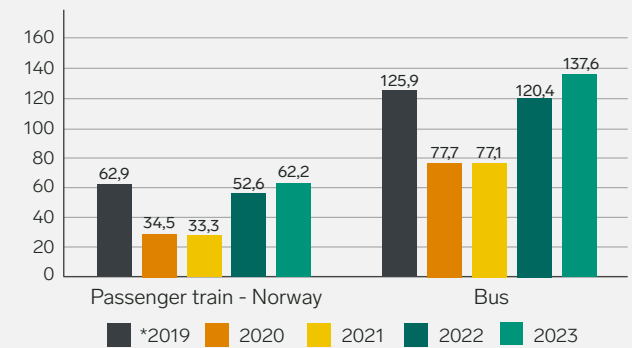
## The Follo Line

The Follo Line represents the largest boost to the Norwegian railways since the Gardermoen Line opened in 1998. Most of the Follo Line consists of the 20-kilometre Blix Tunnel. The Follo Line reopened on 5 March 2023, after having to close shortly after its launch in December 2022.

There is still outstanding improvement work to be undertaken on the Follo Line. Bane NOR has announced that the improvement work will be completed in 2024.

Together with Bane NOR, we have worked to identify the best solution for our customers while work is still ongoing.

Number of journey - comparable business (mill.)



\*Adjusted for the loss of traffic package "South" and "North"

## Customer satisfaction

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 for customers and the results also form part of the training and recruitment programme for employees within the bus and train services.

We are happy to see that we have achieved good feedback 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. The results show that overall customer satisfaction among train customers in Eastern Norway was at 74, 79, 80 and 78 points in Q1, Q2, Q3 and Q4 respectively (using a scale from 0-100). Considering that these are some of the busiest train lines in Norway, we consider the results to be satisfactory. For train customers in Western Norway, including the Bergen Line, the satisfaction score was 79, 81, 83 and 82 during the same periods. Equally satisfied customers can be found on the Gjøvik Line, with growth from 77 to 82 points throughout the year. The onboard employees on trains generally receive a good score from customers and we are especially proud of the onboard employees on the Bergen Line, who achieved a score of 97 points in Q3.

The customer satisfaction index (CSI) is calculated as an average



new ticket solution for European train journeys, which will make it easier to plan and buy train travel in several countries in Europe.

## The Swedish Train Year

We operate four train contracts 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 improve tourist services on certain lines. One example is the solution we have developed to make it easier for business travellers to take an overnight train from Stockholm towards Skellefteå. We now offer a more comfortable journey on this line, with appropriate bus links from Bastuträsk towards Skellefteå, where breakfast is included.

In 2023, we experienced the highest ever level of passengers in the history of Norrtåg. There was an increase of just over 15 per cent compared to 2022. Following the pandemic, we have now surpassed the previous record level from 2019. In total, we had just under 1.6 million passengers. Over the past year, we marketed various activities that have helped attract more passengers to our trains.

It has been a challenging year in relation to infrastructure. This, in turn, resulted in low levels of punctuality and several cancellations.

The Norrland overnight train service had a similar number of passengers in 2023 and 2022. We anticipate growth in 2024.

## It should be easy to plan a journey and buy tickets

Eco-friendly travel should be easy. We know that these are important factors when it comes to encouraging people to choose public transport over cars. When we know which departures our customers plan to take, we can also ensure that they are informed via push notifications in the event of any changes to their departure.

Train tickets for Vy, SJ in Norway and Go-Ahead can all be purchased via the Vy app and on vy.no. Local tickets from Ruter,

Østfold, Brakar, Vestfold, Telemark, Kolombus and Skyss are also available. In addition, we sell tickets for our commercial bus routes, which are the express buses we operate under our own name. Tickets for all public transport services in Sweden can be purchased at vy.se and the Swedish version of the Vy app.

The Vy app has 900,000 unique users each month and vy.no has 1.1 million. Approximately 1.5 million orders are placed each month via these channels.

In 2023, we have worked on many new services and improved user experiences in the Vy app and at vy.no. Customers have provided tens of thousands of items of feedback, and we prioritise new requests and improvements each week. The following are examples of what we delivered in 2023:

- The Vy app now sells Ruter's Reis tickets and we display an aggregated overview of Smartprice and Reis, showing consumption and discount levels.
- All new purchase paths make it easier for users to buy the right type of ticket, with various discounts and a choice of seat.
- Option to buy a return ticket as part of the same order and repeat purchases.
- One journey search stored on the home screen. This is useful for keeping an eye on delays if you are collecting someone.
- The notification service now supports several types of push notifications that are issued to customers to communicate delays, platform changes or train set changes.
- Real-time location of trains on maps in the app (in Norway).
- Information about the best place to wait on the platform.
- Search for journeys from Norway to Denmark and the sale of train journeys across most of Europe via vy.no.
- The Vy app now includes 70 taxi companies.

## Satisfied bus customers

In Sweden, Vy Bus4You had the most satisfied customers in passenger transport for the 12th year running in the annual survey conducted by the Swedish Quality Index. Vy Flygbussarna came third in the same survey.

Vy Buss Sweden continues to work on “Good hosting – the art of making guests feel welcome” across the entire company. Good hosting as a method to make people feel welcome has already been implemented at Vy Bus4You. This work has contributed to the high level of customer satisfaction over the past 11 years. The

plan is to continue working on “Good hosting” in 2024.

The commercial bus service in Norway is performing well. Vy Express came 97th in the Norwegian Customer Barometer survey in 2023. This is a decline from the previous year, when we came 84th. Nevertheless, it is better than 2021, when we came 124th. Vy Express was ranked 9th out of 16 passenger transport companies in the industry.

Vy achieved good customer satisfaction levels for the express buses. The 2023 average was 81 per cent, demonstrating that our customers are very satisfied. However, this still represents a decline from the peak year of 2022, when the satisfaction level was 85 per cent. There could be several reasons why customer satisfaction has declined this year. Extreme weather, high precipitation volumes and closed mountain crossings all affected punctuality. In addition, there were some technical challenges that meant that some of our regular double-decker buses had to be replaced by other buses during some periods. Unfortunately, not all of the replacement buses were of the same high standard as the original buses.

We have received positive feedback after extending the bus route for the VY190 from Stavanger to Bergen.

## 2023 Improvement Award

Vy presented an internal Improvement Award for the second time in 2023. The purpose of the award is to showcase the individuals and initiatives that lead to improvements for customers and employees. The recipient of this year's Improvement Award was Vy Buss in Fyrbodalen in Sweden. Through prudent and sensible management and excellent sales and contract management, the team has delivered incredible financial performance. The department has high levels of employee engagement and low levels of absence due to illness.

## Work on universal design

Travelling with Vy should be easy for everyone. We therefore work to ensure that our products and services satisfy universal design requirements. We have consulted several advocacy and policy organisations for people living with disabilities, as well as other external stakeholders in the area. We have joined the Norwegian Railway Directorate's Train Group for Universal Design.

In 2023, 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 on the procurement of new local trains (Class 77) and new long-distance trains (Class N10) and we have worked to adapt vy.no and the Vy app in connection with the new EU Directive.

Vy Buss purchases all buses and express buses in accordance with the Universal Design Regulations. We collaborate with several special interest organisations representing various user groups.

Vy Buss is well under way with its investment in clear language. Initially, we are focusing on the use of clear language in the training of our own employees. Words should not only be physically available, it is also important that people understand what is said. Clear language is useful for everyone, especially those living with reading and writing difficulties or those for whom Norwegian is a second language. Vy Buss has secured funding from the Industry Programme for Passenger Transport, which is part of the Inclusive Workplace agreement and is managed by Spekter.

## Vy is committed to more sustainable leisure travel

Vy is investing in the development of sustainable tourism based on public transport to reinforce its core divisions. We are doing

this through the part-owned companies Fjord Tours Group and Flåm Utvikling, among others. Together, we are working 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 together 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 2023, Fjord Tours established two round-trips for which Vy is responsible for bus transport.

- Hardangerfjord in a nutshell: Geilo – Vøringsfossen – Eidfjord
- Geirangerfjord in a nutshell: Ålesund – Åndalsnes – Geiranger

In order to compete with the car, we need to offer services that allow our passengers to go where they want, when they want. During the Palmesus Festival in Kristiansand, we therefore scheduled dedicated night buses and shuttle buses to transport festival attendees between the festival site and their accommodation both during the day and at night.

## A challenging year for rail freight

2023 was a challenging year for freight transport. There have been too many major errors and issues with our own locomotives

and carriages, we experienced issues with cranes at the Alnabru freight terminal and the weather has also presented major challenges. The extreme weather in August was most challenging, as the flooding resulted in the collapse of Randklev Bridge in Ringeby. The collapse led to the closure of the Dovre Line and we needed to identify alternative solutions. Since August, all northbound train services from Oslo have operated on the Røros Line instead of the Dovre Line. Towards the end of the year, an ore train derailed between Kiruna and Narvik. This caused major damage to the Ofoten Line. This had negative consequences for punctuality and quality of deliveries to customers in relation to expectations.

Nearly a third of greenhouse gas emissions in Norway currently originate from transport. The railways only account for a small proportion of this. For our customers, moving freight transport from road to rail is an efficient way in which to decrease their own emissions. Reducing the number of lorries on the road is also a positive when it comes to traffic safety. A freight train replaces 30 lorries on the road and the demand for rail freight has grown in recent years. It is therefore particularly unfortunate that rail transport capacity declined in 2023.



# Industry-leading innovation

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

Selected operational performance indicators (KPIs)	Status 2023	Target figures for 2023	Target figures for 2024
Emission of CO <sub>2</sub> e per seat kilometre, bus	25.0	24.5	24.0
Emission of CO <sub>2</sub> e per tonne kilometre, freight	4.6	4.3	5.0
Energy, kwh/gross tonne kilometres for trains, Norway	47.0	46.0	45.0

## 3 GOOD HEALTH AND WELL-BEING



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

## 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



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

## 12 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

## 13 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

## 17 PARTNERSHIPS FOR 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 action plan, Norway has set a target of halving emissions from the transport sector by 2030. Although Vy's most important climate contribution is to enable more people to choose green, public transport solutions, we also actively work 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 were reduced significantly during the pandemic in 2020 and 2021 due to lower production levels and the transition to zero-emission technology. Vygruppen's overall greenhouse gas emissions increased by 1 per cent in 2023 compared to 2022. The increase is due to different consumption of energy (diesel, biodiesel, electricity) and a change to the number of kilometres travelled by different vehicles with different emission factors. Emissions from electricity have also increased from 34 g CO<sub>2e</sub> /kWh to 38 g CO<sub>2e</sub> /kWh. There has also been a change in the turnover factor for biodiesel in road diesel, which means that emissions from road diesel in 2022 had a fossil emission of 2.73 kg CO<sub>2e</sub>/litre, while in 2023 the figure was 2.77 kg CO<sub>2e</sub>/litre.

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 approximately 23 per cent in 2023.

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. From 1 January 2023, the turnover requirement for road traffic has increased and the way in which the requirement is met has also changed (double count of advanced biofuel changed from applying to all advanced biofuel to applying only to advanced biofuel in addition to the sub-criteria). The new turnover factor that came into effect from 1 January 2023 is 17 per cent. Although Vy's use of biofuels has been reduced and Vy's emission figures are increasing, it also means that Norway's total turnover of biofuels is balanced and that 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 2023, the total amount saved is estimated at 770 790 tonnes of CO<sub>2</sub> equivalents, which corresponds to the annual greenhouse gas emissions of around 392 000 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 297 910 lorry journeys in 2023. This corresponds to around 1 200 articulated lorries per day (excluding the effect of volumes transported by industrial train).

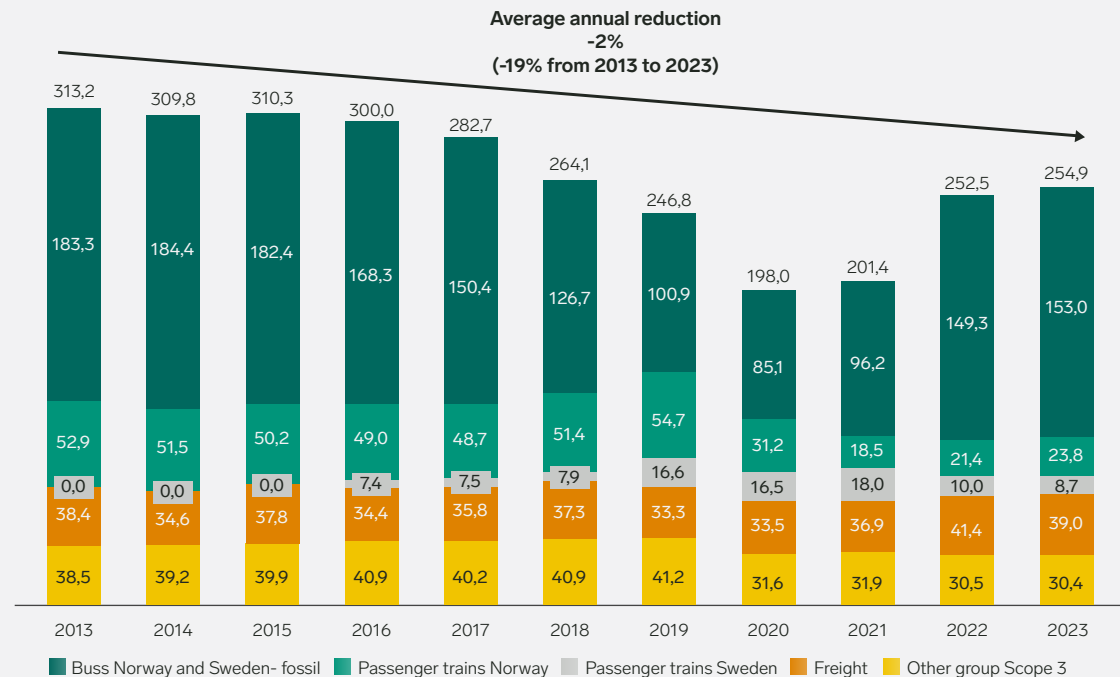
Vy purchases electricity with guarantees of origin for the operation of electric passenger and freight trains, with the exception of electricity for the propulsion of freight trains in Sweden in 2023. This provides a guarantee that the electricity we use is produced as renewable power at Norwegian hydro-power plants. Nearly all of our trains also have the ability to generate and return electricity to the power grid when 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.
- 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.

### Absolute emissions (location-based)

1000 tonnes of CO<sub>2e</sub>, Scope 1, 2 and 3, excluding biogenic CO<sub>2</sub> emissions from biodiesel.







## Vygruppen's greenhouse gas emissions 2013 – 2023

Vy has an ambition to cut emissions in line with the climate report (Paris Agreement) and, since 2013, Vy has reduced absolute emissions by 19 per cent, corresponding to 58 300 tonnes of CO<sub>2</sub>e. In 2013, the number of passengers was 6 099 million passenger kilometres and, in 2023, this figure was 7 083 million passenger kilometres, while freight amounted to 2 700 tonne kilometres in 2013 and 3 154 tonne kilometres in 2023. Vy is implementing a number of initiatives that will lead to significant cuts in CO<sub>2</sub> as part of the journey to achieve net zero-emission from the business as a whole by 2050. Vy has initiated its work to establish science-based climate targets, including targets to cut emissions by both 2030 and 2050.

### Emissions from trains

For passenger trains in Norway and Sweden, greenhouse gas emissions increased by 3.5 per cent in 2023 compared to 2022, primarily as a result of increased emissions from electricity from 34 g CO<sub>2</sub>e/kWh to 38 g CO<sub>2</sub>e/kWh. Emissions from freight reduced by 4 per cent compared to 2022, primarily due to reduced production levels (less freight in tonne kilometres) due to Storm Hans and the collapse of Randklev Bridge

CargoNet works actively to reduce its footprint on the external environment and to reduce electricity consumption. Hybrid locomotives are replacing older diesel locomotives. The new locomotives support the backfeed of electricity to the grid during braking and can also operate using diesel propulsion on lines and terminals where there is no access to catenary lines supplying electricity. CargoNet emphasises energy-efficient driving and this is prioritised when drivers are trained. Energy-efficient driving is made a priority at train driver meetings to ensure unified goals.

Ongoing modernisation of the machinery fleet is also under way at terminals. Newly sourced rolling stock meets new environmental requirements.

## New fully electric freight terminal in Bergen

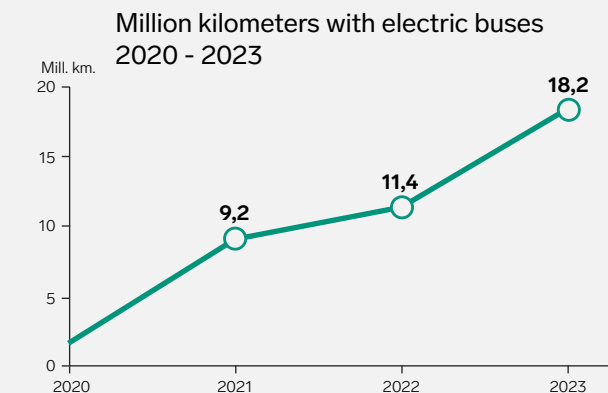
Bane NOR opened a new freight terminal in Bergen at the end of August. The new terminal has better capacity and will operate more efficiently with longer loading tracks and more space for freight management. The increased capacity corresponds to up to 40 000 articulated lorries per year between Oslo and Bergen. The terminal has been adapted for zero-emission operations.

## Electrification continues for Vy Buss

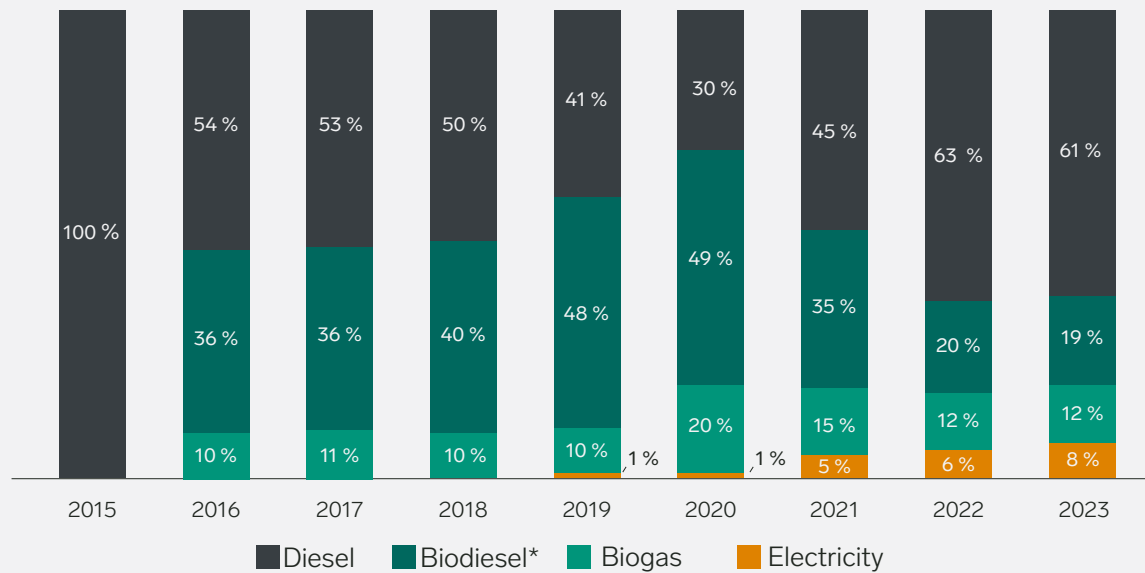
Vy aims to set the standard for sustainability and be a positive driver so that the passengers of the future receive a greener service. In 2023, Vy launched its first fully electric contract in Kongsberg. Our investment in electric buses in the Kongsberg and Vikersund regions will result in reduced emissions of approximately 4 500 tonnes of CO<sub>2</sub> equivalents per year.

Vy continues to invest in electric tour buses and the aim is to achieve a zero-pollution bus fleet. Transport using electric buses has increased from around 2 million kilometres in 2020 to 18.2 million kilometres in 2023.

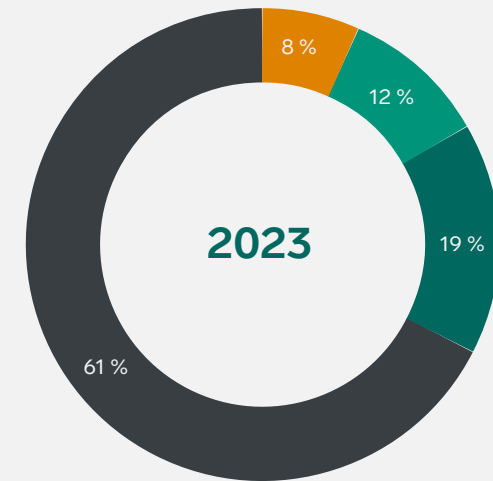
Vy Buss is the largest commercial bus operator in Norway and therefore has a significant social responsibility. By electrifying the bus fleet, we are setting an industry standard and contributing to more competitors and partners taking the environment and climate seriously. Vy is not going to stop here, but seeks to test new and leading technology, especially



Share of diesel, biodiesel, biogas and electricity – Vy Buss 2015 – 2023  
as % of seat kilometres



\*Note: Biodiesel = B100 RME and HVO



innovations, that will help reduce CO<sub>2</sub> emissions. Greenhouse gas emissions from buses in Norway and Sweden have decreased significantly since 2015, while passenger numbers have increased. The main reason for this is that the bus division has switched to more renewable energy. We have also adopted a fleet management system, which registers fuel consumption, idling and driving behaviour among other things. 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 has led several of our contracting authorities to move back to diesel from HVO. The consequence of this is that the proportion of kilometres travelled using HVO, biodiesel, gas or electricity has declined from 70 per cent in 2020 to 39 per cent in 2023. The positive factor is that the share of electricity has increased sharply from 1 per cent to 8 per cent during the same period.

### Greenhouse gas emissions from suppliers (Scope 3)

In accordance with the international greenhouse gas reporting standard, Greenhouse Gas Protocol, Scope 3, we also report on our suppliers' greenhouse gas emissions. In 2023, Vy further developed its calculations for Scope 3 and has now elected to also include emissions from employees' travel to and from work, as well as the use of refrigerants. Total Scope 3 emissions (location-based) in 2023 have been calculated at 30 400 tonnes of CO<sub>2</sub> equivalents for purchased activities associated with the Group and around 69 000 tonnes of CO<sub>2</sub> equivalents for the production and maintenance of trains and buses, as well as 'well to tank' emissions from the production of fuel – totalling 99 400 tonnes of CO<sub>2</sub> equivalents.

Scope 3 emissions from purchased activities associated with the Group (30 400 tonnes of CO<sub>2</sub>e) account for around 12 per cent

of Vy's emissions (Scope 1, 2 and 3, excluding biogenic emissions, using the location-based method).

Total Scope 3 emissions from purchased activities associated with the Group and the production and maintenance of trains and buses, as well as 'well to tank' emissions from the production of fuel (99 400 tonnes of CO<sub>2</sub> equivalents) account for around 39 per cent of emissions (Scope 1, 2 and 3 excluding biogenic emissions, location-based method).

Emissions from alternative transport (rail replacement bus services) corresponded to 4 per cent of Vygruppen's emissions in 2023 (Scope 1 and Scope 2, excluding biogenic emissions)

### Vy Championship helps reduce emissions

Vy Buss organises an annual championship for economical, customer-friendly and safe driving for its drivers. The aim is

for drivers to drive in a way that is as safe and environmentally friendly as possible. This year, 19 drivers who had secured a top score for environmentally friendly and customer-friendly driving styles made it to the final, 5 from Sweden and 14 from Norway.

## Excellent results for Vy's Nordic Swan eco-labelled washing halls

Since 2020, three washing halls at Eidsvoll, Hamar and Brumunddal have achieved the Nordic Swan eco-label. The Nordic Swan eco-label sets out strict requirements relating to Water consumption and wastewater management. By the end of the year, we had three out of the four Nordic Swan eco-labelled bus washing halls in the Nordic region. We have seen excellent results from the measures associated with the certification. In 2023, our three washing halls saved 3.7 million litres of water compared to consumption levels in the final year prior to Nordic Swan eco-label certification. The requirements imposed by the Nordic Swan eco-label are a maximum of 270 litres of water per bus and in 2023 our three Nordic Swan eco-labelled washing halls averaged 173 litres of water per bus. There is great variation between the washing halls that use the most and the least amount of water per bus.

The Nordic Swan eco-label requirements also include a requirement to remove oil fractions, heavy metals and other environmental toxins. Vy Buss has a total of 57 washing halls. In 2024, we will upgrade the washing hall in Drammen and the goal is for this hall to also achieve Nordic Swan eco-label certification.

## Zero-emission lifting devices at freight terminal

CargoNet works closely with lifting device suppliers at terminals to develop and transition to zero-emission lifting devices. CargoNet is currently in the process of testing large electric forklift trucks and electric reach stackers, making it the first European terminal operator to test zero-emission machinery produced by European suppliers with a lifting capacity of up to 45 tonnes. We are proud to be part of this development at such an early stage.

## Large autonomous bus in open traffic

It has been an interesting year for the work on the new autonomous bus in Stavanger. The bus is the largest of its kind and runs in open traffic. The bus navigates tunnels, roundabouts, traffic lights, lane changes and has a maximum speed of 40 kilometres per hour. The project is considered world-leading when it comes to autonomous buses.

We have partnered with Kolombus in Stavanger for the autonomous bus. In 2023, we were awarded the Innovation Award at the Autonomy Mobility World Expo in Paris as a result of the bus.

## Customers appreciate Smartprice

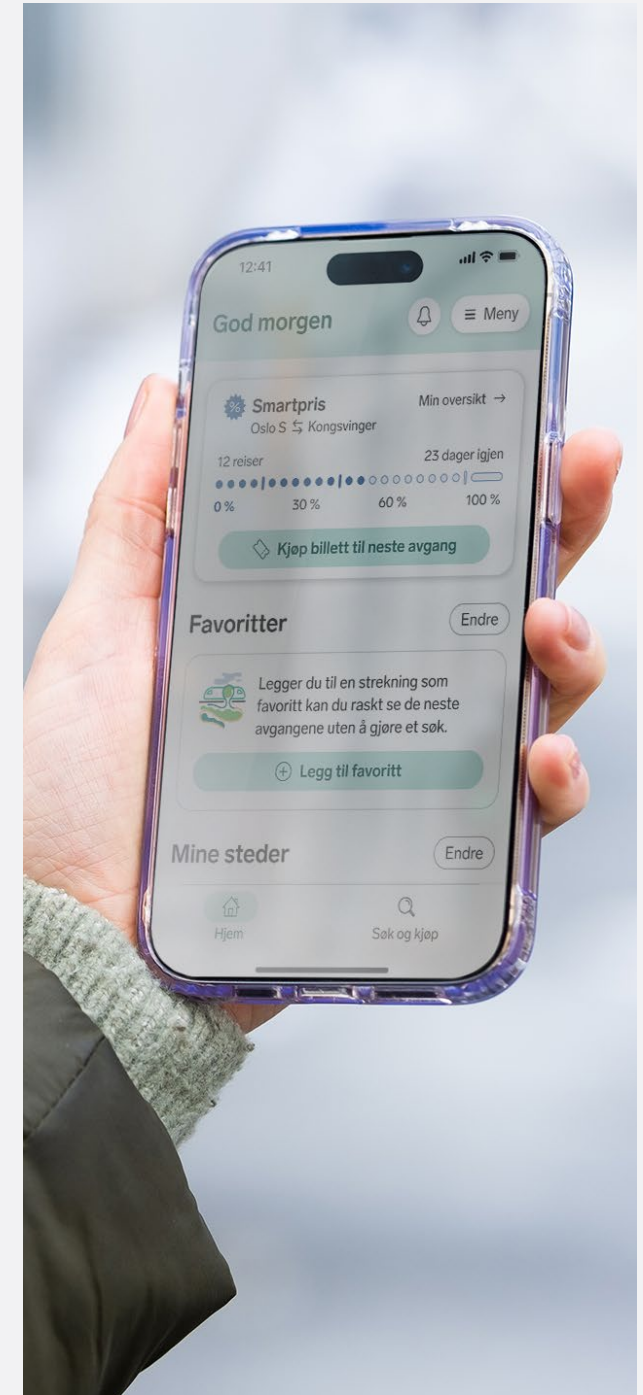
Vy launched the flexible Smartprice ticket concept in 2021. With Smartprice, customers pay for every journey, but the total price for a month is never higher than the price of a season ticket for the same line. This means you don't have to think about whether it's worth it, as you will always get the best price. This discount has gained popularity among our customers. In 2023, we set a new record, with 2 700 128 Smartprice tickets sold. In November alone, 273 000 Smartprice tickets were sold.

## 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 the waste is not sent to a landfill, and that it is not incinerated in a manner that does not utilise its 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 1 286 tonnes, an increase of around 9 per cent from 2022.





The source sorting ratio has increased and is now 86 per cent. The freight division has recorded a waste volume of around 300 tonnes and a source sorting ratio of nearly 100 per cent.

The cleaning division for passenger trains (Agilia) has recorded a waste volume of 173 tonnes with a source sorting ratio of 98 per cent.

No significant discharge of chemicals or leaks associated with our activities were recorded in 2023.

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 do.

## Reuse and recycling of IT equipment

Vy strives to achieve the highest possible degree of reuse and recycling of IT equipment. In 2023, the reuse rate for laptops, desktops and monitors was 84 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. Estate management places great emphasis on the reuse of construction materials and furniture. In the event of major redevelopments, ceiling panels, kitchens, doors and wall modules are reused and this contributes to excellent resource utilisation and smart economic choices.

The environment was an important factor when we entered into a new agreement for canteen services in 2023. There are now requirements to reduce food waste and encourage diners to choose more climate-friendly food by presenting the CO<sub>2</sub> emissions associated with the various dishes. The new agreement entered into force in August 2023. Comparing the August-

December 2023 period to the same period in 2022, we can see that food waste has decreased by around 25 per cent (10 grams) per person per meal.

## 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 joined to contribute towards more eco-friendly transport. Skift is also a useful 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 increased electricity costs, it is crucial for Vy to conduct its train operations in the most energy-efficient manner possible. Vy has always focused on energy-saving measures, but in 2023 we continued to work on multiple initiatives to reduce our energy consumption. Some of the key topics we are working on include:

- The use of data to improve the control and overview of train operations through analyses and reporting.
- Looking at opportunities for more energy-efficient train operations through more efficient driving styles.
- Reducing energy consumption by parking trains in a way that uses minimal electricity to achieve an optimal interior temperature to ensure the best possible combination of comfort and energy efficiency.
- Looking at potential upgrades to climate control systems to make these more energy-efficient.



## Efficient and reliable in everything we do

- Systematic work on internal processes and cooperation with others in the sector to ensure competitiveness, quality, and better deliveries to our customers

Selected operational performance indicators (KPIs)	Status 2023	Target figures for 2023	Target figures for 2024
Total punctuality, passenger trains	88.0 %	90.0 %	90.8 %
Operator-dependent punctuality, passenger trains	98.3 %	98.5 %	98.6 %
Punctuality, freight trains	n.a.*	92.0 %	92.0 %

\* Measurement challenges due to changes after the Randklev bridge

### 8 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

### 11 SUSTAINABLE CITIES AND COMMUNITIES



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

### 17 PARTNERSHIPS FOR 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

Vy is a limited liability company with the Norwegian government, represented by the Ministry of Transport and Communications, as the sole owner. The state's justification 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.

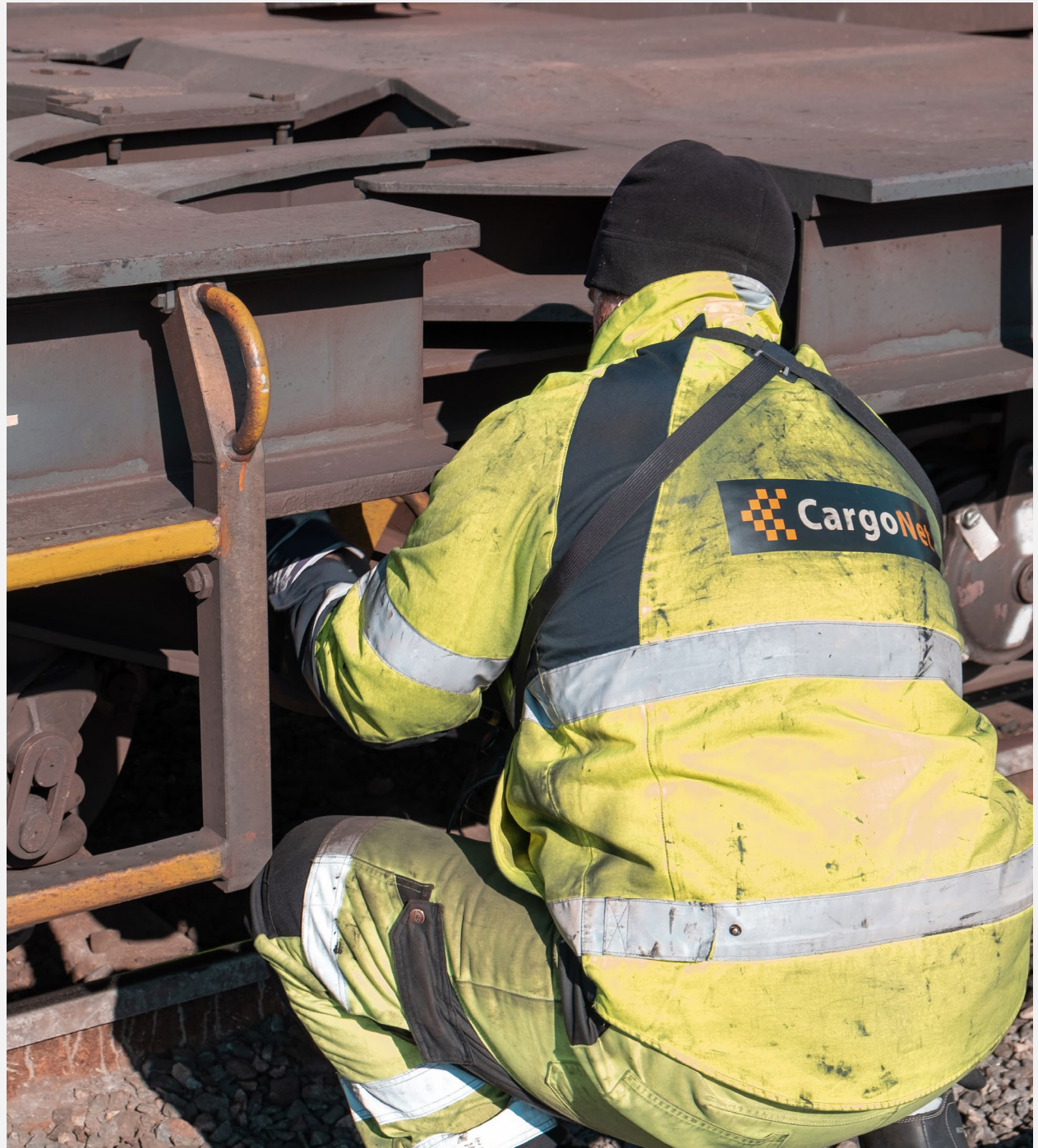
Vy works systematically on restructuring and continuous improvements across the Group in order to provide the best possible service to customers. In addition to improving and simplifying operation and support processes, we also facilitate the sharing of best practices and learning across the company. 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.

## Funding schemes for rail freight

The funding scheme to move freight from road to rail will continue in 2024. The scheme is aimed at the combined transport and wagonload modes of transport, where competition with road transport is at its strongest. This subsidy scheme launched in 2018.

A temporary compensation scheme was also established in 2023 for the freight train operators affected by the collapse of Randklev Bridge on the Dovre Line in order to compensate for the major losses incurred by the companies.



## New train stabling site in Kongsberg

Bane NOR opened a new train stabling site in Kongsberg in December. Until now, several empty trains ran between Kongsberg and Drammen each day due to a lack of train stabling facilities in Kongsberg.

## Responsible purchasing

Vy is a responsible purchaser and has adopted a Group policy to safeguard human and labour rights. 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 8.5 billion per year. It also procured and leased fixed assets, primarily

trains and buses, for NOK 8.5 billion in 2023. 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.

Extensive work was undertaken to assess the contract portfolio in 2022. The most important activity in 2023 was therefore to follow up on suppliers in the identified risk areas. 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 Group's community work. We work in accordance with the OECD method for due diligence and, in 2023, 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 certain suppliers.

Vy 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*.





## 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

Selected operational performance indicators (KPIs)	Status 2023	Target figures for 2023	Target figures for 2024
Passengers - serious injuries	0	0	0
LTI (frequency of occupational accidents that are serious enough to result in at least one full day of absence from the workplace)	7.0	5.3	5.7
Absence due to illness (total)	8.2 %	7.6 %	7.6 %
Employees satisfaction index	75	76	76

**5 GENDER EQUALITY**



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

**8 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 enjoy a safe journey that is predictable in terms of time and quality and all personal data must be managed appropriately.
- **Safe and happy colleagues:** Our employees must benefit from a safe and motivating workplace that helps them develop.

## Group-wide HSE work

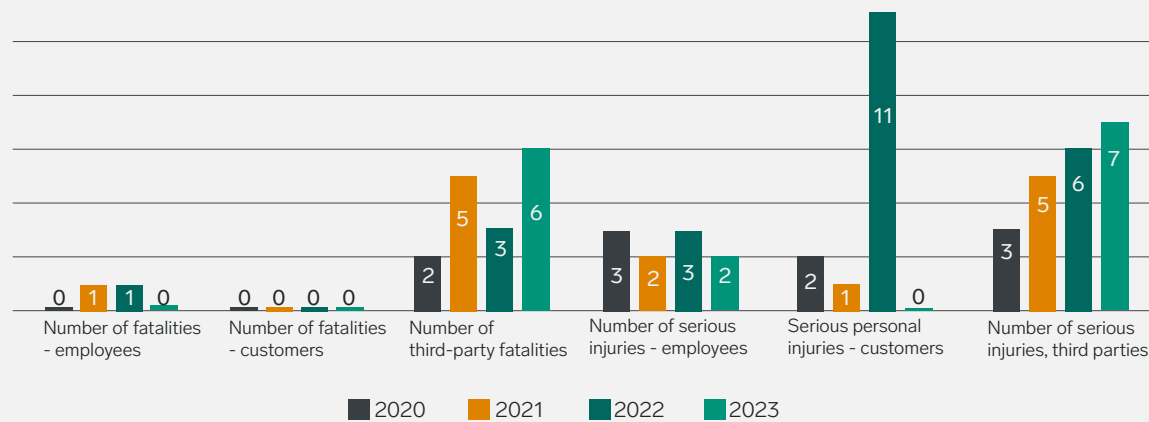
The methodology for HSE work across the Group has been strengthened through Group guidelines. Group Forum HSE has also contributed to the exchange of experiences and learning across business areas. In the autumn of 2023, Vy delivered a new foundation course in HSE to safety representatives, employee representatives and members of the Working Environment Committees for the companies in Vygruppen AS. Vy has also developed an e-learning module for all employees, describing the framework and expectations for HSE at Vy.

## CargoNet receives HSE award

In 2023, Vy presented an internal HSE award for the second time. The purpose of the award is to showcase good initiatives and stimulate efforts in this crucial area. The winner of this year's HSE award was the CargoNet HSE department. The department has demonstrated that systematic, regular HSE initiatives yield excellent results. Through communication, training and the sharing of experiences, the number of occupational injuries at CargoNet has more than halved over the last year.

In recent years, CargoNet has developed an action plan that has a broad reach within the organisation. Priority areas include developing a culture of adverse event reporting, skills development in the field of HSE, management training, personal protective equipment, health-promoting activities and increased collaboration with other parties that employees interact with and that affect safety and the working environment.

Injuries and fatalities



## 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 Inclusive Workplace Agreement for 2019-2024.

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. This year, Vy Buss received a report addressing the challenges linked to the growing number of involuntary part-time positions in the bus industry. The *Who will Drive the Bus report* was funded by the industry programme. The industry programme has also provided funding for an initiative on clear language and Norwegian as a second language at Vy Buss.

## Traffic safety

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

## Traffic safety on the railways

In accordance with the regulations defining railway accidents, Vy recorded a total of 14 accidents in 2023. This is one 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, Bane NOR. 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 2023, 2,053 animals were run over on the Norwegian railways. This is 72 fewer than in 2022. The statistics do not indicate what percentage involved Vy trains. 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 2023 was significantly lower than in 2022.

## Traffic safety in the bus division

Vy Buss is highly committed to HSE and traffic safety. For a number of years, Vy Buss and the Chief Safety Officer, employee representatives and the trade organisation have been working together to implement higher requirements for safety measures in the event of bus collisions.

From 1 October, new requirements concerning driver safety were introduced on new buses in Norway. This is something we appreciate and we will continue to work with the authorities and industry to ensure that these requirements are also implemented outside of Norway.

We are constantly working to strengthen the safety culture. One important focus area is to improve local training and to strengthen and further develop local instructors and mentors travelling with drivers.

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. Regular risk assessments, as well as internal and external audits, are also 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 safety and satisfaction and customer safety and 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

Absence due to illness was 8.2 per cent in 2023. This is 0.6

percentage points higher than the target of 7.6 per cent for 2023 and 0.2 percentage points higher than in 2022. The causes of absence due to illness are complex. The Occupational Injury Resulting in Absence Indicator (H1 Injury) shows 7.0 for the Group as a whole, which is 0.4 higher than last year. The LTI target is 4.3 by the end of 2028. All business areas collaborate with the occupational health service on preventive work.

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 have the opportunity to say whether they have experienced the desired changes in their departments.

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 2023.

## Employee satisfaction

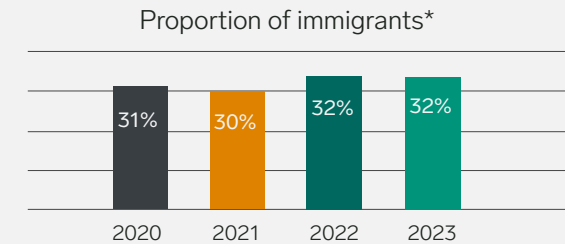
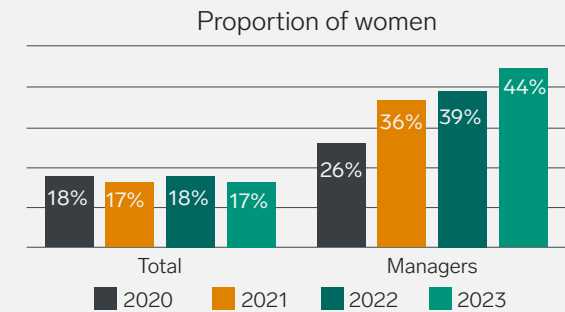
Vy had an average of 11 643 employees in 2023, of which 1 522 are temporary employees and 3 137 are part-time employees. The majority of part-time employees and temporary employees work in our bus division. The number of FTEs in the Group is 9 748, of which 1 793 work in Sweden.

Vy employees develop our reputation through encounters with customers every day. Our employees' assessment of Vy as a workplace is therefore important to us. We have conducted annual employee satisfaction surveys for several years and these show that there has been a consistently high employee satisfaction level in recent years. For the question "Overall, how satisfied are you in your role?" the score was 75, which is two percentage points lower than last year.

## Gender equality and diversity at Vy

Vygruppen aims to be an attractive employer. We aim to attract,

Overall, how satisfied are you with your job?



\*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.

develop and retain employees, regardless of age, gender, disabilities, sexual orientation or religious, ethnic or cultural background. Further information can be found in Vy's 2023 Equality Report, which shows that there is a satisfactory gender balance with regard to parental leave, part-time and temporary employment.

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 to male-dominated professions. The proportion of women in the Group is 17 per cent.

There is a higher proportion of women in management than among other employees, with a female share of 44 per cent for managers in 2023. The distribution between men and women at senior management level is equal, while the proportion of female managers decreases further down the structure. 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.

Anti-discrimination efforts are an integral part of multipartite collaboration, health and safety and general improvement efforts. Equality and diversity is also a separate topic in the mandate for the Group's Board of Directors' Remuneration Committee, where emphasis is placed on efforts to ensure greater diversity in management, improved framework conditions for talent development in the Group and a review of the state of equality at Vy.

## Recruitment of bus drivers

There was a significant shortage of bus drivers in Norway in 2023 and Vy is working continuously to recruit drivers and encourage more people to choose the profession.

In 2023, Vy participated in a recruitment campaign to meet young people who are choosing their future professions. "Følg drømmen, ikke strømmen" is a recruitment tour in which we are one of many participants.

In Trøndelag this year, we trialed the recruitment of people wanting to become drivers but who did not have a bus driver's license. Twelve people trained for their bus driver's license with Vy and were offered a job upon passing.

We collaborate well with NAV in various parts of the country in order to provide more people with the opportunity to gain the expertise, with regard to both language and driving skills, to qualify for a bus driver role. Vy is working on several recruitment initiatives to ensure diversity.

NAV engages with many jobseekers who are keen to become bus drivers. Particular 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. We have delivered an adapted course for jobseekers in 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.
- A 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 entails identifying employees' language proficiency using the Bussnorsktesten test.
- Cooperation with Dysleksi Norge and Bærum Adult Education joined forces to accommodate employees with language and reading difficulties. All e-learning has been universally adapted.
- Employee surveys are followed up on in close collaboration with the safety representatives and employee representatives (mandatory agenda items on collaboration meetings).

## Vy supports charitable causes

Every year, Vy supports different charitable causes. In 2023, Vy supported the Norwegian Telethon, the Norwegian Childhood Cancer Society, the Swedish Childhood Cancer Fund, Doctors Without Borders and the Blue Cross. At Vy, we donate money to charity as a Christmas gift. Employees help by nominating the charitable causes that will receive a Christmas gift from Vy each year.

## 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 employees at Vy 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 employees in which individual qualities are respected and valued.
- An 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 2023, Vy received ten reports of misconduct. This is six more reports than in 2022. Of the reports received, four were related to sexual harassment, three were related to bullying/discrimination and three were related to other matters. All reports were submitted via Vy's internal whistleblowing channel and have been followed up on in accordance with Vy'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 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 whistleblowing channel that have been publicised using a simplified whistleblowing poster in accordance with the requirements set out in the Working Environment Act. We also have an external whistleblowing channel that was created in 2021.

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

This year, we further developed the Group-wide management training programme that was implemented last year. This means that a new management training series will be launched and implemented in 2024 and last year's programme has now been made available as e-learning modules for new managers or managers wanting to refresh their knowledge. Various initiatives relating to culture and management have also been implemented in different business areas.

## Summarised results table

	2023	2022	2021
Number of train journeys (millions)	65.8	55.7	35.8
Number of bus journeys (millions)	137.6	120.4	77.1
Number of transported TEU - freight trains (1,000)	361	374	369
Punctuality - passenger trains (Norway)	88.0 %	84.8 %	87.8 %
Punctuality - freight trains	n.a	87.9 %	91.8 %
Customer satisfaction - passenger trains (index 0-100)	78	78	74
Customer satisfaction - express bus (index 0-100)	81	85	84
Energy consumption, passenger trains - electricity (MWh)	434,970	452,485	399,251
Energy consumption, passenger trains - diesel (million litres)	0.7	0.7	2.4
Energy consumption, bus - diesel (million litres)	46.0	44.2	26.6
Energy consumption, bus - biodiesel (million litres)	6.8	0.4	4.2
Energy consumption, bus - HVO (million litres)	6.2	13.5	18.4
Energy use, bus - gas (million m <sup>3</sup> )	11.3	12.1	11.8
Energy consumption, bus - electricity (MWh)	17,253	16,734	7,920
Energy consumption, freight trains - electricity (MWh)	99,562	101,275	99,936
Energy consumption, freight trains - diesel (million litres)	7.9	7.6	7.8
Energy consumption, passenger trains - (kWh/seat kilometre)	0.0369	0.0416	0.0382
Energy consumption, passenger trains - diesel (litres/seat kilometre)	0.0096	0.0096	0.0082
Energy consumption, bus - diesel (litres/carriage kilometre)	0.345	0.340	0.325
Energy consumption, bus - biodiesel (litres/carriage kilometre)	0.345	0.279	0.325
Energy use, bus - HVO (litres/carriage kilometre)	0.270	0.348	0.349
Energy consumption, bus - biogas (kg/carriage kilometre)	0.429	0.491	0.432
Energy consumption, bus - electricity (kWh/carriage kilometre)	1.322	1.467	1.133
Energy consumption, freight trains - electricity (kWh/tonne kilometre)	0.041	0.040	0.042
Energy consumption, freight trains - diesel (litres/tonne kilometre)	0.011	0.010	0.010

Emissions to air, passenger trains - tonnes CO <sub>2e</sub> (GHG scope 1,2 & 3)	32,490	31,383	36,484
Emissions to air, buses - tonnes CO <sub>2e</sub> (GHG scope 1,2 & 3)	153,011	149,286	96,170
Emissions to air, freight trains - tonnes CO <sub>2e</sub> (GHG scope 1,2 & 3)	38,977	41,400	36,900
Other emissions GHG scope 3 tonnes CO <sub>2e</sub>	30,402	30,463	31,855
Number of deaths, employees	0	1	1
Number of deaths, customers	0	0	0
Number of external fatalities	6	3	5
Number of serious injuries, employees (>24 h in hospital)	2	3	2
Number of serious injuries, customers (>24 h in hospital)	0	11	1
Number of serious injuries, external (>24 h in hospital)	7	6	5
Number of railway accidents	14	15	17
Number of employees	11,643	11,512	12,457
Number of full-time equivalents	9,748	9,746	9,760
Employee satisfaction at Vy	75	77	77
Absence due to illness	8.2 %	8.0 %	7.8 %
LTI (number of lost time injuries per million hours worked)	7.0	6.6	5.3
MTI (number of injuries with and without absence per million hours worked)	8.9	8.2	6.1
Proportion of women	17%	18%	17%
Proportion of women in management positions (in the business units)	44%	39%	36%
Proportion of immigrants*	32%	32%	30%
Reports of bullying/discrimination/harassment received	10	4	8

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 established annual cycle and governance systems that appropriately meet the recommendations set out in the OECD Guidelines for Multinational Enterprises and we conduct integrity due diligence in accordance with the OECD method and the UN Guiding Principles for 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:

- We conduct due diligence in connection with human rights and decent working conditions in our own divisions and in the supply chain.
- We have implemented stakeholder and materiality assessments in order to identify and prioritise the areas that we need to work on and to ensure that we have taken into account our own assessments and the assessments of others with regard to the Group's exercising of sustainability and corporate social responsibility.
- 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 work actively to prevent all forms of corruption.
- We work actively to reduce the environmental impact of the transport sector.
- We report annually on the status and development of corporate social responsibility through our annual and sustainability report.

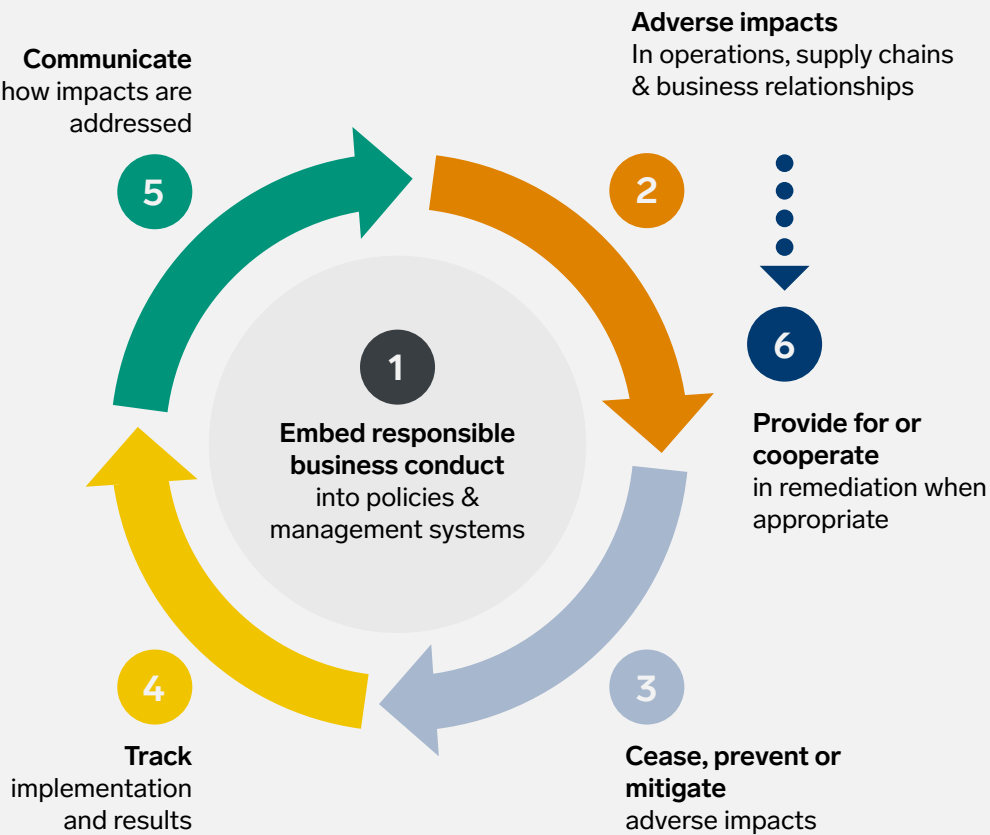


Figure: Due diligence process and support measures Source: OECD Due Diligence Guidance for Responsible Business Conduct

Throughout the year, we conduct risk assessments in order 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.

- Comprehensive risk assessment associated with strategy and goal attainment
- Climate and nature risk
- Traffic safety and other physical risk
- Reputational risk
- Risk analysis, misconduct
- 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, how to improve and exploit such opportunities. The main elements from the climate and nature risk assessment are:

- The risk picture is dominated by physical climate risk factors and Vy will likely experience negative impact from climate changes, which could lead to further damage to infrastructure.
- Vy faces restructuring risks as a result of limited preventive measures in the sector and inadequate low-emission technology.
- Vy's operations are already an important part of the solution to the climate challenge and a green transition will result in increased attention and more new opportunities to phase in new technology, innovations, resource use and circular solutions.
- Climate action could lead to increased demand and competitiveness for public transport and rail freight, improved framework conditions and investments in infrastructure.

For further information, please refer to the chapter *Climate and nature-related risks and opportunities*.

### 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 material topics for sustainability (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 that have a good overview of their overall activities
- Interviews with representatives from the marketing departments in Norway and Sweden (including a review of market research and customer surveys)

The analysis has been updated based on internal assessments for 2023. Based on the risk assessments and stakeholder dialogue described above, Vy's executive management team has prioritised material sustainability areas for Vy based on the company's economic influence and societal materiality.

Through this year's process, Vy has chosen the following material topics for sustainability reporting in accordance with GRI:

- Economic performance
- Anti-corruption
- Energy
- Emissions to air (Emissions)
- HSE (Occupational health and safety)
- Customer health and safety
- Training and education
- Diversity and equal opportunities

### Reporting standards











This report has been drawn up in accordance with the GRI 1 Foundation 2021 standard and applies to the 2023 financial year. The report is a supplement to the formal requirements set out 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
- TCFD and TNFD
- The EU Taxonomy

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

Vy has adopted established frameworks to ensure compliance with sustainability requirements

What	Who	How
Reporting standard	 <p>Global Reporting Initiative</p>	Vy has chosen to report in accordance with the option <i>in accordance with GRI 1 foundation 2021</i>
	 <p>GHG Protocol</p>	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	 <p>ISO 14001/9001/39001/45001</p>	Our divisions have different certifications within: Environment 14001, Quality 9001, Working Environment 45001 and Traffic Safety 39001
Guidelines	 <p>Global Impact</p>	Guidelines that encourage the organisation to implement sustainable and socially responsible solutions. Consists of ten principles relating to human rights, the environment, etc.
	 <p>OECD Guidelines</p>	These guidelines set out clear expectations for business due diligence with regard to human rights, labour rights, the environment, anti-corruption and transparency
Membership	 <p>Greenwashing Poster</p>	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
	 <p>Green Point Norway</p>	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
	 <p>Ethical Trade Norway</p>	Vy is a member of the Ethical Trading Initiative (Etisk Handel Norge), the purpose of which is to promote responsible supply chains
	 <p>Industry for Climate</p>	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
	 <p>Skift</p>	A business-driven climate initiative working to ensure that Norway can reach its climate targets by 2030



# Board of Director's Report

## Summary for the year 2023

(Last year's figures in parentheses)

The number of travellers with public transport services has increased significantly from last year, and is now close to the normal year 2019 before the pandemic. Train travel in Norway has increased by 18 per cent from 2022. For commercial bus traffic, growth continues and the supply is adapted as demand grows. For Vy's tourism initiative, customers are on their way back after two years where this business has been severely affected by the corona pandemic.

Demand for transport of goods by rail has developed positively in recent years. In 2023, however, the extreme weather Hans and the destruction of the Randklev bridge in August have had significant consequences for freight transport. A closed Dovre Line means a reduced service to freight customers. In addition, lower economic activity as well as challenges related to infrastructure and rolling stock have contributed to limiting growth this year. BaneNor has stated that they expect the Dovre Line to reopen before the summer.

Growth in the number of journeys, indexation of contracts and improvement measures result in increased revenues and an improvement in the result compared to 2022, adjusted for non-recurring items. Last year, the result was positively impacted by the reversal of previous loss provisions on contracts. Net financial items are increasing, mainly due to higher interest rates, and disagio on leasing agreements for freight rolling stock.

### Developments in key management parameters:

- Increase in the number of journeys by passenger trains in Norway by 18 per cent compared with last year.
- Travel volumes in trains are now back to 2019 levels.
- Increase in the number of journeys by commercial bus of 23 per cent compared with last year
- Punctuality for passenger train operations is 88 per cent (86 per cent)
- Absence due to illness in the period was 8.2 per cent (8.0 per cent)
- H1 (LT1) is 7.0 (6.6)

### Economic development:

- The operating profit is 378 MNOK (407 MNOK).
- Excluding the effect of reversal of previous loss provisions, operating profit improved by 509 MNOK in 2023.

- Profit after tax is 53 MNOK (133 MNOK)
- The return on book equity over the last 12 months is 1.5 per cent (4.5 per cent)

## Developments in the business

### Passenger train

Vy operates train traffic in Eastern Norway and traffic package West. In addition, Vy operates four train contracts in Sweden. In June, the Norwegian Railway Directorate and Vy entered into new agreements on train traffic in Eastern Norway, which started in December.

Operating revenues for passenger train operations in 2023 are 8 429 MNOK (7 947 MNOK), an increase of 6 per cent from the previous year. The total number of journeys in passenger train operations in Norway is 62 million, an increase of 18 per cent compared with last year. The level is now back to the normal year of 2019.

The operating profit for passenger trains is 275 MNOK (576 MNOK). In 2022, additional remuneration was given by the Norwegian Railway Directorate due to the pandemic of 275 MNOK. In addition, provisions were reversed last year for losses on passenger train contracts amounting to NOK 530 million. Adjusted for the loss reversal there is a positive profit development for the train operations in 2023 of NOK 229 million, particularly impacted by growth in the number of journeys and revenues.

In Norway, Vy achieved an overall punctuality of 88 percent, on par with the same period last year, but lower than the target of 90 percent. Operator-dependent punctuality is over 98 percent.

### Bus

Vy Buss performs scheduled services under tender or contract with county municipalities in Norway and Sweden, as well as commercial routes in Norway and Sweden. There has been an increase in the number of journeys by commercial bus from last year of 23 per cent. The number of journeys with our commercial buses is now well above the corresponding period in 2019. Challenges in ensuring adequate staffing remain a challenge for bus operations, and targeted efforts are being made to increase the recruitment of new drivers.

Total operating revenues are 8 466 MNOK (7 621 MNOK). The operating profit is 303 MNOK (25 MNOK). The improvement is positively impacted by travel and income growth, as well as a

more balanced indexation in relation to price increases in tender contracts.

### Freight train

Freight train volumes have been reduced by 3 per cent in 2023. Lower economic growth is having an impact on demand for freight transport, but at the same time there is a growing interest in rail freight as a more environmentally friendly transport choice. Production challenges due to winter conditions, reconstruction at the terminal at Alnabru and challenges with old rolling stock have also limited volume growth in CargoNet, and have had a negative impact on results. The extreme weather Hans in early August also caused the Randklev bridge at Ringebu to collapse and the Dovre Line had to be closed. The Dovre Line is expected to open towards summer 2024. Although parts of the volume can be driven via the Røros Line, this has had significant consequences for volume, revenues and profits. The Government has decided on a temporary compensation scheme, which will cover 95 per cent of direct losses as a result of the closure of the Dovre line. The operating revenues are 1 268 MNOK (1 247 MNOK), and the operating profit is -79 MNOK (19 MNOK). Capital costs in freight operations have increased and are negatively impacted by unrealised currency losses related to long-term leasing contracts.

### Customer experience and innovation

Customer experience and innovation develop new solutions for customers, including through Vy's digital customer services such as the Vy app. Vy also focuses on tourism through public transport based round trips with fjord, mountain and cultural experiences to Norwegian customers, tourists and international tour operators. The main part of the investment is done through our part ownership in Fjord Tours Group and Flåm Utvikling. We are working to develop more attractive tourism packages by train, bus and boat together with local tourism actors.

Tourism has been severely affected by the pandemic. We see a significant improvement in demand, and the number of journeys on the Flåm Railway for the year has increased by 40 per cent compared to last year, and is at 83 per cent of the level of 2019.

The operating profit for the Customer Experience and Innovation business areas is 13 MNOK in 2023 (-41 MNOK).

## Governance and management

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

Vygruppen has adopted its own framework for internal control, and has established internal control systems that include values, guidelines for ethics and corporate social responsibility, organisation, authorisation structure and governing documents.

The board annually reviews Vygruppen's strategy, and the assessments include risk analyses, materiality analyses related to sustainability, assessments of market and competitor developments, as well as internal analyses.

Our vision is that Vy makes it easy to choose environmentally friendly. Vy's main goals are growth through more sustainable travel and freight transport by rail, and the highest possible profitability over time within sustainable limits.

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 Vygruppen's action plans, and the board follows up progress and the status of goal attainment.

The Board of Directors has considered and adopted a corporate governance report, which forms part of this annual and sustainability report. For a detailed account of our sustainability work, goals and results, please refer to the sustainability summary in this annual and sustainability report and the detailed sustainability reporting issued "in accordance with" GRI standard GRI 1 Foundation 2021

The company has also prepared a report according to requirements in the Norwegian Equality and Discrimination Act. This is included in this annual and sustainability report.

A statement in line with the requirements of the Transparency Act is included in the annual and sustainability report and will be available on the company's website as well as on the individual subsidiary's website.

## Risk

### Financial risk

The Group's activities entail different 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 shall help ensure that unforeseen changes in the capital markets have the least possible negative impact on the Group's financial results. The Group may use financial derivatives within stipulated limits to hedge the company against certain risks.

In Vygruppen, the majority of revenues and expenses are in NOK and SEK. In day-to-day operations, the Group is exposed to foreign exchange risk in connection with operations abroad and purchases with settlement in foreign currency, in addition to currency exposure related to long-term leasing agreements in foreign currency, primarily Euro, within freight operations.

Surplus liquidity is invested in banks, Norwegian short-term paper and bonds, money market and bond funds.

Vygruppen reduces counterparty risk in financial transactions by having established limits for exposure and regular monitoring 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

Vy conducts systematic analyses of operational risk, including traffic safety, environment, quality, procurement and achievement of financial goals. In addition, comprehensive risk analyses are carried out for the Group's activities as part of the annual planning and budget work, where potential negative and positive effects are identified and measures implemented to manage the risk level. These analyses include possible changes in framework conditions, market developments, the competitive situation, the consequences of environmental requirements and climate challenges.

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

The most important risk elements include a decline in profitability in major tender contracts for passenger train services due to a shortfall in expected travel developments, strong competition that may result in a loss of tenders for bus operations, infrastructure failures and deliveries from sector suppliers that result in reduced quality and reduced revenues, and framework conditions for freight operations on rail. Price

increases for input factors that are not reflected in indices and change orders in tender contracts are other risk areas that may have a negative impact on profitability.

Vy must have a capital structure that is adapted to scope, risk in contracts, size and ambitions. To ensure competitiveness, the equity ratio should be at the 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, inter alia, the contractual and business portfolio held by the company.

In the work on risk assessments, positive opportunities have also been identified, such as increased travel activity that leads to growth for trains and buses, digitalisation of work processes that provide increased resource efficiency, and increased access to personnel and expertise.

Vy is exposed to physical and regulatory climate risk. More frequent climate-related events such as landslides, floods and forest fires can lead to production halts. Climate policy instruments can limit travel by foreign tourists from planes and cruise ships, can affect energy prices, and stricter emission requirements for vehicles can reduce their value. On the other hand, a more ambitious climate policy may result in increased demand for public transport, climate-friendly tourism and rail freight, and increased investments in infrastructure, which reinforces the quality and competitiveness of railways.

## Economic development

Profit after tax for Vygruppen is 53 MNOK (133 MNOK), a decrease of 80 MNOK compared to last year. The operating profit is 378 MNOK (407 MNOK), a decrease of 29 MNOK. Last year's result was significantly impacted by positive non-recurring effects related to reversal of previous loss provisions. Excluding the effect of reversal of previous loss provisions, operating profit improved by 509 MNOK in 2023.

The Group's net cash flow from operating activities is 2 176 MNOK (1 952 MNOK). Purchases of property, plant and equipment amounted to MNOK 342. New leasing rights are 8 212 MNOK.

For the Group, equity is MNOK 3 296, which equates an equity ratio of 14.9 per cent.

The Group's return on book equity over the last 12 months is 1.5 per cent (4.5 per cent).

The owner represented by the Ministry of Transport and Communications normally expects a 50 per cent dividend of the Group's annual profit after tax, where the dividend level each year must be assessed in concrete terms. The board is focused on strengthening profitability and equity to provide a basis for future dividends. The pandemic years have eroded equity. Vygruppen has also received a significant increase in fixed assets linked to new train contracts in Eastern Norway and increased pension obligations which in sum results in a reduced equity share in 2023. The board proposes nevertheless a dividend of 50 per cent of the group's result after tax, in accordance with the owner's expectation, as this will not weaken equity to a significant extent.

The following allocation of the profit for the year for the parent company Vygruppen AS is therefore proposed:

Dividend	26,5 MNOK
Transferred to other equity	111,5 MNOK
Total profit for the year	138 MNOK

The accounts have been prepared on the going concern assumption, and the Board confirms that the assumption is in place.

## Future prospects

The Norwegian Railway Directorate and Vy have entered into an agreement to operate passenger train traffic in Eastern Norway for 8 years + options for 1+1 year. The agreements for the traffic packages Østlandet 1 and 2 started in December 2023. The agreements will provide better services for customers in the coming years, a better utilization of the infrastructure in and through the Oslo area, and are expected to contribute to significant passenger growth.

The Government has also initiated a review of the railway's organisation and company structure, including a study of a merger between Vy and Flytoget. At the request of the owner, the Board of Directors has provided its input and takes a positive view of a merger of the companies.

In the bus operations, we expect that the scheduled services, and thus also Vy's revenues, will mainly be maintained in accordance with agreements with the public transport companies. The number of travels is now at pre-pandemic levels.

For the commercial bus routes there is a positive development in demand, and Vy will continue to develop its customer offering in line with this.

The extreme weather in August led to the closure of many stretches of track. The Randklev bridge on the Dovre Line near Ringebu was destroyed by the flood, and the Dovre Line is expected to be closed until the summer of 2024. For rail freight, this has significant effects, as alternative transmission on the Røros Line results in significantly lower capacity and is more expensive to operate. The Norwegian Railway Directorate has established a compensation scheme for rail freight based on the Government's decision. In the short term, CargoNet works to establish alternative solutions to meet customer needs in the best possible way. In the long term, better and predictable framework conditions, including the continuation of the environmental support scheme, are very important for the long-term profitability of rail freight transport.

In tourism, we will adapt and develop the offer so that international tourists return gradually. We expect international tourists to be back to 2019 levels in 2024/2025.

Even though passenger cars and eventually the trucks will be electrified, public transport and freight on rails are still the most sustainable. When more people choose to travel by public transport instead of by private car or plane, as well as transport of goods by rail instead of road, it saves society greenhouse gas emissions. In addition, public transport has other positive effects, such as reduced noise, less land use, less use of resources through sharing, reduced congestion, fewer accidents and reduced particulate matter and microplastics. The work to get more people to choose climate-friendly is important for Norway to reach its climate goals, and for Vy as transport and freight operator to win tenders and get more customers. Our vision is therefore that Vy will make it easy to choose environmentally friendly.



# Board of Directors of the Vy Group



**Berit Svendsen**  
Chairman of the board



**Geir Inge Stokke**  
Deputy chair



**Espen Almlid**  
Member of the board



**Dina Elverum Aune**  
Member of the board



**Morten Henriksen**  
Member of the board



**Ove Sindre Lund**  
Member of the board



**Petter Louis Pettersen**  
Member of the board



**Line Steinseth**  
Member of the board

Oslo, 15<sup>th</sup> of february 2024

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

*Morten Henriksen*  
Morten Henriksen

*Ove Sindre Lund*  
Ove Sindre Lund

*Petter Louis Pettersen*  
Petter Louis Pettersen

*Line Steinseth*  
Line Steinseth

*Gro Bakstad*  
Gro Bakstad / CEO

**Accounts**

# Accounts - Vy Group

Income statement	Page 48	15 Financial risk management	Page 69
Statement of financial position	Page 49	16 Derivatives	Page 70
Group cash flow statement	Page 50	17 Other financial assets at fair value through profit and loss	Page 70
Statement of changes in equity	Page 51	18 Financial instruments by category	Page 71
Segment information	Page 52	19 Cash and bank deposits	Page 72
Notes	Page 53	20 Share capital	Page 72
1 Vy Group accounting principles	Page 54	21 Interest bearing debt	Page 73
2 Shares in subsidiaries	Page 57	22 Deferred income tax/Income tax expense	Page 74
3 Group and company structure	Page 58	23 Payroll and related expenses	Page 76
4 Vy group's passenger operations in the Nordic Region	Page 59	24 Retirement benefit obligations and similar obligations	Page 76
5 Segment information	Page 60	25 Trade and other short term payables	Page 78
6 Leases	Page 61	26 Provisions for other liabilities and charges	Page 78
7 Property, plant and equipment	Page 62	27 Contract losses	Page 79
8 Periodic maintenance	Page 65	28 Other expenses	Page 79
9 Intangible assets	Page 65	29 Financial income and expenses	Page 79
10 Investments in associates	Page 66	30 Liabilities from financing activities	Page 80
11 Investments in joint ventures	Page 67	31 Related party transactions	Page 81
12 Inventory	Page 68	32 Contingencies	Page 85
13 Guarantees	Page 68	33 Events after the reporting date	Page 85
14 Trade and other receivables	Page 68		

# Income statement

	Notes	2023	2022
<b>Operating revenue</b>	<b>5</b>	<b>19 063</b>	<b>17 631</b>
Payroll and related expenses	23	7 851	7 276
Depreciation and impairment	7	2 378	2 282
Other operating expenses	28	8 497	7 678
<b>Total operating expenses</b>		<b>18 726</b>	<b>17 236</b>
Share of loss(-)/profit of joint ventures	11	34	9
Share of loss(-)/profit in associates	10	7	3
<b>Operating profit</b>		<b>378</b>	<b>407</b>
<b>Financial items</b>			
Financial income	29	193	65
Financial expenses	29	-496	-278
Net financial expenses - pensions	24, 29	-10	-24
Change in unrealised fair value	29	14	-12
<b>Net financial items</b>		<b>-299</b>	<b>-249</b>
<b>Profit before income tax</b>		<b>79</b>	<b>158</b>
Income tax expense	22	-26	-25
<b>Profit for the year</b>		<b>53</b>	<b>133</b>
<b>Attributable to</b>			
Equity holders		53	133
<b>Total</b>		<b>53</b>	<b>133</b>
<b>Other comprehensive income</b>			
Profit for the year		53	133
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial gain/loss	24	-583	618
Tax on items that will not be reclassified	22	128	-136
<b>Items that may be reclassified in net income in future periods</b>			
Currency translation differences		67	-28
<b>Total comprehensive income for the year</b>		<b>-334</b>	<b>587</b>
<b>Attributable to</b>			
Shareholders equity		-334	587
<b>Total comprehensive income for the year</b>		<b>-334</b>	<b>587</b>



# Statement of financial position

	Notes	31.12.2023	31.12.2022
<b>Assets</b>			
Deferred Tax Assets	9	1 084	1 037
Property, plant and equipment	22	367	245
Investment property	7	14 742	8 577
Investments in associates	10	20	18
Financial fixed assets		127	95
Plan assets	24	94	210
<b>Total non-current assets</b>		<b>16 434</b>	<b>10 182</b>
Investments in joint ventures	11	210	176
Inventories	12	469	481
Trade and other receivables	14	2 379	1 838
Financial assets	17	2 057	1 757
Derivative financial assets	16	1	4
Cash and bank deposits	19	584	905
<b>Total current assets</b>		<b>5 700</b>	<b>5 161</b>
<b>Total assets</b>		<b>22 134</b>	<b>15 343</b>
<b>Equity and liabilities</b>			
Share capital	20	3 387	3 387
Retained earnings		-91	185
<b>Total equity</b>		<b>3 296</b>	<b>3 572</b>
Debt	21, 30	11 750	5 566
Deferred tax	22	152	117
Retirement benefit obligations	24	820	808
Provisions for other liabilities and charges	26	127	213
<b>Total long term liabilities</b>		<b>12 849</b>	<b>6 704</b>
Trade and other payables	25, 26	3 884	3 088
Tax payable	22	45	22
Debt	21, 30	2 055	1 956
Derivative financial instruments	16	5	1
<b>Total short term liabilities</b>		<b>5 989</b>	<b>5 067</b>
<b>Total equity and liabilities</b>		<b>22 134</b>	<b>15 343</b>

Oslo, 15<sup>th</sup> of february 2024  
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

*Morten Henriksen*  
Morten Henriksen

*Ove Sindre Lund*  
Ove Sindre Lund

*Petter Louis Pettersen*  
Petter Louis Pettersen

*Line Steinseth*  
Line Steinseth

*Gro Bakstad*  
Gro Bakstad / CEO

# Group cashflow statement

	Notes	2023	2022
<b>Profit for the period before income tax</b>		<b>79</b>	<b>158</b>
Depreciation and impairment	7	2 378	2 282
Gain/loss on sale of property, plant and equipment (PPE)		-66	-42
Difference between exp. and paym. made/receiv. for pensions	24	-294	-170
Change in provisions for other liabilities and charges	26	-8	-540
Change in unrealised fair value	29	-8	10
Interest items		-22	2
Shares of profit/loss (-) from associates and joint ventures	10, 11	-41	-12
Change in working capital		162	268
Taxes paid		-4	-4
<b>Net cash flow from operating activities</b>		<b>2 176</b>	<b>1 952</b>
Changes in financial non-current assets		-205	100
Purchase of PPE and investment property	7, 8	-342	-169
Proceeds from sale of assets		90	37
Dividends received		6	-
<b>Net cash flow to investment activities</b>		<b>-451</b>	<b>-32</b>
Proceeds from borrowings		1	-
Repayment of borrowings		-4	-8
Lease payments		-1 952	-1 794
Dividends paid to company's shareholders	20	-67	-
<b>Net cash flow to financial activities</b>		<b>-2 022</b>	<b>-1 802</b>
<b>Net change in cash and bank deposits for the year</b>		<b>-297</b>	<b>118</b>
Cash and bank deposits as at the beginning of the year	19	905	783
Foreign exchange gain/loss on cash and bank deposits		-24	4
<b>Cash and bank deposits as at the end of the year</b>	<b>19</b>	<b>584</b>	<b>905</b>

## Statement of changes in equity

2023	Retained earnings			Total
	Share capital	Acc. currency translation	Retained earnings	
Equity 1st of January	3 387	3	182	<b>3 572</b>
Profit for the year	-	-	53	<b>53</b>
From other comprehensive income	-	67	-455	<b>-388</b>
Effect of changing retirement pension scheme *)	-	-	126	<b>126</b>
Dividend	-	-	-67	<b>-67</b>
<b>Equity 31st of December</b>	<b>3 387</b>	<b>70</b>	<b>-161</b>	<b>3 296</b>

\*) In the new traffic agreement in Vygruppen AS from 2023 and subsequent agreements, the Directorate of Railways must cover obligations to the performance scheme in SPK that exceed what a contribution scheme would cost the company. The obligation to the members included in this agreement is therefore subtracted from the net pension obligation on the balance sheet. The entering balance effect of this amounted to MNOK 161 and previously charged estimate deviations in other equity were credited. Later years coverage of the difference is carried over the result together with the ordinary pension.

2022	Retained earnings			Total
	Share capital	Acc. currency translation	Retained earnings	
Equity 1st of January	3 686	31	-725	2 992
Profit for the year	-	-	133	133
From other comprehensive income	-	-28	482	454
Reduction of capital to cover losses	-292	-	292	-
Red. of capital by withdrawal of property	-7	-	-	-7
<b>Equity 31st of December</b>	<b>3 387</b>	<b>3</b>	<b>182</b>	<b>3 572</b>

# Segment information

## Business segments

As of 31 December 2023, 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

According to changes in the management reporting structure some group functions have been transferred from Customer experience and Innovation segment to Other segment from 1 January 2023. Comparative figures for 2022 are adjusted accordingly.

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.

	Customer experience and Innovation					
2023	Train	Bus	Freight	Innovation	Other/elim	Group
Sales revenue	4 079	8 298	1 228	1	766	14 372
Public purchases	3 972	-	-	-	-	3 972
Other revenue	378	168	40	86	47	719
<b>Operating revenue</b>	<b>8 429</b>	<b>8 466</b>	<b>1 268</b>	<b>87</b>	<b>813</b>	<b>19 063</b>
Operating expenses	7 038	7 155	1 162	108	885	16 348
Depreciation, impairment	1 116	1 015	185	0	62	2 378
<b>Total operating cost</b>	<b>8 154</b>	<b>8 170</b>	<b>1 347</b>	<b>108</b>	<b>947</b>	<b>18 726</b>
Share of profit/loss in joint ventures and associated companies	-	7		34		41
<b>Operating profit</b>	<b>275</b>	<b>303</b>	<b>-79</b>	<b>13</b>	<b>-134</b>	<b>378</b>
Segment assets	9 960	7 816	1 435	302	2 136	21 649
Investments	6 903	1 276	307	-	52	8 538

	Customer experience and Innovation					
2022	Train	Bus	Freight	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	86	64	853
<b>Operating revenue</b>	<b>7 947</b>	<b>7 621</b>	<b>1 247</b>	<b>87</b>	<b>729</b>	<b>17 631</b>
Operating expenses	6 339	6 563	1 086	133	833	14 954
Depreciation, impairment	1 032	1 036	142	4	68	2 282
<b>Total operating cost</b>	<b>7 371</b>	<b>7 599</b>	<b>1 228</b>	<b>137</b>	<b>901</b>	<b>17 236</b>
Share of profit/loss in joint ventures and associated companies	-	3	-	9	-	12
<b>Operating profit</b>	<b>576</b>	<b>25</b>	<b>19</b>	<b>-41</b>	<b>-172</b>	<b>407</b>
Segment assets	3 871	7 192	1 257	230	2 308	14 858
Investments	270	261	284	-	62	877

Please refer to note 5 for further details.

# Notes

All figures in the report are in MNOK.

1. Vy Group accounting principles
2. Shares in subsidiaries
3. Group and company structure
4. Vy group's passenger operations in the Nordic Region
5. Segment information
6. Leases
7. Property, plant and equipment
8. Periodic maintenance
9. Intangible assets
10. Investments in associates
11. Investments in joint ventures
12. Inventory
13. Guarantees
14. Trade and other receivables
15. Financial risk management
16. Derivatives
17. Other financial assets at fair value through profit and loss
18. Financial instruments by category
19. Cash and bank deposits
20. Share capital
21. Interest bearing debt
22. Deferred income tax/Income tax expense
23. Payroll and related expenses
24. Retirement benefit obligations and similar obligations
25. Trade and other short term payables
26. Provisions for other liabilities and charges
27. Contract losses
28. Other expenses
29. Financial income and expenses
30. Liabilities from financing activities
31. Related party transactions
32. Contingencies
33. Events after the reporting date

The consolidated financial statements were approved by the Board of Directors on 15th of February 2024.

# Note 1

## Vy Group accounting principles

### 1. 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 2023 were approved by the Board of Directors on 15th February 2024.

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 2023 are consistent with the accounting principles that were used for the financial statements in 2022.

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 standards effective date was January 1, 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 the accounting year 2020 to 2022 was based on a fixed and agreed split of revenues, which also includes government grant received by Ruter.

##### Avsetning av kostnader for periodisk vedlikehold

In connection with the lease agreement for train equipment that expired in December 2022, the company made a running provision for accrued costs for periodic maintenance. This was based on estimated cost per kilometer driven, the Group's route and maintenance plan and regulation in the lease agreement. These assessments involved the use of judgment and estimates. After the start of the new lease agreement in December 2022, no corresponding provision is made for periodic maintenance as there is no settlement of periodic maintenance against the lessor at the end of the agreement as long as the maintenance plan is followed. Some periodic maintenance related to larger components (including bogies) will be set aside in the future to ensure that the cost associated with larger components is incurred when wear and tear occurs and not when the component is replaced.

#### 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

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.

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

**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 in subsidiaries

The table shows the parent company's directly owned investments at 31.12.23.  
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	1 210	-21
Agilia AS	1st October 2001	Oslo	100 %	61	-0	-4
Finse Forsikring AS	1st December 2001	Oslo	100 %	60	316	33
CargoNet AS	1st January 2002	Oslo	100 %	103	-177	-157
Vy Gjøvikbanen AS	1st April 2005	Oslo	100 %	30	86	27
Vy Tåg AB	1st January 2007	Gävle	100 %	-	-65	-129
Vy Tog AS	16th June 2016	Oslo	100 %	516	444	14
Vy Mobility AS	14th May 2018	Oslo	100 %	87	113	-
Tømmervogner AS*	31st December 2008	Oslo	45 %	2	9	0
<b>Total</b>				<b>2 192</b>	<b>1 936</b>	<b>-237</b>

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

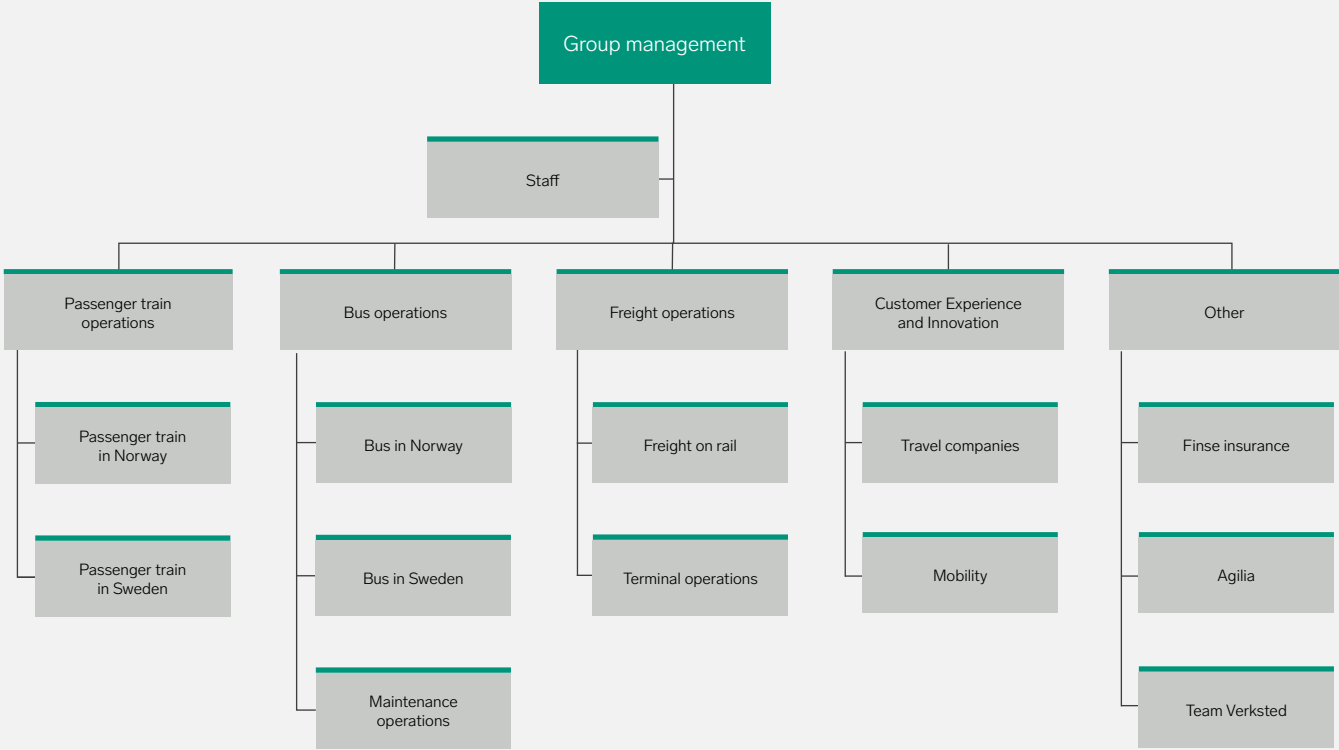
The equity presented is 100 % of the equity recognized in the subsidiary's statement of financial position as of 31st of December 2023.

# 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 Cargo 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 5

## Segment information

<b>Analysis of Operating income by category</b>	<b>2023</b>	<b>2 022</b>
Transport revenue	17 498	16 107
Other revenue	1 565	1 524
<b>Total</b>	<b>19 063</b>	<b>17 631</b>

<b>Analysis of Operating income by country</b>	<b>2023</b>	<b>2 022</b>
Norway	16 004	14 872
Sweden	3 059	2 759
<b>Total</b>	<b>19 063</b>	<b>17 631</b>

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 in 2022. No such support has been received in 2023.

### 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.

<b>Type</b>	<b>Segment</b>	<b>IFRS 15 accounting treatment</b>
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
<b>Total opening Balance right-to-use assets / lease obligations as per 1 January 2023</b>	<b>7 506</b>	<b>7 074</b>
Lease payments	-1 954	-
Depreciations	-	-2 000
Additions and changes in agreements	8 124	8 131
Other / currency effects	117	64
<b>Total Closing Balance as of 31 December 2023</b>	<b>13 793</b>	<b>13 269</b>

Interest expenses on the leasing obligation amounted to 353 MNOK in 2023.

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

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

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

Liabilities	2023	2022
Short-term liability	2 055	1 955
Long-term liability	11 738	5 551
<b>Total</b>	<b>13 793</b>	<b>7 506</b>

There is also future rental obligations of approx. 1.141 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	2023	2022
Short term agreements (between one month and one year)	138	84
Costs aligned to low-value items	28	33
<b>Total</b>	<b>166</b>	<b>117</b>

### P&L

Revenue from sub-lease	8	7
------------------------	---	---

### Cash Flows

Total cash flows on leases	2 307	2 033
----------------------------	-------	-------

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
<b>At 1st of January 2023</b>								
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
<b>Total</b>	<b>236</b>	<b>1 167</b>	<b>70</b>	<b>31</b>	<b>5 200</b>	<b>1 839</b>	<b>35</b>	<b>8 577</b>
<b>Year ended 31st of December 2023</b>								
Opening net book value	236	1 167	70	31	5 200	1 839	35	8 577
Exchange differences	3	13	-	-	54	12	-2	80
Additions	105	195	1	25	7 880	304	28	8 538
Disposals at acquisition cost	-28	-700	-15	-	-4 769	-57	-1	-5 570
Accumulated depreciation disposals	28	678	8	-	4 689	56	1	5 460
Transfers within PPE	14	6	-	-20	-	-	-	-
Depreciations	-59	-275	-7	-	-1 657	-287	-14	-2 299
Impairments	-	-2	-	-	-42	-	-	-44
<b>Total</b>	<b>299</b>	<b>1 082</b>	<b>57</b>	<b>36</b>	<b>11 355</b>	<b>1 867</b>	<b>47</b>	<b>14 742</b>
<b>At 31st of December 2023</b>								
Accumulated acquisition cost	1 837	11 271	185	36	14 699	3 329	91	31 447
Accumulated depreciation	-1 538	-10 189	-128	-	-3 344	-1 462	-44	-16 705
<b>Total</b>	<b>299</b>	<b>1 082</b>	<b>57</b>	<b>36</b>	<b>11 355</b>	<b>1 867</b>	<b>47</b>	<b>14 742</b>
Depreciation 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
<b>At 1st of January 2022</b>								
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
<b>Total</b>	<b>248</b>	<b>1 432</b>	<b>83</b>	<b>55</b>	<b>7 132</b>	<b>1 942</b>	<b>36</b>	<b>10 928</b>

<b>Year ended 31st of December 2022</b>								
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
<b>Total</b>	<b>236</b>	<b>1 167</b>	<b>70</b>	<b>31</b>	<b>5 200</b>	<b>1 839</b>	<b>35</b>	<b>8 577</b>

<b>At 31st of December 2022</b>								
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
<b>Total</b>	<b>236</b>	<b>1 167</b>	<b>70</b>	<b>31</b>	<b>5 200</b>	<b>1 839</b>	<b>35</b>	<b>8 577</b>

Depreciation period	5 - 30 years	5 - 30 years	3 - ever-last.		1 - 10 years	1 - 20 years	1 - 10 years	
---------------------	--------------	--------------	----------------	--	--------------	--------------	--------------	--

<b>Depreciation, amortization and impairment</b>	<b>2023</b>	<b>2022</b>
Depreciation charges PPE		2 299
Impairment charges PPE		44
Amortization and impairment of intangible assets (note 9)		35
<b>Total</b>	<b>2 378</b>	<b>2 282</b>

### 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 2023 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	3,5 %	
Discount rate	9,9-11%	evaluations according to IAS 36
Borrowing rate	3,7-5,7%	evaluations according to IAS 37

Based on the main assumptions, the Group has made impairment on assets in 2023 by MNOK 44 (2022: MNOK 92). The Group has cash-generating units where the assets are valued at value in use as at 31 December 2023 and in total written down by MNOK 96 (2022: 116). The Group also has cash-generating units where the assets are valued at the fair value of transport equipment as at 31 December 2023, which are written down by MNOK 75 (2022: MNOK 35). For contracts where the assets are written down to fair value, total value in use is MNOK 1270, which was approximately MNOK 22 lower 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 wil 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	Actual accumulated impairment
Interest rate +1%	-45	171	202
Interest rate -1%	47	171	138

EBITDA Change in factors	Change in present value	Actual accumulated impairment	Actual accumulated impairment
EBITDA + 1 MNOK per contract	27	171	154
EBITDA - 1 MNOK per contract	-27	171	188

\* 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

	2023	2022
<b>Periodic maintenance on leased trains</b>		
Accrual for incurred maintenance cost through the year	-29	14
Performed maintenance through the year	-2	-85
Change in provision	-	42
Ending avsetning	12	-
<b>Prepaid maintenance as of 31st of december</b>	<b>-19</b>	<b>-29</b>

In connection with the commitment in the lease agreement for rolling stock, which expired in December 2022, the company made a provision for accrued costs for periodic maintenance. This was based on the estimated cost per driven kilometer, the company's route and maintenance plan, as well as adjustments in the lease agreement. The assessments involved the use of judgment and estimates. After the commencement of the new lease agreement in December 2022, a corresponding provision for periodic maintenance against lessor at the end of the agreement, as long as the maintenance plan is followed. Going forward, provisions will be made for some periodic maintenance related to major components is incurred when wear occurs and not when the component is replaced.

The balance sheet value of periodic maintenance is included in other provisions for liabilities (see note 26)

## Note 9

### Intangible assets

	Goodwill		Other		Total	
	2023	2022	2023	2022	2023	2022
<b>At 1st of January</b>						
Accumulated acquisition cost	647	659	789	799	1 436	1 458
Accumulated amortization and impairments	-212	-215	-187	-155	-399	-370
<b>Total</b>	<b>435</b>	<b>444</b>	<b>602</b>	<b>644</b>	<b>1 037</b>	<b>1 088</b>
<b>Changes during the year</b>						
Opening net book value	435	444	602	644	1 037	1 088
Exchange differences - acquisition cost	33	-12	52	-19	85	-31
Exchange differences - amortization and impairments	-10	3	-10	3	-20	6
Additions	-	-	17	9	17	9
Amortization and depreciation	-	-	-35	-35	-35	-35
<b>Total</b>	<b>458</b>	<b>435</b>	<b>626</b>	<b>602</b>	<b>1 084</b>	<b>1 037</b>
<b>At 31st of December</b>						
Accumulated acquisition cost	680	647	858	789	1 538	1 436
Accumulated amortization and impairments	-222	-212	-232	-187	-454	-399
<b>Total</b>	<b>458</b>	<b>435</b>	<b>626</b>	<b>602</b>	<b>1 084</b>	<b>1 037</b>

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 2023.

## Note 10

### Investments in associates

	2023	2022
Book value 1st of January 35	18	16
Share of profit/loss	2	2
<b>Net book value 31st of december</b>	<b>20</b>	<b>18</b>

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

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

The table below shows 100% of the associated company's assets, liabilities, operating income and annual profit.

2023	Registered office	Assets	Liabilities	Revenues	Profit/Loss	% Interest held
Nordlandsbuss AS	Bodø	351	312	331	9	34%
Peer Gynt Tours AS	Oslo	11	6	56	3	34%
Sjøholt Last og Buss AS	Ørskog	5	4	16	0	49%
Applied Autonomy AS	Kongsberg	16	10	13	0	21%
<b>Total</b>		<b>367</b>	<b>323</b>	<b>403</b>	<b>12</b>	

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%
<b>Total</b>		<b>358</b>	<b>311</b>	<b>230</b>	<b>3</b>	

In 2023, Vy Group has gained significant influence in the company Applied Autonomy AS, with a ownership stake of 21% (compared to 16,9% in 2022). Applied Autonomy AS specializes in software solutions for autonomous transport.

## Note 11

### Investment in joint ventures

	2023	2022
Book value 1st of January	176	133
Share of profit/loss	34	9
Other equity movements	-	34
<b>Net book value 31st of december</b>	<b>210</b>	<b>176</b>

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%	147	34	185
Fjord Tours Group AS	2019	Oslo	50%	261	-	300

The table above shows 100% of the joint-controlled entity's book equity including the annual resultat,- year-end result and book value.

The amounts below represent the Group's share of assets and liabilities,as well as sales and results of the investment in the total joint-controlled entity.

	2023	2022
<b>Assets</b>		
Non-current assets	134	135
Current assets	108	54
<b>Total</b>	<b>242</b>	<b>189</b>
<b>Liabilities</b>		
Long term liabilities	5	5
Short term liabilities	33	14
<b>Total</b>	<b>38</b>	<b>19</b>
<b>Net assets</b>	<b>204</b>	<b>170</b>
<b>Income/expenses</b>	<b>2023</b>	<b>2022</b>
Operating revenue	250	165
Operating expenses	-216	-156
<b>Profit after tax</b>	<b>34</b>	<b>9</b>

#### 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

	2023	2022
Components	469	473
Not completed parts	-	8
<b>Total inventory</b>	<b>469</b>	<b>481</b>

## Note 13

### Guarantees

The Group has bank guarantees in connection with the normal operations. As per 31 December 2023 the upper limit on these guarantees is 1 705 MNOK (1 042 MNOK).

The guarantee also covers outstanding wage withhold taxes for several companies within the group.

## Note 14

### Trade and other receivables

	2023	2022
Trade receivables	1 629	1 271
Less: provision for impairment of receivables	-13	-8
Trade receivables - net	1 616	1 263
Prepayments	606	399
Other receivables	157	176
<b>Total trade and other receivables</b>	<b>2 379</b>	<b>1 838</b>

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

<b>Maturity of receivables:</b>	2023	2022
Matured receivables on balance sheet date	530	162
Matured between 0 - 2 mnths ago	478	130
Matured between 2 - 6 mnths ago	42	17
Matured more than 6 mnths ago	10	15

# 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. The total risk for asset management must be low. 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.

Any debt in foreign currency will be hedged through foreign exchange swaps and changes in value are offset by fair value changes in the derivatives. The Group is therefore not exposed to currency risk on debt instruments.

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's securities in the interest rate market are exposed to changes in market rates. As the investments have a short average interest rate duration, value changes are moderate.

The Group is exposed to changes in interest rates, and uses interest rate swaps to reduce interest rate risk and to achieve its preferred duration on its debt portfolio. The goal is to reduce risk related to possible future interest rate increases, and create more predictability as to the future interest payments. Guidelines have been established to regulate the share of loans that is subject to interest rate changes within a twelve month time period, and for the interest rate duration of the portfolio.

Any swaps entered into create risk of changes to booked fair value when measuring against interest level as at the date of the statement of financial position.

#### 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 A- (stable 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 2023:

	< 1 year	1 - 2 years	2 - 5 years	> 5 years
<b>Liquidity risk</b>				
Short term liabilities	3 714	-	-	-
Debt	1	1	4	5
Lease obligations	1 958	1 963	5 202	6 655
Property, plant and equipment	467	-	-	-

### 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.

<b>Vy assesses maximum credit risk to be the following:</b>	<b>2023</b>	<b>2022</b>
Cash and bank deposits	584	905
Placements	2 057	1 757
Financial derivatives	1	4
Trade receivable and other short term receivables	2 379	1 838
<b>Total</b>	<b>5 021</b>	<b>4 504</b>

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 40 % gives a calculated portfolio risk of -23 MNOK (2022 36 % -21 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

	2023		2022	
	Assets	Liabilities	Assets	Liabilities
Interest and exchange rate swaps	1	-	4	-
Energy swaps	-	-5	-	-1
<b>Total</b>	<b>1</b>	<b>-5</b>	<b>4</b>	<b>-1</b>

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

<b>Changes derivatives fair value:</b>	2023	2022
This period's change in fair value:	-7	6
Accumulated change in fair value:	-4	3

## Note 17

### Other financial assets at fair value through profit and loss

<b>Securities</b>	2023	2022
Stocks and other fixed income securities/ Funds – Norway	1 918	1 619
Stocks and other fixed income securities/ Funds – Globally	56	58
Deposits	83	80
<b>Total</b>	<b>2 057</b>	<b>1 757</b>

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 4,7 % as at 31st of December 2023 (2022: 2,9 %).

<b>Changes in fair value of securities</b>	2023	2022
This period's change in fair value	19	-17
Accumulated change in fair value	43	24

# Note 18

## Financial instruments by category

Assets at 31st of December	Loans and receivables		Assets at fair value through profit and loss		Total	
	2023	2022	2023	2022	2023	2022
Financial fixed assets	127	95	-	-	127	95
Derivatives	-	-	1	4	1	4
Trade and other receivables (excl. prepayments)	1 773	1 439	-	-	1 773	1 439
Financial assets at fair value through profit or loss	-	-	2 057	1 757	2 057	1 757
Cash and bank deposits	584	905	-	-	584	905
<b>Total</b>	<b>2 484</b>	<b>2 439</b>	<b>2 058</b>	<b>1 761</b>	<b>4 542</b>	<b>4 200</b>

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	
	2023	2022	2023	2022	2023	2022
Debt (excl. financial lease liabilities)	12	16	-	-	12	16
Lease liabilities IFRS 16	13 793	7 506	-	-	13 793	7 506
Derivatives	-	-	5	1	5	1
Trade and other payables (excl. statutory liabilities)	3 714	2 864	-	-	3 714	2 864
<b>Total</b>	<b>17 519</b>	<b>10 386</b>	<b>5</b>	<b>1</b>	<b>17 524</b>	<b>10 387</b>

### Financial assets and liabilities at fair value through profit and loss per 31st of December 2023:

	Level 1	Level 2	Level 3	Total
Financial assets	2,057	-	-	2,057
Derivatives	-	1	-	1
<b>Total assets</b>	<b>2 057</b>	<b>1</b>	<b>-</b>	<b>2 058</b>
Debt and accrued interest	-	-	-	-
Derivatives used for hedging	-	5	-	5
<b>Total liabilities</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>5</b>

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 2022:

	Level 1	Level 2	Level 3	Total
Financial assets available-for-sale:	1 757	-	-	1 757
Derivatives	-	4	-	4
<b>Total assets</b>	<b>1 757</b>	<b>4</b>	<b>-</b>	<b>1 761</b>
Debt and accrued interest	-	-	-	-
Derivatives used for hedging	-	1	-	1
<b>Total liabilities</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>

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

## Note 19

### Cash and bank deposits

	2023	2022
Cash and bank deposits	584	905

Includes restricted funds of 11 MNOK (2022: 160 MNOK).  
See note 13 for a description of guarantees related to outstanding wage withholding tax

## Note 20

### Share capital

	No. of shares	Ordinary shares	Total MNOK
Shares at 1st of January 2023	3 387 905	3 387 905	3 387
Shares at 31st of December 2023	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).

A dividend of 66,5 MNOK was paid in 2023 for the financial year 2022.



# Note 21

## Interest bearing debt

	31.12.2023	31.12.2022
<b>Long term liabilities</b>		
Lease obligations IFRS 16	11 738	5 551
Mortgage loan	11	13
Other loans	1	2
<b>Total</b>	<b>11 750</b>	<b>5 566</b>
<b>Short term liabilities</b>		
Lease obligations IFRS 16	2 055	1 955
Other current debt	-	1
<b>Total</b>	<b>2 055</b>	<b>1 956</b>
<b>Total debt</b>	<b>13 805</b>	<b>7 522</b>

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:

	2023	2022
<b>Loans and hedgings</b>		
6 months or less	2 910	2 652
Over 6 months	-	-
<b>Non-current borrowings expire in:</b>		
Between 1 and 2 years	852	288
Between 2 and 5 years	1 111	1 312
Over 5 years	947	1 052
<b>Effective interest rate at the balance sheet date in %:</b>		
Other loans	NOK 5.10	4.37
Other loans	SEK 4.70	1.93

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

	2023	2022
<b>The carrying amounts of the Group's loans are denominated in the following currencies:</b>		
NOK	2 110	2 017
SEK	800	635
<b>Total</b>	<b>2 910</b>	<b>2 652</b>
<b>The Group has the following unused loan facilities:</b>		
Floating interest rate		
- Expiring within one year	400	400
<b>Total</b>	<b>400</b>	<b>400</b>

The facility that expires 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

Income tax expense:	2023	2022
Current income tax payable	41	22
Changes in deferred tax	-15	3
<b>Total income tax expense</b>	<b>26</b>	<b>25</b>

Tax payable on the balance sheet are as follows:	2023	2022
Current payable tax expense	45	21
Insufficient/ too much tax provision prior years	-	1
<b>Tax payable on the balance sheet</b>	<b>45</b>	<b>22</b>

Tax payable in the balance sheet will be offset by proposed group contributions which will to be decided by the general assembly in 2024.

Reconciliation between nominal and actual tax expense rate:	2023	2022
Profit before income tax	79	158
Expected income tax using the nominal tax rate	10	31
Tax effect from the following items:		
Other permanent differences related to investments (exemption method)	-3	-2
Other non-deductible expenses	-4	2
Other non-taxable income	-1	-2
Effect of change deferred tax asset not recognized	25	-2
Insufficient tax provision prior years	-1	-2
<b>Income tax expense</b>	<b>26</b>	<b>25</b>
<b>Effective tax rate</b>	<b>33%</b>	<b>16%</b>

#### 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.

2023	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	-789	-3	-	-37	-	-	-	-	-829
Intangible assets	-586	-41	-	32	-	-	-	-	-595
Financial assets	-211	-	-	121	-	-	-	-	-90
Inventories	109	-	-	-16	-	-	-	-	93
Receivables	-5	-	-	5	-	-	-	-	-0
IFRS 16	353	1	-	79	-	-	-	-	433
Value changes to financial current assets	-82	-	-	-17	-	18	-	-	-81
Retirement benefit obligations	795	-	-	-405	583	-161	-	-	812
Provisions for other liabilities and charges	100	-	-	56	-	-	-	-	156
Gains (losses)	-35	-	-	-15	-	-	-	-	-50
Losses carried forward	1 852	69	-	375	-	-	-77	-	2 218
Other	-18	-	-	4	-	-	-3	-	-17
<b>Total gross temporary differences</b>	<b>1 483</b>	<b>26</b>	<b>-</b>	<b>181</b>	<b>583</b>	<b>-143</b>	<b>-80</b>	<b>-</b>	<b>2 050</b>
Off-balance sheet deferred tax benefits	-937	-69	-	-121	-	-	-	-	-1 127
<b>Net temporary differences</b>	<b>546</b>	<b>-43</b>	<b>-</b>	<b>60</b>	<b>583</b>	<b>-143</b>	<b>-80</b>	<b>-</b>	<b>923</b>
Net deferred tax asset/ liability balance sheet 22%	128	-8	-	15	128	-31	-17	-	215

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
Value changes to investment property	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

Deferred income tax assets	2023	2022
Deferred income tax assets to be recovered after more than 12 months	429	274
Deferred income tax assets to be recovered within 12 months	123	222
<b>Total</b>	<b>552</b>	<b>496</b>
<b>Deferred tax liabilities</b>	<b>2023</b>	<b>2022</b>
Deferred income tax liabilities to be recovered after more than 12 months	-331	-364
Deferred income tax liabilities to be recovered within 12 months	-6	-3
<b>Total</b>	<b>-337</b>	<b>-367</b>
<b>Total net deferred income tax asset as shown in the balance sheet</b>	<b>215</b>	<b>128</b>

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 235 MNOK (196 MNOK) in respect of losses carried forward amounting to 1.142 MNOK (951 MNOK).

## Note 23

### Payroll and related expenses

	2023	2022
Wages and salaries, including employment taxes	7 222	6 719
Pension costs – defined contribution plans (note 24)	491	405
Pension costs – defined benefit plans (note 24)	28	70
Other employee benefit expenses	110	82
<b>Total</b>	<b>7 851</b>	<b>7 276</b>

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

	2023	2022
Average full-time equivalent	9 748	9 746
Average number of employees	11 643	11 512

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 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 366 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

The defined benefit plans in SPK were closed for all individuals under 55 years of age during 2018 and 2019. All individuals aged 55 and above transitioned to a closed plan on January 1,2019,while those under 55 received vested rights and were transferred to a new defined contribution plan in Storebrand. 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 2023, 3 126 (2 965) employees are active members in the defined contribution scheme in Storebrand.

In the new traffic agreement from 2023 and subsequent agreements, Jernbanedirektoratet will cover obligations to the defined benefit plan in SPK that exceed what a defined contribution plan would have cost the company. The obligation for these members has therefore been extracted from the recognized pension liability and the associated cost below. The total pension liability for these members amounts to MNOK 139 as of December 31,2023. The opening balance liability for this group was MNOK 161 and is extracted in the table below.

#### 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 9 377 employees (9 268 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 financial 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 (nominal numbers) are included for both gross obligations and this year's expense.

Specification of net defined benefit pension plan obligations	2023	2022
Present value of earned pension rights for funded collective pension plans	4 273	4 943
Fair value of plan assets	-3 569	-4 385
Present value of unfunded obligations	704	558
Unrecognised actuarial losses	22	40
<b>Net pension obligation on the balance sheet</b>	<b>726</b>	<b>598</b>
<i>In statement of financial position</i>		
Plan assets	94	210
Pension obligation	820	808
<b>Net pension obligation on the balance sheet</b>	<b>726</b>	<b>598</b>
<b>Changes in pension retirement obligations:</b>		
Book value net pension obligation 1st of January	598	1 385
Correction opening balance Traffic agreement	-161	
This years' actuarial deviations	558	-552
This years net return on assets/increase in obligation	8	-21
Net financial expenses - pensions		24
Payments to plan	-287	-238
<b>Book value 31st of December</b>	<b>726</b>	<b>598</b>
<b>Pension expenses included in the accounts, defined benefit pension plan</b>		
Present value of current pension earnings	28	70
Employee contribution	-	-
<b>Total return on pension plan, incl. in payroll and related expenses – see note 23</b>	<b>28</b>	<b>70</b>
<b>Total financial items in the accounts</b>	<b>10</b>	<b>24</b>
<b>Total pension expenses defined benefit pension plan</b>	<b>38</b>	<b>94</b>
<b>Defined contribution plan</b>		
Employer's contribution, included as payroll and related expense – see note 23	491	405
<b>Total pension expenses</b>	<b>529</b>	<b>499</b>

#### 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 (-) this period's net pension expense in %*	(30-33)%	24-27%	5-8%	(4-6)%	39-42%	(30-33)%
Increase (+)/decrease (-) net pension obligation at 31st of December in %	(11-13)%	14-16%	1-3%	(1-3)%	12-14%	(10-12)%

\* Net pension expense through ordinary resultat in 2024

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

#### Financial assumptions (defined benefit plans in Norway)

	2023	2022
Discount rate	3.95%	3.85%
Expected return on plan assets	3.95%	3.85%
Average salary growth	3.50%	3.50%
G-regulation	3.25%	3.25%
Annual reg. of pension increases	2.80%	2.50%
Average social security tax	14.10%	14.10%

#### Explanation to chosen assumptions as per 31 December 2023

The discount rate is set at 3.95% (3.85%) and is determined based on preferential bonds (OMF). The OMF-market is considered a deep and liquid marked 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 2023 are mainly due to changes in economic and actuarial parameters.

#### 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

	2023	2022
Trade payables	1 180	837
Social security and other taxes	169	226
Other short term liabilities (including provisions for other liabilities and charges)	2 535	2 025
<b>Total</b>	<b>3 884</b>	<b>3 088</b>

The amount due to related parties is in 2023: 549 MNOK (2022: 161 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
<b>2023</b>				
At 1st of January	83	164	36	283
Change in provision during the year	4	74	-9	69
Used during the year	-	-74	-3	-77
Exchange differences	-	11	-	11
<b>Total</b>	<b>87</b>	<b>175</b>	<b>24</b>	<b>286</b>

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

Classification in the statement of financial position:	2023	2022
Non-current liabilities	127	213
Current liabilities (included in note 25)	160	70
<b>Total</b>	<b>287</b>	<b>283</b>

#### 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 29 (25) MNOK at the end of 2023. The accruals include in addition 58 (58) MNOK as compensation according to changed pension.

## Note 27

### Contract losses

74 MNOK (38 MNOK) has been expensed for future losses in train tenders. A previous loss provision is reversed with 69 MNOK (567 MNOK) regarding train operation and 5 MNOK (9 MNOK) regarding bus operation in Norway. Reversal of previous accrued loss provisions related to train tenders primarily results from renegotiated agreements. It is expected that the most significant part of the installment flows will take place during the next year. See notes 7, 25 and 26 for further information.

## Note 28

### Other expenses

	2023	2022
Sales- and overhead expenses	1 659	1 446
Energy used in operations	1 777	2 047
Repair and maintenance, machinery rental, property expenses	2 673	2 373
Other operating expenses	2 388	1 812
<b>Total</b>	<b>8 497</b>	<b>7 678</b>

<b>Auditing fees total operations (excluding VAT):</b>	2023	2022
Statutory audit fee	6	7
Other services	1	1
<b>Total fee to auditor</b>	<b>7</b>	<b>8</b>

## Note 29

### Financial income and expenses

	2023	2022
Interest income	116	49
Other financial income	8	4
Net foreign exchange gains	69	12
<b>Total financial income</b>	<b>193</b>	<b>65</b>
Interest expense	-362	-238
Other financial expenses	-6	-6
Net foreign exchange losses	-128	-34
<b>Total financial expenses</b>	<b>-496</b>	<b>-278</b>
Net financial expenses - pensions	-10	-24
Unrealised value changes	14	-12
<b>Total financial items</b>	<b>-299</b>	<b>-249</b>

## Note 30

### Liabilities from financing activities

	Liabilities	Asset held to hedge liabilities	Financial lease liabilities	Total
<b>Liabilities as per 1 January 2023</b>	<b>15</b>	<b>1</b>	<b>7 506</b>	<b>7 522</b>
Cash flow from financial activities	-4	-	-1 954	-1 958
<b>Non-cash changes</b>				
Acquisition lease liabilities	1	-	8 074	8 075
Other transactions	-	4	51	55
Currency translation differences	-	-	116	116
<b>Liabilities as per 31 December 2023</b>	<b>12</b>	<b>5</b>	<b>13 793</b>	<b>13 810</b>

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



# 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:

	2023	2022
<b>Sale of goods and services:</b>		
Public purchase of passenger traffic services	3 530	3 295
Sales of other goods and services	425	394
<b>Total</b>	<b>3 955</b>	<b>3 689</b>
<b>Purchases of goods and services:</b>		
	3 476	3 672

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

	2023	2022
<b>Receivables</b>		
Associated companies	-	1
Entities owned by the Ministry of Transportation	178	159
<b>Total</b>	<b>178</b>	<b>160</b>
<b>Debts</b>		
Entities owned by the Ministry of Transportation	549	161
<b>Total</b>	<b>549</b>	<b>161</b>

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	Board members	2023	2022
Berit Svendsen	Chairman of the board	531	513
Åsne Havelid	Vice chairman of the board (until 20.06.22)	-	189
Wenche Teigland	Member of the board (until 20.06.22)	-	210
Semming Semmingsen	Member of the board (until 12.06.23)	184	279
Geir Inge Stokke	Member of the board	324	259
Dina Aune	Member of the board (from 20.06.22)	321	100
Espen Almlid	Member of the board (from 20.06.22)	246	100
Morten Henriksen	Member of the board (from 12.06.23)	105	-
Ove Sindre Lund	Member of the board (staff representative)	269	259
Grethe Therese Thorsen	Member of the board (staff representative until 01.09.23)	204	237
Petter Louis Pettersen	Member of the board (staff representative)	289	279
Line Steinseth	Member of the board (staff representative from 01.09.23)	42	-
<b>Total</b>		<b>2 515</b>	<b>2 425</b>

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 507 TNOK, Vice Chairman 309 TNOK and the other board members 252 TNOK each. In addition, fees for members of the audit committee with 78 TNOK for the leader, and 45 TNOK for each of the other members, and the compensation committee with 39 TNOK for the leader and 24 TNOK for each member. Fees for the staff representatives exclude their employee wages.

2023 (figures in TNOK)	Title	Salary	Salary paid	Other benefits	Total benefits payed	Calcul. Pension expence*
Gro Bakstad	Chief Executive Officer	3 963	4 033	250	4 283	361
Irene Katrin Thunshelle	Chief Financial Officer	2 681	2 705	130	2 835	-
Synne Hombles	Executive Director Mobility and Travel	2 979	3 006	130	3 136	-
Kristin Elisabeth Flagstad	Executive Director Organization and HR	2 012	2 012	130	2 142	-
Ole Engebret Haugen	Executive Director and General Manager Vy buss	2 956	3 000	120	3 120	-
Erik Røhne	CEO, Director of Vy Passenger Train	3 179	3 208	130	3 338	-
Ingvild Storås	Executive Director and General Manager CargoNet (from 01.01.22)	2 858	2 897	130	3 027	-
Marius Holm	Executive Director Communications and Public affairs	2 013	2 035	130	2 165	-
Kristian Kolind	Executive Director Strategy and IT	2 384	2 405	130	2 535	-
<b>Total</b>			<b>25 301</b>	<b>1 280</b>	<b>26 581</b>	<b>361</b>

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

Reference is made to guidelines on salary and other remuneration for executive personnel in the note below. No severance pay or severance pay has been paid in 2023. The difference between fixed salary and paid salary is mainly linked to the fact that paid salary takes holiday pay into account.

2022 (figures in TNOK)	Title	Salary	Salary paid	Other benefits	Total benefits payed	Calcul. Pension expence**
Gro Bakstad	Chief Executive Officer	3 840	3 887	250	4 137	342
Irene Katrin Thunshelle	Chief Financial Officer	2 598	2 623	130	2 753	-
Synne Hombles	Executive Director Mobility and Travel	2 887	2 913	130	3 043	-
Morten Müller-Nilssen	Executive Director HR, Organization (until 31.01.22)	197	197	11	208	-
Kristin Elisabeth Flagstad	Executive Director Organization and HR (from 01.02.2022)	1 788	1 784	119	1 903	-
Ole Engebret Haugen	Executive Director and General Manager Vy buss	2 864	2 884	120	3 004	-
Erik Røhne	CEO, Director of Vy Passenger Train	3 081	3 114	130	3 244	-
Ingvild Storås	Executive Director and General Manager CargoNet (from 01.01.22)	2 770	2 610	130	2 740	-
Marius Holm	Executive Director Communications and Public affairs	1 951	1 888	130	2 018	-
Kristian Kolind	Executive Director Strategy and IT	2 311	2 328	130	2 458	-
<b>Total</b>			<b>24 228</b>	<b>1 280</b>	<b>25 508</b>	<b>342</b>

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

## Guidelines for the determination of salary and other remuneration for senior executives

These guidelines have been drawn up by the Board of Directors of Vygruppen AS (Vy, the Company) in accordance with Article 8 of the Articles of Association and were presented to the Company's Annual General Meeting on 12 June 2023. The guidelines shall apply to all appointments after this date.

The Board of Directors prepares an annual report on salaries and other remuneration paid to the Company's senior executives as a separate document. The report describes how the Company has complied with the instructions set out in these guidelines and provides an aggregated overview of disbursements and credits in salaries and other remuneration covered by the guidelines. The report is presented to the annual general meeting.

For employment contracts entered into prior to the effective date of the Board of Directors' guidelines, certain arrangements may depart slightly from the guidelines. Such departures will be specified in the executive salary report.

### 1. Introduction

These guidelines reflect the Norwegian government's expectations as an owner when it comes to salary and remuneration as set out in Report to the Storting no. 6 (2022-2023) and clarified in "The Norwegian government's guidelines for executive pay in companies with state ownership", established on 12 December 2022.

The guidelines apply to the Company's "senior executives" as the term is used in Section 6-16a of the Norwegian Public Limited Liability Companies Act. In accordance with the above, the guidelines shall apply to the Chief Executive Officer (Group CEO) and other senior executives. The Group CEO and executive management team are referred to as "senior executives" in these guidelines. The guidelines also apply to members of the Company's Board of Directors as elected by and from employees pursuant to Section 6-4 of the Norwegian Limited Liability Companies Act, cf. Section 6-5. Only remuneration received for board positions is included in the guidelines.

The guidelines shall also apply when determining remuneration for senior executives in the Group's subsidiaries in order to ensure that "The Norwegian government's guidelines for executive pay in companies with state ownership" are applied throughout the Group as a whole. The Board of Directors has instructed the Group CEO to follow up on subsidiaries to ensure that the principles are adhered to by the Boards of Directors in subsidiaries.

The members of the Company's Board of Directors receive an annual remuneration as determined by the annual general meeting. Company

employees who are board members in subsidiaries receive no special compensation, with the exception of employee-elected board representatives.

### 2. About Vy

Vy is the largest land-based transport company in the Nordic region, operating train, bus, freight and tourist services in Norway and Sweden. With regard to the size and complexity of the business, good management is essential in achieving results and development and to create sustainable value creation for the owners, while also ensuring the most efficient attainment of public policy goals for the part of the business to which this is relevant.

### 3. The Board of director's guidelines for remuneration for senior executives

#### 3.1 Introduction

The Board of Director's guidelines for remuneration of senior executives follows the Norwegian government's guidelines for executive pay in companies with direct state ownership, as established by the Norwegian Ministry of Trade, Industry and Fisheries on 12 December 2022. The guidelines elaborate on the Norwegian government's expectations for companies with government ownership when it comes to pay and remuneration to senior executives. The presentation of the Board of Director's guidelines for remuneration of senior executives in Sections 3.2 to 3.5 below follows the same structure as the ownership expectations set out by the Norwegian government for this area in order to ensure clarity regarding the Board of Director's consideration of these expectations and how they have shaped the Company's remuneration policy.

#### 3.2 Remuneration and other incentives at the Company shall promote attainment of the Company's and the owner's goals

The Company's and owner's objective is to achieve the highest possible return over time within a sustainable framework. For the part of the Company's activities that are directly allocated transport agreements for Eastern Norway, the owner's goals are sustainability and the most efficient attainment of public policy goals. In the long term, sustainable value creation is an overarching consideration for corporate governance and forms the basis for the Company's strategy and business plans at all times.

The Company's and owner's goals will be the main consideration when determining executive pay. The remuneration contributes to the Company's business strategy, long-term interests and financial sustainability by ensuring that salaries are competitive so that the Company can attract and retain good managers, while also ensuring that the remuneration is moderate. The total remuneration paid to senior executives shall promote the current strategy and reflect the individual

employee's responsibilities for governance and performance.

#### 3.3 Remuneration for senior executives is competitive but not market-leading and the principle of moderation is taken into account

In order to promote the Company's and owner's goal of the highest possible return over time, the Company needs to offer competitive remuneration. Outstanding leadership is crucial to achieving the Company's and owner's goal of the highest possible return over time within a sustainable framework (see Section 3.2 above). The Company's ability to recruit and retain great leaders requires the Company to be able to offer competitive remuneration. If the Company was unable to offer competitive remuneration, this would have unfortunate effects.

Nevertheless, remuneration shall still be moderate. The principle of moderation is ensured through a number of steps. Remuneration shall not be market-leading, insofar that it shall not be higher than necessary to attract and retain the desired expertise. When determining remuneration in connection with new appointments, the Board of Directors/Group CEO will consider expertise, experience, length of service and pay conditions that are common in other, similar companies. These assessments are carried out using external frameworks for position and salary assessments in combination with comparisons based on reference companies deemed relevant by the Company. The reference group includes companies that are comparable based on complexity and scope and primarily includes Norwegian companies.

When determining remuneration, the Board of Directors/Group CEO will carry out a comprehensive assessment of the collected data and will submit an offer based on this. The offers that are made will be equivalent to or lower than the remuneration levels in comparable companies.

Through the principle of moderation, the Board of Directors and CEO will consider differences in the level of remuneration paid to senior executives and other employees, overall and in relation to individual elements of remuneration. The Board of Directors emphasises that executive remuneration should not appear unreasonable in proportion to the remuneration level for other employees. An unreasonable level of remuneration for senior executives could have undesirable effects for the Company, including as a result of e.g. increased turnover and damaged reputation.

The salaries of senior executives should not be adjusted by more than the average salary adjustment percentage for the Company's other employees. In its annual assessment of salary adjustments, the Board of Directors and Group CEO will also consider salary growth in terms of kroner for other employees. The Board of Directors is aware that different salary growth levels in terms of kroner for senior executives and other employees could have a negative impact on the Company's reputation and development.

### 3.4 The Board of Directors' work on establishing guidelines

Maintaining moderate executive pay is considered ongoing work by the Board of Directors. The Compensation Committee meets every year in October or November, December, January and February. The Committee prepares the executive salary report in accordance with the salary report template drawn up in line with the shareholder rights directive and presents this to the Board of Directors. When the overview of total salary and remuneration disbursed and in credit is ready, the Compensation Committee/Board of Directors will conduct another assessment of salary levels compared to the levels at the companies included in the reference group. Based on the senior executive salary report and any appointment of members to the group executive management team in the previous financial year, the Board of Directors will consider whether or not the guidelines should be amended based on a recommendation from the Compensation Committee.

### 3.5 Overview of the various elements of the remuneration scheme: the main element is the fixed salary

#### 3.5.1 Fixed salary

The fixed salary is the main element of the remuneration scheme for senior executives.

The fixed salary is determined and assessed for annual adjustment based on the principle that remuneration must be competitive but not market-leading and the principle of moderation must be taken into account, see Section 3.3 above.

When appointing members of the group executive management team and determining their salary, the Group CEO will consult the Chair of the Board of Directors and the EVP of HR and Organisation.

The Board of Directors and the Group CEO will annually assess whether fixed salaries should be adjusted in the following financial year. The starting point for assessments will be the consideration that remuneration must promote the goals of the Company and the owner, see section 3.2 above and the Board of Directors' view that competitive but moderate remuneration is essential to achieving this goal, see Section 3.3.

#### 3.5.2 Variable remuneration

Based on the Group's current situation, the Board of Directors has decided that there will be no bonus scheme for senior executives for a temporary period until decided otherwise.

Pursuant to their employment contract, the Group CEO can be considered for a bonus but has accepted a temporary suspension of bonuses

until determined otherwise by the Board of Directors pursuant to a supplementary agreement. One of the members of the group executive management team can also be considered for a bonus but has also entered into a supplementary agreement concerning a temporary suspension of bonuses for the years 2023, 2024 and 2025. Other executive vice presidents are covered by the bonus scheme in effect for the position at any time and as determined by Vygruppen's Board of Directors and will not be entitled to a bonus for as long as the Board of Directors has not adopted any bonus scheme.

#### 3.5.3 Directorships

Other than employee-elected board representatives, no executive employees will receive any special compensation for internal directorships within the Group. This also applies to other employees not defined as senior executives in this document but who hold directorships in the Group's subsidiaries. The board remuneration for employee-elected members can be found in a separate note in the annual accounts.

#### 3.5.4 Benefits in kind

Benefits in kind include free telephone, free broadband connection, car scheme and newspapers.

#### 3.5.5 Pension

The pension scheme for senior executives is in line with the pension scheme available to all other Vy employees.

All current employees are enrolled in a collective pension scheme. The pension scheme with the Norwegian Public Service Pension Fund was discontinued as of 01/01/2019. This scheme is "closed", which means that employees of the Group who were over the age of 55 years as of 31/12/2018 retained their defined benefit pension with the NPSPF. Employees who were 54 years of age or younger as of 31/12/2018 or employees appointed after this date have a defined contribution pension scheme with Storebrand. The Storebrand scheme has a contribution rate of 5.5 per cent from the Company, up to 71 G and 15 per cent between 71 and 12 G. The pension scheme includes a private old-age retirement pension, children's pension and group life insurance. The disability coverage is equivalent to the scheme provided by the Norwegian Public Service Pension Fund.

Senior executives have a retirement age of 70 years and are included in the Company's collective pension scheme.

#### 3.5.6 Severance pay

There is a mutual notice period of six months for senior executives.

In the event of termination by the Company, senior executives shall be entitled to six months' severance pay in addition to salary and benefits during the six-month notice period. There may also be additional compensation for any non-competition clause. For the Group CEO, severance pay may be offered in exchange for a prior waiver of employment protection, cf. Section 15-16(2) of the Norwegian Working Environment Act. Severance pay for other senior executives will be disbursed only in the event that the employee does not contest the termination of employment. Severance pay will be reduced proportionally in the event that the senior executive starts a new position, takes up a new paid position or receives income from a business of which they are an active or passive owner during the severance period. Severance pay does not provide any basis for the calculation of holiday pay or pension payments.

### 3.6 The Company is transparent about the design, level and development of remuneration for senior executives, including ensuring that the remuneration schemes are clear to owners, senior executives and other stakeholders

The remuneration schemes are easily accessible to the extent that the main element is fixed salary and that the annual senior executive salary report provides an aggregated overview of eligible salary and remuneration disbursed and in credit under the guidelines. The Board of Directors' guidelines for the remuneration of senior executives and the Board of Directors' report on salary and other remuneration to senior executives are a topic in the ownership dialogue with the Norwegian government and are available via the Company's website. Overall, this ensures transparency regarding the design and development of remuneration and must be easy to understand.

## 4. The Board of director's right to temporarily depart from the guidelines

The Board of Directors may temporarily depart from the guidelines in special circumstances. These may be circumstances linked to the Company's long-term interests, reputation and financial sustainability or factors that may affect the Company's viability. The decision to depart from the guidelines will be made by the Board of Directors based on a reasoned recommendation from the Compensation Committee.

## **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**

### 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.

# Accounts – Vygruppen AS

Income statement	Page	100	12	Periodic maintenance	Page	110
Overview financial position	Page	101	13	Financial instruments by category	Page	110
Cash flow statement	Page	102	14	Cash and bank deposits	Page	111
Statement of changes in equity	Page	103	15	Share capital	Page	111
Notes	Page	104	16	Debt	Page	111
1 General information and a summary of the most important accounting principles	Page	105	17	Deferred income tax/Income tax expense	Page	112
2 Shares in subsidiaries	Page	105	18	Payroll and related expenses	Page	113
3 Passenger train operations in the Nordic Region	Page	105	19	Retirement benefit obligations and similar obligations	Page	114
4 Segment information	Page	105	20	Trade and other payables	Page	116
5 Leases	Page	106	21	Provisions for other liabilities and charges	Page	116
6 Property, plant and equipment	Page	107	22	Depreciation, amortization and impairment	Page	117
7 Liabilities from financing activities	Page	108	23	Other expenses	Page	117
8 Investments in joint ventures	Page	108	24	Financial income and expenses	Page	117
9 Inventory components	Page	109	25	Related party transactions	Page	118
10 Trade and other receivables	Page	109	26	Contingencies	Page	119
11 Financial risk management	Page	109	27	Events after the reporting date	Page	119

# Income statement

	Notes	2023	2022
<b>Operating revenue</b>	<b>4</b>	<b>6 778</b>	<b>6 362</b>
Payroll and related expenses	18	2 045	1 921
Depreciation and impairment	6,22	920	847
Other operating expenses	23	3 663	3 699
<b>Total operating expenses</b>		<b>6 628</b>	<b>6 467</b>
<b>Operating profit</b>		<b>150</b>	<b>-105</b>
<b>Financial items</b>			
Financial income	24	172	489
Financial expenses	24	-154	-412
Net financial expenses - pensions	19,24	-5	-12
Change in unrealised fair value	24	12	-10
<b>Net financial items</b>		<b>25</b>	<b>55</b>
<b>Profit before income tax</b>		<b>175</b>	<b>-50</b>
Income tax expense	17	-37	18
<b>Profit for the year</b>		<b>138</b>	<b>-32</b>
Attributable to			
<b>Equity holders</b>		<b>138</b>	<b>-32</b>
<b>Other comprehensive income</b>			
Profit for the year		138	-32
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial gain/loss	19	-191	237
Tax on items that will not be reclassified	17	42	-52
<b>Total comprehensive income for the year</b>		<b>-11</b>	<b>153</b>
Attributable to			
<b>Equity holders</b>		<b>-11</b>	<b>153</b>

# Overview financial position

	Notes	31.12.2023	31.12.2022
<b>Assets</b>			
Deferred tax assets	17	42	58
Property, plant and equipment	6, 22	7 400	1 604
Investments in subsidiaries	2	2 192	2 178
Financial fixed assets	13	32	78
Loans to group companies	25	1 288	1 291
<b>Total non-current assets</b>		<b>10 954</b>	<b>5 209</b>
Investments in joint ventures	8	160	160
Inventories	9	224	262
Trade and other receivables	10, 11, 12	1 077	707
Financial assets	11	1 677	1 391
Cash and bank deposits	11, 13, 14	431	723
<b>Total current assets</b>		<b>3 569</b>	<b>3 243</b>
<b>Total assets</b>		<b>14 523</b>	<b>8 452</b>
<b>Equity and liabilities</b>			
Ordinary shares	15	3 387	3 387
Retained earnings		202	153
<b>Total equity</b>		<b>3 589</b>	<b>3 540</b>
Interest bearing liabilities	5, 16, 7	6 604	847
Retirement benefit obligations	19	293	364
Provisions for other liabilities and charges	21	87	95
<b>Total long term liabilities</b>		<b>6 984</b>	<b>1 306</b>
Trade and other payables	20	3 000	2 617
Tax payable	17	11	-
Interest bearing liabilities	5, 16, 7	939	989
<b>Total short term liabilities</b>		<b>3 950</b>	<b>3 606</b>
<b>Total equity and liabilities</b>		<b>14 523</b>	<b>8 452</b>

Oslo, 15<sup>th</sup> of february 2024

Board of directors of the Vy Group

  
Berit Svendsen/Chairman of the board

  
Geir Inge Stokke

  
Espen Almlid

  
Dina Elverum Aune

  
Morten Henriksen

  
Ove Sindre Lund

  
Petter Louis Pettersen

  
Line Steinseth

  
Gro Bakstad / CEO



# Cash flow statement

	Notes	2023	2022
<b>Profit for the period before income tax</b>		<b>175</b>	<b>-50</b>
Depreciation and impairment	6,22	920	847
Impairments of shares in subsidiaries and joint ventures	2	-	-30
Gain/loss on sale of assets		-0	-20
Net changes to obligations and retirement benefit oblig.	19	-100	-60
Change in provisions for other liabilities and charges	21	-8	-6
Change in unrealised fair value	24	-12	10
Interest items		-46	-39
Change in working capital		48	650
<b>Net cash flow from operating activities</b>		<b>977</b>	<b>1 302</b>
Acquisition of subsidiaries	2	-4	-336
Changes in financial non-current assets	8	-200	99
Purchase of PPE	6	-11	3
<b>Net cash flow to investment activities</b>		<b>-215</b>	<b>-234</b>
Lease payments received from group companies		63	62
Lease payments		-1 008	-910
Group contributions paid to subsidiaries		-17	-
Dividends paid to company's shareholders		-67	-
<b>Net cash flow to financial activities</b>		<b>-1 029</b>	<b>-848</b>
<b>Net change in cash and bank deposits for the year</b>		<b>-267</b>	<b>220</b>
Cash and bank deposits as at the beginning of the period	14	723	492
Foreign exchange gain/loss on cash and bank deposits		-25	11
<b>Cash and bank deposits as at the end of the year</b>	<b>14</b>	<b>431</b>	<b>723</b>

## Statement of changes in equity

2023	Share capital	Retained earnings	Total
Equity 1st of January	3 387	153	<b>3 540</b>
Profit for the year	-	138	<b>138</b>
From other comprehensive income	-	-149	<b>-149</b>
Effect of changing retirement pension scheme *)	-	127	<b>127</b>
Dividend	-	-67	<b>-67</b>
<b>Equity 31st of December</b>	<b>3 387</b>	<b>202</b>	<b>3 589</b>

\*) In the new traffic agreement in Vygruppen AS from 2023 and subsequent agreements, the Directorate of Railways must cover obligations to the performance scheme in SPK that exceed what a contribution scheme would cost the company. The obligation to the members included in this agreement is therefore subtracted from the net pension obligation on the balance sheet. IB the effect of this amounted to MNOK 161 and previously charged estimate deviations in other equity were credited. Later years coverage of the difference is carried over the result together with the ordinary pension.

2022	Share capital	Retained earnings	Total
Equity 1st of January	3 685	-290	<b>3 395</b>
Profit for the year	-	-32	<b>-32</b>
From other comprehensive income	-	185	<b>185</b>
Reduction of capital to cover losses	-290	290	<b>-</b>
Reduction of capital by withdrawal of property	-8	-	<b>-8</b>
<b>Equity 31st of December</b>	<b>3 387</b>	<b>153</b>	<b>3 540</b>

# Notes to the consolidated financial statements 2023

All figures in the report are in MNOK.

1. General information and a summary of the most important accounting principles
2. Shares in subsidiaries
3. Passenger train operations in the Nordic Region
4. Segment information
5. Leases
6. Property, plant and equipment
7. Liabilities from financing activities
8. Investments in joint ventures
9. Inventory components
10. Trade and other receivables
11. Financial risk management
12. Periodic maintenance
13. Financial instruments by category
14. Cash and bank deposits
15. Share capital
16. Debt
17. Deferred income tax/Income tax expense
18. Payroll and related expenses
19. Retirement benefit obligations and similar obligations
20. Trade and other payables
21. Provisions for other liabilities and charges
22. Depreciation, amortization and impairment
23. Other expenses
24. Financial income and expenses
25. Related party transactions
26. Contingencies
27. Events after the reporting date

## 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:

a) Method for incorporation of associated companies and joint ventures.

#### 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 if applies. Considerable influence is considered to be when the company owns between 20 % and 50 % of the voting shares.

## Note 2

### Shares in subsidiaries

See note 2 in Vy group report.

See note 24 below for write-down for shares in subsidiaries.

## 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.

<b>Analysis of operating income by category</b>	<b>2023</b>	<b>2022</b>
Transport revenue	6 029	5 737
Other revenue	749	625
<b>Total</b>	<b>6 778</b>	<b>6 362</b>

#### 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 2023	1 836	1 559
<b>Total opening Balance right-to-use assets / lease obligations</b>	<b>1 836</b>	<b>1 559</b>
Lease payments	-1 009	-
Depreciations	-	-916
Additions and changes in existing agreements	6 716	6 705
<b>Total Closing Balance 31 December 2023</b>	<b>7 543</b>	<b>7 348</b>

Interest expenses leaseobligation amounted to 62 MNOK in 2023

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

Interest expenses leaseobligation amounted to 51 MNOK in 2022

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

Liabilities	2023	2022
Short term liabilities	939	989
Long term liabilities	6 604	847
<b>Total liabilities</b>	<b>7 543</b>	<b>1 836</b>

### Supplementary information

Leases not recognized	2023	2022
Short term agreements (between one month and one year)	31	29
Costs aligned to low-value items	1	1
<b>Total</b>	<b>32</b>	<b>30</b>

P&L	2023	2022
Revenue from sub-lease	63	63

Cash Flows	2023	2022
Total cash flows on leases	1 073	966

Future lease payments	2023	2022
Future nominal lease obligations related to lease of passenger trains not yet received	565	6

## Note 6

### Property, plant and equipment

At 1st of January 2023	Machinery and equipment	Transportation	Assets under construction	Right-of-use transportation assets	Right-of-use buildings	Total
Accumulated acq.cost	627	24	18	4 470	1 315	6 454
Accumulated depreciation	-619	-5		-3 687	-539	-4 850
<b>Total</b>	<b>8</b>	<b>19</b>	<b>18</b>	<b>783</b>	<b>776</b>	<b>1 604</b>

#### Year ended 31st of December 2023

Opening net book value	8	19	18	783	776	1 604
Additions	7		11	6 630	75	6 723
Disposals at acq. cost			-7	-4 475	3	-4 479
Accumulated depreciation disposals				4 475	-3	4 472
Depreciations continuing operations	-3	-1		-827	-89	-920
<b>Total</b>	<b>12</b>	<b>18</b>	<b>22</b>	<b>6 586</b>	<b>762</b>	<b>7 400</b>

#### At 31st of December 2023

Accumulated acq.cost	634	24	22	6 625	1 393	8 698
Accumulated depreciation	-622	-6		-39	-631	-1 298
<b>Total</b>	<b>12</b>	<b>18</b>	<b>22</b>	<b>6 586</b>	<b>762</b>	<b>7 400</b>

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

At 1st of January 2022	Machinery and equipment	Transportation	Assets under construction	Right-of-use transportation assets	Right-of-use buildings	Total
Accumulated acq.cost	738	339	21	5 323	1 277	7 698
Accumulated depreciation	-726	-309	-	-3 030	-481	-4 546
<b>Total</b>	<b>12</b>	<b>30</b>	<b>21</b>	<b>2 293</b>	<b>796</b>	<b>3 152</b>

#### 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	-4	-4		-757	-82	-847
<b>Total</b>	<b>8</b>	<b>19</b>	<b>18</b>	<b>783</b>	<b>776</b>	<b>1 604</b>

#### 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
<b>Total</b>	<b>8</b>	<b>19</b>	<b>18</b>	<b>783</b>	<b>776</b>	<b>1 604</b>

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

## Note 7

### Liabilities from financing activities

	2023	2022
<b>Liabilities 1st of January</b>	1 836	3 417
Cash flow from financial activities	-1 009	-911
<b>Non-cash changes</b>		
Additions to liabilities	6 628	137
Other changes	88	-807
<b>Liabilities 31st of December</b>	<b>7 543</b>	<b>1 836</b>

## Note 8

### Investments in joint ventures

	2023	2022
Addition of associates	160	126
Write-down	-	34
<b>Net book value 31st of December</b>	<b>160</b>	<b>160</b>

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	67	185
Fjord Tours Group AS	2019	Oslo	50 %	261	-	300
<b>Total</b>				<b>340</b>	<b>67</b>	<b>485</b>

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 Artic AS as well as 31% of the shares in Geiranger Fjordservice.

## Note 9

### Inventory components

	2023	2022
Components	224	262
<b>Total inventory</b>	<b>224</b>	<b>262</b>

## Note 10

### Trade and other receivables

	2023	2022
Trade receivables	366	230
Group internal trade receivables	496	228
Less: provision for impairment of receivables	-0	-0
Trade receivables - net	<b>862</b>	<b>458</b>
Prepayments	200	160
Other receivables	15	89
<b>Total trade and other receivables</b>	<b>1 077</b>	<b>707</b>
Loans to group companies	-	-
<b>Total</b>	<b>1 077</b>	<b>707</b>

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

<b>Maturity of receivables:</b>	2023	2022
Matured receivables on balance sheet date	11	4
Matured between 0 - 2 mnths ago	1	3
Matured between 2 - 6 mnths ago	10	1
Matured more than 6 mnths ago	0	-0

## Note 11

### Financial risk management

This table shows future maturities for the Company's liabilities as of 31st of December 2023:

<b>Liquidity risk</b>	< 1 year	1-2 years	2-5 years	> 5 years
Short term liabilities	3 000	-	-	-
Lease obligations train	848	956	2 821	4 490
Lease obligations property	117	113	330	449
Property, plant and equipment	-	-	-	-

<b>Vygruppen AS assesses maximum credit risk to be the following:</b>	2023	2022
Cash and bank deposits	431	723
Financial assets	1 677	1 391
Trade receivable and other short term receivables	1 077	707
<b>Total</b>	<b>3 185</b>	<b>2 821</b>



## Note 12

### Periodic maintenance

Periodic maintenance on leased trains	2023	2022
Prepaid maintenance as of 1st of January	-12	28
Accrual for incurred maintenance cost through the year	-	-82
Conducted maintenance through the year	-	42
Change in accrual	12	-
<b>Prepaid maintenance as of 31st of December</b>	<b>-</b>	<b>-12</b>

In connection with the commitment in the lease agreement for rolling stock, which expired in December 2022, the company made a provision for accrued costs for periodic maintenance. This was based on the estimated cost per driven kilometer, the company's route and maintenance plan, as well as adjustments in the lease agreement. The assessments involved the use of judgment and estimates. After the commencement of the new lease agreement in December 2022, a corresponding provision for periodic maintenance against lessor at the end of the agreement, as long as the maintenance plan is followed. Going forward, provisions will be made for some periodic maintenance related to major components is incurred when wear occurs and not when the component is replaced. The remaining provision from the beginning of the year has been dissolved in 2023.

## Note 13

### Financial instruments by category

Assets at 31st of December	Loans and receivables		Assets at fair value through profit and loss		Total	
	2023	2022	2023	2022	2023	2022
Financial fixed assets	32	78	-	-	32	78
Trade and other receivables (excl. prepayments)	2 165	1 839	-	-	2 165	1 839
Financial assets at fair value	-	-	1 677	1 391	1 677	1 391
Cash and bank deposits	431	723	-	-	431	723
<b>Total</b>	<b>2 628</b>	<b>2 640</b>	<b>1 677</b>	<b>1 391</b>	<b>4 305</b>	<b>4 031</b>

Liabilities at 31st of December	Other financial liabilities at amortised cost		Liabilities at fair value through profit and loss		Total	
	2023	2022	2023	2022	2023	2022
Financial lease liabilities	7 543	1 836	-	-	7 543	1 836
Trade and other payables excl. statutory liabilities	2 952	2 542	-	-	2 952	2 542
<b>Total</b>	<b>10 495</b>	<b>4 378</b>	<b>-</b>	<b>-</b>	<b>10 495</b>	<b>4 378</b>

#### Financial assets and liabilities at fair value through profit or loss at 31st of December 2023:

	Level 1	Level 2	Level 3	Total
Derivatives used for hedging	1 677	-	-	1 677
<b>Total assets</b>	<b>1 677</b>	<b>-</b>	<b>-</b>	<b>1 677</b>

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 2022:

	Level 1	Level 2	Level 3	Total
Derivatives used for hedging	1 391	-	-	1 391
<b>Total assets</b>	<b>1 391</b>	<b>-</b>	<b>-</b>	<b>1 391</b>

## Note 14

### Cash and bank deposits

	2023	2022
Cash and bank deposits	431	723

Includes restricted funds of 0 MNOK (2022: 82 MNOK).  
Deductions from salary in advance are, as of the year 2023, no longer considered restricted funds, instead, they are covered by tax withholding guarantee.

## Note 15

### Share capital

See note 20 in Vy group report.

## Note 16

### Debt

The Group has the following undrawn borrowing facilities:	2023	2022
<b>Floating interest rate</b>		
- Expiring within one year	400	400
<b>Total</b>	<b>400</b>	<b>400</b>

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

	2023	2022
<b>Income tax expense</b>		
Current income tax payable	11	-
Changes in deferred tax	26	-18
<b>Total income tax expense</b>	<b>37</b>	<b>-18</b>
<b>Tax payable on the balance sheet are as follows:</b>	<b>2023</b>	<b>2022</b>
Current payable tax expense	11	-
<b>Tax payable in the balance sheet</b>	<b>11</b>	<b>-</b>
<b>Reconciliation between nominal and actual tax expense rate:</b>	<b>2023</b>	<b>2022</b>
Net income before tax	175	-50
Expected income tax using the nominal tax rate (22 %)	37	-11
Tax effect of the following items:		
Other non-deductible expenses	0	74
Other non-taxable income	-0	-81
<b>Income tax expense</b>	<b>37</b>	<b>-18</b>
<b>Effective tax rate</b>	<b>21%</b>	<b>36%</b>

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

	Book value 01.01.	Received tax deduction for losses	Acquisition of subsidiaries	Income statement charge	Charge to other comprehensive income	Charged directly to equity	Tax effect of group contribution	Book value 31.12.
<b>2023</b>								
Benefit (+) / Liability (-)								
Fixed assets	-443	-	-	110	-	-	-	-333
Inventories	80	-	-	-13	-	-	-	67
Receivables	-11	-	-	-1	-	-	-	-12
Lease obligations	139	-	-	-30	-	-	-	109
Value changes to financial current assets	10	-	-	-15	-	-	-	-5
Retirement benefit obligations	360	-	-	-101	190	-161	-	288
Provisions for other liabilities and charges	83	-	-	7	-	-	-	90
Gains (losses)	-14	-	-	3	-	-	-	-11
Losses carried forward	60	-	-	-77	-	-	17	-
Total gross temporary differences	264	-	-	-117	190	-161	17	193
<b>Net temporary differences</b>	<b>264</b>	<b>-</b>	<b>-</b>	<b>-117</b>	<b>190</b>	<b>-161</b>	<b>17</b>	<b>193</b>
<b>Net deferred tax asset/liability on the balance sheet 22%</b>	<b>58</b>	<b>-</b>	<b>-</b>	<b>-26</b>	<b>42</b>	<b>-36</b>	<b>4</b>	<b>42</b>

	Book value 01.01.	Received tax deduction for losses	Acquisition of subsidiaries	Income statement charge	Charge to other comprehensive income	Charged directly to equity	Tax effect of group contribution	Book value 31.12.
<b>2022</b>								
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
<b>Net temporary differences</b>	<b>421</b>	<b>-</b>	<b>-</b>	<b>80</b>	<b>-237</b>	<b>-</b>	<b>-</b>	<b>264</b>
<b>Net deferred tax asset/liability on the balance sheet 22%</b>	<b>92</b>	<b>-</b>	<b>-</b>	<b>18</b>	<b>-52</b>	<b>-</b>	<b>-</b>	<b>58</b>

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:

	2023	2022
<b>Deferred income tax assets</b>		
Deferred income tax assets to be recovered after more than 12 months	107	128
Deferred income tax assets to be recovered within 12 months	15	33
<b>Total</b>	<b>122</b>	<b>161</b>
<b>Deferred tax liabilities</b>	<b>2023</b>	<b>2022</b>
Deferred income tax liabilities to be recovered after more than 12 months	-76	-100
Deferred income tax liabilities to be recovered within 12 months	-4	-3
<b>Total</b>	<b>-80</b>	<b>-103</b>
<b>Total deferred income tax assets (net)</b>	<b>42</b>	<b>58</b>

## Note 18

### Payroll and related expenses

	2023	2022
Wages and salaries, including employment taxes	1 844	1 730
Pension costs – defined contribution plans (note 19)	163	125
Pension costs – defined benefit plans (note 19)	1	40
Other employee benefit expenses	37	26
<b>Total</b>	<b>2 045</b>	<b>1 921</b>

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

	2023	2022
Average man-labour year	1 916	1 939
Average number of employees	2 134	2 271

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 215 active members, 404 retirees and 126 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 215 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 2023, 2077 employees are active members in the defined contribution scheme in Storebrand.

In the new traffic agreement from 2023 and subsequent agreements, the Jernbanedirektoratet will cover obligations to the defined benefit plan in SPK that exceed what a defined contribution plan would have cost the company. The obligation for these members has therefore been extracted from the recognized pension liability and the associated cost below. The total pension liability for these members amounts to MNOK 139 as of December 31, 2023.

The opening balance pension liability for this group was MNOK 161 and is extracted in the table below.

Specification of net defined benefit pension plan obligations	2023	2022
Present value of earned pension rights for funded collective pension plans	1 105	1 933
Fair value of plan assets	-833	-1 591
Present value of unfunded obligations	272	342
Unrecognised actuarial losses	21	22
<b>Net pension obligation on the balance sheet</b>	<b>293</b>	<b>364</b>
<b>Changes in pension retirement obligations:</b>		
Book value net pension obligation 1st of January	364	660
Correction opening balance Traffic agreement	-161	
This years' actuarial deviations	167	-207
This years net return on assets/increase in obligation continued operations	10	-5
Net financial items in the account from discontinued operations	5	12
Curtailments/transfer	-92	-96
<b>Book value 31st of December</b>	<b>293</b>	<b>364</b>
<b>Pension expenses included in the accounts, defined benefit pension plan</b>		
Present value of current pension earnings	1	40
Total return on pension plan, incl. in payroll and related expenses – see note 18	1	40
<b>Total financial items in the accounts</b>	<b>5</b>	<b>12</b>
<b>Total pension expenses defined benefit pension plan</b>	<b>6</b>	<b>52</b>
<b>Contribution plans</b>		
Calculated contribution plan acc.to Traffic agreement, recorded as pension expense - see note 18	13	-
Total return on pension plan, incl. in payroll and related expenses – see note 18	150	125
<b>Total pension expenses</b>	<b>169</b>	<b>177</b>

### 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 (-) this period's net pension expense in %	-34%	26%	8%	-7%	11%	-8%
Increase (+)/decrease (-) net pension obligation at 31st of December in %	-12%	15%	2%	-1%	5%	-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:

	2023	2022	2021	2020	2019	2018
<b>Income statement</b>						
Present value of current pension earnings	1	40	45	71	90	220
Curtailments/transfer	-	-	-	-46	91	-
Plan changes during the year	-	-	-	-	-	60
Total cost in the income statement	1	40	45	25	181	280
Total financial items in the accounts	5	12	7	12	18	29
<b>Total pension cost in the accounts</b>	<b>6</b>	<b>52</b>	<b>52</b>	<b>37</b>	<b>199</b>	<b>309</b>

<b>Financial position</b>						
Total obligations	1 105	1 933	2 198	2 129	2 682	7 072
Pension assets	-833	-1 591	-1 562	-1 593	-1 962	-5 420
Total net pension obligations	272	342	636	536	720	1 652
Non-recognised actuarial losses	21	22	24	23	22	39
<b>Net pension obligation at the balance sheet date</b>	<b>293</b>	<b>364</b>	<b>660</b>	<b>559</b>	<b>742</b>	<b>1 691</b>

Financial assumptions (defined benefit plans)

	2023	2022	2021	2020	2019	2018
Discount rate	3.95%	3.85%	2.20%	1.50%	2.05%	2.85%
Expected return on plan assets	3.95%	3.85%	2.20%	1.50%	2.05%	2.85%
Average salary growth	3.50%	3.50%	2.50%	1.75%	2.70%	2.50%
G-regulation	3.25%	3.25%	2.50%	1.75%	2.10%	2.60%
Annual reg. of pension increases	2.80%	2.50%	1.75%	1.00%	1.35%	1.85%
Average social security tax	14.10%	14.10%	14.10%	14.10%	14.10%	14.10%

#### Explanation to selected assumptions 31st of December 2023

The discount rate has been set at 3.95 % (3.85%) 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 2023 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

	2023	2022
Trade payables	384	174
Group internal trade payables	1 711	1 817
Social security and other taxes	48	75
Other current liabilities	857	551
<b>Total</b>	<b>3 000</b>	<b>2 617</b>

Total trade and other payables include liabilities to related parties in 2023: 443 MNOK (156,3 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

	Reorgani- sation obligation	Other	Total
<b>Provisions for other liabilities 2023</b>			
At 1st of January	83	12	95
Used during the year	4	-12	-8
<b>Total</b>	<b>87</b>	<b>-0</b>	<b>87</b>

	Reorgani- sation obligation	Other	Total
<b>Provisions for other liabilities 2022</b>			
At 1st of January	101	-	101
Used during the year	-18	12	-6
<b>Total</b>	<b>83</b>	<b>12</b>	<b>95</b>

<b>Classification in the statement of financial position</b>	2023	2022
Non-current liabilities	87	95

#### 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 and a new plan in 2023 acc.to the new Traffic agreement. The purpose of the restructuring is to adapt to the changes required by the railway reform and the new Traffic agreement. The restructuring provision amounted to 29 (25) MNOK at the end of 2023, and is mainly due to downsizing. The accruals at 31.12.2023 includes in addition a compensation related to changed pension plans. This remaining accruals for this is 58 (58) MNOK at the end of 2023.

## Note 22

### Depreciation, amortization and impairment

	2023	2022
Depreciation charges (note 6)	920	847
<b>Total</b>	<b>920</b>	<b>847</b>

## Note 23

### Other expenses

	2023	2022
Sales- and overhead expenses	975	857
Energy used in operations	355	531
Repair and maintenance, machinery rental, property expenses	818	795
Other operating expenses	1 515	1 516
<b>Total</b>	<b>3 663</b>	<b>3 699</b>

<b>Auditing fees for total operations (excluding VAT):</b>	2023	2022
Statutory audit fee	2	2
Other services	0	0
<b>Total fee to auditor</b>	<b>2</b>	<b>2</b>

## Note 24

### Financial income and expenses

	2023	2022
Interest income	144	71
Group contribution	20	41
Reversal of write-down shares in subsidiaries *)	-	366
Net foreign exchange gains	8	11
<b>Total financial income</b>	<b>172</b>	<b>489</b>
Interest expense	-111	-72
Other financial expenses	-2	-3
Write-down shares in subsidiaries **)	-	-336
Net foreign exchange losses	-41	-1
<b>Total financial expenses</b>	<b>-154</b>	<b>-412</b>
Net financial expenses - pensions	-5	-12
Change in unrealised fair value	12	-10
<b>Total financial items</b>	<b>25</b>	<b>55</b>

\*) Vy Tog AS 366 MNOK (year 2022)

\*\*\*) Vy Tåg AB - 336 MNOK (year 2022)



## 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:

<b>Sale of goods and services:</b>	<b>2023</b>	<b>2022</b>
Public purchase of passenger traffic services	3 060	2 751
Sales of other goods and services	269	437
Sales to other companies within the Group	409	344
<b>Total</b>	<b>3 738</b>	<b>3 532</b>
<b>Purchases from companies in the Group:</b>		
Purchases of goods and services:	367	329
<b>Total</b>	<b>3 294</b>	<b>3 320</b>

Intercompany balances with related parties as a result of buying and selling of goods and services:

<b>Receivables:</b>	<b>2023</b>	<b>2022</b>
Group internal trade receivables	435	166
Associated companies	-	1
Entities owned by the Ministry of Transportation	129	208
<b>Total</b>	<b>564</b>	<b>375</b>

<b>Debts</b>	<b>2023</b>	<b>2022</b>
Group internal trade payables	1 711	1 818
Entities owned by the Ministry of Transportation	443	156
<b>Total</b>	<b>2 154</b>	<b>1 975</b>

<b>Loans to related parties</b>	<b>2023</b>	<b>2022</b>
Other companies in the Group	1 288	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 2023

Oslo, 15<sup>th</sup> of february 2024

Board of directors of the Vy Group

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 2023 to 31 December 2023 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.

Berit Svendsen/Chairman of the board

Geir Inge Stokke

Espen Almlid

Dina Elverum Aune

Morten Henriksen

Ove Sindre Lund

Petter Louis Pettersen

Line Steinseth

Grp Bakstad / CEO

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 2023, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.
- The consolidated financial statements of Vygruppen AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2023, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting 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 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting 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

The Board of Directors and the Managing Director (management) are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting 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 Company or 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's 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, 15. februar 2024  
Deloitte AS

**Elvind Skaug**  
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

# Tax policy

## Background

In line with expectations from the owner enshrined in Eierskapsmeldingen (Meld.St.8 2019–2020), Vygruppen 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

Vygruppen 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.**

Vygruppen 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, Vygruppen 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.**

Vygruppen 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**

Companies should not take part in any kind of aggressive tax planning that drains the local tax base.

# Corporate Governance

## 1. Report on corporate governance

This report is prepared in accordance with the *Norwegian Code of Practice for Corporate Governance*.

Vygruppen AS and Vygruppen (the Vy Group) follow this recommendation, but with exceptions as a result of the company not being listed on the stock exchange, is a state-owned limited company with the state as sole owner, and certain restrictions in the company's articles of association.

The purpose of the Code of Practice is for companies listed on regulated markets in Norway to have corporate governance that clarifies the division of roles between shareholders, the board of directors and general management beyond what follows from legislation. Good corporate governance will help strengthen confidence in the company among shareholders, in the capital market and with other stakeholders.

The Board of Directors has adopted a set of values and guidelines for ethics and corporate social responsibility, which are published on [vy.no](http://vy.no).

## 2. Activity

Vy is a transport group with activities in Norway and other Nordic countries. The parent company Vygruppen AS is owned by the state through the Ministry of Transport and Communications. The Group's head office is in Oslo. The company's activities are set out in the articles of association:

- *The company's social mission is to ensure efficient, accessible, safe and environmentally friendly transport of people and goods.*
- *The company will operate passenger traffic by train in Norway, transport of people and goods in Norway and other Nordic countries, as well as activities naturally related to this.*
- *The business may be conducted by the company itself, by wholly owned subsidiaries or through other companies in which it has ownership interests or cooperates. The company may operate in other Nordic countries to the extent that this contributes to strengthening the company's competitiveness in the Norwegian market and/or contributes to strengthening the company's ability to carry out the social tasks that justify the state's ownership.*

## 3. Equity and dividends

Vygruppen AS is a state-owned limited company. State-owned limited companies are limited companies in which the state owns all the shares. The responsible minister or a person authorised by him safeguards the rights of shareholders at the general meeting.

Important special rules for state-owned limited companies include:

- The general meeting is not bound by the board's proposed dividend.
- The Office of the Auditor General supervises the management of the state's ownership interests and has the right to demand the information it finds necessary from the chief executive, from the board and from the auditor.

The Government expects a dividend of 50 per cent of the Group's annual profit after tax, but the determination of the dividend is assessed annually.

No board authorisation has been given to distribute dividends or to increase capital.

## 4. Equal treatment of shareholders and transactions with related parties

The company has one class of shares. The shares are not listed on a stock exchange, and there are no transactions of the shares.

The Norwegian Railway Directorate and Vygruppen AS have entered into 2 agreements on public procurement of passenger transport to operate the train service in Eastern Norway to ensure a train service on sections which are not commercially profitable and from 2028 integrate the transit service to Oslo Airport in this offer. The Norwegian Railways Directorate has also entered into an agreement with Vy's subsidiary Vy Tog AS to operate Bergensbanen, and with Vy Gjøvikbanen AS to operate the Gjøvikbanen.

Guidelines for processing not immaterial transactions between the company and board members/executive personnel are incorporated into the Group's ethical guidelines and instructions for the Board of Directors and the CEO.

## 5. Freely negotiable shares

The articles of association do not include any restrictions on negotiability.

## 6. General assembly

The general assembly of Vygruppen consists of the state through the Ministry of Transport and Communications. The Ministry is responsible for convening the general assembly. The Annual General Meeting is held every year before the end of June.

The members of the Board of Directors, the Managing Director and the auditor have the right to attend the General Meeting. The other points in the Code of Practice are not considered relevant in light of the company's ownership situation.

## 7. Nomination committee

The general assembly of Vygruppen consists of the state through the Ministry of Transport and Communications. 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 direct election by and from among the employees. An agreement has been made not to have a corporate assembly, and the employees elect one board member with deputy in addition to the representation that follows from the previous sentence.

The composition of the board is such that it can safeguard the owner's interests and the company's need for expertise, capacity and diversity. Senior executives are not members of the board and do not own shares in the company. Information about board members is posted on <https://www.vy.no/en/the-vy-group/corporate-governance>

## 9. The work of the Board of Directors

The Board complies with the Norwegian Limited Liability Companies Act's requirement to manage the company's assets on behalf of the owners. The Board's work is set out in separate instructions. The board works according to an annual work plan for its activities. 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 of Directors has issued separate instructions for the CEO.

The board shall ensure that satisfactory systems exist for internal control of the company's activities, and that risk analyses are regularly carried out with follow-up preventive measures and emergency preparedness measures.

Pursuant to the articles of association, the Board of Directors shall ensure that the company assumes corporate social responsibility.

The board has established an audit committee and a remuneration committee.

## 10. Risk management and internal control

To ensure integrated management of the company, a separate governance system has been drawn up, which includes management documents, emergency preparedness plans, safety procedures and processes for managing and controlling the business. As part of this, principles, guidelines, routines, manuals and authorisation matrices have been drawn up to manage and control the company's finances, accounts and financing.

Risk analyses are carried out annually for the Group's activities, and measures are evaluated and implemented to manage the risk picture. The board reviews the company's risk management and internal control annually.

## 11. Remuneration of the Board of Directors

Remuneration of the Board of Directors and executive personnel is stated in a note to the annual accounts. Remuneration of the board is not performance-related, and board members do not participate in incentive or option programmes. Shareholder-elected board members do not normally have additional assignments for the company.

## 12. Remuneration of senior executives

The Board appoints the CEO and determines the terms of appointment. The Board annually evaluates the CEO's working and salary conditions and reviews the conditions of other senior executives.

The Board of Directors has prepared a declaration on the determination of salary and other remuneration for senior executives. The chief executive is authorised to determine salary and other compensation for the company/group's top management within the state's "Guidelines for salary and other remuneration for senior executives in enterprises and companies with a state ownership interest" and the principles for executive pay laid down by the board.

The Board's guidelines for the remuneration of senior executives and the annual report on executive remuneration are dealt with as separate items at the general meeting.

The determination of salary and other remuneration paid to senior executives is described in a note to the annual accounts.

## 13. Information and communication

Public information about the Group is provided by the Group's management. Dates of important events and publication of financial information are posted on the company's website.

Through section 10 of the articles of association, Vy has a special duty to inform the owner about the group's activities.

The Management Board shall submit to the Minister of Transport and Communications all matters that are considered to be of significant social or fundamental importance. Each year, the Board of Directors shall submit to the Minister of Transport and

Communications a plan for the activities with subsidiaries, which includes the following matters:

1. Status of the market and the Group, including developments in the Group since the previous plan was presented.
2. The main features of the Group's activities in the coming years, including major restructuring, further development and liquidation of existing businesses and services and the development of new ones.
3. The Group's investment level, significant investments and financing plans.
4. Assessments of economic developments during the planning period.
5. Report on measures and results relating to the company's social mission and corporate social responsibility.

The Board shall submit to the Minister of Transport and Communications any significant changes to such plans as have previously been presented.

## 14. Company takeover

Based on the ownership situation, this part of the Code of Practice is not considered to be relevant for the company.

## 15. Auditor

The auditor is elected by the general meeting. The auditor submits an annual plan to the board for the implementation of the audit work. The auditor prepares an annual letter to the Board of Directors, which summarises the audit of the company and the status of the company's internal control. The auditor meets with the board once a year without the general management being present. The auditor participates in board meetings and audit committee meetings that deal with reporting and other issues on which the board must express an opinion. The auditor attends the general meeting.

Vy has adopted a policy with guidelines for the purchase of additional services from the auditor that will ensure that the auditor appears, and is perceived as, independent and objective.

The auditor's remuneration broken down between auditing and other services is described in a note to the financial statements.

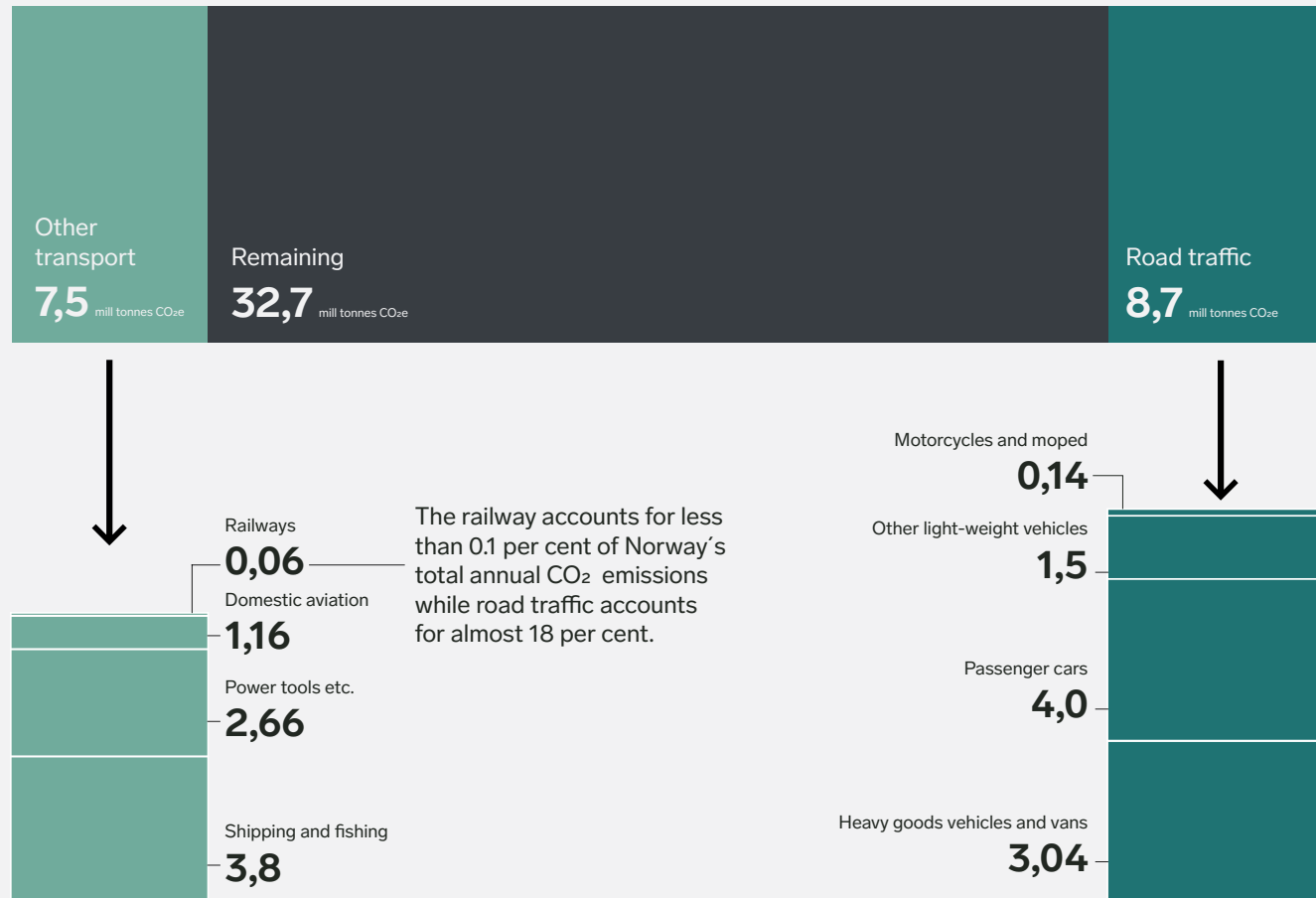


# Carbon Accounts

The carbon accounts provide an overview of all greenhouse gas emissions from Vygruppen, internally and in our value chain. The carbon accounts constitute an important instrument in understanding and reducing our climate impact. Vy strategically uses its carbon accounts to identify and prioritise initiatives to cut emissions. Few businesses have unlimited time and resources and it is therefore important for us to prioritise significant emissions through appropriate measures that have the greatest impact when it comes to reducing our emissions.

Transport constitutes one of the largest sources of greenhouse gas emissions in Norway and accounts for one third of Norway's greenhouse gas emissions. Emissions from transport were more than 25 per cent higher in 2023 compared to 1990. 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 2022 (in million tonnes CO<sub>2</sub>-equivalents)



Sources: Norwegian Environment Agency and Statistics Norway  
Note: Emissions from foreign shipping and aviation are not included

## Vy carbon accounts 2023

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 also set an ambitious goal of saving society from the emission of one million tonnes of CO<sub>2</sub> equivalents (scope 4) by 2025 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 19%, corresponding to 58 300 tonnes of CO<sub>2</sub>e. In 2013, the number of passengers was 6 099 million passenger kilometres and, in 2023, this figure was 7 083 million passenger kilometres, while freight amounted to 2 700 tonne kilometres in 2013 and 3 154 tonne kilometres in 2023. Emission intensity (tonne CO<sub>2</sub>e/operating revenue) has been reduced by 40% from 2013 to 2023. Vy is implementing a number of initiatives that will lead to significant cuts in CO<sub>2</sub> as part of the journey to achieve net zero emissions from the business as a whole by 2050. Vy has initiated its work to establish science-based climate targets, including targets to cut emissions by both 2030 and 2050.

Tonnes CO <sub>2</sub> e	2019	2020	2021	2022	2023
<b>Direct emissions (Scope 1)</b>					
Biodiesel – fossil	2 380	2 286	1 359	701	1 374
Biodiesel - biogenic	66 964	68 139	54 762	33 564	32 314
Biogas - fossil	13	22	14	15	13
Biogas - biogenic	11 698	20 135	13 089	13 383	11 830
Fuel oil	196	83	27	42	42
Road diesel – fossil	60 857	47 131	57 566	102 050	103 682
Road diesel – biogenic	4 081	3 161	12 766	22 631	19 139
Dyed diesel – fossil	48 526	35 027	27 251	25 712	23 863
Dyed diesel – biogenic	0	0	0	0	2 230
Refrigerants	2 392	2 215	2 366	2 381	2 470
<b>Total Scope 1 – fossil</b>	<b>114 364</b>	<b>86 765</b>	<b>88 583</b>	<b>130 901</b>	<b>131 443</b>
<b>Total Scope 1 – biogenic</b>	<b>83 061</b>	<b>91 842</b>	<b>81 152</b>	<b>69 975</b>	<b>65 513</b>
<b>Indirect emissions (Scope 2)</b>					
Electricity (market-based)	19 039	18 998	21 507	22 985	24 025
Electricity (location-based)	23 742	22 928	21 762	20 166	32 398
<b>Indirect emissions from the value chain (Scope 3)</b>					
1: Procurement of goods and services	16 501	13 818	12 859	12 189	12 332
2: Fixed assets	25 590	22 904	23 838	24 708	25 283
3: Emissions relating to energy production	41 527	35 991	33 988	41 322	41 847
4: Purchased transport and distribution services	18 019	8 434	8 627	7 232	6 275
5: Waste management	210	197	214	234	243
6: Business trips	430	403	438	479	498
7: Employees' travel to and from work	6 393	5 996	6 522	7 134	7 417
8: Rented premises/leased equipment	4 753	4 458	4 849	5 304	5 515
<b>Total Scope 3</b>	<b>113 423</b>	<b>92 202</b>	<b>91 336</b>	<b>98 603</b>	<b>99 410</b>
<b>Total fossil emissions – electricity, location-based</b>	<b>246 826</b>	<b>197 964</b>	<b>201 426</b>	<b>252 488</b>	<b>254 878</b>
<b>Total fossil and biogenic emissions – electricity, location-based</b>	<b>329 888</b>	<b>289 806</b>	<b>282 578</b>	<b>322 463</b>	<b>320 391</b>
<b>Total fossil emissions – electricity, market-based</b>	<b>251 848</b>	<b>203 007</b>	<b>201 507</b>	<b>249 572</b>	<b>264 312</b>
<b>Total fossil and biogenic emissions – electricity, market-based</b>	<b>334 909</b>	<b>294 849</b>	<b>282 659</b>	<b>319 548</b>	<b>329 825</b>

### Methodology for calculating emissions

Vygruppen has drawn up and published carbon accounts since 2003 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 is more detailed and now includes more activities. Vy reports using both a location-based and a market-based method for electricity consumption and presents both 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 practically possible

The carbon accounts are drawn up in accordance with the international standard for climate reporting, the Greenhouse Gas Protocol. Carbon accounts drawn up pursuant to the GHG Protocol divide emissions into three categories: Direct emissions (Scope 1), indirect emissions from electricity supply (Scope 2) and indirect emissions related to the procurement of other goods and services (Scope 3). We use CO<sub>2e</sub>, a unit used in carbon accounting that corresponds to the effect a given amount (usually one tonne) of CO<sub>2</sub> 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 carbon accounts have been adjusted for "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 CO<sub>2</sub> during use.

According to the GHG Protocol, the emission of biogenic CO<sub>2</sub> 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 (CO<sub>2</sub> from the combustion of fossil fuels based on non-renewable fuels) and biogenic emissions (CO<sub>2</sub> 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 material in the biofuel, the production of biofuel will entail the absorption 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 2023 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
- 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

#### New in 2023:

- Employees' travel to and from work
- More extensive data collection relating to refrigerants

- The 2023 carbon accounts also include emissions from the consumption of fuel from Minibuss 24/7 and Geilo Turbusser (Scope 1-3). Minibuss 24/7 and Geilo Turbusser were not included in the carbon accounts for 2022 or earlier.
- More detailed passenger kilometre figures for Vy Tåg AB
- Distributed electricity consumption of CargoNet on consumption in Norway and consumption in Sweden

#### Scope 1

Scope 1 represents direct emissions of greenhouse gases from cars and machinery. Scope 1 emissions are emissions measured at the exhaust pipe and categorised as "tank to wheel" emissions. For Vy, Scope 1 emissions relate to the combustion of diesel for buses and trains.

#### Scope 2

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. We use a Norwegian and Swedish electricity mix instead of a Nordic mix, in order to provide the most relevant picture of actual CO<sub>2</sub> 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 purchased 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 subsequently conduct a spend analysis using data from the finance system and finally we

conduct an assessment based on industry-specific emissions. For 2023, we asked our largest suppliers to submit figures that we could use to calculate emissions.

Total Scope 3 emissions (location-based) in 2023 have been calculated at 30 400 tonnes of CO<sub>2</sub> equivalents for purchased activities associated with the Group and around 69 000 tonnes of CO<sub>2</sub> equivalents for the production and maintenance of trains and buses, as well as 'well to tank' emissions from the production of fuel – totalling 99 400 tonnes of CO<sub>2</sub> equivalents.

Scope 3 emissions from purchased activities associated with the Group (30,400 tonnes of CO<sub>2</sub> equivalents) account for around 12% of our emissions (Scope 1, 2 and 3 excluding biogenic emissions, location-based method).

Total Scope 3 emissions from purchased activities associated with the Group and the production and maintenance of trains and buses, as well as 'well to tank' emissions from the production of fuel (99 400 tonnes of CO<sub>2</sub> equivalents) account for around 39% of emissions (Scope 1, 2 and 3 excluding biogenic emissions, 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. The increase in Scope 3 (employee's travel to and from work and refrigerants) has also been added to previous years' carbon accounts based on mileage.

#### Scope 4

Scope 4 is not yet an official category in accordance with the GHG Protocol. Scope 4 shows emissions avoided, i.e.

CO<sub>2</sub>e 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), using an average from the Norwegian car fleet comprising a mixture of petrol, hybrid and electric cars. Naturally, this will not be completely accurate, as it would not be realistic to assume that everyone who travels by bus and train would have travelled 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 2023 were 254 878 tonnes of CO<sub>2</sub>e. This resulted in reduced emissions in relation to alternative transport of 770 790 tonnes of CO<sub>2</sub>e. This corresponds to the annual emissions of 392 000 cars.

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	Unit
Passenger km by bus - replacing cars	3 547 667 063 pkm	374 716	tonnes CO <sub>2</sub> e
Tonne km by freight train - replacing lorries	3 154 243 749 tonnekm	277 574	tonnes CO <sub>2</sub> e
Passenger km by train - replacing car	3 535 011 248 pkm	373 379	tonnes CO <sub>2</sub> e
<b>Total emissions, alternative transport</b>		<b>1 025 669</b>	<b>tonnes CO<sub>2</sub>e</b>

# Data

Scope	Main category	Sub-category	Data source	Emission factors
1	Road diesel, Norway, litre <ul style="list-style-type: none"> <li>Vy buss, Norway (bus)</li> <li>Minibuss 24-7 (bus)</li> <li>Geilo Turbusser (bus)</li> </ul>	Transport	Vy sustainability reporting 4.5% conventional biodiesel UK Gov. GHG v1.1. 2023: Biodiesel ME (from tallow) 12.5% advanced biodiesel UK Gov. GHG v1.1. 2023: HVO 83% fossil diesel: NS-EN 16258:2012	Fossil: 2.23 kg CO <sub>2</sub> e/litre Biogenic: 0.41 kg CO <sub>2</sub> e/litre
	Road diesel, Sweden, litre <ul style="list-style-type: none"> <li>Vy buss, Sweden (bus)</li> </ul>	Transport	Vy sustainability reporting Target: 30.5% reduction from fossil diesel. Same mixture as Norway assumed.	Fossil: 2.23 kg CO <sub>2</sub> e/litre Biogenic: 0.41 kg CO <sub>2</sub> e/litre
	Biodiesel B100 RME, litre <ul style="list-style-type: none"> <li>Vy buss (bus)</li> </ul>	Transport	Vy sustainability reporting UK Gov. GHG v1.1. 2023: Biodiesel ME (from tallow)	Fossil: 0.17 kg CO <sub>2</sub> e/litre Biogenic: 2.39 kg CO <sub>2</sub> e/litre
	Biodiesel HVO, litre <ul style="list-style-type: none"> <li>Vy buss (bus)</li> </ul>	Transport	Vy sustainability reporting UK Gov. GHG v1.1. 2023: HVO	Fossil: 0.04 kg CO <sub>2</sub> e/litre Biogenic: 2.43 kg CO <sub>2</sub> e/litre
	Biogas, kg <ul style="list-style-type: none"> <li>Vy buss (bus)</li> <li>Minibuss 24-7 (bus)</li> </ul>	Transport	Vy sustainability reporting UK Gov. GHG v1.1. 2023: biogas	Fossil: 0.0012 kg CO <sub>2</sub> e/kg Biogenic: 1.11 kg CO <sub>2</sub> e/kg
	Fuel oil, litre <ul style="list-style-type: none"> <li>Team Verksted (workshop)</li> </ul>	Buildings	Vy sustainability reporting UK Gov. GHG v1.1. 2023: burning oil	Fossil: 2.54 kg CO <sub>2</sub> e/litre Biogenic: 0 kg CO <sub>2</sub> e/litre
	Dyed diesel, Norway, litre <ul style="list-style-type: none"> <li>Agilia</li> <li>CargoNet (train and terminal)</li> <li>Vy Gjøvikbanen (train)</li> <li>Vygruppen (train)</li> <li>Vy Tog Vest (train)</li> </ul>	Transport	Vy sustainability reporting 10% advanced biodiesel UK Gov. GHG v1.1. 2023: HVO Fossil diesel: NS-EN 16258:2012	Fossil: 2.41 kg CO <sub>2</sub> e/litre Biogenic: 0.24 kg CO <sub>2</sub> e/litre
	Dyed diesel, Sweden, litre <ul style="list-style-type: none"> <li>Vy Tåg (train)</li> </ul>	Transport	Vy sustainability reporting 100% Fossil diesel: NS-EN 16258:2012	Fossil: 2.67 kg CO <sub>2</sub> e/litre Biogenic: 0 kg CO <sub>2</sub> e/litre
	Refrigerants, leakage <ul style="list-style-type: none"> <li>Vy buss (bus)</li> <li>CargoNet (train and terminal)</li> <li>Vy Gjøvikbanen (train)</li> <li>Vygruppen (train)</li> <li>Vy Tog Vest (train)</li> <li>Vy Tåg (train)</li> </ul>	Refrigerants	Vy sustainability reporting GHG factors from GHG Protocol HFC Tool v1 R452a and R453a are not covered by sources under the GHG Protocol, but are still included in calculations.	kg CCO <sub>2</sub> e/kg R134a 1,300 kg CO <sub>2</sub> e/kg R404a 3,260 kg CO <sub>2</sub> e/kg R452a 2,139 kg CO <sub>2</sub> e/kg R453a 1,765 kg CO <sub>2</sub> e/kg
2	Electricity, low-voltage, Norway, kWh <ul style="list-style-type: none"> <li>Vy buss, Norway (bus, transport)</li> <li>Vy buss, Norway (workshop, building)</li> <li>Minibuss 24-7 (bus)</li> <li>Team Verksted (workshop, building)</li> <li>Agilia (workshop, building) CargoNet (terminal)</li> <li>Vygruppen (office premises)</li> </ul>	Transport, workshop, building	Vy sustainability reporting Energy consumption, excluding purchase of guarantee of origin	Please refer to emission factors for location-based and the product declaration below

2	Electricity, high-voltage, Norway, kWh <ul style="list-style-type: none"> <li>Vygruppen (train)</li> <li>Vy Gjøvikbanen (train)</li> <li>Vy Tog Vest (train)</li> <li>CargoNet (train)</li> </ul>	Transport	Vy sustainability reporting Energy consumption, including purchase of guarantee of origin	Please see emission factors for location-based and market-based below
	Electricity, high-voltage, Sweden, kWh <ul style="list-style-type: none"> <li>Tågkompaniet (train)</li> <li>CargoNet (train)</li> </ul>	Transport	Vy sustainability reporting Energy consumption, including purchase of guarantee of origin for Vy Tåg Energy consumption without guarantee of origin for CargoNet Sweden	Please see emission factors for location-based and market-based below
	District heating, Oslo <ul style="list-style-type: none"> <li>Vygruppen (office premises)</li> </ul>	Building	Vy sustainability reporting EPD Hafslund Oslo Celsius NEPD-3785-2721-NO	Fossil: 0.015 kg CO <sub>2e</sub> /kWh
	Location-based: NO electricity mix	Electricity mix	High-voltage/Low-voltage Norwegian mix 2019-2023 Based on Entso-e dataset	Fossil: 0.038/0.052 kg CO <sub>2e</sub> /kWh
	Location-based: SE electricity mix	Electricity mix	High-voltage/Low-voltage Ecoinvent SE mix	Fossil: 0.029/0.041 kg CO <sub>2e</sub> /kWh
	Market-based: Guarantees of origin NO	Electricity mix	NVE Climate Declaration for Physically Delivered Electricity 2022	Fossil: 0.019 kg CO <sub>2e</sub> /kWh
	Market-based: Guarantees of origin SE	Electricity mix	Corresponding electricity from guarantee of origin Norway (NVE)	Fossil: 0.019 kg CO <sub>2e</sub> /kWh
	Product declarations NO	Electricity mix	NVE Product declaration for electricity suppliers: 2022	Fossil: 0.502 kg CO <sub>2e</sub> /kWh
Product declarations SE	Electricity mix	AIB-NET European Residual Mixes 2022: SE 2022	Fossil: 0.0389 kg CO <sub>2e</sub> /kWh	
<b>Upstream emissions</b>				
3	1: Procurement of goods and services	Maintenance and spare parts, passenger trains and freight trains	Electricity and fuel consumption in internal production used in intercompany agreements with Vygruppen. Information received from suppliers. Energy consumption at workshops: litres of diesel and kWh. Maintenance, freight trains, general figure per kilometre travelled: Average calculation of emissions associated with maintenance and use of spare parts for locomotives and wagons (energy measured at workshop) based on the kilometres travelled by freight train. Source: ecoinvent Maintenance, passenger trains, LCA Flirt, Neosys AG 2012. Converted to per kilometre travelled. Assuming the same need for maintenance for all types of passenger trains.	Emission factor for electricity and diesel, see Scope 1, 2 and 3:3 Maintenance, freight trains (locomotives and wagons): Not publicly available (ecoinvent) Maintenance, passenger trains: 0.0014 kg CO <sub>2e</sub> /p train kilometres
		Maintenance and spare parts, buses	Electricity and fuel consumption in internal production used in intercompany agreements with Vygruppen. Information received from suppliers. Energy consumption at workshops: litres of diesel and kWh. Maintenance, buses, general figure per kilometre travelled: Average calculation of emissions associated with maintenance and use of spare parts for buses (energy measured at workshop) based on the kilometres travelled by bus. Source: ecoinvent	Emission factor for electricity and diesel, see Scope 1, 2 and 3:3 Maintenance, buses: Not publicly available (ecoinvent)
		Washing and cleaning	Consumption/spend with the largest suppliers	0.058 kg CO <sub>2e</sub> /NOK 1,000
		Tyres, buses	Number of new and retreaded tyres. Information obtained from supplier Emission figures provided by supplier	New tyres: 3.24 kg CO <sub>2e</sub> /tyre Retreaded: 3.57 kg CO <sub>2e</sub> /retreaded tyre
		Textiles (uniforms and backpacks)	Number of garments/items, kg per garment/item and number of shipments. Information received from supplier. Bags. Number of kg and number of shipments. Information received from supplier. UK Gov. GHG v1.1. 2023: Clothing	22.3 kg CO <sub>2e</sub> /kg textiles
		Laundry	Electricity consumption in kWh and fuel consumption in internal production used in intercompany agreements with Vygruppen. Information received from suppliers.	Emission factor for electricity and diesel, see Scope 1, 2 and 3:3
		Onboard café	Fuel consumption in litres of diesel in internal production used in intercompany agreements with Vygruppen. Information received from suppliers.	Emission factor for diesel, see Scope 1, 2 and 3:3
		IT equipment and operations (hosting)	Number of products and kg per product. Information received from suppliers Consumption/spend with the largest suppliers Emission figures provided by supplier	Tablets: 86 kg CO <sub>2e</sub> each (Techstep) 0.013 kg CO <sub>2e</sub> /NOK 1,000

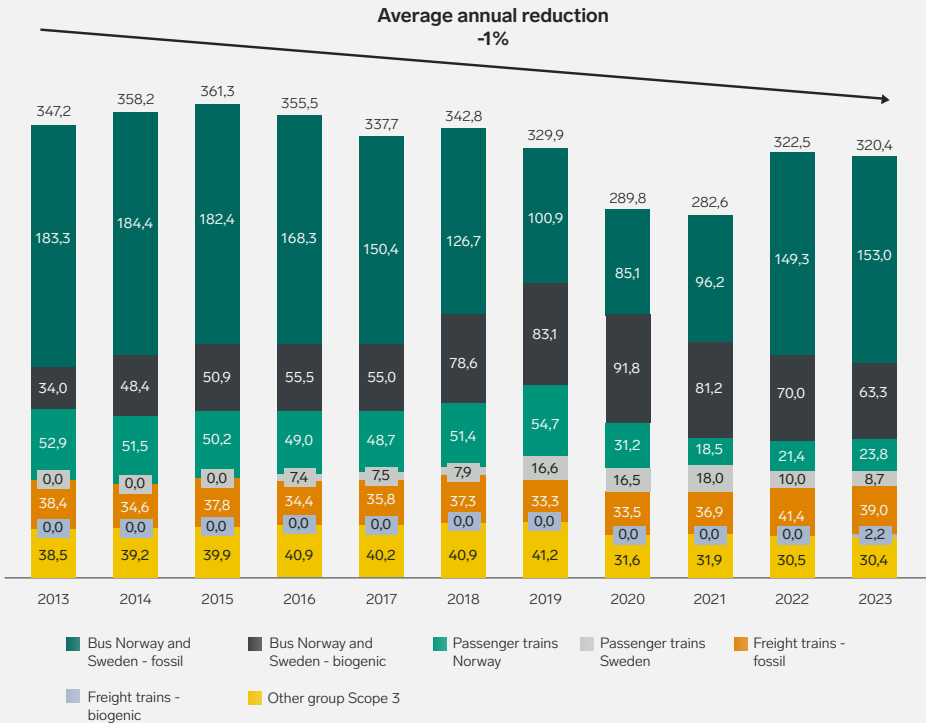
3	2: Fixed assets	Production of buses	Production of buses, general figure per kilometre travelled: Average calculation of emissions associated with the production of buses, based on kilometres travelled by bus. Source: ecoinvent	Production (buses): Not publicly available (ecoinvent)	
		Production of passenger trains	Production, passenger trains, LCA Flirt, Neosys AG 2012. Converted to per kilometre travelled. Assuming the same need for maintenance for all types of passenger trains.	Production, passenger trains: 0.253 kg CO <sub>2</sub> e/p train km	
		Production of freight trains	Production of freight trains, general figure per kilometre travelled: Average calculation of emissions associated with the production of locomotives and wagons, based on kilometres travelled by train. Source: ecoinvent	Production, freight trains (locomotives and wagons): Not publicly available (ecoinvent)	
		Category 3: Emissions relating to energy production	3A – Upstream emissions from purchased fuel	Vy sustainability reporting  Emission figures: UK Gov. GHG v1.1. 2023 NS-EN 16258:2012	Road diesel NO+SE: 0.54 kg CO <sub>2</sub> e/litre Dyed diesel NO: 0.54 kg CO <sub>2</sub> e/litre Dyed diesel SE: 0.57 kg CO <sub>2</sub> e/litre Biodiesel B100 RME: 0.66 Biodiesel, HVO: 0.28 kg CO <sub>2</sub> e/litre Biogas: 0.16 kg CO <sub>2</sub> e/litre Fuel oil: 0.53 kg CO <sub>2</sub> e/litre
			3B - Upstream emissions from purchased electricity	Vy sustainability reporting	Location-based NO/SE: 0 kg CO <sub>2</sub> e/kWh Market-based guarantees of origin NO/SE: 0 kg CO <sub>2</sub> e/kWh Product declarations NO/SE: 0 kg CO <sub>2</sub> e/kWh
			3C – Loss from transfer and distribution (also referred to as grid loss):	Vy sustainability reporting	% loss in electricity grid for trains: CargoNet: 13.4% Vygruppen: 14.9% Vy Tog Vest: 14.0% Vy Gjøvikbanen: 16.9% Vy Tåg: 15.7%
			3D – Production of electricity for resale	N/A. Not applicable	
	Category 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.	Road diesel emission factor in Norway and Sweden, see Scope 1, 2 and 3:3	
		Rail replacement taxi services	Average emissions, passenger car Emission factor from Environmental Calculator, NSB/Vy	Taxi, one passenger: 0.164 kg CO <sub>2</sub> e/car kilometre	
		Subcontracting of freight transport services (freight)	Not included, information not available		
		5: Waste management	Waste management	Number of transport journeys and associated fuel. Information received from suppliers.  Vy sustainability reporting: specified volume of waste and degree of sorting. Sorted waste assumed to be recycled. Unsorted waste and hazardous waste are sent for incineration with energy recovery.  UK Gov. GHG v1.1. 2023: Residual waste	Emission factor for electricity and diesel, see Scope 1, 2 and 3:3  Incineration of unsorted waste: 21.28 kg CO <sub>2</sub> e/tonne
	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.  UK Gov. GHG v1.1. 2023: Hotel UK room	Hotel accommodation (UK): 10.4 kg CO <sub>2</sub> e/room per night	
		Flights	Vy sustainability reporting: Specified number of domestic and international flights.  Average distance, domestic flights: 370 km Average distance, international flights: 562 km Emission factors, aviation fuel: NS-EN 16258:2012	Domestic flights: 0.185 kg CO <sub>2</sub> e/pkm International flights: 0.151 kg CO <sub>2</sub> e/pkm	
		Transport for office employees (e.g. taxi)	Average emissions, passenger car Emission factor from Environmental Calculator, NSB/Vy	Taxi, one passenger: 0.164 kg CO <sub>2</sub> e/car kilometre	



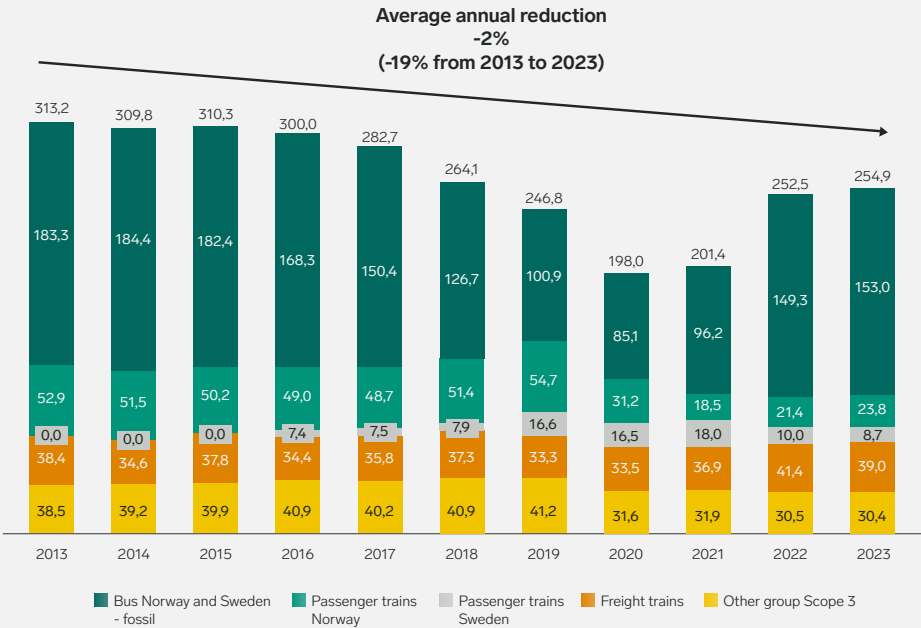
	7: Employees' travel to and from work	Transport, employees	<p>Vy sustainability reporting: The specified number of employees distributed by workplace situated in or outside of major cities.</p> <p>Travel distance and number of passengers travelling by car based on travel habits, work travel RVU 2013/2014</p> <p>Emissions have been calculated only for transport by passenger car. Public transport journeys have already been included in the calculations for Scope 1-3.</p> <p>Emission factor for passenger cars from Environmental Calculator, NSB/Vy</p>	Passenger car, one person: 0.164 kg CO <sub>2e</sub> /car km
	8: Rented premises/leased equipment	Rent	Consumption/spend	0.0141 kg CO <sub>2e</sub> /NOK 1,000
<b>Downstream emissions</b>				
	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	<p>Passenger kilometres travelled by bus and train in place of car (average of 1.6 people in each car)</p> <p>Tonne kilometres travelled by freight trains in place of lorries</p> <p>Emission factor for passenger cars from Environmental Calculator, Vy</p>	<p>Car: 0.106 kg CO<sub>2e</sub>/pkm</p> <p>Lorry: 0.088 kg CO<sub>2e</sub>/tonne km</p>

# The Vy Group's greenhouse gas emissions 2013 – 2023

Absolute emissions (location-based),  
1,000 tonnes of CO<sub>2</sub>e, Scope 1, 2 and 3, including biogenic CO<sub>2</sub> emissions from biodiesel



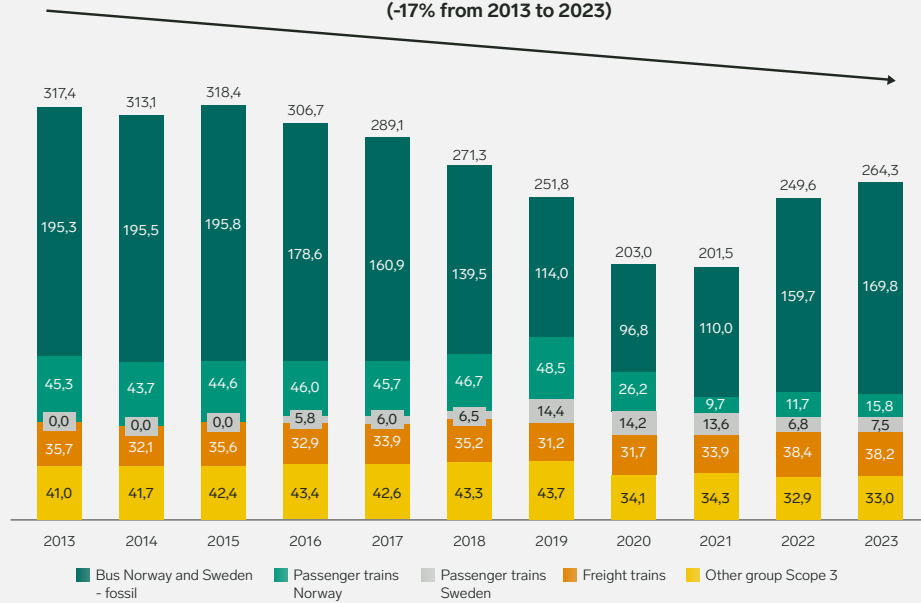
Absolute emissions (location-based),  
1,000 tonnes of CO<sub>2</sub>e, Scope 1, 2 and 3, excluding biogenic CO<sub>2</sub> emissions from biodiesel



Source: Asplan Viak

Absolute emissions (market-based),  
1,000 tonnes of CO<sub>2</sub>e, Scope 1, 2 and 3, excluding biogenic CO<sub>2</sub> emissions from biodiesel

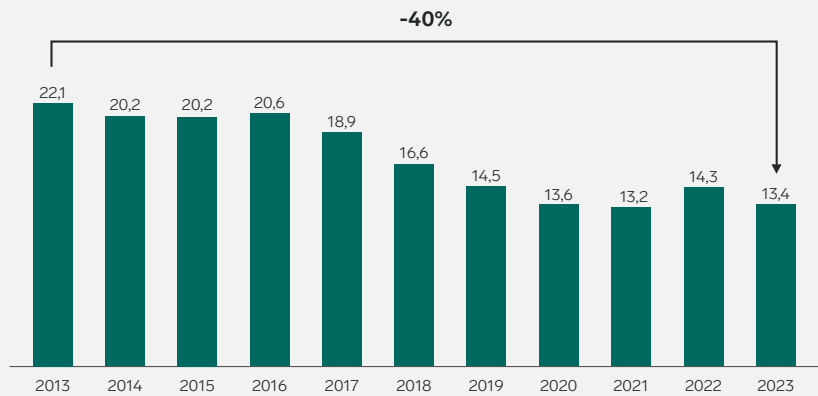
Average annual reduction  
-2%  
(-17% from 2013 to 2023)



Source: Asplan Viak

### Emission intensity for the Vy Group per million NOK revenue

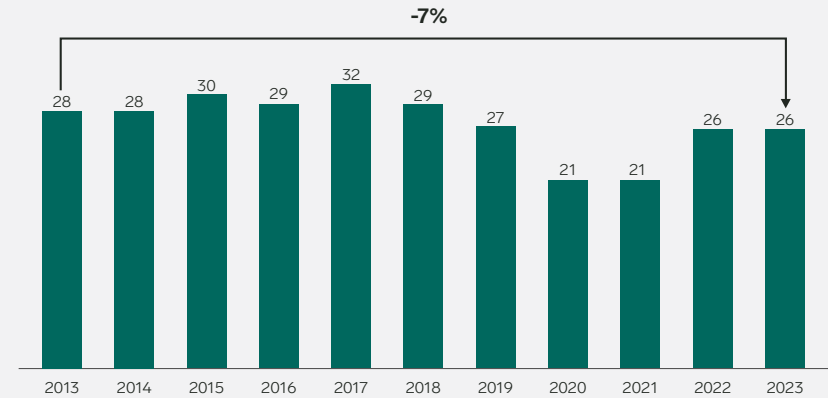
Tonnes of CO<sub>2</sub>e/operating revenue (MNOK)  
 – Scope 1, 2 and 3, excluding biogenic carbon (location-based method)



Source: Asplan Viak

### Emission intensity for the Vy Group per FTE

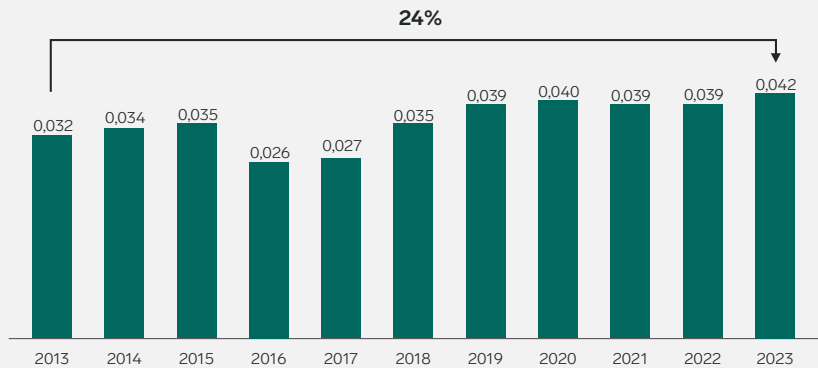
Tonnes of CO<sub>2</sub>e / number of FTE  
 – Scope 1, 2 and 3, excluding biogenic carbon (location-based method)



Source: Asplan Viak Note: Location-based method, Rom eiendom included in the period 2013 - 2016

### Carbon productivity for the Vy Group

CAPRO = EBITDA + payroll and personnel costs (MNOK) / greenhouse gas emissions (CO<sub>2</sub>e tonnes)  
 – Scope 1, 2 and 3, excluding biogenic carbon (location-based method)

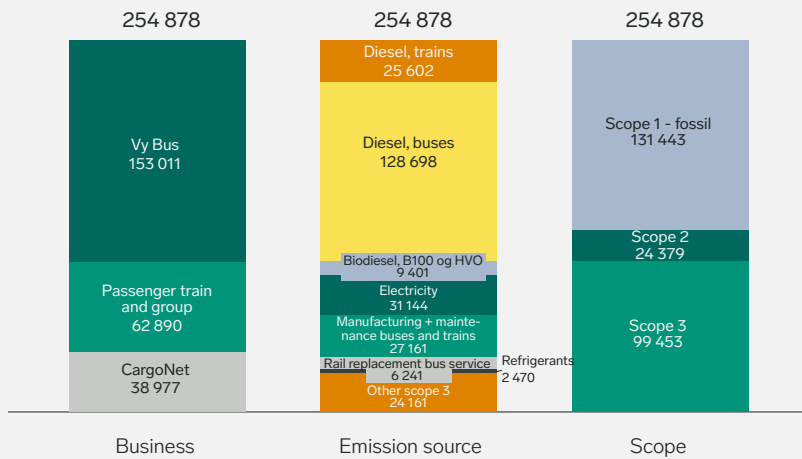


Source: Vy Group's Annual and sustainability reports 2013 - 2021

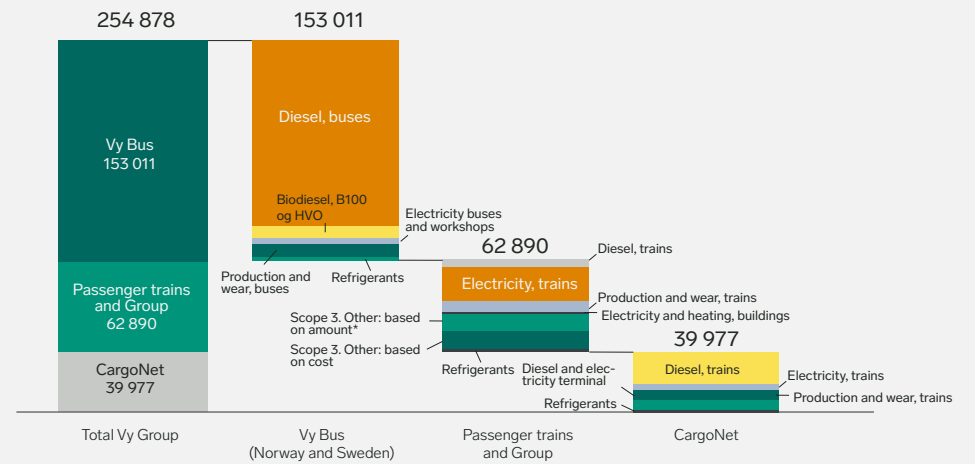
Note: Carbon productivity shows the extent to which value creation occurs in a manner that reduces greenhouse gas emissions. Carbon productivity is a measure of green growth. Source: Stoknes, P. E. (2019). *Hvordan måle ekte grønn vekst og unngå grønnvaskingsfellen* (How to measure true green growth and avoid the greenwashing trap).

For further information, see: <https://www.magma.no/hvordan-male-ekte-gronn-vekst-og-unnga-gronnvaskingsfellen>

Emissions in 2023 for the Vy Group distributed by source and scope of emissions, tonnes of CO<sub>2</sub> equivalents  
 Scope 1, 2 and 3, excluding biogenic carbon (location-based method)

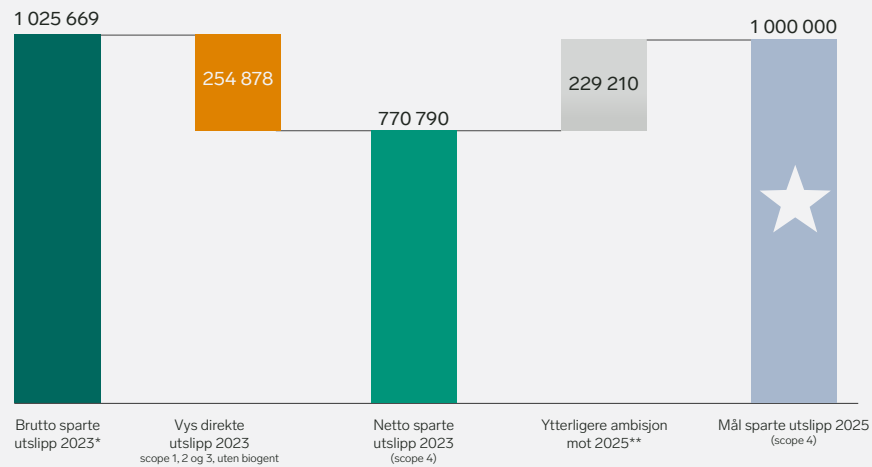


Emissions in 2023 for the Vy Group, distributed by FOs, tonnes of CO<sub>2</sub> equivalents  
 Scope 1, 2 and 3, excluding biogenic carbon (location-based method)



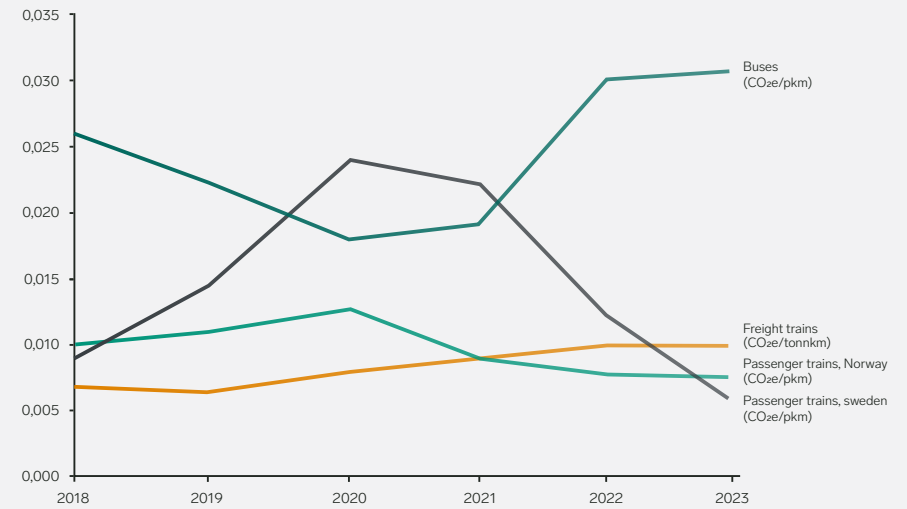
\*Other scope 3: Includes scope 3 category 1 purchases of goods and services, 7 employees' commuting, and 8 leased premises/equipment.

CO<sub>2</sub> emissions saved in 2023, including 2025 target and further ambitions towards 2025  
Vy Group, tonnes of CO<sub>2</sub> equivalents



Source: Ghgprotocol.org – working paper «ESTIMATING AND REPORTING THE COMPARATIVE EMISSIONS IMPACTS OF PRODUCTS» by Stephen Russell, Asplan Viak>Note: Note: \*) Car instead of buses and trains (Norway and Sweden) and lorry instead of rail freight. Note: \*\*) Excluding Win new tenders, open the Follo Line, transport more goods, etc.

Emissions in kg CO<sub>2</sub>e/pkm and tonne km from 2018 to 2023  
– Scope 1 + 2, location-based, excluding biogenic



# GRI Sustainability Reporting Specification for 2023

## Framework

This report has been prepared "in accordance with" the GRI standard GRI 1 Foundation 2021, for the financial year 2023. This reporting is a supplement to formal requirements in national laws and regulations as well as international regulations that form the basis for annual and sustainability reporting:

- IFRS accounting standard
- Reporting in accordance with the Norwegian Accounting Act 3-3 a and c
- Activity and reporting obligation pursuant to sections 26 and 26 a of the Norwegian Equality and Anti-Discrimination Act
- Reporting in accordance with. Section 5 of the Norwegian Act on Transparency and Work on Fundamental Human Rights and Decent Working Conditions
- GHG Protocols
- TCFD and TNFD
- EU taxonomy

In addition, the annual and sustainability reports have been prepared in accordance with the state's expectations of the companies in the ownership report for 2022-2023, focusing on the following areas:

- Responsible business conduct
- Climate
- Human rights and decent working conditions
- Tax and prevention of financial crime
- Salary and remuneration

## Report according to the GRI standard GRI: Foundation 2021

### 1. The organization and its reporting practices

#### GRI 2-1 Organizational details

The report has been prepared for the Vy Group, which consists of the parent company Vygruppen AS with subsidiaries. Vygruppen AS is a state-owned limited company, with the state, represented by the Ministry of Transport and Communications, as owner and general meeting. The head office is in Oslo, and the company operates in Norway and Sweden.

#### GRI 2-2 Entities included in the organization's sustainability reporting

The report has been prepared with data from bus, train, tourism and freight operations, as well as staff and support activities with activities in Norway and Sweden. The data corresponds to the activity consolidated in the Group's financial accounts. See the segment note in the annual and sustainability report, page 52.

#### GRI 2-3 Reporting period, frequency and contact point

The report has been prepared for fiscal year 2023. Figures presented are based on realised figures in financial statements and non-financial information sources that constitute our best estimate. The report is dated February 15, 2024. Questions about the report can be directed to post@vy.no

#### GRI 2-4 Restatements of information

We have made the following extensions to the reporting, and post-calculated for previous years:

- Employee travel to and from work
- More comprehensive refrigerant data retrieval
- In addition, the climate accounts for 2023 also include emissions from fuel consumption from Minibus 24/7 and Geilo coaches (scope 1-3). Minibuses 24/7 and Geilo tour buses have not been added to the climate accounts in 2022 or previous years.

The change for 2023 amounts to:

	Change in emissions, tonn CO <sub>2</sub> e		
	Scope 1 fossile	Scope 2	Scope 3
Employee travels to/from work			7,417
Refrigerant emissions	2,470		
Emissions Minibuss 24/7 and Geilo turbusser (scope 1-3).	2,591	68	1,174
Emissions fra energy use in office buildings from scope 3 to scope 2		1,747	-1,747

#### GRI 2-5 External assurance

Financial figures have been reviewed and audited by the company's external auditor. The company's external auditor has also certified the GRI report with moderate certainty for 2023. The work on sustainability as well as the annual annual and sustainability report are discussed by the Board of Directors of Vy. Sustainability reporting requirements will be incorporated into mandatory reporting standards (ESRS) in the near future;

European Sustainability Reporting Standards) and Vy will report in accordance with these requirements, including requirements for certification when they come into force.

## 2. Activities and workers

#### GRI 2-6 Activities, value chain and other business relationships

The company's social mission is to ensure efficient, accessible, safe and environmentally friendly transport of people and goods. The company will operate passenger traffic by train in Norway, transport of people and goods in Norway and other Nordic countries, as well as activities naturally related to this. Vy's main activity in the transport sector in Norway and Sweden is within passenger transport by train and bus, tourism and freight transport by rail. The size of these activities, both in terms of travel/volume and revenue, is described in the Board of Directors report on page 42 and in the segment note on page 52.

The value chain mainly consists of:

- Participation in competitions for transport services and preparing competition documentation
- Procurement of vehicles, energy and materials
- Route planning, maintenance and staffing
- Marketing and selling tickets as well as providing good customer information
- Implementation of agreed routes with bus and train driving, customer service, and handling of production deviations
- Measurement of delivery and customer satisfaction, handling of complaints, specifying and implementing measures to improve delivery and customer satisfaction

The main input factors in the value chain are:

- Employees with emphasis on driving staff
- Purchase/rental of trains and buses
- Maintenance of trains/buses
- Fossil and non-fossil energy for the transport of trains and buses
- IT, marketing, ticketing and digital sales channels
- Road and rail infrastructure owned by the public sector and where Vy is charged fees for using this
- Delivery from sector suppliers in the railway, including rental of trains, access to infrastructure, back-end systems for ticketing.



The main services provided are:

- Short and long journeys by passenger trains commissioned by the Norwegian Railway Directorate in Norway and local public transport procurement bodies in Sweden, where revenues consist partly of ticket revenues directly from passengers and partly in the form of public purchases of transport services
- Bus services in Norway and Sweden in the form of regular buses under contract with public procurement bodies (county municipalities, etc.) and commercial routes under their own auspices where revenues are covered by ticket revenues from the traveller
- A freight train service to businesses in the form of freight train routes in Norway and to/from Sweden
- Tourism services based on public transport in cooperation with local and partly owned partners, of which Flåm Utvikling and Fjord Tours are the largest

There have been no significant changes in main factor inputs and services during the year.

The number of travels with Vy for 2023 was 203 million, and the total turnover was 19 063 MNOK.

### GRI 2-7 Employees

	Females	Males	Sum	Norway	Sweden
Average no. of permanent employees	1678	7944	9622	8134	1488
Average no. of full-time employees	1448	7058	8506	6960	1546
Average no. of part-time employees	539	2598	3137	2515	622
Average no. of temporary employees	309	1213	1522	1351	171
Average no. of permanent FTEs	1195	7731	8926	7441	1485
Average no. of full-time FTEs	1076	7214	8290	6813	1477
Average no. of part-time FTEs	227	1231	1458	1142	316
Average no. of temporary FTEs	101	756	857	549	308

The number of employees and full-time equivalents remained

stable throughout the year, but with fluctuations for both passenger trains and buses depending on won and lost bus and train contracts. The number of full-time equivalents is at the same level as the year before.

The number of full-time equivalents and employees is calculated as an average for the year. The number of full-time equivalents with unguaranteed working hours is 910.

### GRI 2-8 Workers who are not employees

As a general rule, Vygruppen employs personnell in permanent positions and directly in the enterprise. Vygruppen hires employees from temporary employment agencies and production companies in accordance with the terms and conditions for temporary hiring, in situations where Vygruppen either does not receive qualified applicants for advertised positions or has to cover a temporary need for labour. The use of temporary agency work is particularly relevant when it comes to advisory services and manpower in staff and support functions as well as IT operations and development. We manage contracts and costs, and a detailed breakdown of full-time equivalents is not available for 2023.

## 3. Governance

### GRI 2-9 Governance structure and composition

Governance is described in the document "Corporate Governance" in this Annual and Sustainability Report 2023 on page 111. Management and processing of financial and non-financial information takes place through the Board of Directors, Group Executive Management, Board of Directors and Management in business areas and through monthly Business Reviews between Group Management and business areas. The owner representatives of the Group Board of Directors are elected by the General Meeting (the Norwegian State represented by the Ministry of Transport and Communications). The owner representatives do not have an employment relationship with the owner, and have disclosed positions that may be in conflict with Vy's interests. In addition, there are three board members elected from among the employees. General meetings are held annually, as well as contact meetings with the owner section of the Ministry of Transport and Communications, normally 4-5 times each year.

See description of the board members on <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 are elected by the owner of the Ministry of Transport and Communications. In addition, 3 representatives of the employees are elected by direct election of and from among the employees. The ownership report, Meld. St. 8 (2019-2020) – The state's direct ownership of companies – Sustainable value creation (white paper on ownership), states that the state promotes a composition of boards that contributes to the attainment of the state's ownership goal. Relevant expertise shall be the main consideration in the state's work on the composition of boards. The state shall also emphasise capacity and diversity based on the distinctive nature of the company. In the event of re-election, the state also assesses the board member's contribution to the company's goal attainment and continued relevance in line with the aforementioned considerations. The state strives to ensure equal representation between both genders when electing board members. The CEO is appointed by the Board of Directors. Group management consists of senior managers for business areas and staff/support functions. Heads of business areas and staff/support functions are elected by the CEO/company boards. These are selected based on personal suitability, competence as well as industry knowledge.

### GRI 2-11 Chair of the highest governance body

The chair of the Board of Directors is elected by the general meeting (the Norwegian state through the Ministry of Transport and Communications) and is not employed by the Vy Group. The chair is paid a fee of 531 TNOK, see note 31 on page 81 of this annual and sustainability report for 2023. The board appoints a CEO as chief executive officer of Vy. The CEO elects line managers and managers of corporate staffs who make up the corporate executive committee.

### GRI 2-12 Role of the highest governance body in overseeing the management of impacts

The Board of Directors and Group Management govern the Vy Group in accordance with an annual cycle containing processes for establishing strategy, action plans, financial goals and management indicators (KPIs). The sustainability perspective is incorporated into these processes. Strategy, action plans, financial objectives and determination of financial and non-financial KPIs and targets are considered and adopted by the Group Board of Directors. Monthly reports are made on the achievement of these. The board is informed and deals with

special topics during the year, such as deep dives into developing business areas, HSE and traffic safety, cyber security, internal control and work on sustainability, tenders and investments.

The Board of Directors reviews sustainability work and sustainability reporting as separate topics once a year in addition to the annual consideration of the annual and sustainability reports. The Chairman of the Board and the CEO review sustainability work and sustainability reporting as a separate topic once a year in contact meetings with the owner beyond the annual consideration of the annual and sustainability reports at the general meeting. Other dialogue with stakeholders is carried out by the management of the Vy Group.

#### **GRI 2-13 Delegation of responsibility for managing impacts**

The Board of Directors has authorised the CEO for the day-to-day management of the Vy Group. Each business manager is responsible for ensuring that the unit safeguards sustainability and corporate social responsibility as part of the conduct of its operations, and is supported in this work by the sustainability specialist in the corporate staff. The finance function in the Group is responsible for collecting and reporting data. These report annually to Group Management and the Group Board on governance, status and developments in this area.

#### **GRI 2-14 Role of the highest governance body in sustainability reporting**

Group management submits an annual proposal for setting financial and non-financial targets, including sustainability goals, for the year and a five-year period ahead. This is considered and adopted by the Group Board of Directors. Goal attainment is reported monthly to the board. Group management prepares an annual and sustainability report annually for the Group, including a proposal for significant sustainability aspects that form the basis for strategy, goals and reporting. The Board of Directors considers and adopts the report with any adjustments.

#### **GRI 2-15 Conflicts of interest**

Vy has established ethical guidelines that also govern any conflicts of interest. The ethical guidelines also apply to board members. Board members and executive employees must regularly sign a self-certification on ethics and corporate social responsibility, and declare ownership interests and directorships that have or may have business relations with Vy. This information is stored as part of the internal control regime in Vy. No such specific information is disclosed to interested parties. A mini CV for the members of the Board of Directors and the Group

management one published on <https://www.vy.no/en/the-vy-group/corporate-governance>

The Vy Group has only one owner, which means that there will be no conflicts of interest between owners.

#### **GRI 2-16 Communication of critical concerns**

Vy has established an internal and external whistleblowing channel for its employees. Alerts can also come through call center and other sources. Group management annually informs the Board's audit committee about the status of the whistleblowing institute, and the type and number of reports. There have been 10 alerts recorded in 2023. The reports concerned bullying/harassment and breaches of duty.

#### **GRI 2-17 Collective knowledge of the highest governance body**

The Board of Directors receives information annually on the status and development in the sustainability area, including new statutory requirements and reporting requirements. Vy's strategy and activities within the sustainability area, and work to adapt to the owner's expectations for work with sustainability and associated reporting, have been reviewed in detail in a separate case in the audit committee and board in the autumn of 2023.

#### **GRI 2-18 Evaluation of the performance of the highest governance body**

The Group Board evaluates its activities annually, including the Board's expertise, the Board's duties, the Board's working method, the Board as a collegium, the Board's relationship with the Group's management and strategic topics/issues that the Board shall prioritise. Environment and sustainability is one of the topics considered, in addition to topics related to finance, reputation, commercial initiatives, etc. as well as management of finance, environment and human resources. The evaluation is done internally, and in some cases with external assistance. No significant changes have been made for 2023 regarding the composition of the board or governance of Vy as a result of this evaluation.

#### **GRI 2-19 Remuneration policies**

The status and guidelines for board remuneration and remuneration of senior executives are described in Note 31 on page 81 of the 2023 Annual and Sustainability Report, as well as in the guidelines on the determination of salary and other remuneration of senior executives, page 83.

No bonus schemes have been established for board fees and remuneration of senior executives, either related to financial or sustainability goals.

#### **GRI 2-20 Process to determine remuneration**

Vy follows the state's guidelines for executive pay in companies with a direct state ownership interest, and the board has adopted guidelines on the determination of salary and other remuneration for senior executives in accordance with this. The Board has appointed a remuneration committee to handle this and remuneration of senior executives on behalf of the Board. The guidelines and the declaration on executive pay are considered by the Group Board of Directors and subsequently by the General Assembly.

#### **GRI 2-21 Annual total compensation ratio**

The CEO of Vy is the highest paid of all employees in the Group. Salary and other benefits are 8.4 times higher than the median for remaining employees. Salary growth for the CEO in 2023 was 3.0 per cent while the median for the rest of the organisation was 5.4 per cent, meaning the CEO received a percentage increase of 56 per cent of the percentage increase for other employees.

## **4. Strategy, policies and practices**

#### **GRI 2-22 Statement on sustainable development strategy**

The board reviews Vygruppen's strategy annually, which has been revised in 2023. The assessments include risk analyses, stakeholder dialogue and materiality analyses related to sustainability, assessments of market and competitor developments, as well as internal analyses and risk assessments.

Our *vision* is that Vy makes it easy to choose environmentally friendly.

Vy's *main goals* are growth through more sustainable travel and rail freight transport, and the highest possible return over time within a sustainable framework.

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 Vygruppen's action plans, and the board follows up progress and the status of goal attainment.

Through great customer experiences every day, industry-leading innovation and efficient production - created by committed and customer-oriented employees - we increase the number of climate-friendly journeys and transports. When more people choose Vy, which delivers services in a profitable manner, the company will also be able to give the owner a return on invested capital and at the same time contribute to a more sustainable society.

### **GRI 2-23 Policy commitments**

Vy has established governing management documents that set requirements for responsible business conduct. The company's articles of association state:

*The board shall ensure that satisfactory systems exist for internal control of the company's activities, and that risk analyses are regularly carried out with follow-up preventive measures and emergency preparedness measures. The board shall 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 by the company's general meeting.

Vy's adopted corporate governance document states:

*To ensure integrated management of the company, a separate management system has been drawn up, which includes management documents, emergency preparedness plans, safety procedures and processes for managing and controlling the business. As part of this, principles, guidelines, routines, manuals and authorisation matrices have been drawn up to manage and control the company's finances, accounts and financing. Risk analyses are carried out annually for the Group's activities, and measures are evaluated and implemented to manage the risk picture.*

See <https://www.vy.no/en/the-vy-group/corporate-governance>. The document has been approved by the board and is part of the Annual and Sustainability Report 2023 for Vy.

The management document Sustainability and Corporate Social Responsibility at Vy states the following:

*Systematic work on sustainability shall be integrated into corporate governance and improvement targets shall be set. In this work, priority will be given to areas where we can make a significant contribution to society, and to achieving the UN Sustainable Development Goals. Vy's operations shall fulfil all basic requirements for responsible business conduct, as laid down in the OECD Guidelines for Responsible Business Conduct. In order to lift the Group's work on sustainability and ensure a common systematics, common quality standards are being pursued. All businesses in Vy that are not already so must be certified according to the ISO 14001 environmental standard.*

*In exercising corporate social responsibility, we shall adhere to the following fundamental principles:*

- *Each business manager is responsible for ensuring that the unit safeguards sustainability and social responsibility as part of the conduct of its activities*
- *Sustainability and corporate social responsibility shall be incorporated into our strategic foundation and values*
- *We contribute to meeting the UN Sustainable Development Goals*
- *We support the principles of the UN Declaration of Human Rights and the ILO's core conventions*
- *We work actively against all forms of corruption*
- *We will actively contribute to reducing the environmental impact of the transport sector*
- *We report annually on the status and development of corporate social responsibility in separate annual and sustainability accounts*

Vy has established a policy for safeguarding labour and human rights in Vy. The policy states the following about this work:

*We shall conduct our business in a manner consistent with the UN Guiding Principles on Business and Human Rights by conducting due diligence related to our business.*

*Vygruppen will conduct due diligence in line with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. As part of the due diligence assessment, Vygruppen shall identify the actual and risk of negative human rights impacts that we have caused, contributed to or are directly linked to through our activities, both in our own operations and in the supply chain. We will stop, prevent and/or reduce such impact. The effect of the measures shall be monitored and assessed and communicated to those*

*affected.*

The content of the above policies is mainly communicated to suppliers in the form of requirements in the tender processes and follow-up of deliveries.

Vy has its own processes for safeguarding employees' rights, and these are safeguarded and communicated through cooperation committees and negotiated in tariff negotiations. General guidelines are communicated through the employee handbook published on the company's intranet.

Managers and board members must periodically sign a self-declaration on review and compliance with the company's ethical guidelines and policy for sustainability and corporate social responsibility in Vy.

### **GRI 2-24 Embedding policy commitments**

Adopted Group Principles and Guidelines are managed and communicated through specialist staffs for their areas of responsibility. For example, Group HR for HSE and Group Finance for finance and accounting. The technical staffs establish processes for operationalising guidelines and statutory requirements, and follow this up through reporting and meetings with the Group's businesses. The day-to-day operational responsibility is delegated to the management in the business areas. 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 corporate staffs are part of the corporate management team.

In some areas, specific requirements are imposed on partners and especially suppliers. Ethical requirements have been established for suppliers as an integral part of the text of the agreement, and Vy follows up and controls compliance where risk assessments or notifications so indicate.

Vy has established a group-wide management training with digital learning for the most important corporate principles and guidelines needed as a leader in Vy. The number/proportion of managers who have completed the training is a strategic KPI that is reported to Group management and the Board of Directors. Responsibility for the development and implementation of management training has been assigned to the HR corporate staff.

### **GRI 2-25 Process to remediate negative impacts**

Vygruppen will conduct due diligence in line with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. As part of the due diligence assessment, Vygruppen shall identify the actual and risk of negative impact that we have caused, contributed to or are directly linked to through our activities, both in our own operations and in the supply chain.

Such negative effects can be reported and managed through internal cooperative bodies such as established working environment committees and tariff negotiations, and external through communication with call centres. External forums for the dissemination of negative effects include: The Norwegian Railway Authority, the Consumer Authority and the judicial system. Customers can seek information, request a refund and notify through our customer service function; <https://www.vy.no/kundeservice/hjelp-og-kontakt>. Suppliers can contact Vy's purchasing organization here for information, questions and notifications; <https://www.vy.no/vygruppen/for-leverandorer>

Negative effects may also be reported via special interest organisations such as environmental organisations.

Internal risk and control routines have been established to detect negative deviations at an early stage, to initiate measures and to reduce or eliminate negative effects. In the environmental area, this may, for example, be linked to environmental discharges and older environmental pollution.

The work of detecting and improving undesirable conditions is primarily addressed through risk assessments and internal control assessments, and in dialogue with employees and their organisations.

### **GRI 2-26 Mechanisms for seeking advice and raising concerns**

The Working Environment Act (AML) establishes protection for employees and contractors who wish to raise censurable conditions in the business, and Vy's routines have been developed 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 institute in the form of an internal and external whistleblowing channel for our employees. Information and regulations are included in Vy's employee handbook and published on Vy's intranet pages. Employees and employee organisations are well acquainted with the whistleblowing institute through, among other things, the review by the working environment committee.

Synergi and EK Delta are respectively Vy Tog, CargoNet and Vy Buss' systems for registration and processing of unwanted incidents (near misses and injuries) and nonconformities, with the associated measures and activities of significance for safety management (risk assessments, investigations/investigations, emergency preparedness analyses/evaluations, causal analyses, etc.).

Reported cases are followed up and after measures have been implemented and evaluated, the cases are checked and closed.

### **GRI 2-27 Compliance with laws and regulations**

Vy has not been convicted or fined for violating laws and regulations in 2023.

### **GRI 2-28 Membership associations**

Vygruppen is a member of labour organisations and a number of interest organisations. A selection of the main ones are:

- Employers' Association Spekter
- NHO Logistics and Transport
- The Swedish Bus and Coach Association
- Western Sweden's Bus Industry Association
- Shift
- Forum for Tourism
- Ethical trade Norway
- Sustainability Hub Norway

The purpose of these memberships is mainly information sharing within industries, preparation of joint initiatives and responses to framework conditions and public budgets, and communication and negotiation with trade unions.

## **5. Stakeholder engagement**

### **GRI 2-29 Approach to stakeholder engagement**

Vy has regular communication and meetings with significant stakeholders in the value chain. For public transport companies

and other clients, communication is carried out in the form of mandatory reporting and follow-up meetings. For the individual customer, daily information and communication takes place through Vy App, regular customer surveys are carried out and there is dialogue with customer service. For key sector suppliers, meetings are held to review deliveries and identify improvement points. Communication and dialogue with employees is carried out through cooperation and working environment committees as well as tariff negotiations as well as through daily management. Dialogue with suppliers takes place through negotiations, agreed reporting and meetings.

Dialogue with the owner takes place through general meetings, contact meetings, owner meetings and written communication.

Vy operates in Norway and Sweden, and dialogue with foreign suppliers mainly takes place via Norwegian/Swedish representatives of the suppliers. No significant language barriers to the dialogue have been reported.

### **GRI 2-30 Collective bargaining agreements**

Vy has employees in Norway and Sweden. 83 per cent of the employees are paid in accordance with collective bargaining agreements.

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 analyses to assess the probability of incidents and the magnitude/materiality of the incident in the form of negative or positive effects. Where this can be measured financially, this is used as a materiality criterion. The risk analyses are prepared for subsidiaries, business areas and for the Group as a whole, and are processed by company management/corporate governance and boards, as well as by Group management and the Group Board of Directors.

Important risk analyses include:

- Comprehensive risk analysis related to strategy and goal attainment
- Climate and nature risk

- Road safety and other physical risks
- Reputational risk
- Supply chain risks, including human rights violations

On the basis of the risk analyses, measures are developed to mitigate the risk picture, and where there are positive opportunities, how we can prepare and exploit these opportunities.

The most important risk elements include a decline in profitability in major contracts for passenger train services due to a shortfall in expected travel developments, strong competition that may result in a loss of tenders for bus operations, infrastructure failures and deliveries from sector suppliers that result in reduced quality and reduced revenues, and framework conditions for freight operations on rail. Price increases for input factors that are not reflected in indices and change orders in tender contracts are other risk areas that may have a negative impact on profitability.

In the work on risk assessments, positive opportunities have also been identified, such as increased travel activity that leads to growth for trains and buses, digitalisation of work processes that provide increased resource efficiency, and increased access to personnel and expertise.

Every two years, extended stakeholder analyses are also conducted where stakeholders are interviewed and give their specific assessments of the most important sustainability aspects (ESG) for Vy. These are ranked on the basis of the stakeholders' subjective self-assessment of materiality.

The selection of stakeholders for interviews and surveys is based on the identification of significant players in Vy's value chain, cf. GRI 2-6 in this document.

On this basis, Vy has selected stakeholders for interviews and surveys. Selected stakeholders in the extended survey for 2022 were:

- The owner represented by the Ministry of Transport and Communications
- Clients and public transport companies: The Norwegian Railway Directorate and Ruter
- Sector suppliers: Bane Nor
- Employee organizations: NLF and NJF
- Special interest organizations: Zero and

- Naturvernforbundet
- Employees in intranet surveys
- Management of our business areas and corporate management
- Interviews with selected key people in the companies in Norway and Sweden with a good overview of their total operations
- Interviews with representatives of marketing departments in Norway and Sweden (including review of market and customer surveys)

Based on the above-described risk analyses and stakeholder dialogue, the Group Management of Vy for 2023 has reviewed and adjusted the materiality analysis for Vy based on the financial effect for Vy and the group's impact on people and the environment. The analysis is then reviewed with the Group Board of Directors. Based on the adopted materiality analysis, the 10 most important sustainability aspects for reporting are prioritized according to perceived importance in the analysis, see below.

### Materiality assessment 2023



## Explanation of themes and rationale for placement

### *Encouraging more people to choose our climate-friendly transport alternatives*

- The more people who travel by public transport instead of private cars or planes, and transport goods by rail instead of road, society saves from large greenhouse gas emissions and other positive effects such as reduced noise, less land use, less use of resources through sharing, reduced queues, fewer accidents and reduced particulate matter and microplastics. Efforts to get more people to choose climate-friendly are essential for Norway to reach their climate goals or for Vy as a transport and freight operator to win tenders or get more customers.
- This topic is very important for people and the environment, as well as Vy. Vy wants to reduce greenhouse gas emissions and assist Norway in achieving their environmental goals. More passengers and more freight from road to rail is essential for Vy's profitability.

### *Safety for customers, employees and third parties*

- The performance and maintenance of large and heavy vehicles entails risk, so it is essential to work actively to minimise the likelihood of injuries or accidents.
- It should be safe to go to work or travel with Vy. Accidents can weaken customer satisfaction and loyalty, which can affect the number of travelers or the likelihood of winning tenders, which in turn can weaken the company's finances.

### *Reliable transport and robust infrastructure*

- High regularity and punctuality are very important for customers to choose to travel by train and bus rather than private car, or choose to transport goods by rail instead of road. Low reliability has a close correlation with customer satisfaction and the number of journeys, which, in turn, affects the finances of the company. A robust infrastructure is an important contribution to ensuring regularity and punctuality in the supply to customers, which in turn increases demand and profitability.

### *Accessible and affordable transportation services*

- Provides broader access to the population to be able to use public transport. This can help reduce traffic congestion and improve the environment, as well as increase accessibility to e.g. workplaces. Stakeholders are concerned

that the company should reflect society as a whole, not discriminate and that transport should be accessible to those with disabilities.

- Low-cost transportation services can help increase customer satisfaction and loyalty by providing customers with a more accessible and economically attractive way to travel. This can help increase the number of customers and sales, as well as increase the company's reputation and competitiveness. It is also important for Vy to be able to be so cost-effective that we win tenders in addition to end customers choosing to travel with us or use our products.
- Society is concerned that buses and trains should be competitive on price compared to planes or private cars, the same applies to transport by rail instead of road. If prices are too high, Vy will lose market share and tenders, which will greatly affect the economy.

### *Innovation, digitalisation and new customer solutions*

- Innovation and digitalisation are necessary for a company to survive in the long term. Innovations enable the company to improve its processes, products and services to adapt to ever-faster changes in the market.
- Stakeholders are keen for Vy to improve its processes, products and services to get a more comfortable and efficient travel experience through new and improved digital services. Digital and seamless travel experiences should provide customers with a more pleasant and efficient travel experience. This includes giving customers the ability to easily book and manage travel, as well as offering services such as online check-in, mobile ticketing and live tracking of means of transport. This can help increase customer satisfaction and increase loyalty.

### *Efficient operations and healthy finances*

- Essential to secure jobs and the company's existence, as well as provide room for improvement, investment and further growth. Deals with cost-effectiveness (doing things right), purpose effectiveness (doing the right things) and prioritization effectiveness (prioritizing between different goals and purposes that may conflict with each other) so that the highest possible degree of goal attainment is achieved.
- Stakeholders are concerned that public funds are safeguarded in a good, long-term manner. A solid financial foundation enables the company to withstand economic downturns and plan for future growth.

### *Recruitment, training and competence development*

- Stakeholders expect and are concerned that a state-owned company should have good processes related to this area. Relevant competence through training and recruitment is very important to Vy, precisely because getting the right employees on the team can be crucial to realizing the company's goals and achieving results. The right expertise also affects safety, which in turn is important for a transport company's profitability.

### *Climate-friendly operations and responsible consumption*

- In order to minimise climate and environmental impact and ensure competitiveness in the market, it is important to focus on climate-friendly operations and responsible consumption. This is done, among other things, by phasing in new and emission-free technology, as well as working for the most energy-efficient movement of vehicles. Vy shall be a responsible company and minimise resource use, protect the environment and reduce its own greenhouse gas emissions.
- Stakeholders are very concerned that Vy minimizes climate and environmental impact. For Vy's part, it is central to ensuring competitiveness in the market (both winning tenders and reducing operating costs through energy-efficient delivery).

### *Cyber security, privacy and information security*

- Cybersecurity enables productivity and innovation by giving people and companies the confidence to use the web. The right solutions and processes enable businesses and governments to leverage technology to improve how they communicate and deliver services without increasing the risk of attack.
- Stakeholders are concerned about compliance with regulations and laws to ensure that their personal data is safe. Cyber threats can negatively affect Vy's finances if it stops transport or through ransomware.

### *Diversity and equality*

- Diversity and equality can lead to increased productivity, innovation, better decision-making, increased employee satisfaction and lower turnover.
- Stakeholders are concerned that the company should reflect society as a whole, not discriminate and that transport should be accessible to those with disabilities. The topic can positively impact Vy's finances by enabling us to attract and retain a diverse pool of talent, 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. Violations of equality and accessibility laws may result in sanctions, loss of reputation and fines.

**Sustainable supply chain**

- Stakeholders expect Vy as a large and state-owned company to safeguard human and labour rights, society and the environment throughout the supply chain. Violations of rules and internal guidelines can lead to loss of reputation, customers and tenders – which in turn will negatively affect the economy.

**Loyalty and well-being in the workplace**

- Stakeholders want Vy to be a decent workplace that complies with rules and requirements. Well-being and job satisfaction can contribute to lower sickness absence and less turnover, which in turn has a major impact on the company's finances.

**Supporting the organised workforce**

- Stakeholders expect Vy to promote a fair remuneration policy and ensure a good working environment. By supporting an organised working life, Vy can create a positive work culture and increase employee motivation, which can lead to increased productivity and better financial results. Organised working conditions can help reduce sick leave and increase attendance, which can increase productivity and reduce the cost of covering for illness.

**Ethics and anti-corruption**

- Affects the company's reputation and trust among customers, partners, employees and society at large. Stakeholders are concerned that Vy should have a high ethical standard, which in turn is necessary for a positive reputation and a good reputation. Corruption and poor business ethics can lead to penalties and negative publicity, loss of tenders and customers, which can harm the company's finances.

**Waste management, source separation and ground pollution**

- Stakeholders expect Vy to handle this well. For Vy's part, we have limited amounts of waste and especially hazardous waste, which in turn has a smaller impact on the company's finances. At the same time, it is essential that we manage

the waste that occurs in accordance with the EU waste hierarchy.

**GRI 3-2 List of material topics**

Vy has through this year's process and adopted materiality analysis selected the following important sustainability aspects (material topics) for sustainability reporting according to GRI 1 Foundation 2021:

Materiality assessment	GRI material topics	Disclose
Encourage more people to choose sustainable logistics and transport	Emissions 2016	305 (1-7)
Reliable transport	Customer Health and Safety 2016	416 (1-2)
Safety for customers, employees and third parties	Occupational Health and Safety 2018	403 (1-10)
Efficient resource utilisation and sustainable finance	Economic performance 2016	201(1-4)
Accessible and affordable transport services	Economic performance 2016	201(1-4)
Innovation, digitalization and new customer solutions	Economic performance 2016	201(1-4)
Climate-friendly operations and responsible consumption	Energy 2016	302 (1-5)
Diversity and equality	Diversity and equal opportunity 2016	405 (1-2)
Ethics and anti-corruption	Anti-corruption 2016	205 (1-3)
Recruitment, training and skills development	Training and education 2016	404 (1-3)

The selection is prioritized according to the 10 highest ranked sustainability aspects in the double materiality analysis. In addition, ethics and anti-corruption are included based on clear expectations from our owner. In the table above, the selected aspects are linked to specific GRI reporting requirements.

This means that for 2023 we have expanded our GRI reporting with the following sustainability aspects:

- Training and education
- Diversity and equal opportunity

**GRI 3-3 Management of material topics**

The choice of material topics is based on the above-described risk analyses and materiality assessment.

**Economic performance**

Vy reports financial information in accordance with chosen

accounting standards to ensure good management of the business and transparent communication with key stakeholders such as owners, banks and rating companies, clients and customers, employees and interest groups.

Vy reports financial figures in accordance with the IFRS accounting standard and has its own internal control regime to reduce errors in financial reporting. The status and work on internal control are reviewed annually by the audit committee and the corporate board. The owner's financial goal for the company is the highest possible return over time within sustainable limits. This is measured in terms of net income, development in equity and equity ratio and return on equity.

The underlying profit from the business has improved after the pandemic, and Vy reports a profit after tax of 53 MNOK for 2023.

The financial figures are audited by the elected auditor, and the auditor's report is part of the Annual and Sustainability Report for 2023. No significant discrepancies have been reported.

**Anti-corruption**

Vy regularly assesses the risk of corruption and fraud. Corruption in connection with procurement can result in poor quality and lack of quantity, and potentially also support violations of working environment laws, human rights and the environment. Procurement costs will often also increase. Corruption in connection with the sale of services can also result in lower revenues for the business.

The management document Sustainability and Corporate Social Responsibility at Vy (see section GRI 2-23 of this document) as well as our ethical guidelines state that Vy shall work actively against all forms of corruption. We do this by informing managers and employees about our policies and ongoing internal control activities to reduce the risk of corruption and fraud. In addition, the whistleblowing institute is used to detect possible discrepancies. In the event of potential discrepancies, this is processed by professionals in the legal department, HR and finance to uncover any actions in breach of our guidelines, decide and implement measures to mitigate negative effects, and assess and implement measures against internal and external implicated. For example, this could lead to loss of supplier contract and termination of employment.

Vy conducts data analyses with data from internal systems and available official registers to uncover possible discrepancies.

These are continuously followed up.

The status of anti-corruption work, including incidents and internal control, is reviewed annually by the audit committee and the board.

### Energy and Emissions

Vy is a major user of energy for the operation of trains and buses. The production and use of energy has negative effects in the form of emissions of CO<sub>2</sub>e. Vy is therefore concerned with reducing energy consumption and using energy carriers with the least possible harmful emissions in accordance with the goal that Vy shall actively contribute to reducing the environmental impact of the transport sector (cf. section GRI 2-23 of this report). Efforts to reduce energy consumption and emissions are a consequence of this goal.

Targets are measured and set for energy consumption in trains, bus and freight operations, either directly in the form of energy consumption per seat/carriage km. or in terms of emissions per seat/vogkm. No targets are set for total energy consumption since Vy's main goal is growth through more sustainable travel and freight transport by rail, and the highest possible profitability over time. Meeting this target will entail more energy consumption and emissions, but usually lower energy consumption per kilometre than for any other type of transport of people and goods.

Coefficients for energy consumption and emissions as well as goal attainment are reported monthly to management and the board.

In the bus division, meters have been installed on each bus to provide an overview of the driving style 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 operation is largely carried out with electrical energy, with exceptions for freight trains on the Nordland and Røros Line, which still have to use diesel due to lack of electrification

of these sections. Vy purchases electricity with guarantees of origin for the operation of electric passenger and freight trains. This guarantees that the electricity we use will be produced as renewable power at Norwegian hydropower plants. Efforts are being made to put in place well-functioning energy meters in the trains so that train drivers can receive direct feedback on energy consumption.

### Occupational health and safety

Injuries to own employees have negative effects for the person in question, resulting in increased absence that requires temporary workers/overtime, potentially lower production capacity and increased costs.

Vy has adopted a group-wide HSE declaration that has been communicated to all managers during the year. It states:

- Our vision is zero injuries, and we will work preventively to avoid injuries and accidents
- We will be visible leaders, lead in line with our values and leadership principles, and ensure increased presence.
- We will work systematically on preventive HSE to ensure safe workplaces and reduce strain injuries and sickness absence.
- We will work for an inclusive, non-discriminatory and diverse working environment, where individuals are respected and valued.
- We will lead the continuous improvement work based on openness, learning and interaction across the board.
- We will set requirements and ensure good follow-up of our suppliers with regard to health, safety and the environment.

Furthermore, a group-wide HSE strategy has been drawn up that provides common direction for further work on prevention and systematic HSE. A key tool in our preventive work is the establishment of a group-wide agreement with external occupational health services. HSE and the working environment is also a key theme in the leadership development programme that was initiated in 2022 and continued in 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 has been significantly higher than targets during the pandemic period. and is still higher than target, but is now normalising. The number of occupational injuries at freight terminals has historically been high, but after measures have been implemented in the form of awareness-raising, training and best practice among the employees at the freight terminals, we have experienced a significant decline in the injury rate within this area. In addition, the level of injuries resulting in absence (H1 injuries) is considered to remain too high and is a particular focus area for preventive work.

### Customer health and safety

Good security for all customers traveling with us is important to Vy. Accidents can result in injuries, environmental damage and property damage. Accidents can also lead to high costs and have negative effects on reputation, which in turn can lead to a lower number of travels and income. Accidents can occur as a result of faults or deficiencies on Vy's part, but also from sector suppliers such as Bane NOR or due to landslides, floods etc. that can also be linked to climate change. Historically, there are good safety results in Norway and for Vy, compared to the rest of Europe.

The management document Leadership, 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 areas shall proactively prevent undesirable incidents and have the necessary ability to handle critical situations. As far as possible, the core business shall also be maintained in threat and crisis situations.*
- *Learning and continuous improvement shall be facilitated. Security-related information should be understandable and easily accessible within the organisation. No one should be punished for reporting errors and challenges.*
- *Safety work must be adapted to the nature of the enterprise and developed in order to meet changed requirements and conditions.*

Vy has a defined safety organisation with responsibility for road safety. We work proactively with risk assessments, regulations, analyses, emergency preparedness and other elements – such as MTO, the interaction between People, Technology and Organisation – in safety management. Security and national



preparedness are part of road safety at Vy and help Vy safeguard both its customers and its responsibilities within public safety in a good way.

Adverse events (conditions, near-misses and injuries) are registered, followed up and reported. Vy has a strong safety culture that contributes to a high degree of reporting of undesirable incidents. Our employee surveys and pulse surveys confirm the strong safety culture. See also the discussion under the section dealing with GRI 2-26 in this report.

There is extensive and good cooperation with both safety delegates and trade union representatives on road safety issues. A concrete example of this is that safety delegates are defined as participants in risk assessments, and that employee representatives must be involved in risk assessments that concern training and organisation.

Measures to improve traffic safety are implemented both internally in Vy, but also in cooperation with sector suppliers - such as infrastructure supplier Bane Nor - to prepare and implement joint measures to further reduce risk. The systematic approach to traffic safety and accident reduction is considered satisfactory in light of the risk picture and the inherent risk associated with all transport.

In order to handle the residual risk, Vy has a well-established and proven contingency plan. In the emergency preparedness work, there has been a focus on cyber incidents and continuity in order to maintain as much of the operation as possible in the event of an incident. In the passenger train part, changes have been made with the introduction of staff methodology and proactive crisis management. Emergency preparedness evaluations show that staff are trained to handle incidents that occur in a good way.

Within the area of traffic safety, goals and KPIs are set for injuries, near-misses/conditions and the use of traffic safety systems. Road safety reports with results, status and measures are prepared monthly for management and systematic work is done at all levels in Vy to ensure continuous improvement and organizational learning.

#### Recruitment, training and education

Vy's personnel policy guidelines set the framework for our work with recruitment. Vygruppen wants to attract and hire the best applicants regardless of gender, age, disability, creed, sexual

orientation and cultural differences. We want an active internal labour market where employees are given the opportunity to compete for vacancies. Recruitment shall be carried out in a way that ensures our candidates an individual, objective and confidential assessment, and gives applicants a positive experience of our business.

Vygruppen shall facilitate targeted competence development based on business needs so that the Group attracts, develops and retains the expertise needed to realize our strategy. The most important form of competence development is learning in the work situation. Courses, web-based training and other organised forms of training are used as a supplement when needed. Individual employees have a particular responsibility for maintaining and developing their competence, while it is the manager's responsibility to plan and facilitate competence development within their area of responsibility. All employees are expected to actively share their knowledge and experience with colleagues.

#### Diversity and equal opportunity

Vy's personnel policy guidelines set the framework for our work with gender equality: All employees in Vygruppen are equal, regardless of gender, age, disability, sexual orientation or religious, ethnic and cultural background. We want a broad and diverse range of managers and employees, where individual qualities are respected and valued. Improved gender balance and increased diversity (ethnicity, age and functional ability) are desirable at all levels of the Group, and shall be emphasised in recruitment and competence development.

Vy's ethical guidelines, which all employees sign up to when employed by the Group, states in section 11 on Human dignity, equality and integration:

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

## GRI 201: Economic performance 2016

### 201-1 Direct economic value generated and distributed

MNOK	Norway	Sweden	Total
<b>Economic value generated:</b>			
Revenue	16 004	3 059	19 063
<b>Economic value distributed:</b>			
Employee wages and benefits	6 630	1 220	7 851
Operating costs	7 027	1 470	8 497
Payment to providers of capital	521	52	573
Payment to governments (Taxes)	0	26	26
Community investments			
<b>Economic value retained</b>	<b>1 826</b>	<b>291</b>	<b>2 116</b>

The income statement can be found in the financial section of the annual and sustainability report on page 48 as well as in the segment note on page 52.

### 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, floods and forest fires can lead to production halts. Climate policy instruments can limit travel by foreign tourists from planes and cruise ships, can affect energy prices, and stricter emission requirements for vehicles can reduce their value. On the other hand, a more ambitious climate policy may result in increased demand for public transport, climate-friendly tourism and rail freight, and increased investments in infrastructure, which reinforces the quality and competitiveness of railways.

In 2023, it is the extreme weather in August that has done the greatest operational damage and economic impact on Vy. Our freight operations have lost about 80 MNOK in 2023 (lost revenue and increased costs) due to the closure of the line from August, with an expected opening before summer 2024. The state established a support scheme to cover 95% of the loss for freight operators on rail.

Based on the findings made in the analyses, Vy will continue to work on climate and nature-related work through financial

analyses of relevant risks and concretize measures and action plans to reduce the negative impact of risks. We will also work to seize identified opportunities and integrate the work into Vy's strategic corporate governance.

**201-3 Defined benefit plan obligations and other retirement plans**

Vy has both a defined benefit and defined contribution scheme. A more detailed description can be found in Note 24 on page 76 of this Annual and Sustainability Report.

**201-4 Financial assistance received from government**

MNOK	Norway	Sweden
Public purchase of passenger transport services	3 550	422
Environmental support for rail freight traffic	60	64

For train operations in Norway and Sweden, agreements have been established with the Norwegian Railway Directorate (Norway) and public sector buyers (Sweden) whereby in order to operate train traffic on a route, a fee in addition to the income from passengers is given. The freight operations have also received environmental support from the Norwegian and Swedish governments in 2023. Extraordinary support has also been paid for train traffic due to the prolonged closure of the Dovre Line as a result of the extreme weather Hans.

**GRI 205: Anticorruption 2016**

**205-1 Operations assessed for risk related to corruption**

As part of Vy's internal control processes, risk analyses and checks for fraud and corruption checks for all business areas are carried out at least twice a year. Based on overall risk analyses of industry and country of origin, some suppliers are also risk assessed for corruption. The risk assessments and internal control assessments are carried out annually in the business areas and then consolidated for the Group.

Important individual elements that the administration has focused on include:

- Leakage of tender information and confidential documents
- Cyber Security/Digital Fraud - Email Fraud and Virus Attack Attempts
- Purchasing/procurement
- Fictitious/errors in invoices

**205-2 Communication and training about anticorruption policies and procedures**

Senior managers must regularly acknowledge that ethical guidelines have been reviewed and implemented in their business. The status of internal control work on fraud and corruption is annually prepared, communicated and dealt with by corporate management, corporate management and the board. In this year's leadership training, there is a separate sequence on ethical guidelines and anti-corruption efforts.

99 per cent of Vygruppen's line managers in Norway and Sweden have completed digital group-wide management training in 2022 and 2023 that includes learning and training in ethics and corruption, and 370 have participated in joint management meetings for the group. This represents 3.2 per cent of the number of employees. The majority of our employees are driving staff in trains and buses.

Group management and management in business areas as well as staff/support are included in this management training. During the year, the 8 members of the Board of Directors, as well as Group management and management in the business areas, were informed of the status and measures of internal control, including fraud and corruption. During 2021 and 2022, members have also signed a self-certification regarding ethical guidelines and guidelines for sustainability practices, and any conflicts of interest. The plan is to carry out a corresponding self-certification in 2024.

Other employees are informed about anti-corruption through ethical guidelines in the employment contract and personnel handbook.

In the statistical basis, we have not distinguished between countries as this has not been considered relevant. Requirements have been set for suppliers with regard to business ethics through the "Code of Conduct". These apply to all suppliers to Vygruppen and their subcontractors. Our policy for safeguarding employee and human rights and ethical requirements was revised this year and both policy and ethical requirements for suppliers have been adopted by Vygruppen's CEO. All management teams have also been briefed on the policy on labour and human rights.

Vygruppen's policy and ethical requirements for suppliers are available on our website, <https://www.vy.no/en/the-vy-group/sustainability-and-social-responsibility>

**205-3 Confirmed incidents of corruption and actions taken**

No corruption cases and related litigation have been registered in Vy in 2023

## GRI 302 - Energy 2016

For management of the material topic see GRI 3-3 above page 135

302-1 Energy consumption within the organization	2021	2022	2023	Unit	Comment
a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used.	1 307	2 017	2 007	mill MJ	Fuel consumption for buses and train. Increased use of fossil diesel in bus due to increased price on biodiesel, and public purchaser does not want to fund the price increase
b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.	1 006	714.7	664	mill MJ	Fuel consumption for buses and train. Reduced consumption in bus from 2021, see comment above
c. In joules, watt-hours or multiples, the total:					
i. electricity consumption	674 862	685 593	698 686	MWh	Increased use of electric buses
ii. heating consumption	308	337	350	MWh	District heating for offices
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.	4 744	5 201	5 188	mill MJ	Increased activity and volume of business
f. Standards, methodologies, assumptions, and/or calculation tools used. Source of the conversion factors used.	Mixed diesel for road transport according to turnover requirements: 4.5% conventional and 12.5% advanced. Mixed diesel for plants and trains according to turnover requirements: 0% conventional and 10% advanced. Quantity data: Stated consumption of diesel in litres. Emissions figures: Defras 2023, UK Government GHG Conversion Factors for Company Reporting, 2023 NS-EN 16258:2012 Methodology for calculation and declaration of energy consumption and GHG emissions of transport services (freight and passengers)				

302-2 Energy consumption outside of the organization	2021	2022	2023	Unit	Comment
a. Energy consumption outside of the organization, in joules or multiples.	112	93	80	mill MJ	Bus replacement for train.
b. Standards, methodologies, assumptions, and/or calculation tools used.					
c. Source of the conversion factors used					

302-3 Energy intensity	2021	2022	2023	Unit	Comment
a. Energy intensity ratio for the organization - personkm					
Bus	0.67	0.72	0.70	MJ/pkm bus	5% increase from 2021 to 2023
Passenger train Norway	1.17	0.75	0.64	MJ/pkm ptrain	45% reduction from 2021 to 2023
Passenger train Sweden	1.14	0.76	0.37	MJ/pkm ptrain	68% reduction from 2021 to 2023
Freight train	0.23	0.23	0.23	MJ/tkm	1 % increase from 2021 to 2023
b. Organization-specific metric (the denominator) chosen to calculate the ratio - personkm					
Bus	3,120	3,528	3,548	mill pkm bus	
Passenger train Norway	1,188	2,008	2,425	mill pkm ptrain	
Passenger train Sweden	498	533	1,110	mill pkm ptrain	
Freight train	3,048	3,283	3,154	mill tkm	
c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all.	Includes consumption of diesel in liters and electricity in kWh for propulsion 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 propulsion of trains and buses. Buses for trains and other energy use in scope 3 are omitted.				

302-4 Reduction of energy consumption	2021	2022	2023	Unit	Comment
a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.	N/A	N/A	N/A		
b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all.	N/A	N/A	N/A		
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, assumptions, and/or calculation tools used	N/A				

302-5 Reductions in energy re-quirements of products and services	2021	2022	2023	Unit	Comment
a. Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples.	N/A	N/A	N/A		
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, assumptions, and/or calculation tools used	N/A				

### GRI 305: Emissions

For management of material topics see GRI 3-3 on page 135. For detailed information on data source and emission factors see Climate Report pages 118-121

305 -1 Direct (Scope 1) GHG emissions	2021	2022	2023	Unit	Comment
a. Gross direct (Scope 1) GHG emissions in metric tons of CO <sub>2</sub> equivalent.					
Bus	60 290	104 304	106 670	ton CO <sub>2</sub> e	Increased consumption of fossil diesel due to higher costs of biodiesel.
Passenger train Norway	481	505	501	ton CO <sub>2</sub> e	Phasing out diesel trains after 2019.
Passenger train Sweden	6 934	2 326	2 207	ton CO <sub>2</sub> e	Reduced number of diesel trains after 2021.
Freight train	20 877	23 765	22 065	ton CO <sub>2</sub> e	Increased use of diesel trains in 2022.
Other company	0	0	0	ton CO <sub>2</sub> e	See Scope 3.
<b>Total</b>	<b>88 583</b>	<b>130 901</b>	<b>131 443</b>	<b>ton CO<sub>2</sub>e</b>	
b. Gases included in the calculation; whether CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , or all.	All gases are included, sum in tons of CO <sub>2</sub> equivalents.				
c. Biogenic CO <sub>2</sub> emissions in metric tons of CO <sub>2</sub> equivalent.					
Bus	81 152	69 975	63 283	ton CO <sub>2</sub> e	Reduced consumption of biodiesel.
Passenger train Norway	0	0	2	ton CO <sub>2</sub> e	
Passenger train Sweden	0	0	0	ton CO <sub>2</sub> e	
Freight train	0	0	2 228	ton CO <sub>2</sub> e	Mixed 10% advanced biodiesel in diesel for construction and trains from 2023, according to turnover requirements.
Other company	0	0	0	ton CO <sub>2</sub> e	
<b>Total</b>	<b>81 152</b>	<b>69 975</b>	<b>65 513</b>	<b>ton CO<sub>2</sub>e</b>	
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.	Mixed diesel for road transport according to turnover requirements: 4,5% conventional og 12,5% advanced. Mixed diesel til construction og trains according to turnover requirements: 0% conventional og 10% advanced. Quantity data: Diesel consumption is provided in liters. Emission data: Defras 2023, UK Government GHG Conversion Factors for Company Reporting. 2023 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 percent owned subsidiaries				

305-2 Energy indirect (Scope 2) GHG emissions	2021	2022	2023	Unit	Comment
a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO <sub>2</sub> equivalent.					
Bus	2 749	3 024	3 437	ton CO <sub>2</sub> e	
Passenger train Norway	10 306	12 374	14 354	ton CO <sub>2</sub> e	
Passenger train Sweden	4 835	3 793	2 798	ton CO <sub>2</sub> e	
Freight train	3 617	3 794	3 436	ton CO <sub>2</sub> e	
Other company	0	0	0	ton CO <sub>2</sub> e	
<b>Total</b>	<b>21 507</b>	<b>22 985</b>	<b>24 025</b>	<b>ton CO<sub>2</sub>e</b>	
b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO <sub>2</sub> equivalent.					
Bus	16 586	13 437	20 252	ton CO <sub>2</sub> e	
Passenger train Norway	2 932	4 250	7 494	ton CO <sub>2</sub> e	
Passenger train Sweden	1 130	1 133	1 866	ton CO <sub>2</sub> e	
Freight train	1 114	1 346	2 787	ton CO <sub>2</sub> e	
Other company	0	0	0	ton CO <sub>2</sub> e	
<b>Total</b>	<b>21 762</b>	<b>20 166</b>	<b>32 398</b>	<b>ton CO<sub>2</sub>e</b>	
c. If available, the gases included in the calculation; whether CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , or all.	All gases are included, sum in tons of CO <sub>2</sub> 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-based: Norwegian mix 2019-2023. Based on Entso-e data Location-based: SE electricity mix. Ecoinvent SE mix Market-based, Guarantee of Origin NO: NVE Climate Declaration for physically delivered electricity 2022 Market-based, Guarantee of Origin SE: Equivalent electricity from guarantees of origin in Norway (NVE) Product declaration NO: NVE, product declaration for electricity suppliers: 2022 Product declaration SE: AIB-NET, European Residual Mixes 2022: SE 2022				
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, the Norwegian consumption mix with a 5-year average spanning from 2019 to 2023 is used to develop "physical" factors. The location-based consumption mix is based on a 5-year average derived from actual production, import and export in Norway and the Nordic region. Data is obtained from the ENT-SO-E Transparency Platform and processed using Excel and Power BI to extract the Nordic and Norwegian electricity mixes. To compute emission factors, the data from ENTSO is used in Simapro along with suitable ecoinvent processes for each production technology.  The "market-based" electricity mix with Guarantee of Origin for renewable electricity is based on Norwegian hydropower. The emission factor for the residual mix is based on the product declaration for electricity suppliers that do not purchase guarantees of origin and is developed by the NVE. According to the NVE, the factor is based on the assumption that electricity with unknown guarantees of origin is replaced with an estimate for the composition of electricity for which it has not issued guarantees of origin in Europe, i.e., a European residual mix.				

305-3 Other indirect (Scope 3) GHG emissions	2021	2022	2023	Unit	Comment
a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO <sub>2</sub> equivalent.					
Bus	32 259	41 086	42 904	ton CO <sub>2</sub> e	
Passenger train Norway	7 287	8 118	8 980	ton CO <sub>2</sub> e	
Passenger train Sweden	6 044	3 669	3 649	ton CO <sub>2</sub> e	
Freight train	12 539	13 836	13 475	ton CO <sub>2</sub> e	
Other company	33 207	31 893	30 402	ton CO <sub>2</sub> e	
<b>Total</b>	<b>91 336</b>	<b>98 603</b>	<b>99 410</b>	<b>ton CO<sub>2</sub>e</b>	
b. If available, the gases included in the calculation; whether CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , or all.	All gases are included, sum in tons of CO <sub>2</sub> equivalents.				
c. Biogenic CO <sub>2</sub> emissions in metric tons of CO <sub>2</sub> equivalent.					
Bus	0	0	0	ton CO <sub>2</sub> e	
Passenger train Norway	0	0	0	ton CO <sub>2</sub> e	
Passenger train Sweden	0	0	0	ton CO <sub>2</sub> e	
Freight train	0	0	0	ton CO <sub>2</sub> e	
Other company	1 514	1 269	928	ton CO <sub>2</sub> e	
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>ton CO<sub>2</sub>e</b>	
b. If available, the gases included in the calculation; whether CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , 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 recal-culations 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 2023, UK Government GHG Conversion Factors for Company Reporting, 2023 An environmentally extended input-output model based on trade statistics from the National Accounts, source Asplan Viak AS.				
g. Standards, meth-odologies, assump-tions, and/or calcula-tion tools used.	An environmentally extended input-output analysis utilizes trade statistics from the National Accounts, reflecting production and consumption structures within various economies. The trade statistics are compiled into tables containing information about supply, use, input, and output. These tables illustrate how different sectors utilize goods from one another as inputs in their production processes and indicate the allocation of production to different forms of final consumption (public, households, capital goods, exports). By processing and combining these tables with emissions statistics for the same sectors, a model is created to calculate the lifecycle emissions for the purchase of 1 NOK (Norwegian Krone) worth of goods or services from a specific sector.  The Norwegian Statistics Bureau (SSB) publishes input-output tables and sectoral emission data for Norway with approximately a 2-year lag. This delay also applies to several other countries and the EU28 (used as a proxy for imports to Norway). These tables can be downloaded from the SSB and Eurostat, and then undergoes extensive processing to be used in emission models.				

305-4 GHG emissions intensity	2021	2022	2023	Unit	Comment
a. GHG emissions intensity ratio for the organization.					Scope 1+2, without biogenic emissions
Bus	0.0202	0.0304	0.0310	kg CO <sub>2e</sub> /pkm bus	54% increase from 2021 to 2023.
Passenger train Norway	0.0091	0.0064	0.0061	kg CO <sub>2e</sub> /pkm ptrain	33% reduction from 2021 to 2023.
Passenger train Sweden	0.0236	0.0115	0.0045	kg CO <sub>2e</sub> /pkm ptrain	81% reduction from 2021 to 2023.
Freight train	0.0080	0.0084	0.0081	kg CO <sub>2e</sub> /tkm	4% increase from 2021 to 2023.
b. Organization-specific metric (the denominator) chosen to calculate the ratio.					
Bus	3 120	3 528	3 548	mill pkm bus	Based on an average of 20 passengers on the bus.
Passenger train Norway	1 188	2 008	2 425	mill pkm ptrain	
Passenger train Sweden	498	533	1 110	mill pkm ptrain	
Freight train	3 048	3 283	3 154	mill tkm	
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 fossil diesel in liters (scope 1) and electricity (scope 2) in kWh for the operation of trains and buses. Bus replacement for trains and other energy use in scope 3 is not included.				
d. Gases included in the calculation; whether CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , or all.	All gases are included, sum in tons of CO <sub>2</sub> equivalents.				

305-5 Reduction of GHG emissions	2021	2022	2023	Unit	Comment
a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO <sub>2</sub> equivalent.	Reduction of GHG emissions not applicable, base year/baseline not defined.				
b. Gases included in the calculation; whether CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , or all.	Not applicable				
c. Base year or baseline, 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)	2021	2022	2023	Unit	Comment
a. Production, imports, and exports of ODS in metric tons of CFC-11 (trichlorofluoromethane) equivalent.	0	0	0	ton 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	2021	2022	2023	Unit	Comment
a. Significant air emissions, in kilograms or multiples, for each of the following:					
i. NOX	483.8	486.7	491.0	ton NO <sub>2</sub> -eq	
ii. SOX	0.64	0.73	0.73	ton SO <sub>x</sub>	
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)	2.69	3.01	3.02	ton NO <sub>2</sub> -eq	
vii. Other standard categories of air emissions identified in relevant regulations	Not Available				
b. Source of the emission factors used.	European Environment Agency, Guidebook 2023, 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 vehicle kilometers with buses, 70% Bus Euro VI, 30% Euro V.				

## GRI 403: Occupational Health and Safety 2018

### 403-1 Occupational health and safety management system

The HSE system has been introduced for all activities, all types of employees and for hired resources.

The HSE management system is an integrated part of Vygruppen's management system (LOS). A group-wide framework for systematic HSE work has been established. Furthermore, the various business areas work according to specific procedures and guidelines designed to support operations in the various business areas. The HSE system has been introduced for all activities, all types of employees and for contract workers.

The train and bus business areas in Norway are also certified according to recognised standards such as ISO 9001 Quality and ISO 45001 Working Environment. The management system of Vygruppen is designed and implemented in accordance with national rules and legislation and recognised guidelines from relevant national authorities.

### 403-2 Hazard identification, risk assessment, and incident investigation

The business areas carry out assessments and mapping of working environment factors regularly, with a particular focus on barrier management. Risk assessments related to exposure to the hazard workforce are carried out regularly. Hazard identification and risk assessments are regarded as critical components of preventive work. The processes and documentation related to hazard identification and risk assessment are also subject to regulatory requirements and applicable ISO standards. Analysis is carried out under the guidance of quality managers and/or risk managers. Findings and lessons learned from operations are regarded as important inputs to the continuous improvement process.

The principle that employees have the right to remove themselves from work situations that they believe may cause injury or ill health, and that workers are protected against reprisals is a fundamental principle in the Working Environment Act and further national regulation. Moreover, this principle is also a fundamental part of the *modus operandi* of the Vygruppen.

Personal injuries and serious incidents are investigated in accordance with the Group's and business areas' guidelines. Traffic accidents related to railway or bus operations that result in death or serious injuries to personnel are investigated by the

police or the Accident Investigation Board Norway.

### 403-3 Occupational health services

Group-wide external occupational health service (Falck Helse AS) contributes to the business areas as independent advisor and subject matter expert to preventive work across the Group. According to the law and regulations, all Vy employees have the right to contact the occupational health service. Contact information is available on the intranet.

### 403-4 Worker participation, consultation, and communication on occupational health and safety

In accordance with national rules and regulations and ISO 45001 requirements, operations are carried out under consultation and supervision by employee representatives (safety representatives) and working environment committees. Local and central working environment committees have been established within each business area, which meet regularly. The occupational health service meets in the working environment committee. Minutes from meetings are openly available on the intranet.

Furthermore, Vygruppen and its units operate under the principle of close cooperation with both employee representatives and employee representatives, and such representation is therefore also ensured at board level.

### 403-5 Worker training on occupational health and safety

All employees, and operational staff in particular, are subject to appropriate training related to operational procedures and health and safety. First-line operators in bus, rail and freight operations are subject to special training in safe operation. Training and learning activities are available as part of Learning Management Systems (LMS). Furthermore, management shall regularly undergo mandatory training in the field of occupational health and safety in accordance with rules and regulations. Managers also have a role in promoting safe work and a workplace based on trust and psychological safety is part of management training.

### 403-6 Promotion of worker health

Promoting workers' health is an important part of the overall collaboration with the occupational health service. Due to the nature of our business, where the majority of daily work is characterised by sedentary postures (i.e. sitting) and rotation, workers' health is an important issue in preventing and reducing work-related health problems. Both our bus and rail operations have developed e-learning and supplementary guidance in

relation to this challenge. We have also carried out projects within the national IA Industry Programme to promote workers' health to reduce sick leave.

### 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

Preventive and remedial efforts related to contract management and the tender process are handled by process descriptions and guidelines provided by the purchasing department. Furthermore, the suppliers are regularly subject to inspection, and invitations to tender (ITTs) include Vygruppen's expectations of the suppliers' approach to HSE. Follow-up of existing contracts with particular focus on HSE is also stated in the Group's HSE declaration.

### 403-8 Workers covered by an occupational health and safety management system

The management system of Vygruppen and its units is in accordance with national rules and regulations. The railway and bus operations are also certified according to current ISO standards:

ISO 9001 (passenger trains, buses in Norway, cleaning of trains)

- ISO 14001 (passenger trains, buses, cleaning of trains)
- ISO 45001 (passenger trains in Norway and buses in Norway)
- ISO 39001 (bus)

All employees are covered by the management system. External workers are expected to perform their work in accordance with our management system.

### 403-9 Work-related injuries

Statistics and an overview of work-related personal injuries are presented to senior management and the board on a monthly basis. The statistics are calculated according to best practice (recordable working hours per million working hours) and focus on personal injuries with absence (H1/LTI) and personal injuries without absence (H2/TRIF). The number of injuries with and without absence is 7.0 and 8.9 respectively.

Work-related injuries to workers who are not employees are not recorded by Vy, but the worker's employer.

Experience from damage evaluations is traced back to operations and used for improvement purposes. Similar injuries across the Group are discussed in Vygruppen's HSE network, *Konsernforum HSE*.



#### 403-10 Work-related ill health

	2023	2022	2021	2020
Fatalities employees	0	1	1	0
Fatalities customers	0	0	0	0
Fatalities third parties	6	3	5	2
Serious injury employees (>24 h. hospital)	2	3	2	3
Serious injury customers (>24 h. hospital)	0	11	1	2
Serious injury third parties (>24 h. hospital)	7	6	5	3
Railway accidents	14	15	17	24
Employees	11,643	11,512	12,457	11,284
FTEs	9,748	9,746	9,760	9,250
Sick leave ratio	8.2 %	8.0 %	7.8 %	8.1 %
LTI ratio	7.0	6.6	5.2	5.0
TRI ratio	8.9	8.2	6.1	NA

Detailed statistics specifying work-related ill health are not available. Long-term sick leave is followed up in detail in accordance with adopted guidelines. Long-term sickness absence in 2023 is 4.9 per cent.

Work-related poor health for workers who are not employees is not recorded by Vy, but the worker's employer.

#### GRI 404: Training and education 2016

##### 404-1: Average hours of training per year per employee (by gender and employee category)

Average hours of training	Women	Men
Office pesonnell	24	24
Train drivers and conductors	27	27
Trained drivers freight trains	46	46
Bus drivers	4	4
Freight terminal operators	7	7
Cleaning and workshop personnell	7	13

#### 404-2: Programs for upgrading employee skills and transition assistance programs (retirement or termination of employment)

##### A: Type and scope of programs implemented and assistance provided to upgrade employment skills

Various training and training programmes are carried out annually. When it comes to driving and other operational personnel, the responsibility for training lies with the individual companies (see separate discussion).

##### Corporate management training

Under the auspices of the Group, training and other competence-enhancing measures are run within various topics, with a particular focus on group-wide systems and frameworks. Both the group and the companies have activities related to leadership development, best practice and courses and training for administrative employees.

In 2023, we have continued the mandatory leadership training program through two physical gatherings. The programme has a particular focus on: leadership in Vy, manager's room for manoeuvre, proximity management, psychological safety and the difficult conversation. As can be seen from the table, 370 leaders completed both sessions, while 26 leaders participated in only one meeting.

Entity	Course 1 and 2	Course 1 only
Buss AS	119	6
Bus AB	67	4
Train Norway	101	7
Train Sweden	24	1
CargoNet	28	6
Customer Experience and Innovation	12	1
Strategy and IT	6	0
Organisation and HR	5	1
Communication	1	0
Corporate finance	7	0
<b>Total</b>	<b>370</b>	<b>26</b>

In the autumn of 2023, the leadership training that was conducted physically has been turned into e-learning intended for all new leaders or as repetition. The Grand Leadership Meeting has been part of the leadership training programme.

In addition, we have further developed the said program in the form of a new module that will be rolled out in February 2024. Under the auspices of the HSE corporate function, a new mandatory e-learning module for HSE in Vy has also been developed, which will be made available this year. In addition, under the auspices of Vygruppen, a statutory basic HSE course has been conducted for the safety delegate service and representatives in working environment committees. There were also leaders who attended the course.

##### Training measures in freight operations

###### HSE training

Throughout 2023, work has been carried out on competence-enhancing measures within HSE with this month's HSE theme as a focus. Courses for managers in security management are conducted as blended learning with e-learning and physical courses with dilemma training. A safety representative meeting has been held annually where safety delegates and managers have participated. The theme for 2023 was safety culture, role, responsibility and interaction.

###### Operational and driving personnel

For driving personnel, training is carried out in two tracks; training of new employees (procedural course, stretch course and type course) and re-approvals for employees. In 2023, there has been extra training related to new locomotives. The training is conducted by instructors and driving instructors. For operational personnel at the terminals, theoretical and practical training is carried out in winter preparedness, load control, brake testing, shunting and wagon taking. In addition, forklift courses and crane courses have been completed. Training is conducted by instructors and sponsors. Certifications, where required, are conducted with an examiner. New instructors and sponsors have participated in instructor and supervisor courses organized by the Norwegian Vocational School for Locomotive Drivers.

##### Training measures in Bus

The goal for learning and development is for new employees to get the earliest possible feeling of being employed in a group with a proud past and a great future. We at Vy have common

values: Customer Joy, Responsibility and Interaction. Employees shall experience training and development throughout their employment.

Ruter Samspill is an initiative from Ruter that focuses on improving the customer experience through training and engagement. The program includes digital training, physical board games for discussion and reflection, and an introductory course for training managers. The goal is to ensure that all employees understand and can deliver the desired customer experience.

By the end of 2023, nearly 700 Vy drivers had completed this training concept.

Professional driver competence (YSK) is a requirement for everyone who carries out passenger or freight transport for a fee with a vehicle that requires a heavy vehicle driving licence. The YSK education is designed to ensure that professional drivers have the necessary competence and skills to perform their job safely and efficiently. The course must be completed every five years. Annually, 1,100 VY drivers complete this training, which takes 35 hours.

During 2023, 14 560 e-learning courses were conducted lasting from 5 minutes to 45 minutes. Of this, the following are included

- Joint basic training includes a total of 15 hours of training. In 2023, 700 completed this.
- 282 Vy drivers completed the so-called Module 4, which is in-house training.

### Training measures in Trains

Operational personnel undergo training and training based on requirements assigned to the service performed. Locomotive drivers are the subject of their own national education. In addition, drivers, and in particular newly hired drivers, undergo company-specific training on vehicles, infrastructure and safety management systems in order to operate trains safely and efficiently in accordance with applicable rules and procedures. Conductors undergo various training measures to ensure that they are able to carry out their duties in a good way and safeguard the safety service that this role attends to. In addition, there is a company-specific requirement that all conductors complete a mandatory course in tactical communication as a preventive measure against violence in the service. Managers and other administrative employees undergo group-

wide training as well as training measures under the auspices of their own business area.

### Training in Agilia (cleaning of trains)

In 2023, Agilia has prioritised training all operational staff in INSTA 800 methodology, to ensure that employees have the necessary knowledge and practical skills to work with the cleaning standard properly. Management development courses have also been conducted for group leaders and operations managers,

**B: Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment:**

Employees approaching retirement age at Vy have the opportunity for two different types of preparatory activities. Preparatory courses are held at our two pension providers, the Norwegian Public Service Pension Fund and Storebrand. Both suppliers also offer individual advice, which is mediated through the HR function.

In the event of restructuring that entails downsizing, a structure has been established for the process that includes a close multipartite cooperation where guidelines are drawn up for downsizing consisting of:

- Agreed criteria for the assessment of placement in positions
- Offer of targeted career advice, which includes a personal advisor and a digital tool as support during a program that may have different time perspectives according to the employee's needs
- Severance pay paid at the time of termination and calculated on the basis of the employee's seniority
- Possibility of a gift pension up to the age of 67 upon retirement with contractual pension for employees over the age of 62 entitled to contractual pension

### 404-3: Percentage of employees receiving regular performance and career development reviews (by gender and employee category)

Percentage receiving regular performance and career development reviews	Women	Men
Office personell	61%	46%
Train drivers and conductors	48%	54%
Train drivers freight trains	17%	1%
Bus drivers	55%	55%
Freight terminal operators	43%	51%
Cleaning and workshop personell	1%	9%

### GRI 405: Diversity and equal opportunity 2016

#### 405-1 Diversity of governance bodies and employees

Number of employees	Women	Men	<30 years	30-50 years	>50 years
Board of Directors	3	5	-	2	6
Group Management Committee	5	4	-	2	7
Office personell	513	1,035	142	652	754
Train drivers and conductors	730	1,631	326	830	1,205
Train drivers freight trains	7	181	17	97	74
Bus drivers	563	5,958	175	2,404	3,942
Freight terminal operators	7	203	35	108	67
Cleaning and workshop personell	165	516	146	312	223

Share of employees	Women	Men	<30 years	30-50 years	>50 years
Board of Directors	38%	63%	0%	25%	75%
Group Management Committee	56%	44%	0%	22%	78%
Office personell	33%	67%	9%	42%	49%
Train drivers and conductors	31%	69%	14%	35%	51%
Train drivers freight trains	4%	96%	9%	52%	39%
Bus drivers	9%	91%	3%	37%	60%
Freight terminal operators	3%	97%	17%	51%	32%
Cleaning and workshop personell	24%	76%	21%	46%	33%

**405-2 Ratio of basic salary and remuneration of women to men**

Ratio of basic salary and remuneration of women to men	Norway	Sweden
Office pesonnell	100%	84%
Train drivers and conductors	94%	67%
Train drivers freight trains	92%	
Bus drivers	95%	96%
Freight terminal operators	100%	
Cleaning and workshop personnell	87%	

The reason for the big difference for train drivers in Sweden is that train drivers are mainly men, while women are largely conductors, a position that has lower tariff pay.

**GRI 416: Customer Health and Safety 2016**

**416-1 Assessment of the health and safety impacts of product and service categories**

a) Vygruppen's main activities are the transport of people and goods by road and rail. Passenger transport is always associated with a certain risk, although the risk is very low and widely accepted in society. Vygruppen therefore considers that all passenger traffic by bus and train is covered by GRI 416. Freight traffic by rail does not have the same direct risk impact on its customers, but this mode of transport is also associated with an inherent risk and is thus also included in our reporting under GRI 416. Staff and support features are included in the assessment.

Improvement assessments are carried out for all enterprises based on completed risk assessments. For example, improvement assessments in Tog are carried out according to our continuous improvement process.

**416-2 Incidents of non-compliance concerning the health and safety impacts of products and services**

- i. Vygruppen has not been inadequately compliant with requirements that have resulted in fines or any other form of punishment.
- ii. Vygruppen has not been inadequately compliant with requirements that have resulted in warnings from public authorities. Under this section, Vygruppen chooses to report nonconformities given in audits by the supervisory authorities for railways, the Norwegian Railway Inspectorate (Sjt) in Norway and the Swedish Transport Agency. In Norway, 3 audits of SJT were carried out, which resulted in a total of 8 non-conformities for passenger train traffic and 4 non-conformities for freight train traffic. In Sweden, 2 audits were carried out by the Swedish Transport Agency which resulted in 7 non-conformities for passenger train traffic and 3 non-conformities for freight train traffic. In the opinion of the supervisory authority, non-conformity constitutes inadequate fulfilment of statutory / regulatory requirements, including inadequate fulfilment of our internal requirements. The reports describe that the companies have good safety management, none of the non-conformities are considered to be of a serious nature, and all non-conformities have been closed and the audits closed.

The passenger train operations in Norway are certified according to ISO 9001, ISO 14001 and ISO 45001. Audits were conducted on all three standards in 2022 with no nonconformities or comments. The passenger train operations in Sweden are certified according to ISO 9001 and ISO 14001 and no non-conformities were given in audits in 2022. The bus operations in Norway are certified according to ISO 9001, ISO 14001, ISO 39001 and ISO 45001. In the audit of our compliance with these standards, 2 nonconformities and 19 comments were provided. The bus operations in Sweden were audited according to ISO 39001 and ISO 14001, which resulted in a total of 7 non-conformities. All nonconformities have been closed and the audits have been completed. Agilia, which performs cleaning in trains, is certified according to ISO14001 and the Nordic Ecolabel.

## GRI content index

<b>Statement of use</b>		Vy group (Vygruppen) has reported in accordance with the GRI Standards for the period 11.2023 -31.12.2023			
<b>GRI 1 used</b>		GRI 1: Foundation 2021			
<b>Applicable GRI Sector Standard(s)</b>		None			
GRI STANDARD/ OTHER SOURCE	LOCATION	OMISSION			
		REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
<b>General disclosures</b>					
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	Page 128	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.		
	2-2 Entities included in the organization's sustainability reporting	Page 128			
	2-3 Reporting period, frequency and contact point	Page 128			
	2-4 Restatements of information	Page 128			
	2-5 External assurance	Page 128			
	2-6 Activities, value chain and other business relationships	Page 128			
	2-7 Employees	Page 129			
	2-8 Workers who are not employees	Page 129			
	2-9 Governance structure and composition	Page 129			
	2-10 Nomination and selection of the highest governance body	Page 129			
	2-11 Chair of the highest governance body	Page 129			
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 129			
	2-13 Delegation of responsibility for managing impacts	Page 129			
	2-14 Role of the highest governance body in sustainability reporting	Page 129			
	2-15 Conflicts of interest	Page 130			
	2-16 Communication of critical concerns	Page 130			
	2-17 Collective knowledge of the highest governance body	Page 130			
	2-18 Evaluation of the performance of the highest governance body	Page 130			
	2-19 Remuneration policies	Page 130			
	2-20 Process to determine remuneration	Page 130			
	2-21 Annual total compensation ratio	Page 130			
	2-22 Statement on sustainable development strategy	Page 130			
	2-23 Policy commitments	Page 130			
	2-24 Embedding policy commitments	Page 131			
	2-25 Processes to remediate negative impacts	Page 131			
	2-26 Mechanisms for seeking advice and raising concerns	Page 131			
	2-27 Compliance with laws and regulations	Page 132			
	2-28 Membership associations	Page 132			
	2-29 Approach to stakeholder engagement	Page 132			
	2-30 Collective bargaining agreements	Page 132			

Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 132	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.		
	3-2 List of material topics	Page 134			
Economic performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 135			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Page 137			
	201-2 Financial implications and other risks and opportunities due to climate change	Page 137			
	201-3 Defined benefit plan obligations and other retirement plans	Page 137			
	201-4 Financial assistance received from government	Page 137			
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 135			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 137			
	205-2 Communication and training about anti-corruption policies and procedures	Page 137			
	205-3 Confirmed incidents of corruption and actions taken	Page 137			
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 135			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 138			
	302-2 Energy consumption outside of the organization	Page 138			
	302-3 Energy intensity	Page 138			
	302-4 Reduction of energy consumption	Page 139		Not applicable	Base year not defined
	302-5 Reductions in energy requirements of products and services	Page 139		Not applicable	Base year not yet defined
Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 135			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 139	Requirement d	Not applicable	Base year not yet defined
	305-2 Energy indirect (Scope 2) GHG emissions	Page 140	Requirement d	Not applicable	Base year not yet defined
	305-3 Other indirect (Scope 3) GHG emissions	Page 141			
	305-4 GHG emissions intensity	Page 142			
	305-5 Reduction of GHG emissions	Page 142		Not applicable	Base year not yet defined
	305-6 Emissions of ozone-depleting substances (ODS)	Page 142	Requirement c and d	Not applicable	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Page 142	Requirement III-V and VII	Information unavailable/incomplete	

Occupational health and safety					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 135			
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	Page 143			
	403-2 Hazard identification, risk assessment, and incident investigation	Page 143			
	403-3 Occupational health services	Page 143			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 143			
	403-5 Worker training on occupational health and safety	Page 143			
	403-6 Promotion of worker health	Page 143			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 143			
	403-8 Workers covered by an occupational health and safety management system	Page 143			
	403-9 Work-related injuries	Page 143	Requirement b	Information unavailable/incomplete	Not recorded in HR system
	403-10 Work-related ill health	Page 144		Information unavailable/incomplete	Not recorded in HR system
Training and education					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 136			
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	Page 144			
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 144			
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 145			
Diversity and equal opportunity					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 136			
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Page 145			
	405-2 Ratio of basic salary and remuneration of women to men	Page 145			
Customer health and safety					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 136			
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	Page 146			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Page 146			

To the Board of Directors of VYGRUPPEN AS

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON VYGRUPPEN AS SUSTAINABILITY REPORTING FOR 2023

We have performed a limited assurance engagement for the Board of Directors of VYGRUPPEN AS on the sustainability reporting as defined in GRI Index 2023 (the "Selected Information") within the Annual Report for the reporting period ended 31 December 2023.

*Our limited assurance conclusion*

Based on our procedures described in this report, and evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 December 2023, as described below, has not been prepared, in all material respects, in accordance with the Applicable Criteria.

*Scope of our work*

VYGRUPPEN AS has engaged us to provide independent limited assurance in accordance with International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ISAE 3000 (Revised)", issued by the International Auditing and Assurance Standards Board ("IAASB")) and our agreed terms of engagement.

The Selected Information in scope of our engagement, as presented in the Annual Report for the year ended 31 December 2023 is as follows:

Selected Information	Applicable Criteria
GRI Index 2023	Reporting in accordance with GRI Standards, published by the Global Reporting Initiative ( <a href="http://globalreporting.org">globalreporting.org</a> ).

In relation to the Selected Information, as listed in the above table, the Selected Information needs to be read and understood together with the Applicable Criteria.

*Inherent limitations of the Selected Information*

We obtained limited assurance over the preparation of the Selected Information in accordance with the Applicable Criteria. Inherent limitations exist in all assurance engagements.

Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that errors or irregularities, if present, will be detected.

*Board of Directors' responsibilities*

The Board of Directors are responsible for:

- Selecting and establishing the Applicable Criteria
- Preparing, measuring, presenting and reporting the Selected Information in accordance with the Applicable Criteria

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.no](http://www.deloitte.no) to learn more.

© Deloitte AS

Registret | Foretaksregisteret  
 Medlemmer av Den norske Revisorforening  
 Organisasjonsnummer: 980 211 282

- Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information to ensure that they are free from material misstatement, including whether due to fraud or error.

*Our responsibilities*

We are responsible for:

- Planning and performing procedures to obtain sufficient appropriate evidence in order to express an independent limited assurance conclusion on the Selected Information.
- Communicating matters that may be relevant to the Selected Information to the appropriate party including identified or suspected non-compliance with laws and regulations, fraud or suspected fraud, and bias in the preparation of the Selected Information.
- Reporting our conclusion in the form of an independent limited Assurance Report to the Board of Directors.

*Our independence and quality management*

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We apply the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

*Key procedures*

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the description of activities undertaken in respect of the Selected Information is likely to arise. The procedures we performed were based on our professional judgment and included, among others, an assessment of the appropriateness of the Applicable Criteria. In carrying out our Limited assurance engagement on the description of activities undertaken in respect of the Selected Information, we performed the following procedures:

- Through inquiries of relevant personnel, we have obtained an understanding of the Company, its environment, processes and information systems relevant to the preparation of the Selected Information sufficient to identify areas where material misstatement in the Selected Information is likely to arise, providing a basis for designing and performing procedures to respond to address these areas and to obtain limited assurance to support a conclusion.
- Through inquiries of relevant personnel, we have obtained an understanding of the internal processes relevant to the Selected Information and data used in preparing the Selected Information, the methodology for gathering qualitative information, and the process for preparing and reporting the Selected Information.
- Performed procedures on a sample basis to assess whether the Selected Information has been collected and reported in accordance with the Applicable Criteria, including comparing to source documentation.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Oslo, 15 February 2024

Deloitte AS

**Eivind Skaug**

State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only

# Climate and Nature-related Risks and Opportunities

Vy has conducted assessments on how climate and nature risks, as well as opportunities, have a strategic impact on the organisation. This was done in order to include the findings in strategic corporate governance and to meet forthcoming reporting requirements and expectations from our owner.



# 1. Methodology used for the analysis of climate and nature risks

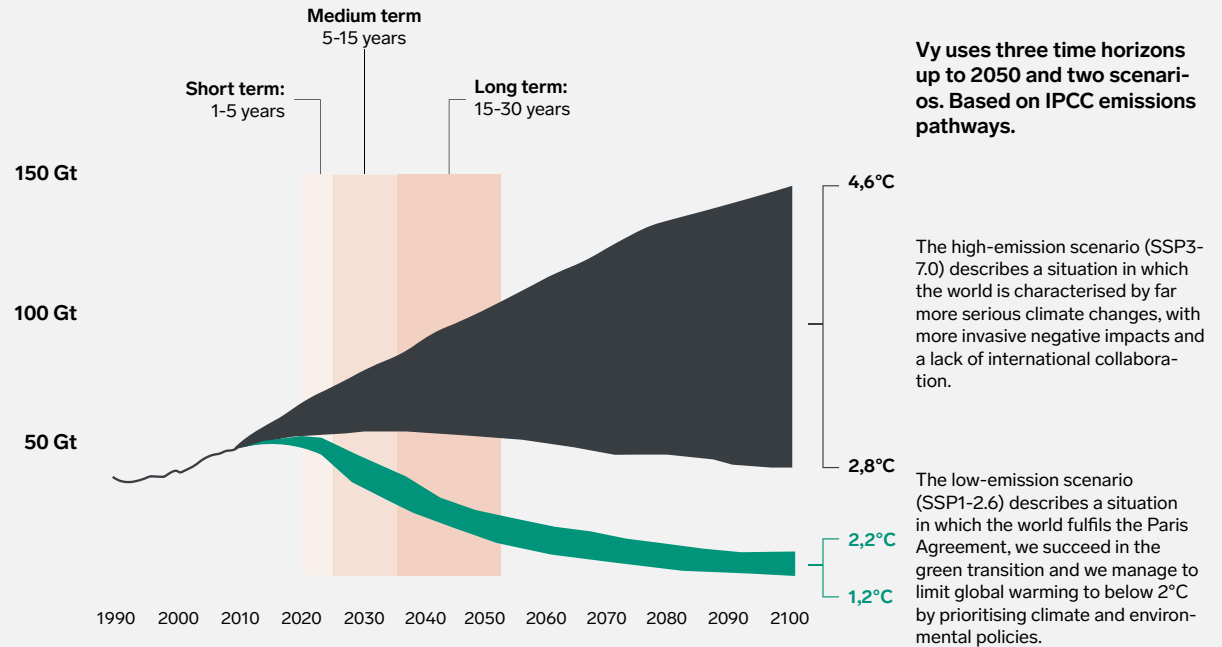
As an initial step towards complete inclusion of climate and nature risks and opportunities in Vy's corporate governance, analyses were conducted by looking to the TCFD (Taskforce on Climate-related Financial Disclosures) and TNFD (Taskforce on Nature-related Financial Disclosures) frameworks.

In line with these frameworks, Vy has conducted an assessment of climate and nature-related risks and opportunities linked to both physical climate changes and the green transition. The assessments were conducted using two scenarios from a short-term, medium-term and long-term perspective. The identified risks and opportunities have been ranked following broad consultations with the business areas and a comprehensive assessment of impact and probability. Vy's general frameworks and threshold values for the assessment of risk have been used as the basis. Going forward, these assessments will be supplemented through an economic analysis of the impacts associated with the most significant risk factors.

Based on regulatory requirements and the current world view, we have chosen the UN IPCC's low emissions scenario, referred to as "Sustainability and green growth" and a high emissions scenario, referred to as "Regional rivalry". These scenarios are extremes, but they are also realistic models for the interaction between greenhouse gas emissions, global warming and socioeconomic development. These have also been supplemented using nature-specific scenarios defined by TNFD with high and low levels of degradation of nature.

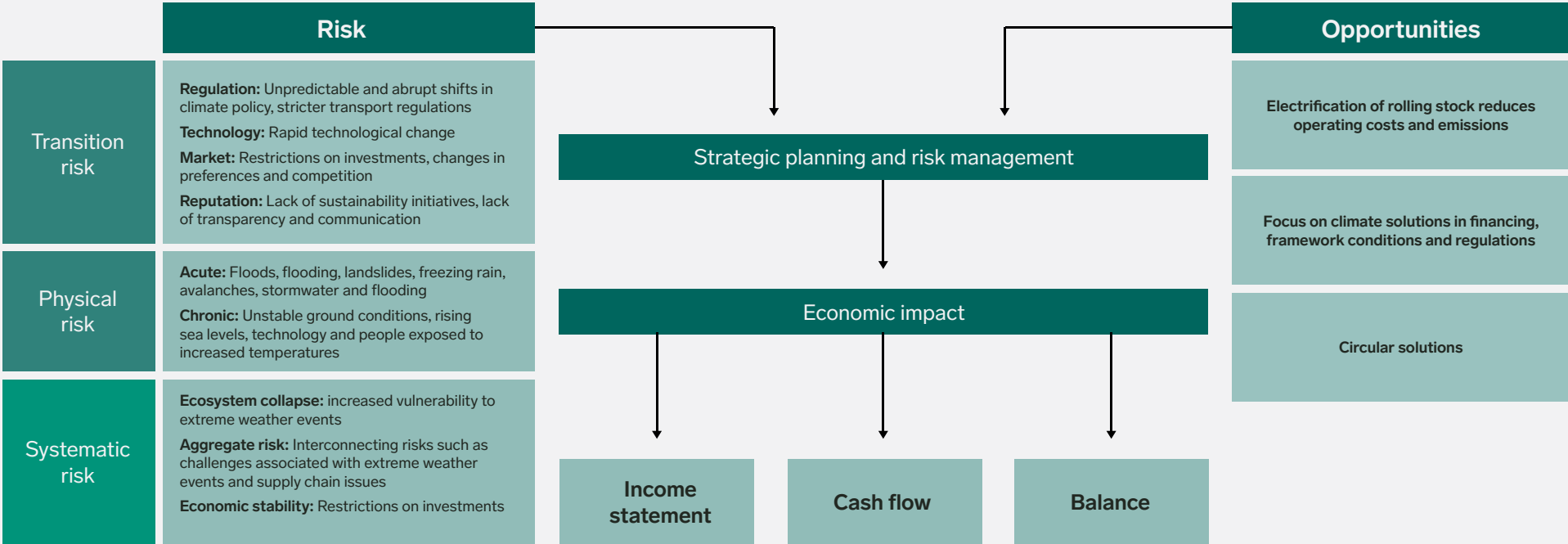
Valgte scenarier	Scenario (IPCC)	Scenario name	Average rise in temperature compared to the pre-industrial era	Specification
The world has already experienced global warming of 1.2°C and it is becoming increasingly unrealistic that we will achieve the scenario of limiting global warming to less than 1.5°C. We have therefore used the "Sustainability and green growth" (SSP1-2.6) scenario as the low-emission scenario.	SSP1 – 1.9	Sustainability and green growth	1,4	Very low GHG emissions: Carbon emissions to "net-zero" by around 2050.
	SSP1 – 2.6	"Sustainability and green growth"	1,8	<b>Low GHG emissions:</b> Carbon emissions to "net-zero" by around 2075.
	SSP2 – 4.5	A middle ground	2,7	Medium GHG emissions: Carbon emissions remain as now until 2050 before decreasing, but "net-zero" will not be achieved before 2100.
After years of a global pandemic, the Russian invasion of Ukraine and an ongoing trade war, we are experiencing a world in which global collaboration is under pressure. This makes the "Regional rivalry" (SSP3-7.0) scenario increasingly relevant and we have therefore chosen this as our high-emission scenario.	SSP3 – 7.0	Regional rivalry	3,6	<b>High GHG emissions:</b> Carbon emissions doubled by 2100.
	SSP5 – 8,5	Fossil-fuelled development	4,4	Very high GHG emissions: Carbon emissions tripled by 2075.

Source: IPCC AR6 Table SPM 1



## 2. Key climate and nature-related risks and opportunities for Vy

As part of the climate and nature analysis, we identified several risks and opportunities that affect Vy's strategy and risk management. The most significant of these will be elaborated upon in the tables on the following pages.



Key climate risks	Specification	Risk level				Impact	Measures
		Scenario 1-2.6: "Sustainability and green growth"		Scenario 3-7.0: "Regional rivalry"			
		2030	2050	2030	2050		
<b>Physical risk</b>							
Damage to infrastructure	Risk of destruction of infrastructure as a result of weather events that result in floods, landslides, etc. The combination of a more unpredictable climate and increased degradation of nature reduces the stabilisation capacity in nature and results in an increased risk of destruction.	Medium	High	Medium	High	May have significant direct and indirect implications for all Vy business areas. For example full stoppages of operations over prolonged periods of time, but also increased frequency of cancellations, delays and increased risk of damage to rolling stock and vehicles	<ul style="list-style-type: none"> <li>Vulnerability risk assessments</li> <li>Close collaboration with the infrastructure manager in order to ensure robust infrastructure</li> <li>Training and emergency preparedness procedures</li> </ul>
<b>Physical and transition risk</b>							
Lack of preventive measures	Risk of existing infrastructure not being adapted for the climate and nature of the future. Vy is dependent on infrastructure over which it has no control or mandate. Insufficient or delayed investments in climate adaptations for the transport sector constitute a significant risk for Vy.	Low	Medium	Medium	High	Insufficient investment in adaptations can lead to an increase in delays and cancellations, as well as a damaged reputation. Weakened confidence in the predictability of rail freight and diminished loyalty to trains as a mode of transport lead to reduced earnings and more passengers likely choosing to travel by passenger car or freight being transported by road, resulting in higher greenhouse gas emissions, resource use and land use.	<ul style="list-style-type: none"> <li>Risk assessments conducted to assess vulnerability</li> <li>Close collaboration with the infrastructure manager in order to ensure robust infrastructure</li> <li>Training and emergency preparedness procedures</li> </ul>
<b>Transition risk</b>							
Insufficient low emissions technology for rolling stock	Buses and trains account for our greatest greenhouse gas emissions. Vy is dependent on suppliers starting to produce electric long-distance buses and terminal equipment that is adapted to our needs in order for Vy to meet its climate objectives. The charging network in Norway is also insufficient for heavy transport (express bus services).	Medium	Low	Medium	Low	There are still no electric long-distance buses, electric terminal equipment or battery-operated locomotives available that can meet our needs. Unless a charging network for heavy transport adapted for express bus services is deployed in Norway, it will be difficult to realise the plans to phase out all fossil express buses.	<ul style="list-style-type: none"> <li>Monitor the technology market and collaborate with manufacturers</li> <li>Collaborate with the authorities and other public bodies to ensure a well-functioning charging network for heavy transport</li> </ul>
Risk of ending up with 'stranded assets'	Procuring the wrong technology for e.g. new long-distance buses, freight trains and terminal equipment entails a risk that procured technology will end up as outdated solutions and lost investments	High	Low	High	Low	Being too passive or too fast when it comes to the green transition are two situations in which Vy encounters a risk that procured technology will end up as outdated solutions and lost investments. All business areas encounter dilemmas related to electrification, where it is possible to end up with both hybrid trains and early generation electrical buses losing significant utility value and ending up as 'stranded assets'.	<ul style="list-style-type: none"> <li>Proper risk and investment assessments in connection with the procurement of new technology</li> <li>Piloting new technology internally before solutions are scaled up</li> <li>Collaboration with manufacturers/suppliers in order to pilot new technology</li> </ul>

Key nature risks	Impact / dependence	Relevant business area	Possible implications and measures
Land use	Vy's operation have an impact on biodiversity and ecosystems through both direct and indirect land use. Vy drives through a number of nature reserves where wildlife collisions, sound, vibration and light pollution have a negative impact on biodiversity.	Vy Tog, CargoNet, Vy Buss	All of Vy's operations impact land areas. Vy, for example, wants more double tracks and better facilitation for efficient public transport. This requires land areas but will also reduce the need for land areas for car-based transport. Vy's operations have a direct or indirect impact on land use through the development and operation of real estate. Measures for this require close coordination with subcontractors in the sector such as Bane NOR.
Nature-based adaptation	All of Vy's business units have a clear dependency on stable ground conditions on and around critical infrastructure. Vegetation is a key factor. At the same time, ecosystems such as wetlands and bogs delay runoff and prevent flooding.	Vy Tog, CargoNet	Nature-based solutions play a significant role in flood and landslide prevention and in climate adaptation. In scenarios with high degradation of nature, nature's ability to handle extreme weather is reduced, which has an additional amplifying effect on the consequences of climate change.  Trains relies on stable tracks and needs vegetation, but overgrowth can be a safety issue with visibility to signalling systems or tree falls on the driving line. In some places, vegetation and trees are cut down 10-20 meters from the tracks to prevent wildlife collisions. This increases land use and the risk of leaching and surface runoff.
Pollution of water	Vy has the potential to impact drinking water sources or vulnerable ecosystems through emissions, runoff, and wastewater from workshops, wash halls, or similar – as well as through stormwater management on and around infrastructure.	Vy Tog, CargoNet, Vy Buss	Emissions from workshops and/or wash halls to drinking water sources or vulnerable ecosystems can result in fines and/or loss of reputation. Vy must assess how often it is necessary to wash trains and/or buses, as well as which chemicals to use in the washing process. Stormwater management, including purification/filtration on and around properties and infrastructure, constitutes a clear impact factor, both in normal and extreme weather.  Bus depots for parking are often asphalted, which removes nature and leads to concentrated runoff by collecting water that flows out faster into watercourses. There are some depots where this has been taken into account.
Value chain	Vy can have a negative impact on biodiversity and ecosystems in both the upstream and downstream value chain.	Vy Tog, CargoNet, Vy Buss	The nature risk assessment has highlighted the potential risk of impacts in the upstream and downstream value chain. An example that illustrates the dilemmas related to this is the transport and handling of ore in CargoNet, and the consideration of how consequences and impacts should and ought to be attributed to our activities. The Vy Group will spend time making necessary delimitations of prioritized locations for input factors in the value chain, in order to set clear parameters for assessments, measures, and further reporting.
Short term: 1-5   Medium term 5-15 years   Long term: 15-30 years			

Key opportunities	Specification	Impact	Horizon	Measures
The electrification of rolling stock reduces operating costs and emissions	New electric buses, locomotives and terminal equipment can lead to lower operating costs and thereby a more favourable market position and strengthened competitiveness.	New technology can lead to more efficient operations and can be a critical competitive factor.	Short to long term	Implement existing plans for the electrification of rolling stock
Focus on climate solutions in financing, framework conditions and regulations	Stricter emissions regulations, increased carbon taxes, increased emphasis on environmentally friendly transport in framework conditions and limitations on land use as well as other climate and environmental regulations will strengthen the competitiveness of the public transport sector and all Vy business areas.	Increased emphasis on environmentally friendly transport may lead to both increased demand for public transport, increased market shares for buses and trains in the transport system and increased demand for rail freight.	Short to long term	<ul style="list-style-type: none"> <li>Adapting production to increased demand</li> <li>A proactive participant in social debate to promote public transport</li> </ul>
Circular solutions	Vy has opportunities to further develop repair and recycling services internally. This could reduce costs, strengthen our reputation and reduce waste production and the use of natural resources.	Vy and its suppliers are responsible for a significant consumption of and need for components for the operation and maintenance of rolling stock. By focusing on circular solutions, the Group can achieve lower costs and increased control of essential components.	Short to long term	<ul style="list-style-type: none"> <li>Develop circular solutions in collaboration with suppliers</li> <li>Focus on circularity in procurements</li> </ul>
Short term: 1-5   Medium term 5-15 years   Long term: 15-30 years				

## 3. Vy's work on climate and nature-related risks and opportunities

### 3.1. Corporate governance and risk management

The executive management team and board of directors of Vy are responsible for following up on the Group's work on and assessments of climate and nature risks. The directors of the various business areas have the overall responsibility for consolidating climate and nature-related risks and opportunities, as well as including these in existing strategies and business plans. For a more detailed description of risk management and the involvement of the executive management team and board of directors, please see "Risk" on page 43, "Corporate governance" on page 110 and Sections 2-9, 2-14 and 2-17 of the GRI table

During the work on climate and nature-related risks, there has been broad involvement from different roles and levels internally at Vy through the use of workshops, interviews and surveys. The management teams for the different business areas and corporate management have reviewed input, made recommendations and endorsed the process and the analysis has been considered by the board of directors. The results from the work on climate and the environment will be incorporated

in Vy's ordinary work processes relating to sustainability and findings will be included in action plans, risk management and strategy processes. In the future, we will update the analyses using Vy's existing risk framework and management system.

### 3.2. Impact and strategic implications

Vy's core business is primarily considered an important element of the solution to the climate challenge. This perspective is reflected in the climate risk analysis and shows that Vy is challenged less by the major issues in the green transition and the typical drivers experienced by many undertakings in connection with restructuring risk.

In both scenarios, physical climate factors dominated the risk situation for Vy and these are closely linked to the dependency on functional infrastructure services. Vy will be negatively impacted by climate changes that result in greater damage to and downtime for infrastructure. As one of several train operators in Norway, Vy is entirely dependent on Bane NOR conducting appropriate risk analyses and implementing preventive measures. Although significant physical risks for Vygruppen are most worrying in the long term, the climate and nature-related risk analysis shows that climate change also poses a genuine risk in the short term, even in a low-emission scenario.

Vy's operations are already an important part of the solution to the climate challenge and a green transition will result in increased focus on public transport and more new opportunities to phase in new technology, innovations, resource use and circular solutions.

### 3.3. Indicators, targets and results

Vy has many KPIs and targets to ensure implementation and measure results in relation to our work with sustainability. Please refer to the dedicated section in the annual report relating to ESG indicators used by Vy, "Summary performance table", page 37, as well as our climate accounts. Vy will establish science-based targets in 2024.

### 3.4. Continuing work

Basert på funn som er gjort i analysene, skal Vy jobbe videre med klima- og naturrelatert arbeid gjennom finansielle analyser for relevante risikoer og konkretisere tiltak og handlingsplaner for å redusere negativ innvirkning fra risikoer. Vi vil følge videre utvikling av TNFD-rammeverket og forbedre presisjon på analyse av naturpåvirkning og avhengighet. Vi kommer også til å jobbe for å gripe identifiserte muligheter og integrere arbeidet i Vys strategiske virksomhetsstyring.

# EU Taxonomy

The EU Taxonomy is a classification system for economic activities introduced by the European Union through EU Regulation 2020/852 and associated delegated acts. The goal of the Taxonomy is to direct capital towards sustainable projects and investments.

## About the framework

The EU Taxonomy includes a description of all economic activities covered by the framework (“eligible”). The sectors currently covered are the sectors for which the European Commission believes there is the greatest potential to reduce emissions. For all economic activities covered by the Taxonomy, it is necessary to assess whether these activities are environmentally sustainable (“aligned”) or not. In order to be environmentally sustainable, the activity needs to meet the following criteria:

1. Make a substantial contribution to at least one of the climate and environmental objectives.
2. Do no significant harm to any of the other climate and environmental objectives (DNSH)
3. Comply with minimum standards relating to social responsibility and governance

A set of technical criteria have been drawn up for each economic activity described in the Taxonomy to assess whether the requirements concerning substantial contributions and no

significant harm have been met. Moreover, the Taxonomy requires enterprises to report on the following KPIs: turnover, capital expenditure and operational expenditures.

## Reporting for 2023

For 2023, Vygruppen will report on its eligible activities, including reporting on turnover, capital expenditure and operational expenditures, by eligible and non-eligible activities. This reporting is voluntary, as Vygruppen’s duty to report does not become effective before 2026 for the 2025 financial year<sup>1</sup>. This has been done in preparation for the upcoming reporting requirements and based on expectations from the owner and other stakeholders.

## Mapping economic activities in the group

In 2023, work was conducted to map the activities within Vygruppen that are covered by the Taxonomy. In this context, Vygruppen has primarily identified three eligible activities, which, together, constitute large parts of the group’s overall activities. Please refer to the table below to see the eligible activities.

EU Taxonomy climate and environmental objectives	
1.	Climate change mitigation
2.	Climate change adaptation
3.	Sustainable use and protection of water and marine resources
4.	Transition to a circular economy
5.	Pollution prevention and control
6.	Protection and restoration of biodiversity and ecosystems

Activity no.	Activity name, EU Taxonomy	NACE code	Description of the activity at Vy
6.1	Passenger interurban rail transport	H49.10	Passenger rail transport. In the 2023 report, this activity also includes rail replacement bus services.
6.2	Freight rail transport	H49.20	Freight rail transport and operation of freight terminals. The operation of freight terminals is largely linked to the operation of dedicated rail freight transport and has not been distinguished as a separate activity in this year’s report.
6.3	Urban and suburban transport, road passenger transport	H49.3	Passenger bus transport

Figure 2 Eligible activities under the Taxonomy

<sup>1</sup>The mandatory taxonomy reporting for Vygruppen follows the timeline for implementation of the European Union’s directive for sustainability reporting, known as the Corporate Sustainability Reporting Directive (CSRD)

The mapping of eligible activities was based on the Taxonomy's definition of activities with associated NACE codes. Activities deemed not to be eligible include repair and maintenance of heavy goods vehicles through the Team Verksted chain (NACE G45.20 and G45.3) and the sale of cleaning services to external train operators (NACE N81.29).

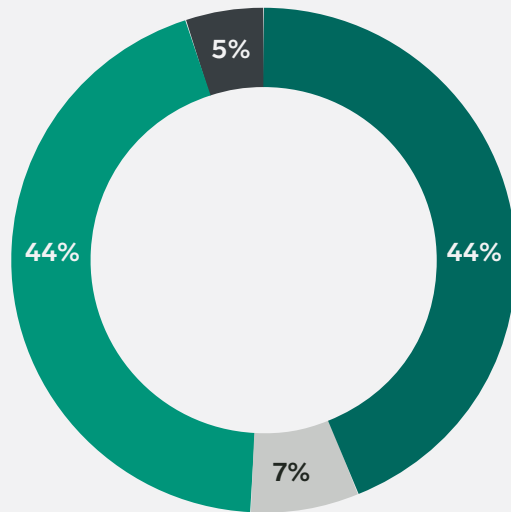
### Taxonomy indicators

According to Article 8 of the Taxonomy Regulation, enterprises must report on three KPIs. These are turnover, capital expenditure (CaPex) and operational expenditures (OpEx). For 2023, Vy is reporting only on the eligible proportion.

A summary of the eligible proportion by eligible activities can be found in the figure below. This shows that a large proportion of Vygruppen's turnover (95%), capital expenditure (99%) and operational expenditures (98%) are eligible.

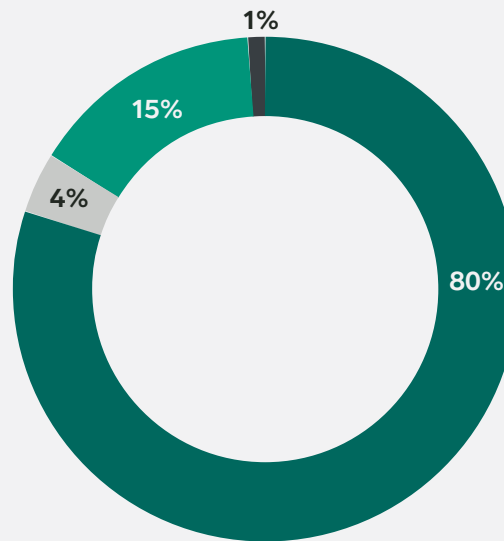
#### Turnover

- 6.1 Passenger rail transport (A)
- 6.2 Freight rail transport (A)
- 6.3 Passenger bus transport (A)
- Non-eligible activities (B)



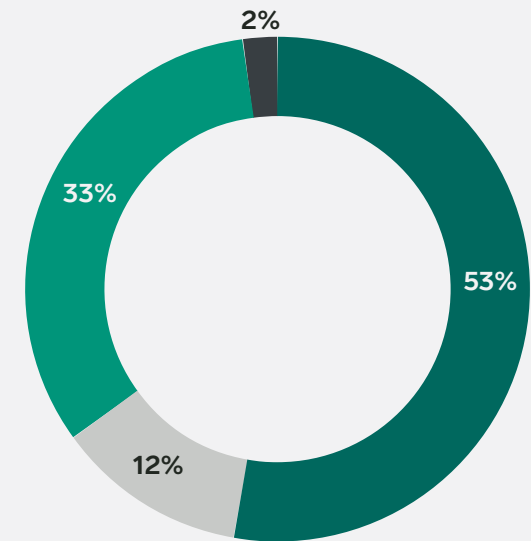
#### Capital expenditure

- 6.1 Passenger rail transport (A)
- 6.2 Freight rail transport (A)
- 6.3 Passenger bus transport (A)
- Non-eligible activities (B)



#### Operational expenditures

- 6.1 Passenger rail transport (A)
- 6.2 Freight rail transport (A)
- 6.3 Passenger bus transport (A)
- Non-eligible activities (B)





## Turnover

Total turnover in the Taxonomy reporting can be reconciled against turnover in Vygruppen's 2023 income statement. In turn, this income is divided into eligible activities under the Taxonomy. Turnover per activity largely coincides with income for the activity in the Vygruppen segment report.

## Capital expenditure (CapEx)

Eligible capital expenditure under the Taxonomy are investments pursuant to the following IFRS standards: IAS 16 Tangible assets, IAS 38 Intangible assets and IFRS 16 Lease obligations

Total capital expenditure can be reconciled against assets in Note 7 Property, plant and equipment and Note 9 Intangible assets. Assets primarily consist of investments in new vehicles, including assets associated with the commencement of the new traffic package for Ø1 and Ø2 and bus tenders.

## Operational expenditures

Operational expenditures under the Taxonomy are defined as non-capitalised costs linked to research and development activities, building renovations, short-term leases, maintenance and repair and other direct costs linked to day-to-day operation of tangible assets necessary to ensure the assets work effectively. These operational expenditures constitute a proportion of the costs reported in the "Operating expenses"

line and the "Payroll and related expenses" line in Vygruppen's income statement.

A large proportion of Vy's operational expenditures are linked to the maintenance and repair of the group's vehicles. Other costs included in operational expenditures include costs associated with tyres, vehicle cleaning and research and development activities. The reporting includes costs associated with short-term leases and the lease of low-value assets (see Note 6).

## Summary and further work

This year's Taxonomy reporting shows that large parts of the group's activities are eligible under the Taxonomy. In 2024, Vy will continue to work on activities that are eligible under the Taxonomy to see how large a proportion of these meet the environmental sustainability criteria. This work is under way and we aim to report on the work for the 2024 financial year in 2025.

This year's reporting on eligible activities under the Taxonomy is based on the interpretation of the Taxonomy Regulation and associated delegated acts available as of the end of 2023. We are monitoring any further developments and will make changes to our reporting as necessary. This could also have an impact on the indicators reported for 2023.

# Workplace Equality and Diversity Report

## 1. Introduction

Vy actively work to ensure a workplace in which promotes equal opportunities and diversity and the prevention of discrimination. Our employee policies and guidelines provide the framework for our approach to ensure equal rights:

*"All employees in Vygruppen are equal no matter gender, age, disability, sexual orientation nor religious, ethnical or cultural background. We aim for a diverse workforce throughout the organization where individual characteristics shall be respected and appreciated. Our goal is an increased balance between genders and a more diverse workforce at all Group levels. This goal shall be emphasized during recruitment and competence development."*

Initiatives related to equality and diversity are implemented as an integrated part of Group processes and discussed in close cooperation with union and employee representatives. The executive management group, business area management groups and work committees take actively part in the review and evaluations of joint initiatives. Furthermore, our approach is based on good practice; Group risk assessment provides the basis for discussions and priorities in the business areas. The Group risk assessment evaluates various issues divided into the following areas:

- Recruitment,
- Salary- and work conditions,
- Promotion, development opportunities and training,
- Facilitation and work-life balance.

## 2. Statement

### Status gender equality

In this statement we present a quantitative status related to gender equality (as per end of year 2023). The overview is presented according to the Group's legal structure and companies within the Group subject to equality and diversity reporting.

- Vygruppen AS which includes employees within most of the passenger train business area, Group functions and the Customer experience and Innovation business area.
- Vy tog AS which includes employees within the passenger train business knows as "Contract No.3" (Konkurransepakke 3).
- Vy Gjøvikbanen AS which includes employees working for the Vy Gjøvikbanen passenger train service.
- Vy Buss AS which includes employees within the Norwegian bus business area.
- CargoNet which includes employees within the cargo business area.
- Agilia which includes employees within the train carriage cleaning business.

Data is presented into categories reflecting applied categories within the legal entities. Performance categories are split between fixed and variable performance, in which the latter includes rotation- and overtime compensation. All data applies to the 2023 fiscal year.



Vy Group	Gender distribution position levels/ groups		Women %-share compared to men's payment			
	Men	Women	Total annual salary	Agreed salary/fixed salary	Additional salary (shifts etc.)	Overtime allowance
Total	1 280	559				
Senior mgt.	4	5	113 %	110 %		
Level 3	13	19	92 %	93 %		
Level 4	50	68	87 %	86 %	77 %	
Level 5	137	82	90 %	92 %	136 %	131 %
Locomotive driver	634	68	95 %	99 %	93 %	71 %
Locomotive driver under training	20	2	101 %	98 %	138 %	0 %
Senior conductor	422	315	95 %	99 %	95 %	71 %

CargoNet AS	Gender distribution position levels/ groups		Women %-share compared to men's payment			
	Men	Women	Total annual salary	Agreed salary/fixed salary	Additional salary (shifts etc.)	Overtime allowance
Level 3 and 4	27	4	104 %	102 %	402 %	6 %
Level 5	64	11	76 %	80 %	42 %	67 %
Locomotive leader	7	1	90 %	102 %	33 %	75 %
Terminal worker	207	7	100 %	111 %	69 %	76 %
Locomotive driver	159	7	92 %	99 %	65 %	113 %

Vy Tog AS	Gender distribution position levels/ groups		Women %-share compared to men's payment			
	Men	Women	Total annual salary	Agreed salary/fixed salary	Additional salary (shifts etc.)	Overtime allowance
Total	251	113				
Level 3	0	1				
Level 4	6	6	81 %	92 %		
Level 5	37	37	73 %	89 %	46 %	23 %
Locomotive leader	19	0				
Locomotive driver	109	10	94 %	96 %	93 %	90 %
Senior conductor	80	59	91 %	96 %	87 %	74 %

Vy Buss AS	Gender distribution position levels/ groups		Women %-share compared to men's payment			
	Men	Women	Total annual salary	Agreed salary/fixed salary	Additional salary (shifts etc.)	Overtime allowance
Total	4827	540				
Level 3	7	3	100 %	100 %		
Level 4	37	17	98 %	98 %	68 %	
Level 5	208	56	95 %	99 %	57 %	40 %
Mechanic	48	0				
Cleaner	50	66	86 %	95 %	67 %	32 %
Driver	4477	398	95 %	97 %	95 %	66 %

Gjøvikbanen AS	Gender distribution position levels/ groups		Women %-share compared to men's payment			
	Men	Women	Total annual salary	Agreed salary/fixed salary	Additional salary (shifts etc.)	Overtime allowance
Total	76	23				
Level 3	0	1				
Level 4	5	1	91 %	92 %	118 %	
Locomotive driver	43	4	95 %	100 %	99 %	58 %
Senior conductor	28	17	92 %	96 %	92 %	67 %

Agilia AS	Gender distribution position levels/ groups		Women %-share compared to men's payment			
	Men	Women	Total annual salary	Agreed salary/fixed salary	Additional salary (shifts etc.)	Overtime allowance
Total	168	78				
Level 1 (senior mgt group)	4	1	95 %	95 %	0	3 %
Level 2 (staff/operations manager)	12	4	102 %	99 %	0	3 189 %
Level 3 Cleaner	152	73	89 %	104 %	88 %	80 %

Salary differences are subject to discussion with union representatives in CargoNet, Vy tog and Vy bus. Within our passenger train businesses, salary differences are not considered to be the result of discrimination nor lack of equality. Differences should however be explained by reduced working hours amongst locomotive drivers due to same basis salary in this group.

In Vy bus, salary differences amongst employees included in the working time regulations are created by the number of variable additions (working hours) and over-time (desire and opportunity). In general, female drivers are subject to less seniority compared to male drivers, hence female drivers' average basis salary is lower. Still, the most significant differences are the result of variable additions and over-time. Female cleaners earn less than male cleaners. Furthermore, this group of employees is subject to individual salaries as part of the minimum salary arrangements of the Collective Agreement of the Norwegian bus industry.

The composition of the workforce in Vy is considered to reflect the Norwegian population in general. Between 2010 and 2021, the share of immigrants (as defined by Statistics Norway) increased from 15% to approximately 32%.

In Vy bus, salary differences are not considered to be caused by gender. Regarding cleaners, salary differences are explained by combined roles (some cleaners also drivers) related to one department, resulting in higher salary compared to cleaners in other locations.

In Agilia AS, position categories are applied according to organizational levels. The performance categories are divided according to fixed and variable performance, the latter including shift additions and over-time compensation. Salary differences are presented to union representatives and the work force committee and are not considered to be the result of discrimination nor lack of equality. The minor differences experienced are explained by reduced working hours due to all employees within level 3 being subject to collective salaries (tariff). Furthermore, wage differences amongst men and women are created by the number of variable additions (working hours) and over-time (desire and opportunity to accept). Customization of tasks and shifts according to the needs of the employees is facilitated by managers within what is practical possible. Also, shift arrangements are subject to discussion and approval by KPF (Klargjøringspersonalets forening).

Similar other entities in Vy, management and support functions in Agilia are subject to more flexibility related to working hours, home office and other individual arrangements compared to employees in operations. For this group of employees, the main principle is individual facilitation and freedom with responsibility. Based on these arrangements, and despite some limitations, the risk of discrimination is considered low and further actions unnecessary.

#### **Involuntary part-time**

Vy operate under the principle of full-time positions. During fall of 2021, in close cooperation with union representatives, the extent of involuntary part-time was mapped across the Group. According to the mapping, involuntary part-time is not applied in our passenger train business. Furthermore, there is a joint understanding between Vy and the representatives of the unions that involuntary part-time has been mapped and discussed sufficiently.

#### **The paradox of part-time positions – Research project by the Labor Research Institute**

With the title «Who's driving the bus?», a study looking at the extent of part-time positions within the bus transportation sector has been commissioned by Vy Bus. The study, funded by the IA Bransjeprogrammet, has been carried out by the Labor Research Institute.

Within the bus transportation sector, part-time positions are widely used, affecting bus drivers and operators in general and in rural areas in particular. Approximately 1/3 of the bus drivers in districts, except those in cities and townships, have part-time positions. Senior drivers are the dominant group amongst drivers working part-time, with the average age increasing rapidly. Due to the lack of younger drivers, this trend causes concern amongst the operators. Therefore, in cooperation with the IA Bransjeprogrammet, Vy Bus has conducted this study focusing on involuntary part-time. The study which is based on interviews and questionnaires amongst employees in Vy Bus and Tide, discusses consequences and possible actions due to the increasing number of part-time positions in the sector in general and in the districts in particular.

One consequence of part-time positions is the challenge of attracting and recruiting sufficient bus drivers. The part-time issue appears to represent not only a sector challenge, but also a challenge to our society; hence this challenge is likely something that also requires increased efforts from the government.

Furthermore, representing the bus transportation sector, we believe in the necessity of highlighting this issue not only as an employer but also on behalf of our employees. Hopefully the report will contribute to increased focus and awareness amongst politicians, clients, and public transport authorities in future contract competitions.

The conclusions of the study indicate that drivers who work part-time are in general satisfied. This finding is likely to be explained by (1) the fact that many part-time employees receive pensions or social security payments in addition to the ordinary income, or (2) that employees subject to involuntary part-time have resigned or achieved an acceptable vacancy rate. Still, despite some employees achieving higher vacancy rates, numerous part-time positions are still uncovered due to what is considered low attractiveness.

Senior drivers represent the dominant group amongst drivers working part-time. Average age is increasing rapidly, and this trend is of great concern amongst the operators due to the lack of younger drivers. Supported by national statistics, the operators voice the challenge of recruiting into part-time positions. Based on the above, the study therefore presents a paradox: Even if part-time positions not necessarily represent a problem to individual employees, such positions represent a challenge to the operators in general due to the negative impact on recruitment. Furthermore, to society, the long-term result could be an inability to maintain the bus transportation service needed.

Agilia AS operate under the principle of full-time positions. Representing 80% of the turnover, personnel costs entail an increased pressure on effectiveness and resource utilization, causing an impact on the number of part-time positions. After a streamlining process in 2023, the share of part-time positions in Agilia is presently 47%. Based on feedback indicating that several employees would like to achieve a higher vacancy rate, there is a joint understanding amongst Agilia and employee representatives that the number of part-time positions is currently too high. The aim is therefore to conduct a mapping of the present situation during 2024.

### **Our work for equality and against discrimination**

In Vy's Ethical Guidelines, which all employees sign upon employment in the group, section 11 on Human dignity, equality and integration states:

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

*Vygruppen must ensure equal treatment in recruitment, promotion, and competence development and further education. Likewise, Vygruppen will emphasize diversity that reflects a cross-section of society. The recruitment must be characterized by the fact that all applicants experience equal opportunities for employment, regardless of age, gender, disability, sexual orientation or religious, ethnic and cultural background. "*

In addition, our initiatives on equality and ensuring non-discrimination is anchored in Vy's Personnel Policy guidelines, which, among other things, state:

*"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 therefore have the following Personnel Policy Principles: "*

#### **Recruitment**

- *Vygruppen wants to attract and employ the best applicants regardless of gender, age, disability, religion, sexual orientation, and cultural differences.*
- *We want an active internal labor market where employees are given the opportunity to compete for vacant positions.*
- *Recruitment must be carried out in a way that ensures our candidates an individual, objective, and confidential assessment, and gives applicants a positive experience of our business.*

#### **Wages and working conditions**

- *Vygruppen shall have competitive and stimulating salary and working conditions, in order to recruit, develop and retain well-qualified employees and managers. We shall*

*neither be salary leaders nor salary drivers in our industries.*

- *Salary and working conditions are determined through guidelines and collective agreements in the various companies.*

#### **Competence Development**

- *Vygruppen shall facilitate targeted competence development based on business needs so that the group attracts, develops and retains the competence needed to realize our strategy.*
- *The most important type of competence development is on the job training. Courses, online training and other organized forms of training are used as supplements if necessary.*
- *Every employee has a particular responsibility for maintaining and developing their competence, while it is the manager's responsibility to plan and facilitate competence development within the respective area of responsibility.*
- *All employees are expected to actively share their knowledge and experience with colleagues.*

#### **Working Environment**

- *Vygruppen shall be a sector leader in HSE. Our employees shall operate in a safe workplace, which is motivating and developmental for the individual employee. Our working environment shall facilitate good health and safety against physical and psychological harm.*
- *When organizing operations and work, we will take into account the age and life situation of the individual employee.*
- *We shall have an inclusive working environment, free of drugs, violence and harassment.*

#### **Equality and equivalence**

- *All employees in the Vygruppen are equal, regardless of gender, age, disability, sexual orientation or religious, ethnic and cultural background.*
- *We want a broad and diverse range of managers and employees, where individual characteristics must be respected and valued.*
- *Improved gender balance and increased diversity (ethnicity, age and functional ability) is desirable at all levels in the Group, and shall be emphasized in recruitment and competence development.*

Vygruppen shall be an attractive employer. We will attract, develop, and retain employees regardless of age, gender, disability, sexual orientation, or religious, ethnic and cultural background. More information can be found in Vy's 2023 Equality statement, which shows that there is a satisfactory distribution between the genders when it comes to parental leave, part-time and temporary work.

Vy has ongoing work to reduce gender differences in the business. Parts of our operations still have a predominance of men, and we seek to recruit more women to the male-dominated professions. The proportion of women in the Group is presently 18 per cent.

The work to prevent discrimination is an integral part cooperation between the parties, the prevention work and improvement processes in general. Equality and diversity also represent separate topics in the mandate for the Group Board's Compensation Committee, where emphasis is placed on measures to ensure greater diversity in management, better framework conditions for talent development in the Group, as well as a review of the status of equality in Vy.

When recruiting, there may be a risk of a lack of willingness to accommodate employees with disabilities. There may also be negative expectations for female employees due to absence, pregnancy, and parental leaves. Today the risk related to these issues are considered low and mitigated by ensuring that Ethical Guidelines and values are well known and practiced in everyday life, as well as through good recruitment routines.

Regarding promotion and development opportunities/training, the risk of discrimination for driving staff is also considered to be low. For administrative staff and managers on the other hand, such risk is recognized to be subject to higher risk. This risk is however mitigated by working towards more transparency in promotion processes and succession planning (both at level 3 and lower management levels) as well as by complying with internal routines for job announcements. A separate key performance indicator has been defined for 2023 for the proportion of female employees in administrative and leading functions to ensure positive development in this area.

### Addition to Workplace equality and diversity report 2023

The table below shows examples of measures implemented in 2023 that include both Group initiatives that encompass the entire organization and activities in the various business areas. Mapping and risk assessments carried out in collaboration with safety representatives and union representatives form the basis of the priorities.

In addition, local and limited measures have been carried out based on the needs throughout the organisation.

In 2023, the effect of the management evaluation and succession planning shows an improved gender balance among managers in Vy, with an increase from 39% to 44% women.

A Subject director for Inclusion and diversity has been recruited in 2023 to ensure a more systematic and even better coordinated work with inclusion and diversity. Mapping action areas, strategic planning of the work and further development of diversity management will be amongst the main responsibilities of this position.

Theme	Measures	Result
Recruitment	Competency enhancement in the implementation of recruitment processes in accordance with our established, non-discriminatory routines and DnV certification of support functions that assist the managers in recruitment.	Quality assurance of non-discrimination in recruitment processes with internal resources.
Recruitment	Procurement process for recruitment suppliers that includes requirements to ensure compliance with our principles of equality and equity.	Quality assurance of non-discrimination in processes with external partners.
Recruitment	National recruitment campaign in Vy bus with a young, female apprentice bus driver as the protagonist.	More women and a better gender balance in the bus driving profession and a focus on other diversity elements such as education, cultural background and age.
Promotion, development opportunities and training	Skills development for managers and support functions within systematic work with inclusion and diversity, with exchange of experience from ISS and IKEA.	Awareness of our diversity and active communication related to Women's Day, Pride, World Mental Health Day, etc.
Promotion, development opportunities and training	The "Clear language" project in the bus business to develop language skills of those with Norwegian as a second language, but also to facilitate employees with dyslexia.	Increase the learning outcomes from training and increase the opportunity for mastery and job motivation regardless of language background and reading and writing skills.
Promotion, development opportunities and training	Establishment of a cultural project to increase diversity competence related to both cultural background and sexual orientation, gender identity and gender expression in a unit in the train business.	Awareness of our diversity and active work with an inclusive culture and non-discrimination.
Promotion, development opportunities and training	Manager evaluation and succession planning which included managers at three levels throughout the Group.	Increase transparency, motivate internal mobility and prevent discrimination in promotion processes.
Promotion, development opportunities and training	Development of management training where diversity and inclusion are one of three main themes.	Management training for all managers with personnel responsibility to be carried out in 2024.
Salary and work conditions/ work-life balance	Joint training in the preparation of rotations and rotation processes for managers and union representatives in all local departments in Vy buss.	Improved rotation processes which take into account the need for work-life balance.
Salary and work conditions	Review of position and salary assessments using Korn Ferry's framework of most position groups in the group with individual salary formation.	Ensure that salary determination and adjustment is done on a non-discriminatory basis.

# Account Pursuant to the Norwegian Transparency Act 2023



# 1. About Vygruppen's operations

This account deals with due diligence relating to the safeguarding of fundamental human rights and decent working conditions for the parent company, Vygruppen AS, and its subsidiaries Vy Tog AS, Vy Gjøvikbanen AS, Vy Buss AS, Cargonet AS and Agilia AS. The account also covers wholly owned subsidiaries of Vy Buss AS, including Team Verksted AS, Minibuss 24-7 AS and Geilo Turbusser AS. Both the parent company and the individual companies are subject to obligations pursuant to the Norwegian Transparency Act. The account addresses factors in our own operations and in our supply chains.

Vy is the largest land-based transport company in the Nordic region, operating train, bus, freight and tourist services in Norway and Sweden. The company is a state-owned limited liability company for which the Norwegian government's goal is to achieve the highest possible return over time within a sustainable framework and whilst achieving the most efficient attainment of public policy goals possible. The account addresses only the Norwegian part of the company that are subject to the Norwegian Transparency Act. The group is organised into four business areas in addition to corporate staff. The four business areas are Freight, Train, Bus and Customer Experience and Innovation. The figure below illustrates the relationship between the parent company, business areas in Vy and the legal entities that are subject to the Norwegian Transparency Act.

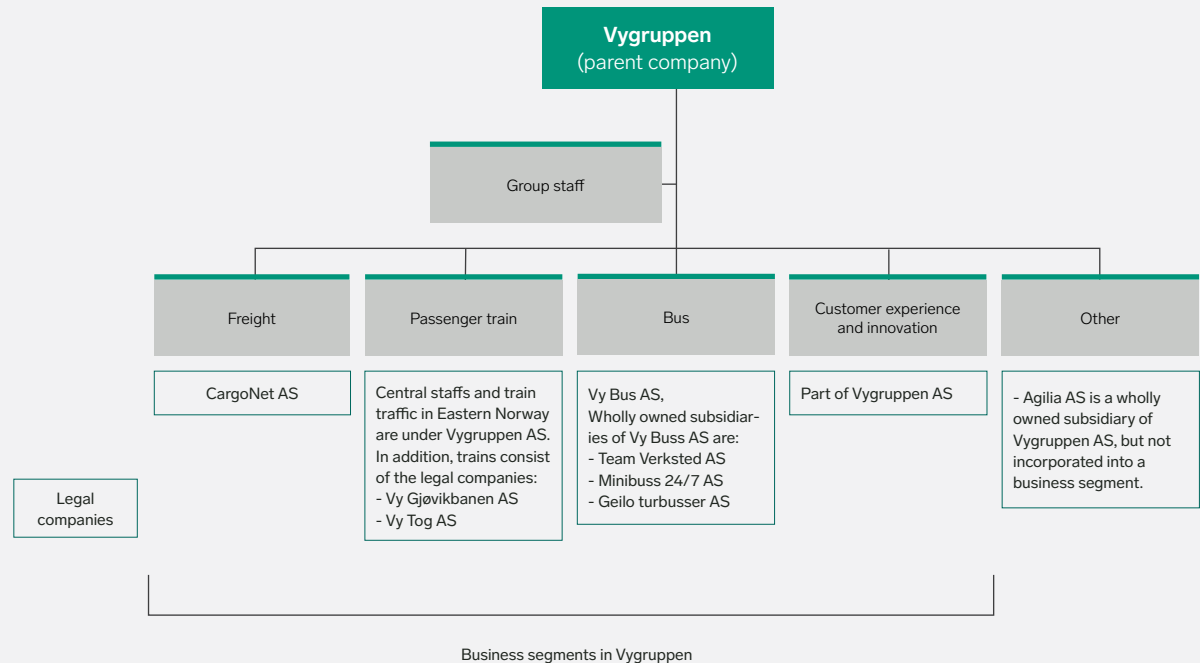


Figure 1: The figure illustrates the relationship between the parent company, the business areas in Vy and the legal companies covered by the Transparency Act in the group.

# 2. Procedures and guidelines

The work on responsible business practices has been adopted and endorsed at a high level in Vygruppen. Vygruppen will conduct its business practices responsibly and will carry out due diligence in line with the UN 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. We aim to stop, prevent and/or reduce such impact. The effect of the measures will be monitored, assessed and communicated to affected parties. These principles are set down in our policy to safeguard labour and human rights, which covers all of the Group's business areas and wholly owned subsidiaries and applies to employees, temporary workers and consultants representing the business areas and companies. (Reference is made to figure "Due diligence process and support measures" on page 38)



The principles are also passed on to suppliers and subcontractors through the Supplier Code of Conduct. The policy to safeguard labour and human rights and the Supplier Code of Conduct were both revised in 2022 and both have been adopted by the Group CEO of Vygruppen. The management teams in the Group's companies have been informed of the guidelines and their responsibilities in relation to compliance.

Vygruppen's policy and Supplier Code of Conduct are available on our website, <https://www.vy.no/vygruppen/baerekraft-og-samfunnsansvar>.

A Code of Conduct has also been established for Vygruppen employees. The Code of Conduct addresses ethics, dignity, equality, corruption and more. The Code of Conduct is part of the employment contract for new recruits and is available to all employees via the intranet. Furthermore, other documents, such as "Management, Organisation and Governance – Group Principles", also govern areas related to working conditions and labour rights for employees of the organisation.

Vygruppen reports on the status of 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's board of directors. Each month, the corporate management team receives a status update on selected sustainability indicators.

## Methods for identifying adverse impacts and significant risks

### Within own business activities

Vygruppen is a responsible employer and 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 the Group-wide HSE declaration, we have defined requirements and expectations for our own activities 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 factors, especially those relating to maintaining a safe and positive working environment, are included. This lays the foundations 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.

Annual employee surveys are carried out in all business areas and companies within Vygruppen. The survey is based on a recognised international research-based model and consists of 17 model questions that measure overall engagement and factors that influence commitment.

### In the supply chain

Overarching risk analyses are conducted each year in relation to the environment, as well as social and ethical factors in procurement plans and agreement portfolios. 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. With regard to 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 labor or forced labor, the Responsible Sourcing Tool or the ITUC overview of workers' rights in different countries must be checked.

Risk assessments relating to the violation of pay and working conditions are primarily linked to service contracts. 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.

The table on the next page describes the method for risk assessments and the consequences associated with the different levels of risk.

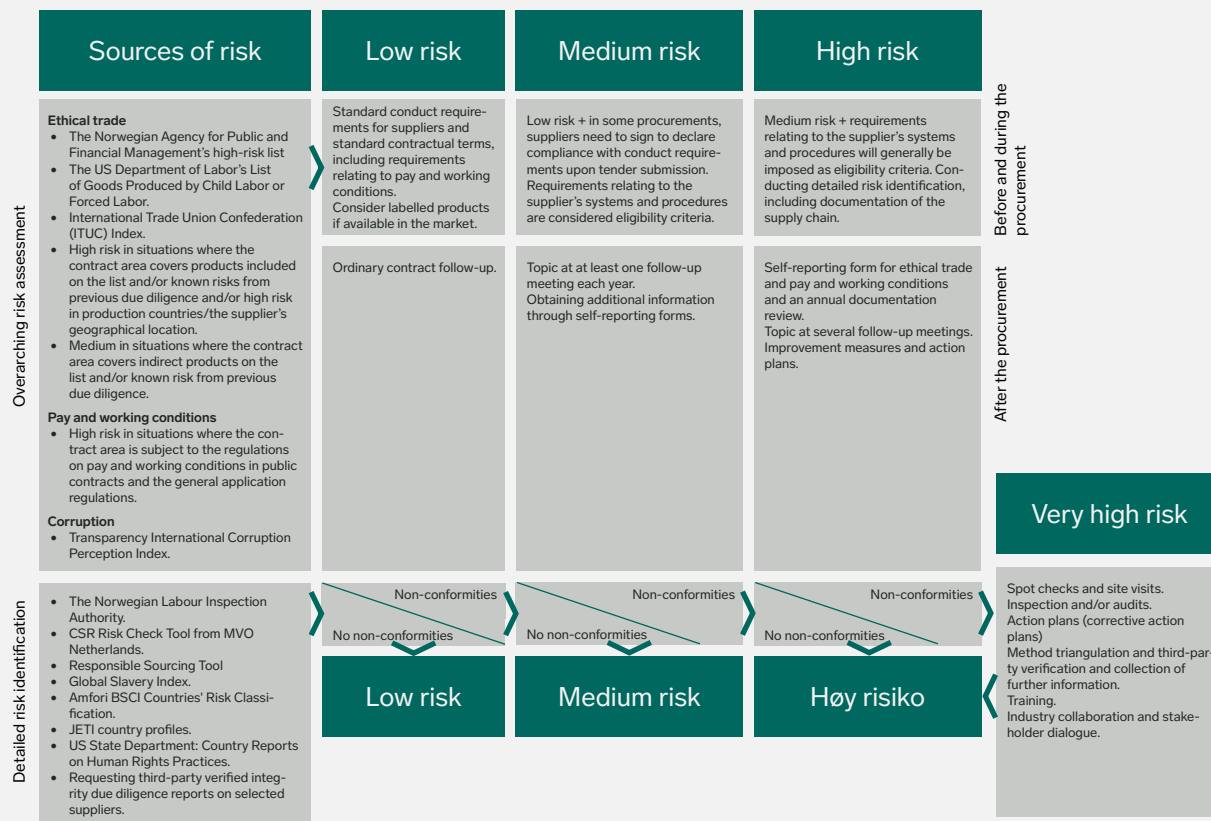


Figure 2: Vygruppen's method for risk assessments, requirements for and follow-up of suppliers

## Whistleblowing

Vygruppen has an internal whistleblowing procedure and whistleblowing channel that have 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 legal department is responsible for the whistleblowing service, while the communication department acts as the point of contact for all enquiries from the public with regard to the Norwegian Transparency Act.

## 3. About the organisation of the work

The head of each business area/company within Vygruppen is responsible for compliance with the policy to safeguard labour and human rights, including due diligence, in their operations and underlying activities and the supply chain.

The work on decent working conditions and safeguarding the labour rights of own employees is governed by law (the Norwegian Working Environment Act) and regulations, as well as national collective agreements between employers and employees. On a day-to-day basis, this is organised through different functions within each business area and company, such as HR resources, HSE managers, safety officers and others.

Group Procurements conduct the work to ensure decent working conditions and safeguard labour rights in the supply chain. Group Procurement is organised as part of the group staff and acts as the group's procurement department. The department has specialist expertise in procurement and due diligence with regard to labour rights in the supply chain. The responsibility for planning, entering into 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 into and follow up on contracts covering multiple business areas.

In the service agreements entered into with the business areas and Agilia, the work for which Group Procurement is responsible has been specified and includes conducting risk analyses, implementing measures in the supply chain and reporting on these. This work is undertaken by a dedicated resource, the Sustainable Procurement Advisor, who collaborates closely with

other procurement employees on procurements and contract management in situations where a risk of negative consequences has been identified. The Sustainable Procurement Advisor also has a specific responsibility for maintaining and incorporating sustainability in systems, procedures and processes within the Procurement department.

Contract management takes place through an interdisciplinary collaboration between the contract manager, procurement coordinator, technical manager and others in order to follow up on the terms of the contract. 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. The Sustainable Procurement Advisor will follow up on suppliers in relation to due diligence for the different business areas.

Wholly owned subsidiaries of Vy Buss do not use resources from Group Procurement or Group HR to conduct due diligence on their own operations and supply chain. This is handled by dedicated resources in the companies. Agilia also conducts its own due diligence for certain suppliers, such as subcontractors providing cleaning services.

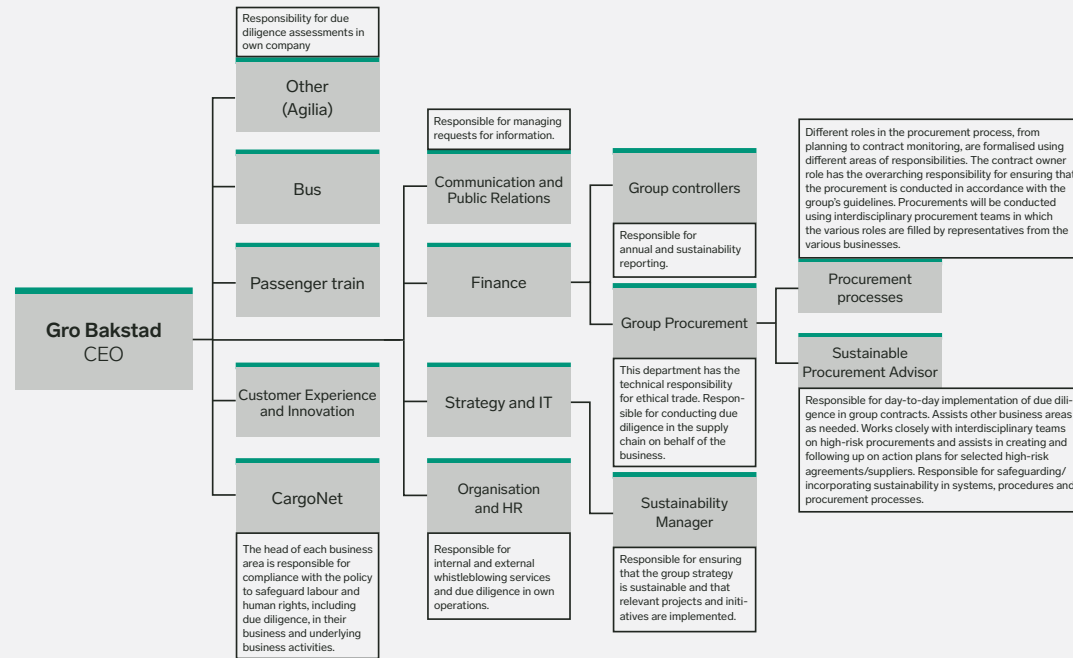


Figure 3: How the work on fundamental human rights and decent working conditions is organised at Vy.

## 4. Vygruppen AS

Vygruppen AS includes central staff for the train division and train operations in Eastern Norway, corporate staff and the Customer Experience and Innovation business area.

Corporate staff and employees in Customer Experience and Innovation conduct their work from desk office. No significant risks or negative consequences have therefore been identified with regard to labour and employee rights for the company's own employees. This will therefore not be addressed any further and "Group agreements" will report on the negative consequences and risks associated with the agreements entered into by Group Procurement on behalf of multiple companies within the group. Supply chain risks for the Customer Experience and Innovation business area are linked to these group agreements.

Procedures and guidelines for work with the Norwegian Transparency Act, as well as the organisation of the work for the train division, corporate staff and Customer Experience and Innovation are described in Chapters 2 and 3.

### 4.1 Vy train operations

Vy's train division in Norway operates local trains, intercity trains and regional trains on a total of 15 train routes. Vy's train operations are part of Vygruppen AS and also consist of the companies Vy tog AS, which includes train operations in Western Norway, and Vy Gjøvikbanen AS, which carries out train operations on the Gjøvik Line.

#### Adverse impacts and significant risks in own activities

Vy's train division works actively to ensure diversity and equality and to prevent discrimination in the workplace. An overall risk assessment has been conducted on factors that fall under the areas: recruitment: pay and working conditions, promotion, development opportunities and training and facilitation, as well as work-life balance.

The following risks were identified in the risk assessment:

- Shift arrangements may pose challenges regarding equality and inclusive recruitment
- Culture and attitudes (prejudice) may negatively influence recruitment processes
- Discriminatory attitudes may occur among employees with regard to gender, age, disability, sexual orientation and religious, ethnic and cultural background
- Possible failure to follow up on discrimination and harassment

There have been no reports of particular challenges linked to the aforementioned risks, but these have nevertheless been identified as possible risks. We are therefore particularly conscious of these areas and have implemented relevant measures.

### **Implemented and planned measures**

Multiple training measures have been implemented in the Train division. Operational staff undergo training based on the requirements for the services they perform. Train drivers are subject to dedicated national training. Train conductors undergo various training measures to ensure that they can manage their duties effectively and also fulfil the safety responsibilities the role entails. There is also a business-specific requirement for all conductors to undertake mandatory training on tactical communication as a preventive measure against violence in the service.

In order to reduce the risk of shift arrangements threatening equality and recruitment, the seniority principle in the context of health-promoting staff planning will be addressed as part of the train operations collaboration in 2024. Other measures identified in connection with the aforementioned risks entail continued work on culture and attitudes through management training, ensuring that the Code of Conduct and values are well-known and practiced on a daily basis, as well as ensuring clear follow-up on situations and incidents in accordance with the applicable procedures.

### **Adverse impacts and significant risks in the supply chain**

Overall risk analyses have been conducted for all agreements relating to train operations in Vy. The risk analysis shows that certain areas entail a higher risk than others, including

- maintenance services,
- IT equipment,
- cleaning services,
- train replacement services,
- catering,
- uniform (addressed under Group agreements).

The work on due diligence relating to suppliers in each category is described below, as well as the findings that have been made and the measures that have been implemented.

### **Maintenance services, including materials and parts**

Maintenance services for rolling stock constitute significant and important contract areas for train operations. These suppliers also purchase materials and parts used in maintenance work.

Many parts are purchased in connection with train maintenance and each part will often comprise many components and different materials. Based on the data collected from surveying suppliers, the majority of purchased parts are assembled in Europe and the risk of human rights violations is considered low for this level of the chain. We consider the risk to be higher for components and materials such as electronics, battery cells, steel, aluminium and more, as these are manufactured or extracted in countries with a medium or high risk of labour and human rights violations.

The supply chain for spare parts is complex and will take some time to map. At the time of reporting, we therefore cannot determine how high the risk is or the risks that apply, as mapping is ongoing. However, based on the available information, we still find there is an elevated risk of human rights violations in connection with the procurement of maintenance services, including the procurement of parts and materials for maintenance. The risk of labour and employee rights violations related to the performance of maintenance itself is considered to be lower, as this predominantly takes place in Norway.

### **Implemented and planned measures**

In 2022, initial meetings were held with maintenance suppliers and Vy was clear about its expectations relating to the work. In 2023, Vy collected further information from suppliers via surveys, the focus of which was to obtain an overview of the supply chain and the risks associated with the various aspects. Meetings have also been conducted or scheduled with several suppliers. We find that all suppliers are well under way with this work and have established guidelines and procedures for the work. Several of the suppliers are also in the process of conducting mapping further down the supply chain. Vy will follow up on this in 2024 in order to obtain further insight into the manufacturing countries and the greatest risks for selected areas, as well as to implement measures accordingly.

### **Train cleaning**

For the performance of cleaning services, a risk of violation of pay and working conditions has been identified. The industry has a collective agreement in place and, as a client, Vy has a duty to ensure compliance. Based on experiences of monitoring pay and working conditions, as well as other available information relating to risks, we find that the risk of violations relates in particular to

- working time provisions
- HSE provisions/procedures to ensure a safe and health-promoting working environment for cleaners.

In 2023, Vy had three agreements related to train cleaning and is also party to the Group agreement concerning building cleaning (addressed under “Group agreements”).

### **Implemented and planned measures**

Spot checks have been conducted regarding the working conditions (pay, working hours, employment contracts and HSE cards) of cleaners at two selected locations. Non-conformities were identified in relation to working hours and the content of employment contracts. These were addressed with the suppliers and it was documented during follow-up meetings that the non-conformities had been rectified, including shortcomings in employment contracts. No other or serious non-conformities were identified through these spot checks and Vy considers the risk associated with its suppliers to be somewhat lower than the general risk in the cleaning industry. Nevertheless, Vy will continue to conduct spot checks in 2024, including locations other than those checked in 2023.

### **Train replacement services**

Vy uses several subcontractors that provide train replacement services, including rail replacement bus services and taxi services. Road passenger transport is an industry subject to general collective agreements and the general transport industry is associated with a risk of violation of pay and working conditions.

### **Implemented and planned measures**

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. As part of its follow up, Vy has obtained auditor’s statements on pay and working conditions from several of the rail replacement bus service suppliers and no non-conformities have been identified for any of these. Additional follow-up is also conducted for some suppliers and self-declarations are obtained from these suppliers. Vy will carry out similar follow-up in 2024 and will also take a closer look at the follow-up of pay and working conditions for taxi services using spot checks.

## IT equipment

More detailed information about the risk of human rights violations in the IT equipment supply chain can be found under “Group agreements”.

Vy Train uses the Group agreements for IT equipment and measures implemented in relation to these have been described in further detail under “Group agreements”. The train division has also entered into separate agreements for some IT equipment, such as train tablets for drivers.

### **Implemented and planned measures**

For the new procurement of train tablets for drivers, a qualification requirement in which the suppliers wishing to participate in the competition had to demonstrate that they carry out work on due diligence in order to qualify was used. The requirement was included to ensure that our suppliers take a diligent approach when it comes to respecting human rights in the supply chain and that they have systems and procedures in place. Vy finds that it has limited influence as a small player in a large global IT market, but affiliating with responsible suppliers is one step along the way.

In 2024, Vy will follow up with the train tablet supplier by obtaining self-declarations and/or conducting follow-up meetings to obtain further information about how the supplier work on follow-up within their supply chains.

## Train catering

The train catering agreement includes the performance of the service on board and the procurement of the goods sold on trains. The risk of violation of pay and working conditions in relation to the performance of the service on board trains is considered to be low and documentation has been presented showing that pay and working conditions are in line with the general collective agreement. The risk of factors further down the supply chain and in relation to the goods procured under the contract has been assessed as somewhat higher, in part due to the fact that several food and beverage products entail a high risk of violation according to the Norwegian Agency for Public and Financial Management’s high-risk list and other sources.

### **Implemented and planned measures**

In 2023, a meeting was conducted with the supplier to gain insight into the procedures they had in place for work on human and labour rights. In 2024, we will continue to follow up with the

supplier to request information about procedures and processes for their work and documentation of specific measures implemented in the supply chain. The purpose of the follow-up is to obtain more information about the specific risks related to their delivery to Vy.

## 4.2 Group agreements

Group Procurements enters into Group agreements on behalf of multiple companies within the Group, for which the contractual party is Vygruppen AS. Some of these agreements apply only to some selected companies within the Group, but the majority apply to all Group companies.

### Adverse impacts and significant risks in the supply chain

An elevated risk of human rights violations in the supply chain has been identified for some of the Group agreements. This applies to agreements relating to the delivery of:

- Textiles, such as uniforms and workwear,
- IT equipment/electronics,
- IT services,
- Building cleaning

### Textiles, including uniforms and other workwear

Vy uniforms are predominantly manufactured at factories in India and China and the country of origin/manufacture for several of the materials used in uniforms is also China. There is generally a high risk of human rights violations associated with the production of textiles and the category can be found on the Norwegian Agency for Public and Financial Management’s high-risk list. China and India are also countries in which labour rights are not always respected and both countries have a score of 5 (where 1 is lowest risk and 5+ is highest risk), indicating that rights cannot be guaranteed, according to the ITUC Global Rights Index.

Through Vy’s follow-up on suppliers, non-conformities have been identified particularly in relation to working hour provisions at some of the factories at which Vy uniforms are manufactured in China. We also find that there is a high risk of violation of other labour and human rights in the supply chain. This relates in particular to pay, trade union organisation, health and safety and discrimination, although no non-conformities have been

identified in these areas so far.

For workwear, the risk is also defined as high and several of these products also originate from China. Non-conformities have also been identified here in relation to working hours at a factory that assembles workwear procured by Vy.

### **Implemented and planned measures**

Vy conducts regular meetings with our uniform supplier, at which Vy requests information and documentation about how human rights and labour rights are ensured in the manufacture of Vy uniforms. Non-conformities related to working hour provisions were identified through the audit reports received. The matter was addressed with the suppliers and dialogue is now under way with the subcontractors to reduce working hours. We avoid imposing requirements for short lead times, as we are aware that this can lead to a high workload and a high degree of overtime for employees involved in the manufacture of uniforms. We have good ordering procedures in place, including one primary uniform order per year.

We find that our uniform supplier has good systems and procedures in place for its work on due diligence related to human rights. Nevertheless, due to the high risk associated with this category, we will continue to conduct quarterly meetings addressing working time provisions, decent pay, trade union organisation and health and safety in particular.

In 2023, we also collected information about the workwear supplier’s procedures for work on human rights. Vy considers the supplier to have good procedures in place. This agreement has been entered into by Tradebroker, which has made workwear a priority area for follow-up in 2024. Vy will request results and reports from this work and will assess the documentation.

## IT equipment

IT equipment is included on the Norwegian Agency for Public and Financial Management’s high-risk product list and the risk of human rights violations in the production of equipment has been defined as high. Identified risks in the IT equipment supply chain in general relate to e.g.:

- Working hours,
- Pay,
- Lack of right to organise

The risk is defined as higher further down the supply chain,

especially in connection with the extraction of minerals used in the equipment. External sources report a risk of child labour, forced labour and high risks associated with health and safety in connection with the extraction of minerals. Based on these risk assessments, we find that there is also a high risk of violation in our agreements.

The agreement for the procurement of PCs, tablets (for administrative employees) and accessories is a Group agreement with which Vy is affiliated through its Tradebroker membership. We have also entered into a Group agreement for the procurement of mobile phones.

#### **Implemented and planned measures**

In previous years, Vy obtained information through self-declarations from suppliers of IT equipment (PCs and tablets). This shows that the supplier works systematically to safeguard fundamental human rights in its supply chain and has guidelines and procedures in place. The IT equipment supplier under the Tradebroker agreement has been prioritised for follow-up by Tradebroker in 2024 and the results of this follow-up will be published via an online portal. We will assess the documentation when it becomes available.

In the procurement of mobile phones, qualification requirements are used in which suppliers wishing to participate in the competition are required to demonstrate that they work on due diligence relating to human rights. The requirement was included to ensure that our suppliers take a diligent approach when it comes to respecting human rights in the supply chain and that they have systems and procedures in place. Vy finds that it has limited influence as a small player in a large global IT market, but affiliating with responsible suppliers is one step along the way. In 2024, we will look at the possibilities that may be found in a follow-up collaboration through Tradebroker, under which IT is a relevant category.

#### **IT services (abroad)**

In 2022, Vy entered into a new contract for IT operations services, which are predominantly performed from India. India is a country in which labour rights are not always respected and has a score of 5 (where 1 is lowest risk and 5+ is highest risk), indicating that rights cannot be guaranteed, according to the ITUC Global Rights Index. We therefore find that this agreement entails an elevated risk. At the same time, we also find that there is a lower risk of violations within the IT industry in India than for

other sectors that entail more physically demanding work and less formal expertise. However, the ILO Conventions on the Right to Organise and Collective Bargaining have not been ratified by India and trade union activities are restricted by law. We consider that restrictions on trade union activities may also be present in the IT industry. Discrimination, especially based on caste, has also been identified as a risk in India in general.

#### **Implemented and planned measures**

In 2023, Vy used a survey to collect information related to safeguarding of human rights and labour rights from our IT services supplier. Vygruppen representatives have also visited the supplier at their premises in India and addressed the topic during face-to-face meetings with the supplier's representatives. Based on the documentation obtained and the meetings conducted, we find that the supplier has guidelines and procedures in place to safeguard its employees' human and labour rights. The overall risk associated with the delivery of IT services from India is therefore considered to be somewhat lower than originally assumed. Nevertheless, we will continue to address the matter of human rights with the supplier and especially in connection with the annual visits to the supplier in India.

#### **Building cleaning**

Cleaning is a category for which there is a risk of violation of pay and working conditions. The industry has a collective agreement in place and, as a client, Vy has a duty to ensure compliance. A Group agreement has been entered into for building cleaning, covering cleaning activities at multiple premises. Based on experiences of monitoring pay and working conditions, as well as other available information relating to risks, we find that the risk of violations relates in particular to:

- working time provisions and
- HSE provisions/procedures to ensure a safe and health-promoting working environment for cleaners.

#### **Implemented and planned measures**

A spot check has been conducted regarding the working conditions (pay, working hours, employment contracts and HSE cards) of cleaners at a selected location. These checks identified non-conformities related to the use of HSE cards. This was addressed with the supplier and the supplier has demonstrated that the non-conformities have been rectified. No other non-conformities were identified through the spot check and Vy

considers the risk associated with the delivery to be somewhat lower than the general risk in the cleaning industry. Nevertheless, Vy will continue to conduct spot checks in 2024, including locations other than those checked in 2023. As part of continued follow-up with the supplier, we will also take a closer look at how the supplier systematically works on HSE in its activities so that the cleaners working on our contract are ensured a healthy working environment.

## **5. Vy Buss AS**

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 and tour bus services. The procedures and guidelines for work with the Norwegian Transparency Act, as well as the organisation of the work in Vy Buss, are described in Chapters 2 and 3.

#### **Adverse impacts and significant risk in own activities**

An important aspect of the work on sustainability at Vy Buss is to actively work to ensure diversity and equality, to prevent discrimination in the workplace and to ensure decent working conditions for employees. Overarching risk assessments have been conducted and these looked at factors that fall under the areas:

- pay and working conditions,
- recruitment,
- promotion,
- development opportunities and training,
- facilitation, work-life balance,
- violence and threats,
- fall accidents

A number of local risk assessments have also been carried out in relation to HSE and traffic safety.

The majority of our employees are covered by the collective agreement for the bus industry and are ensured equal terms and conditions. One challenge is that the seniority principle is strong and new employees are the last to select their shift rota. This can make it difficult for some employees to achieve the desired work-life balance.

### **Implemented and planned measures**

There is extensive, positive collaboration with both safety representatives and trade union representatives at Vy Buss. We operate on two levels: local level and central level. This collaboration is one of the priority areas in continuous improvement work. This collaboration also includes traffic safety. A specific example of this is that the safety representative is defined as a participant in risk assessments and that trade union representatives are involved in risk assessments related to training and organisation. Developing an even stronger safety culture has been an important factor and the regulations for reporting incidents of violence have been reviewed as part of the improvement work.

Both new and existing employees in several areas have received considerable training. There is a high level of diversity in the company and this is important to ensure access to adequate staffing.

Vy has an overarching target for no employees to be injured at work and for everyone to return home safely after work. We value the safety of customers and drivers highly and we have therefore implemented a number of initiatives and measures aimed at traffic safety.

Training has been prioritised in connection with the risk assessments that have been undertaken. A digital training course has been developed with a focus on communication and customer management in order to equip Vy drivers for customer encounters. We see an increased risk related to customers in light of societal developments. Procedures have been drawn up for conflict management, bullying and harassment. A separate course has also been developed on how to prevent and manage violence and harassment.

With funding from the IW (inclusive employment) programme, Vy Buss has been able to commission the report "Who will drive the bus?" from the Norwegian Institute of Labour Research. The profession of bus driver is dominated by older drivers, a trend that is causing concern among bus companies, as they are experiencing a lack of access to young drivers. Grants from the IW programme has also been allocated to Klarspråk ("Clear Language"). One of the initiatives here has included training for employees whose language proficiency was too low. This initiative will continue in 2024. You can read more about these and other initiatives in Vygruppen's Equality Report.

Vy Buss AS is ISO-certified in quality (9001), the external environment (14001), the working environment (45001) and traffic safety (39001).

### **Adverse impacts and significant risks in the supply chain**

Overarching risk analyses have been conducted for all agreements in Vy Buss' agreement portfolio. The risk analysis shows that there are several areas associated with a high risk of human rights violations:

- procurement of electric buses,
- tyres,
- IT/technical systems on buses/IT equipment,
- fuel,
- cleaning services,
- uniform (addressed under "Group agreements")

The highest risk is considered to relate to electric buses and this category has therefore been prioritised.

#### **Electric buses**

The procurement of electric buses is associated with a high risk of violations and special measures/procedures are therefore implemented prior to any procurements. Frequent and more detailed follow-up of such suppliers also takes place in connection with contract management. Vy Buss procures buses from various dealers and bus manufacturers in Europe and Asia. We consider the risk of violations to be highest in the supply chain of the Asian bus manufacturers. Nevertheless, we recognise that there could also be and likely is a risk of human rights violations further down the supply chain for electric buses assembled in Europe. Several of the raw materials and components used in the supply chains for European buses also originate from countries and industries with an elevated risk of human rights violations. At the time of reporting, the majority of electric bus procurements originate from China and the focus in terms of follow-up naturally relates to these. Nevertheless, further emphasis will be placed on other bus suppliers in connection with any major procurements in the future.

#### **Identified risks and adverse impacts**

The inherent risk of procuring electrical buses from China is considered to be high. The majority of the manufacturing process takes place in China, including assembly, components and raw

materials, as well as battery production.

China has a score of 5 (where 1 is the lowest risk and 5+ is the highest risk), indicating that rights cannot be guaranteed, according to the ITUC Global Rights Index. In addition to the general high risk of labour rights violations relating to e.g. working time and HSE, severe human rights violations against the Uighur population have also been uncovered in recent years. This includes extensive surveillance and forced labour in and outside of detention camps. Several reports have been published that link companies within the battery industry and electric bus industry in China to Xinjiang Province and forced labour, as well as other human rights violations.

The risks associated with human rights violations against the Uighur population is considered to be somewhat lower for the buses we procure, as the bus manufacturers and battery manufacturer, including the specified production site for components and minerals, are located in provinces other than Xinjiang. However, the integrity due diligence we have conducted and several recently published reports show that there is a high risk of forced labour and exploitation of Uighurs in the supply chain of one of the battery manufacturers in our supply chain. We therefore cannot completely exclude this risk, but no such violation has been identified through the investigations we have conducted so far.

We consider the risk to be somewhat lower in the supply chain that assembles the buses. This is justified by the systems and procedures referenced by the bus manufacturer appearing to be appropriate. Nevertheless, non-conformities relating to working time provisions were identified in connection with an audit conducted by an independent third party at one of the Chinese bus manufacturers. For another Chinese bus manufacturer, Vy's contractual party, the Nordic dealer, has initiated an independent audit of working conditions. This will provide us with more information about the factors at play, although we are aware that such audit reports do not necessarily provide the full picture. A recently published Swedish report identified that there is a particularly high risk related to wages, overtime and health and safety for one of the Chinese bus manufacturers that manufactures our buses. Vy Buss has therefore asked its contractual party to ensure that these factors are covered during the audit.

We have some knowledge of the batteries manufactured and used in buses. We consider this risk to be high. This is based



on several reports that have identified a high risk of labour and human rights violations on the part of a battery producer used by the Chinese bus manufacturer from which we procure our buses. The areas/rights for which the risk is defined as high are linked in particular to involuntary overtime and an excessive degree of overtime, low pay (below living wage) and manipulation of wages, as well as recruitment. Furthermore, reports point to links to Xinjiang Province and a high risk of forced labour among Uighurs. As mentioned above, we have not identified any links to Xinjiang Province, but we will continue our work to identify risks related to this. Cobalt is not used in the batteries for the buses we procure from China.

For other components (than batteries) used in buses, as well as minerals, we have less information about risks further down the supply chain, other than the fact that components and minerals predominantly originate from China.

#### **Implemented and planned measures**

The procurement of electric buses from China takes place using Nordic dealers and buses originate from various bus manufacturers. In connection with procurements and contract management meetings with contractual parties (dealer level), great emphasis has been placed on their work with the Norwegian Transparency Act.

Several meetings have been held with various Nordic dealers. Vy Buss finds that several of the suppliers have undergone a maturation process, including as a result of requirements and pressure from Vy Buss. They have gained a considerably greater understanding of the work to safeguard human rights in the supply chain and have made this a more prominent item on the agenda.

Vy Buss regularly conducts meetings with bus suppliers for which a high risk has been defined. These suppliers are reviewed every six months as a minimum, but more frequently when ordering buses or when there is new knowledge relating to risks. The supplier's progress schedule/action plan is one of the topics addressed at such meetings and identified risks and non-conformities are escalated and further investigations or corrective actions are required as relevant. As an example, we demanded rectification of non-conformities relating to working hours on the part of one of the Chinese bus manufacturers. At subsequent meetings, the contractual party was able to demonstrate that the matter had been escalated to the bus manufacturer and that action had been taken.

Detailed risk analyses have been drawn up for Chinese suppliers of electric buses and these are used to collect all information about risks relating to human and labour rights in connection with the supplier in question. These risk analyses are updated in the event that we receive new information and constitute the basis for assessments conducted before we make new procurements from the suppliers, whether in connection with tender processes or procurements for commercial use. Before reaching decisions on procurements from Chinese electric bus suppliers, risks are addressed at management group meetings.

At its own initiative, Vy Buss has engaged an external third party to conduct IDD on three Chinese bus manufacturers and one battery manufacturer. The IDD processes were conducted in March/April 2023. Findings from the analyses are included in the risk analyses for the companies in question.

In 2024, we will continue to hold regular status meetings with electric bus suppliers. We will continue to prioritise the collection of information and documentation of risk for the areas highlighted in recently published reports, such as forced labour among Uighurs, wages, overtime and health and safety. Furthermore, we will prioritise obtaining further information about risks further down the supply chain.

#### **Tyres**

A significant risk of negative consequences for fundamental human rights has been identified in connection with the manufacture of tyres. Tyres are on the Norwegian Agency for Public and Financial Management's high-risk list and a particularly high risk is associated with the extraction of rubber. Identified risks relate in particular to low wages, lack of right to organise and health and safety. Risk analyses conducted by the tyre manufacturer in the supply chain found that the highest risk relates to the extraction and production of natural rubber.

#### **Implemented and planned measures**

A prerequisite for being able to work effectively to safeguard fundamental human rights in our own supply chain is ensuring that the work is endorsed and that there are systems and procedures in place. In 2022, the expectations for our largest tyre supplier were clearly communicated, but, though further dialogue in 2023, we found that there was low maturity in the field. We have therefore prioritised following up on this agreement.

A number of meetings have been held and in 2023 we obtained documentation from the tyre supplier to gain insight into the procedures they have for their work and how they assess risk in the supply chain. We have also conducted meetings with subcontractors. We now find that the supplier has a considerably greater understanding of work relating to the Norwegian Transparency Act and human rights in their supply chain and that this has become a more prominent item on their agenda. To ensure continuity, this work will continue in 2024. Meetings will be conducted every six months to check on the status of the work with integrity due diligence on the part of suppliers and to obtain further documentation linked to specific risks of human rights violations in our deliveries.

#### **IT systems in buses and IT equipment**

A number of IT systems are used in buses. IT systems generally consist of some hardware, but primarily software. IT equipment is generally an industry associated with a high risk of human rights violations. See further information about the risk that is present in the manufacture of equipment under "Group agreements".

IT equipment for buses is purchased under several agreements. Vy Buss also has a separate agreement for the procurement of tablets for bus drivers and is affiliated with the Group agreements for IT equipment, see further information under "Group agreements".

#### **Implemented and planned measures**

Mapping has been conducted for several of the IT systems suppliers for buses, especially for the part of the delivery that relates to hardware. Information has been collected regarding the supply chain and the guidelines and procedures they have in place for working with human rights. Follow-up meetings have also been conducted with some of the suppliers. Different levels of maturity have been identified among suppliers. Several suppliers have good systems in place to safeguard human rights in the production of hardware, while others are in the process of implementing such systems. In 2024, we will concentrate on following up on the suppliers who have made less progress in this work and we will request reports and status updates for any previously identified measures.

In the new agreement relating to tablets for drivers, qualification requirements were used in which suppliers wishing to participate in the competition were required to demonstrate that they work on integrity due diligence linked to human rights. The

requirement was included to ensure that our suppliers take a diligent approach when it comes to respecting human rights in the supply chain and that they have systems and procedures in place. Vy finds that it has limited influence as a small player in a large global IT market, but affiliating with responsible suppliers is one step along the way.

## Fuel

Vy Buss uses fossil fuel, HVO and gas for non-electric buses. Vy Buss has entered into agreements for the supply of fuel both in bulk and at stations.

Crude oil and raw materials used in fossil fuels and HVO originate both from countries for which the risk of human rights violations is defined as low and also from countries for which the risk of violations is high(er), such as Nigeria. Work on oil platforms is also considered a risk with regard to employee safety. We therefore find that there is a general risk of human rights violations in the fuel supply chain. Documentation from the bulk fuel supplier shows that the fuel we buy, both fossil fuel and HVO, predominantly originates from Europe and the USA. We therefore consider the risk under our agreement and in our supply chain to be somewhat lower than the general risk of human rights violations.

The raw material for the AdBlue additive is produced in Poland and the risk of human rights violations in connection with this agreement is therefore considered to be relatively low.

### **Implemented and planned measures**

We consider that our fuel supplier has initiated systematic work to safeguard human rights in the supply chain. We have received documentation showing that the supplier has procedures and policy documents, that they have conducted a thorough mapping of the supply chain and conducted risk assessments relating to suppliers and countries involved in the supply chain. Nevertheless, we would like to carry out annual follow-up on this work, including for the purpose of obtaining information about any changes in the supply chain and risks related to our agreement. In 2023, we prioritised following up on the supplier of bulk fuel. In 2024, we will also take a closer look at our suppliers for station refuelling.

Several meetings have been conducted with the AdBlue supplier. Documentation obtained relating to the supply chain shows that the raw material originates from Poland and that the

final product is manufactured in Sweden. The risk is therefore assessed as low, but we will further map the AdBlue supply chain in 2024. We will also take a closer look at our gas suppliers in 2024.

## Cleaning of building premises and buses

Cleaning is a category for which there is a risk of violation of pay and working conditions. The industry has a collective agreement in place and, as a client, Vy Buss has a duty to ensure compliance. Vy Buss uses the Group-wide agreement for building cleaning for some premises, but has also entered into separate cleaning agreements for other premises, as well as bus cleaning agreements. Based on experiences of follow-up on pay and working conditions, as well as other available information relating to risk, we find that the risk of violations is linked in particular to overtime provisions and HSE provisions/procedures to ensure a safe and health-promoting working environment for cleaners.

### **Implemented and planned measures**

Spot checks have been conducted regarding the working conditions (pay, working hours, employment contracts and HSE cards) of cleaners at two selected locations. One of these checks identified non-conformities related to working hours, including a high degree of overtime work. The non-conformities were raised with the supplier and, at a follow-up meeting, the supplier was able to demonstrate that measures had been implemented in order to avoid similar non-conformities in future. Additional spot checks were also conducted at the same site in a different month in order to check that the implemented measures were in accordance with what the supplier had said and the checks confirmed that this was the case. The non-conformity was therefore considered to have been resolved.

Nevertheless, Vy will continue to conduct random checks in 2024 and at locations other than those checked in 2023.

## 5.1 Team Verksted AS

Team Verksted AS repairs large vehicles, lorries and buses and sells spare parts, equipment and accessories to companies and private individuals within the heavy vehicle and transport industry. The company is a wholly owned subsidiary of Vy Buss.

## Adverse impacts and significant risks in own activities

No revealed faults, risks or shortcomings have been identified internally with regard to gender balance, equality and pay conditions.

### **Implemented and planned measures**

Preventive measures include equal treatment in connection with recruitment, promotions and skills development through continued and further education. The company 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.

Whistleblowing procedures have been implemented and can be found in the employee manual, which is available on the intranet. The employee manual also includes guidelines relating to ethical dilemmas and how employees should conduct themselves.

## Adverse impacts and significant risks in the supply chain

The industry in which Team Verksted operates is defined as high-risk according to the Norwegian Agency for Public and Financial Management's high-risk list.

The overarching assessment of suppliers and partners shows limited risk.

### **Implemented and planned measures**

We take the necessary steps to eliminate/reduce procurements from suppliers we are unfamiliar with.

Team Verksted consistently strives to collaborate with reputable suppliers and requests a copy of companies' code of conduct in order to ensure that suppliers work in accordance with our guidelines. In the event of inadequate documentation from suppliers/partners, the partnership will be assessed based on:

- Ethical risk based on country, industry and product.
- A commercial assessment, purchase sum, purchase frequency and supplier dependence.
- Matters relating to human rights and working conditions.

Integrity due diligence must always be conducted in the event of

new agreements or partnerships with suppliers and will form the basis for assessing new collaborations.

## 5.2 Minibuss 24-7 AS

Minibuss 24-7 AS is a wholly owned subsidiary of Vy Buss AS and a leading supplier of specialist and on-demand road transport. The main activity is facilitated transport of schoolchildren, the elderly and people with disabilities pursuant to tenders and public sector contracts.

### Adverse impacts and significant risks in own activities

Significant internal factors have been evaluated and the integrity due diligence therefore focuses on the following areas:

- Working conditions for our employees, including fair wages, working hours and the working environment.
- Ensuring that factors related to recruitment and work do not entail any form of discrimination.
- Safety and accessibility for customers, with a particular emphasis on facilitated transport solutions for people with disabilities.
- Handling of personal data and customer data, data protection and data security.
- Environmental impact, especially in relation to fuel consumption and emissions.

#### **Implemented and planned measures**

Several measures and arrangements have been implemented to support integrity due diligence. A broad presentation scheme has been established by the WEC. Minibuss 24-7 has also identified priority areas for safety and involve safety representatives in this work.

HSE is organised as a dedicated area of responsibility (Head of Quality and HSE). There is a whistleblowing scheme affiliated with the occupational health service.

Furthermore, training has been established with a focus on the Code of Conduct and core values. We have zero tolerance with regard to harassment or discriminatory conduct.

### Adverse impacts and significant risks in the supply chain

Of the procurements made by Minibuss 24-7, it is the procurement of vehicles in particular that is considered to entail high risk. We have received extensive documentation from vehicle suppliers, including reports addressing risk assessments relating to human rights violations and working conditions, as well as whether they support the Russian war in Ukraine or Russian companies or actions. Based on the information provided by vehicle suppliers, we have conducted additional mapping and analyses of the risk of violation of fundamental human and labour rights.

All of our vehicle suppliers comply with the EU regulations relating to working conditions and human rights violations at all times. The companies confirm that they do not support actions initiated by Russia, Donetsk or Luhansk and that they do not engage in import or export activities with these regions. The companies confirm that they have discontinued all activities in the Russian market.

The largest identified risk is an inadequate overview of manufacturing locations for all key components and the origin of the raw materials used. This is especially relevant when it comes to the procurement of raw materials for battery production in countries associated with known labour rights violations. Industrial risk factors in these countries include poor health and safety measures, wages below living wage levels, unlawful and forced overtime, punishment of employees, discrimination, restricted right to organise and unsafe working conditions via recruitment agencies, increasing workers' vulnerability to exploitation.

It is therefore likely that similar human and labour rights violations also exist in the raw material mines in these countries and the risk is considered to be high. For Minibuss 24-7 AS, it is extremely important that the vehicles and associated components procured are produced under conditions that safeguard fundamental human and labour rights. The work to ensure this happens will therefore be prioritised and there will be continuous collaboration and dialogue with vehicle suppliers to minimise risk.

#### **Implemented and planned measures**

We have implemented the following measures on the basis of our assessment:

- Continued focus on the auditing of subcontractors.
- Continued evaluation and mapping of GDPR and update to include new suppliers/systems.

- Continue to ensure correct handling and disposal of hazardous waste.

We will continuously monitor and evaluate the effectiveness of the implemented measures. This includes annual internal audits, feedback from employees and customers, as well as regular evaluation of subcontractor practices.

We recognise that this is an ongoing process and we are committed to making improvements to integrity due diligence and practices to ensure that we fulfil our responsibilities pursuant to the Norwegian Transparency Act.

## 5.3 Geilo turbusser AS

Since 1996, Geilo Turbusser AS has conducted all kinds of transport assignments on behalf of satisfied customers. The principal operations are conducted through Ekspress, Turbuss, Skibuss and Shuttlebuss. Geilo Turbusser is a wholly owned subsidiary of Vy Buss AS.

### Adverse impacts and significant risks in own activities

Human resources constitute the core of the organisation and it is fundamentally important to us that we ensure the welfare of all employees. We encounter several inherent risk factors when it comes to maintaining a satisfactory working environment given our responsibilities as an employer of more than 50 employees, the majority of whom hold positions in various disciplines, many of which are on a part-time basis.

We operate within an industry characterised by periods of high workload. This could potentially have a negative impact on working conditions, especially for our drivers. Furthermore, the profession of bus driver can occasionally be physically demanding. It is therefore crucial that we recognise the inherent risk factors that could lead to a potentially negative impact on working conditions for our employees. Nevertheless, we consider the actual risk to be low thanks to our continued efforts to highlight and address existing challenges.

We believe that internal processes and compliance with Norwegian legislation safeguard the identified risk areas, while we also work on continuous improvements.

### **Implemented and planned measures**

We focus on the physical design of the workplace, which includes safety at cleaning facilities, a dedicated break room for drivers, access to toilets and shower facilities and general compliance with the provisions set out in the Norwegian Working Environment Act.

Geilo Turbusser AS has entered into a corporate agreement relating to professional skills courses to ensure that our drivers always have adequate knowledge of safe, efficient and professionally correct driving and conduct in the workplace. As an integral aspect of the onboarding process, all drivers receive an extensive introduction to our driver's manual. The driver's manual includes a detailed description of health, safety and environmental procedures (HSE) and clarifies the drivers' right to organise.

We have implemented robust procedures for whistleblowing and feedback in the workplace in order to encourage open communication and to create a safe and inclusive working environment.

Our drivers are trained in and required to comply with established driving and rest regulations in order to ensure that they operate within safe timeframes.

Furthermore, regular internal audits and training programmes are also conducted to ensure that our drivers are up-to-date with regard to any changes to regulations and to strengthen their understanding of the importance of compliance with such provisions.

In 2024, planned measures will increase the possibilities for participation and dialogue for employees in order to further strengthen employee involvement.

### **Adverse impacts and significant risks in the supply chain**

Our largest procurements relate to buses, including tyres and fuel, as well as the administration of buildings, IT investments and the use of contracted services. Geilo Turbusser AS only buys buses from well-known bus suppliers in Europe

We find that all procurements entail a certain risk of violation of standards relating to decent working conditions and respect

for human rights. The categories relating to buses, tyres and IT equipment in particular are associated with significant risk. Our ability to influence and the risk associated with IT products is considered extremely limited, while influence in other categories is limited. Despite this, these areas will remain priority areas for risk-mitigating measures going forward.

The contracted services category is considered moderately high-risk. Services related to cleaning in particular entail a somewhat elevated inherent risk. This is an area in which we consider our ability to influence to be considerable. Even though this area is currently managed satisfactorily, further measures will involve close ongoing follow-up.

A number of other procurements are considered low-risk, primarily due to being based in Norway and short supply chains.

### **Implemented and planned measures**

The introduction of Eco-Lighthouse in the business has contributed considerably to directing attention towards and identifying possible measures linked to environmental friendliness and sustainability in our activities.

Through regular meetings, evaluations and strategic discussions with major suppliers, we identify risks linked to human rights and working conditions. We are committed to promoting awareness of the procedures and processes that should be established to safeguard labour and human rights in our own supply chain. In 2024, we will intensify the collection and analysis of data relating to suppliers and their supply chains. This will help form a more comprehensive picture of risks related to human and labour rights in the supply chain.

At the same time, we will also invest in increasing internal expertise through training and awareness-raising in relation to human and labour rights. This will not only strengthen the organisation's ability to proactively identify and manage risks but will also help cultivate a culture of promoting ethical business practices.

We will also further develop our process for third-party assessments and systematically ask questions linked to human rights and decent working conditions. This will ensure that external partners also commit to similar standards and principles. With regard to our largest suppliers, we will work to further structure follow-up relating to identified risk areas. This includes closer collaboration, regular audits and implementation of specific

measures to improve matters and minimise risks in the areas in question.

## **6. CargoNet AS**

CargoNet is Norway's largest rail freight operator and has a market share of around 65 per cent in Norway. The division provides eco-friendly rail freight in Norway and between Norway and Sweden. CargoNet also operates ten freight terminals.

The procedures and guidelines for work with the Norwegian Transparency Act, as well as the organisation of work in CargoNet, are described in Chapters 2 and 3.

### **Adverse impacts and significant risks in own activities**

CargoNet operates within an industry characterised by high workload and significant risks associated with work activities. Employees working at terminals and wagon inspectors have significantly higher exposure to injuries than other personnel within the organisation. These groups are prone to repetitive strain injuries in the knees, back and arms and perform work involving heavy materials and machinery. We actively work to make adaptations for these groups. Adapted protective equipment is procured on an ongoing basis and injuries are followed up using the non-conformity reporting system in Synergi. The number of LTI and LTI-2 incidents developed positively throughout 2023.

In some disciplines and locations, it can be challenging to recruit personnel with the necessary experience and expertise. This means that there have been periods of inadequate staffing in these areas. A lack of changing room capacity at certain terminals is also a challenge. Work is being undertaken in order to rectify this.

In addition to the aforementioned risks, other areas that could entail risk have also been identified, but no specific challenges have been uncovered and no non-conformities have been reported. This includes the risk that culture and attitudes may affect recruitment processes, the risk of discriminatory attitudes among employees in connection with ethnicity and gender and the risk of inadequate management of discrimination and harassment incidents. Furthermore, rota/shift arrangements may pose challenges when it comes to equality, recruitment and diversity. We are particularly aware of these potential risks and we have implemented relevant measures.

### **Implemented and planned measures**

CargoNet has conducted continuous systematic work on HSE measures over time and this has yielded positive results. Through communication, training and the sharing of experiences, the number of occupational injuries at CargoNet has more than halved over the last year. In 2023, Vy awarded an internal HSE prize for the second year running. The purpose of the award is to showcase good initiatives and stimulate efforts in this crucial area. The winner of the 2023 HSE award was the CargoNet HSE department.

In recent years, CargoNet has developed an action plan that has a broad reach within the organisation. Priority areas include developing a culture of adverse event reporting, skills development in the field of HSE, management training, personal protective equipment, health-promoting activities and increased collaboration with other parties that employees interact with and that affect safety and the working environment.

Other measures identified to reduce risks associated with the aforementioned negative consequences include continued work on culture and attitudes through management training, ensuring that the Code of Conduct and values are communicated and practiced on a daily basis, ensuring clear management of situations and incidents in accordance with applicable procedures, assessing the possibility of adapting rotas for different phases of life and compliance with internal procedures.

### **Adverse impacts and significant risks in CargoNet's supply chain**

Overarching risk analyses have been conducted for all agreements in CargoNet's agreement portfolio. The risk analysis shows that there are some areas with a higher inherent risk of human and labour rights violations in the supply chain:

- maintenance services,
- distribution services using lorries,
- tyres for terminal machinery,
- terminal services,
- lifting equipment/forklift trucks for terminals
- workwear (addressed under Group agreements),
- IT equipment (addressed under Group agreements)
- cleaning services (addressed under Group agreements).

### **Maintenance services, including materials and parts**

Maintenance services for freight rolling stock and locomotives constitute major and essential contractual areas for CargoNet. These suppliers also purchase materials and parts used in maintenance work.

Many parts are purchased for the maintenance of freight and locomotives and each part will often comprise many components and different materials. Surveying of the supply chain finds that parts are predominantly assembled in Europe and the risk of human rights and labour rights violations is therefore considered to be low for this level of the supply chain. Brake pads, for example, are examined more closely by CargoNet, as this is something the company purchases large volumes of. Following a review with the supplier, the risk of human rights violations in the production of brake pads is considered to be low as the brake pads are manufactured in Germany and the raw materials predominantly originate from Europe.

For components and materials such as electronics, battery cells, steel, aluminium, etc., we consider the risk to be higher as these can be found on the Norwegian Agency of Planning and Financial Management's high-risk list. Several of these are also manufactured or extracted in countries with moderate or high risk of labour or human rights violations.

The supply chain for spare parts is complex and will take some time to map. At the time of reporting, we therefore cannot determine how high the risk is or which risks apply, as mapping is ongoing. However, based on the available information, we still find there is an elevated risk of human rights violations in connection with the procurement of maintenance services, including the procurement of parts and materials for maintenance. The risk of labour or human rights violations related to the performance of maintenance itself is considered to be lower, as this predominantly takes place in Norway.

### **Implemented and planned measures**

Some suppliers for train operations in Vy are also CargoNet suppliers. In these cases, we have conducted joint follow-up activities for the suppliers in question.

In 2022, initial meetings were held, in which we were clear about expectations relating to the work. In 2023, we collected further information from suppliers via surveys, the purpose of which was to obtain an overview of the supply chain and the risks associated

with the various aspects. Follow-up meetings have also been conducted or scheduled with several suppliers. We find that all suppliers are well under way with this work and have established guidelines and procedures for the work.

Several suppliers are in the process of mapping further down the supply chain and we will follow up on this in 2024 to gain further insight into countries of manufacture and the most significant risks for selected parts and will implement measures accordingly.

### **Forklift truck tyres**

CargoNet procures tyres that are used for larger machinery at our terminals. Tyres are included on the Norwegian Agency for Planning and Financial Management's high-risk list and there is a high risk of human rights violations associated, especially with the extraction of rubber. Identified risks relate in particular to low wages, lack of right to organise and health and safety.

### **Implemented and planned measures**

We have conducted meetings with the supplier of tyres for large machinery. The supplier has initiated a process of due diligence within its supply chain. In 2024, we will request a status update on this work and we will follow up to ensure that any measures are implemented.

### **Procurement of terminal services**

CargoNet purchases terminal services at terminals where the company does not have dedicated employees or operate the terminal itself. This entails purchasing services as part of which terminal workers will manage cargo on our behalf. The performance of such services is associated with hard physical labour and several of the Norwegian suppliers are subject to collective agreements. CargoNet also purchases terminal services in Sweden.

### **Planned measures**

In 2024, we will follow up on terminal service suppliers to obtain information about any risks and measures that suppliers have implemented to safeguard pay and working conditions for employees. Initial follow-up will take place through self-declarations but follow-up meetings may also be relevant based on the responses provided through self-declarations.

### **Purchase of distribution services from sub-carriers**

In connection with deviation management, CargoNet purchases

distribution services from a number of different suppliers. The purchase of transport services is considered an area with a risk of social dumping and road freight transport is subject to a general collective agreement.

#### **Planned measures**

In 2024, we will request information about any risks and conducted risk analyses, as well as the measures that our suppliers have implemented to safeguard pay and working conditions for employees. Initial follow-up will take place through self-declarations but follow-up meetings may also be relevant based on the responses provided through self-declarations. Random checks on pay and working conditions may also be relevant.

#### **Leasing of lifting equipment/forklift trucks for terminals**

CargoNet leases a number of items of large lifting equipment/forklift trucks for terminals. We have less knowledge about where these are assembled and what the supply chain looks like. Nevertheless, the equipment consists of several materials and components, such as electronics, aluminium and steel, for which there is a risk of violations. It is therefore likely that there are risks associated with the supply chain for lifting equipment and forklift trucks.

#### **Planned measures**

We will follow up on these suppliers during 2024 in order to obtain further information about the supply chain for lifting equipment and forklift trucks, as well as how suppliers work to safeguard fundamental labour and human rights in the supply chain. This will involve collecting information using questionnaires and subsequent meetings if required.

## **7. Agilia AS**

Agilia AS is a wholly owned subsidiary of Vygruppen and the largest train cleaning supplier in Norway.

Procedures and guidelines for work with the Norwegian Transparency Act, as well as the organisation of work in Agilia, apply in largely the same way as for the Group's business areas and are described in Chapters 2 and 3.

#### **Adverse impacts and significant risks in own activities**

As part of its HSE system, Agilia conducts regular risk analyses and safety rounds in which working conditions and ensuring a safe and positive working environment are included. These analyses form the basis for preventive work. Agilia has established control mechanisms that allow for risks and shortcomings relating to compliance with such rights to be detected continuously throughout the year. The safety representative service, employee surveys, risk mapping and safety rounds are all examples of such control mechanisms.

#### **The right to a safe and healthy working environment**

The risk of absence due to illness and accidents are the two largest risks relating to human and labour rights. This risk cannot be eliminated and Agilia manages the risk through continuous preventive HSE efforts.

The track areas in which trains are parked constitute a dangerous workplace. Although it is rare that accidents happen, the potential for injury is significant. In the employee survey, 17 per cent of employees stated that they do not report safety risks in the workplace. This is not good enough, as the potential for injury is significant.

Cleaners also have a significant risk of developing health issues due to night-time work, heavy lifting and repetitive physical strain. Absence due to illness at Agilia is around two percentage points higher than for cleaners in general.

#### **Freedom from discrimination**

Female cleaners at Agilia receive slightly less pay than their male colleagues due to working less overtime and fewer shifts at weekends and on public holidays. This difference may be due to preference on the part of female cleaners, but if it is involuntary, it entails differential treatment.

#### **A living wage**

Agilia has entered into a separate collective agreement with Klargjøringspersonellet forening, which is a member of the Norwegian Union of Railway Workers. Through the collective bargaining agreement, employees are ensured basic pay above normal wage levels. Agilia AS generally operates with full-time positions but, following a streamlining process in 2023, the FTE

percentage is now 47%. The parties agree that the part-time percentage is too high and involuntary part-time work at Agilia will therefore be examined during 2024.

#### **Implemented and planned measures**

During the 2022 IDD process, risks associated with a healthy working environment, freedom of expression, equal pay for equal work and privacy were identified. A number of measures were planned and implemented. The status of these measures is as follows:

- The whistleblowing procedures were revised and updated in 2023.
- The employee manual has been updated to include new information about whistleblowing procedures
- The employee survey has been reviewed to ensure that it sufficiently covers all significant factors relating to HSE. Several new questions have been added, including more questions about harassment and bullying.
- We have examined whether there are any gender-based pay differences for employees and management, but this was not found to be the case.
- The responsibility for compliance with human and labour rights was allocated to the Head of HR. The HR department assumed professional and implementation responsibility for the HSE area as a whole
- An audit was conducted of Agilia's compliance with all labour and human rights within its own organisation

As a result of this year's IDD process, we are planning the following measures in 2024:

- Preventing accidents: Improve employees' knowledge of the deviation system and increase use of the system
- Adequate preparedness in the event of accidents: Improve employees' knowledge of crisis management
- Preventing strain injuries: Improved adaptation of the physical working environment and help employees take advantage of the physiotherapy offering available through the company's health insurance
- Preventing strain injuries: Offer health screening for all employees who work night shifts
- Ensure that everyone in the extended management team has completed GDPR training
- Conduct systematic audits on all IT systems with regard to data protection and ensure that use is in line with GDPR

## Adverse impacts and significant risks in the supply chain

Based on the supplier sub-ledger, we have conducted overarching risk analyses on all agreements and suppliers with procurements of over NOK 1 million. This has given Agilia an overview of the risks associated with the company's direct suppliers, which are predominantly companies registered in Norway.

Agilia uses several of the Group-wide framework agreements. For identified risks and implemented measures relating to the categories of IT equipment, IT services (abroad) and textiles, please refer to the information in the chapter relating to Group agreements. In addition to Group-wide framework agreements, Agilia also has the following areas for which a risk of human rights violations has been identified.

- Consumables and supplies
- Cleaning chemicals
- Cleaning services
- Other subcontractors

### Consumables and supplies

Agilia is a major purchaser of hygiene products and supplies for trains. In 2023, documentation was obtained from the main supplier of these products. The supplier has a code of conduct that covers labour and human rights in the supply chain and is included as an appendix to contracts. The supplier also undertakes ongoing work to follow up on and systematically map, identify and communicate risks within the supply chain.

### Cleaning chemicals

Agilia is a major purchaser of cleaning chemicals and chemicals for the removal of graffiti. The supply chains for chemical products are global and complex, according to the Swedish National Agency for Public Procurement's Risk Analysis Service and chemical products are therefore considered to entail a high risk of violation of human and labour rights. Our supplier has a code of conduct that commits the company to comply with human and labour rights with reference to e.g. the Universal Declaration of Human Rights and the UN Global Compact and the supplier requires subcontractors to adhere to the same principles.

### Cleaning services

Agilia collaborates with other cleaning service suppliers. These suppliers are not part of our collective bargaining area and offer different working conditions to their employees. 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 procuring cleaning services. Agilia ensures that subcontractors providing cleaning services have been certified as an "Authorised Cleaning Company" by the Norwegian Labour Inspection Authority and that employees have pay and working conditions that follow from the regulations relating to partial publication of bargaining agreements for cleaning companies (duty to ensure compliance).

### Other subcontractors

Agilia lacks an overview of whether other subcontractors have collective bargaining agreements or not or whether they are subject to general collective agreements. This risk will be followed up on during 2024.

### *Implemented and planned measures*

The status of the measures identified in 2023 is as follows:

- Establish procedures to follow up on subcontractors in industries without a general collective agreement:
  - Planned but not yet implemented. To be implemented in 2024.
- Closer follow-up of suppliers in high-risk categories (cleaning chemicals, other subcontractors and supplies) in line with the requirements set out in Agilia's quality management system, ISO 9001.
  - In December 2023, Agilia's largest suppliers were asked to provide documentation showing how labour and human rights are safeguarded. The results are presented in "Negative consequences and significant risks in the supply chain"

### *Planned measures in 2024:*

- Establish procedures to follow up on subcontractors in industries without a general collective agreement
- Annual follow-up of suppliers within the high-risk categories of consumables and chemicals

