



Norske
tog

Annual report 2023

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Norske tog's fleet

Norske tog owns and manage aprox 90 % of Norwegian railway vehicles used for passenger traffic

Class 5

Subseries: A5-1

B5-3

B5-5

BC5-3

FR5-1



 56  160 km/h  A5 has 48 seats, B5 has 68 seats and BC5 has 40 seats **

- 📍 Day/Night train Dovre line, Bergen line and Nordland line
- ⦿ A5 has comfort class, BC5 has family area and FR5 is a restaurant carriage. 6 carriages have reclining seats. B5-7 has 30 reclining seats in each carriage.

Class 69

Subseries: Class 69 GA


Class 69 D



 36  130 km/h  69C has 286 seats, 69D has 302/303 seats, 69G has 269 seats and 69H has 238/240 seats* 📍 Local train Eastern Norway

Class 70



 6  160 km/h  233/238* 📍 Regional train Eastern Norway ⦿ Only used during peak hours

Class 74



 53  200 km/h  240* 📍 Regional train Eastern Norway

Class 76



 14  200 km/h (160 km/h during thermal driving)  196* 📍 Day/Night train Trønder line, Røros line and Nordland line

Class 7

Subseries: A7-1

B7-4

B7-5



59 160 km/h A7 has 48 seats, B7 has 68 seats and BC7 has 36 seats **

- Day/Night train Bergen line and Sørland line
- A7 has comfort class, BC7 has family area and FR7 is a restaurant carriage. B7-7 has 23 reclining seats in each carriage. 2 carriages has been remodelled with reclining seats.

Class 69 H



Class 69 CII

Western Norway and Voss line Series 69H is two car sets with fewer seats

Class 72



36 160 km/h 310* Local train Eastern Norway and Jær line

Class 73

Subseries: Class 73A



20 210 km/h

Class 75



83 200 km/h 295* Local train Eastern Norway, Gjøvik line and the Vosse line

Class 92



8 140 km/h 143* Local train Trønder line, Meråker line and Røros line

Class 93



15 140 km/h 87* Regional train Rauma line, Røros line and Nordlands line



m/h 204* Regional train Eastern Norway, Dovre line and Sørlands line 73B has 249 seats and is only used on the Østfold line

Class 73B



- Amount
- Maximum speed
- Number of seats
- * Per train set
- ** Per carriage
- Beds per carriage
- Field of application
- Other

Di 4



5 140 km/h

Day/Night train Nordlands line

WLAB 2



20 150 km/h 30

Night train on all main lines

EI 18



16 200 km/h

Day/Night train Dovre line, Bergen line and Sørlands line

Norske tog's role in the rail sector

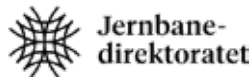


SAMFERDSELSDEPARTEMENTET

Ministry of Transport and Communications
Strategic management of the sector. Agency management of the Norwegian Railway Directorate and the Norwegian Railway Authority.
Corporate governance. Regulation.



The Accident Investigation Board Norway



The Norwegian Railway Directorate
Coordination, operational management and development of the sector.



The Norwegian Railway Authority



Bane NOR SF
Manages existing and builds new rail infrastructure. Traffic control. Manages and develops property. Commercial approach.



Norske tog AS
Owns, manages and provides access to rolling stock for train operators.



Entur AS
Journey planning and ticketing.



Vygruppen AS
Passenger trains, freight and buses.



Mantena AS
Vehicle maintenance. Moved to a different Ministry 01.01.20.



Flytoget AS

Train companies, maintenance companies, contractors and suppliers

Compete for contracts.



SJ Norge AS
Passenger train operator.



Go-Ahead Nordic
passenger train operator.



Vygruppen AS
Passenger trains, freight and buses.

■ Administrative bodies

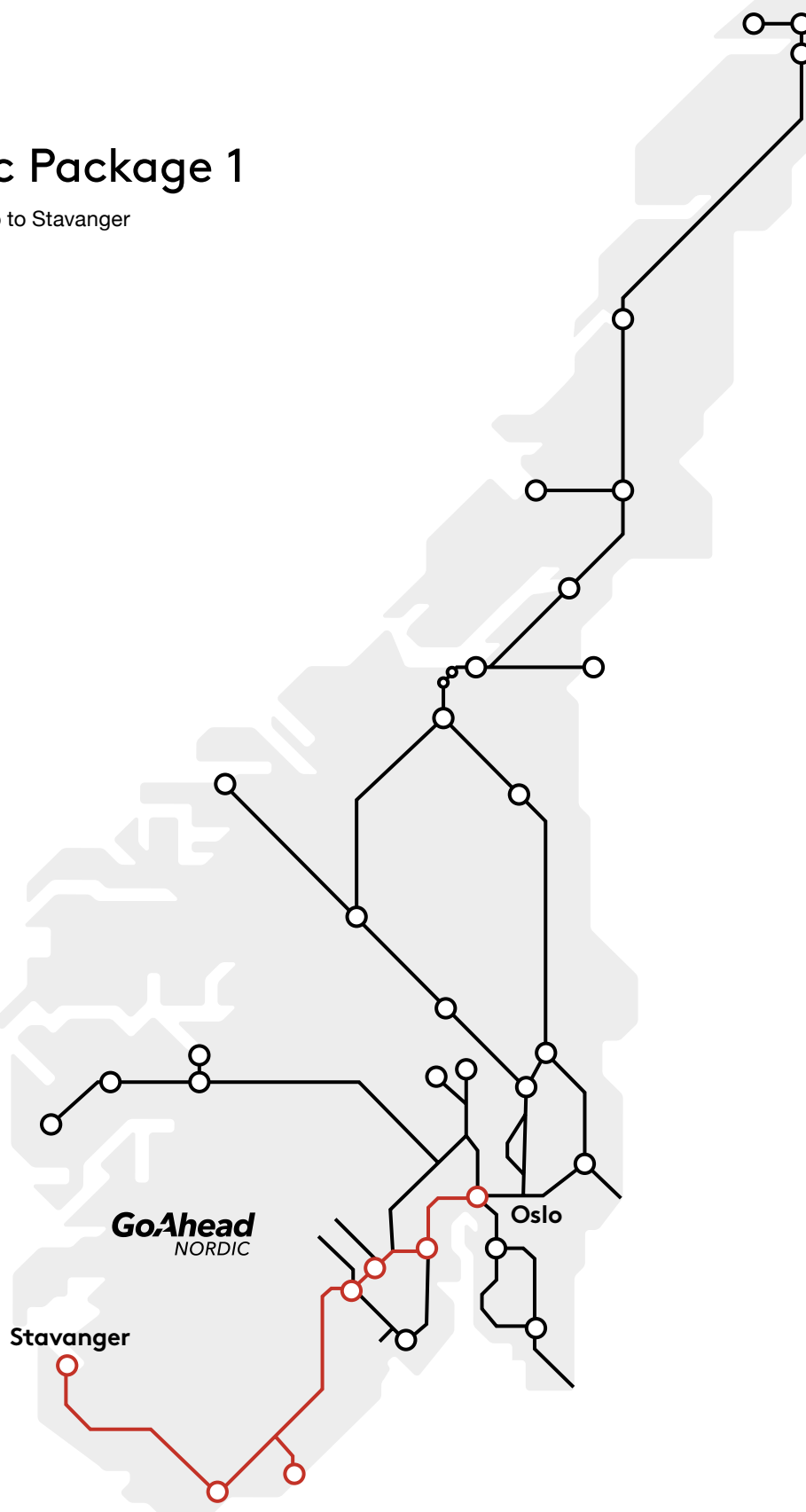
■ State-owned standalone units

■ Private sector

*From the website of the Norwegian Railway Directorate – <https://www.jernbanedirektoratet.no/no/jernbanesektoren/>

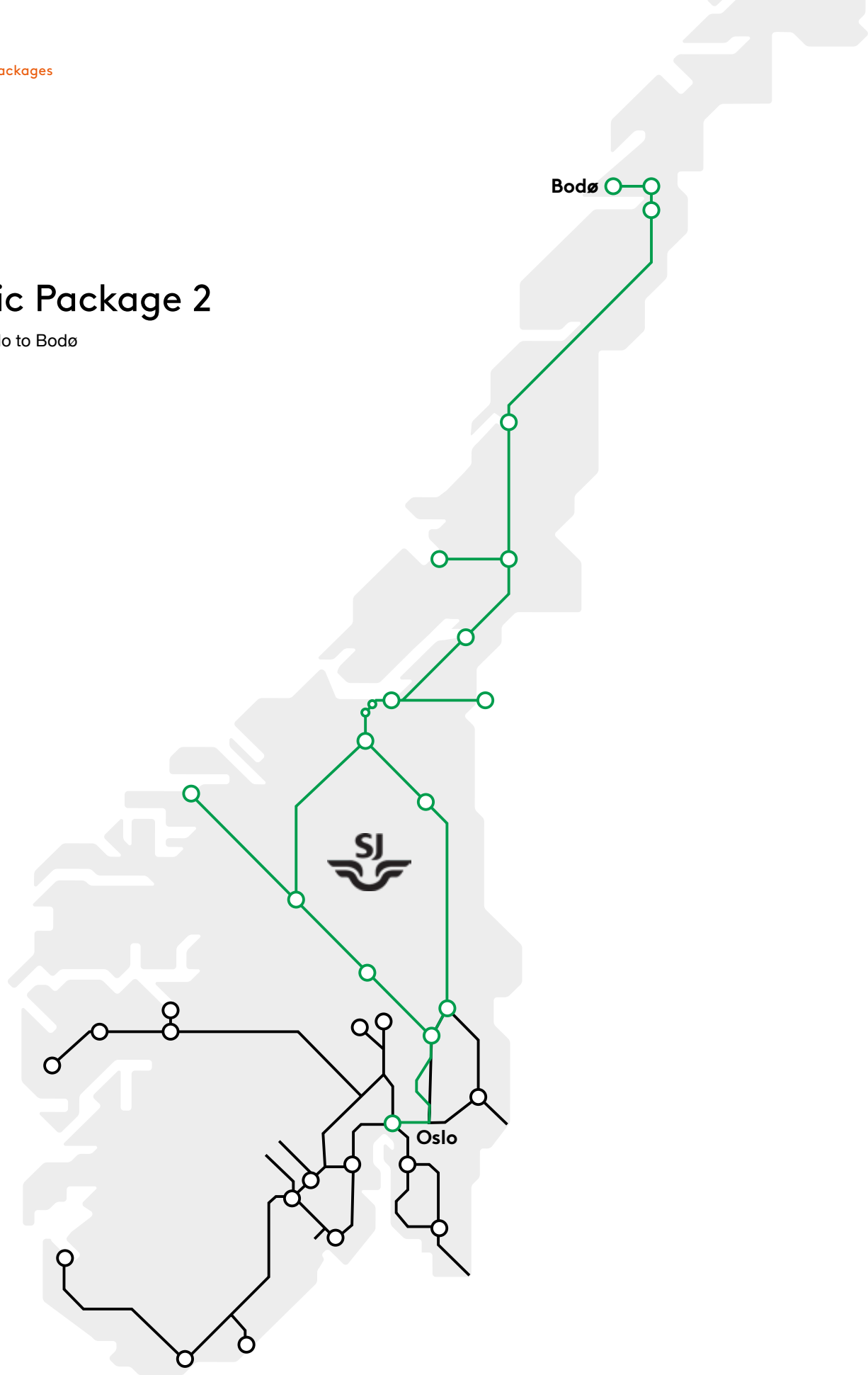
Traffic Package 1

South – Oslo to Stavanger



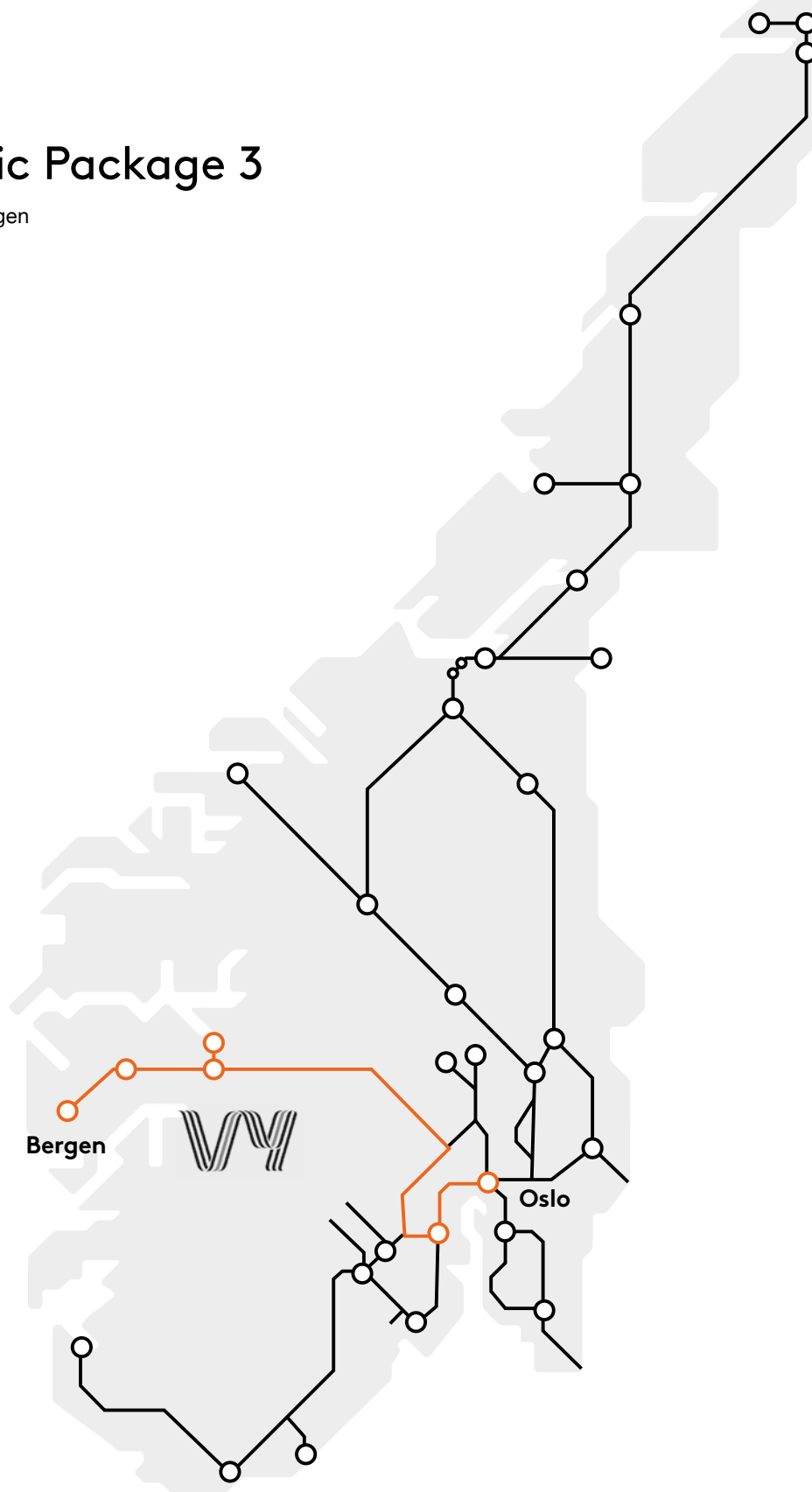
Traffic Package 2

North – Oslo to Bodø



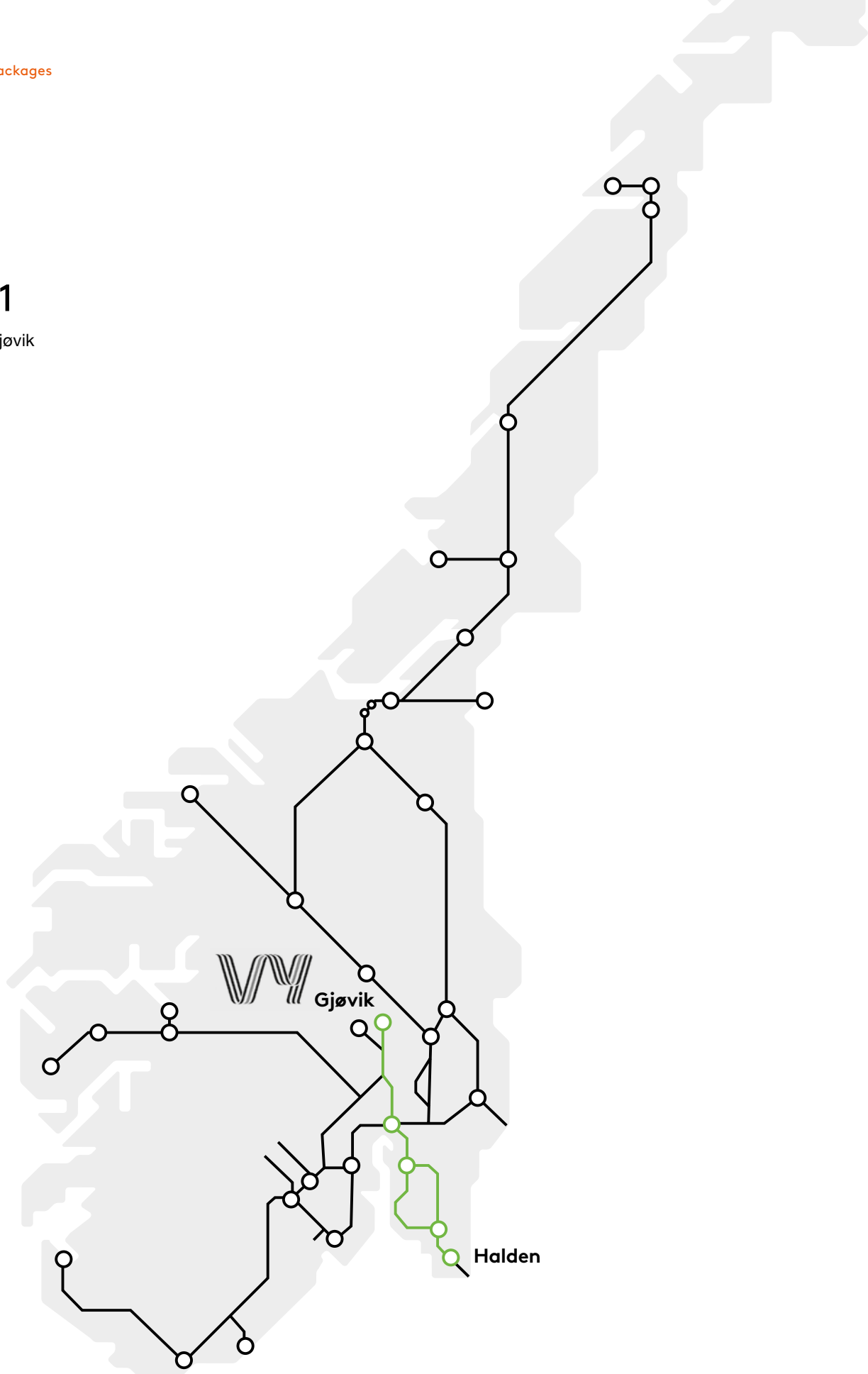
Traffic Package 3

Oslo – Bergen



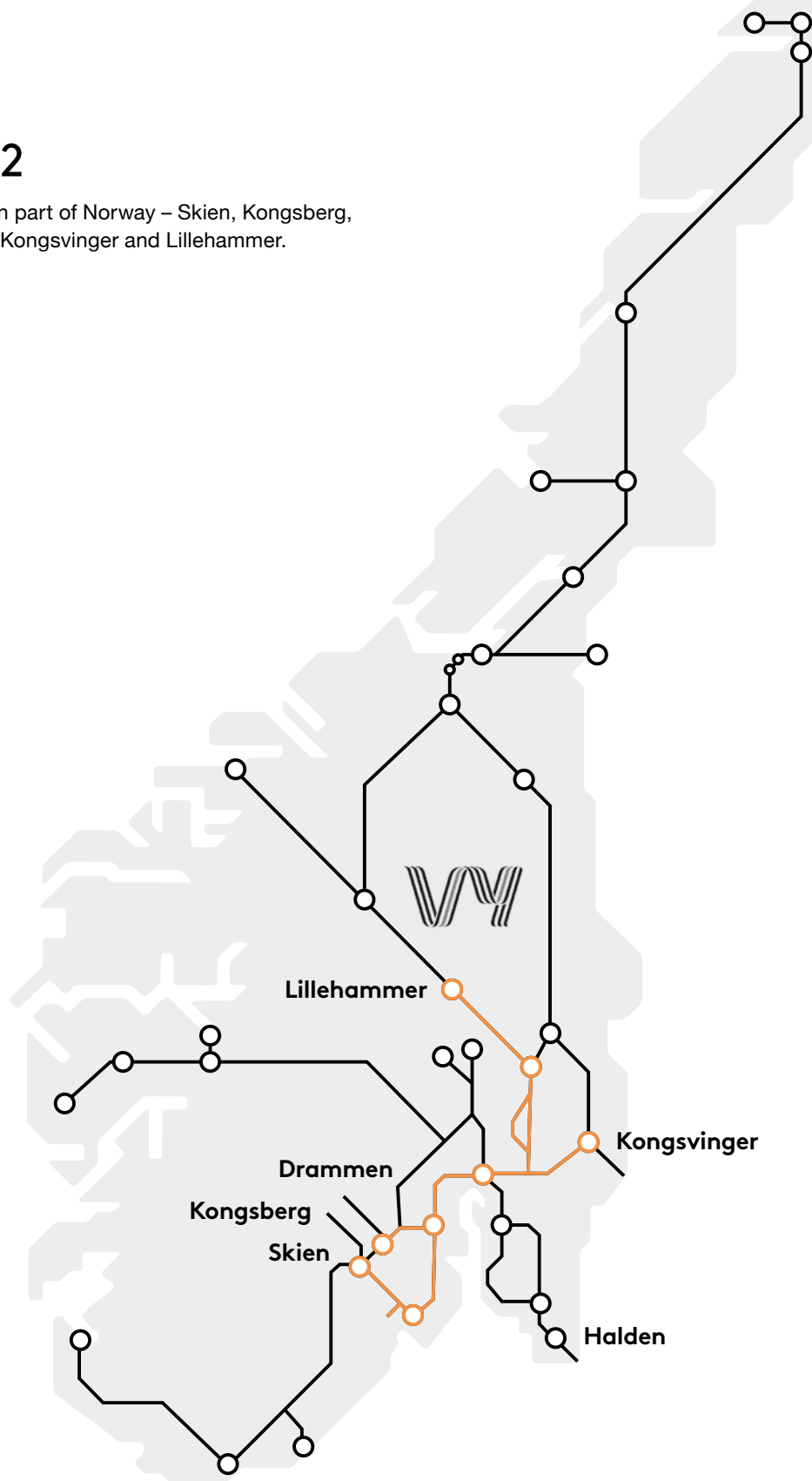
East 1

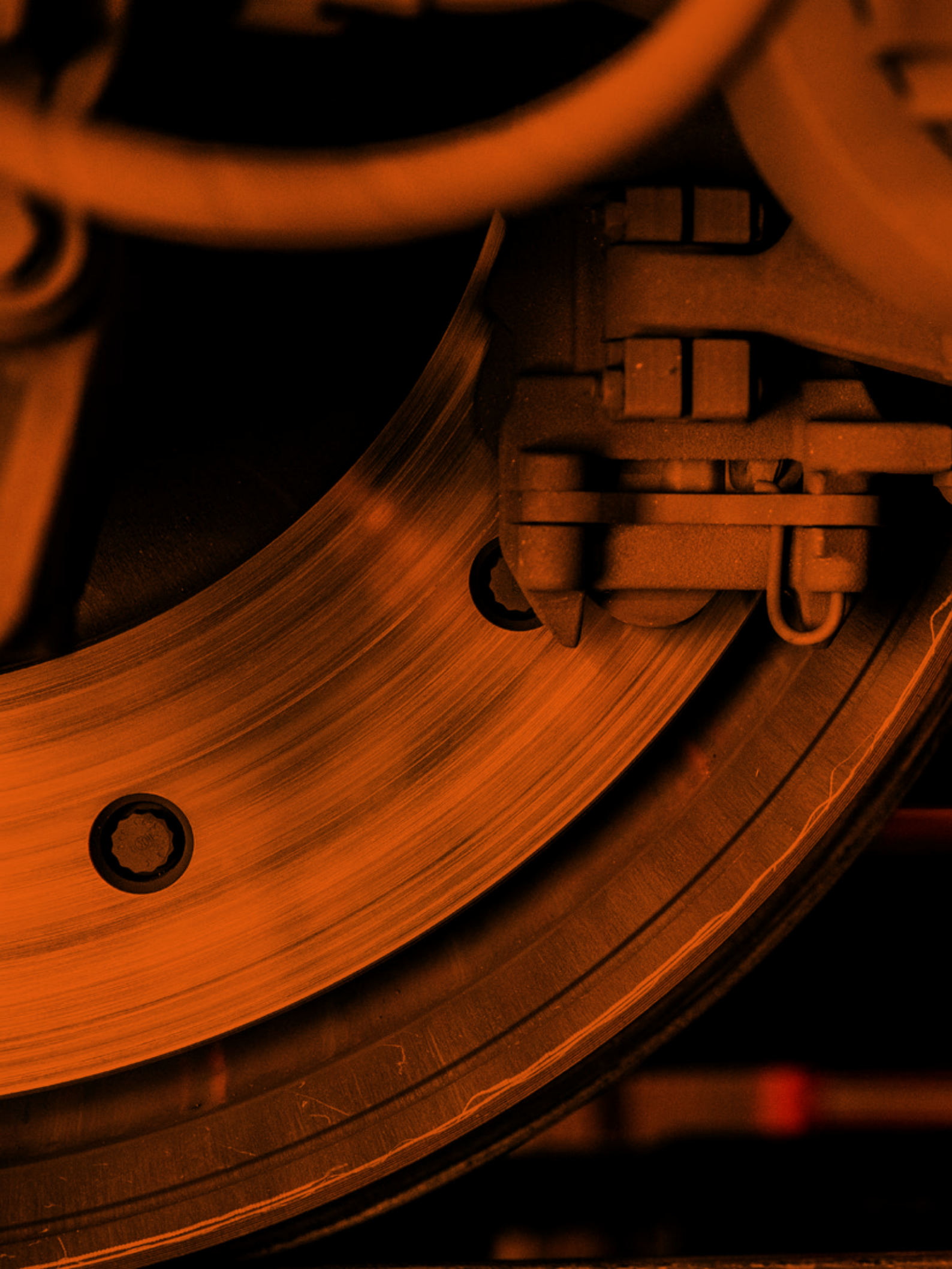
Halden – Gjøvik



East 2

The Eastern part of Norway – Skien, Kongsberg, Drammen, Kongsvinger and Lillehammer.







Part 1:
About Norske tog

Milestones 2023

9. January

Norske tog signed an agreement to exercise option 1 in the local train contract with Alstom. The agreement entails an order for a further 25 trains – 19 regional trains and 6 local trains – and brings the total order in the procurement to 55 trains.

8. March

Norske tog signed an agreement with the Swiss train manufacturer Stadler for the purchase of 17 new long-distance trains, with options to purchase a total of 100 trains¹. Trains are being purchased for all long-distance train routes (the Bergen Line, Sørland Line, Dovre Line and Nordland Line).

30. March

The Minister of Transport and Communications announced that Norway will donate diesel trainsets, which are being phased out of operation in Norway, to Ukraine. The donated trains are class 92 and were replaced by new bimodal trains in 2022.

8. May

Norske tog finalised and published the company's first sustainability report in line with the Global Reporting Initiative (GRI). The report also included Norske tog's first climate accounts.

16. August

On the occasion of Arendalsuka, Norske tog invited politicians and train enthusiasts to a train debate on the ambitions for the railway and what it will take to get more people to take the train.

21. August

KPMG published a survey of organisational and management challenges in the railway sector carried out on behalf of the Ministry of Transport and Communications.

25. August

Norske tog and the Norwegian Railway Directorate were commissioned by the Ministry of Transport and Communications to assess alternative solutions for new long-distance trains to achieve universal design.

9. October

The Norwegian Railway Directorate was commissioned by the Ministry of Transport and Communications to assess measures to achieve better maintenance of trains and development of workshops. The assignment is being carried out in close collaboration with Norske tog and Bane NOR, with a deadline of 31. January 2024.

October

Start of production of the coach bodies for new local trains at Alstom's factory in Poland.

21. November

The Storting voted to “ask the Government to submit a proposal as soon as possible to give Norske tog room for manoeuvre to order new long-distance trains for the Røros Line. The order will be linked to the procurement process Norske tog is conducting for several of the other long-distance train lines.”

¹ The 17 trains are double trainsets, so in practice there may be 66 short or 33 long trains left on the options.

This is Norske tog AS

About the company

Norske tog procures, owns and manages rolling stock for passenger train services in Norway. The company enters into agreements to lease trainsets with train operators that have a transport agreement with the Norwegian Railway Directorate. This structure facilitates efficient procurement and management of the trains and brings together specialist expertise in one place. Norske tog's head office is in Oslo.

State ownership

Norske tog AS is owned by the Ministry of Transport and Communications and is a category 2 company. The state's reason for its ownership is to have an operator that can offer vehicles for passenger train services on competition-neutral terms. The state's objective as owner is cost-effective procurement and leasing of trains.

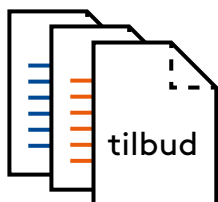
Specialised framework for the company

The quality and size of Norske tog's train fleet shall be adapted to the publicly funded passenger train services. Based on conditions that follow the Norwegian Railway Directorate's transport agreements with the train operators, the operators pay Norske tog rent for the use of the company's vehicles.

Financial key figures (NOK millions)	2023	2022
Operating profit	401	306
Pre-tax profit	209	144
Annual result	163	106
Net cash flow	-182	-244
Working capital	-627	-783
Equity	3,606	3,410
Equity ratio	25.9%	25.6%
Return on equity	4.8%	3.2%

Table 1: Financial key figures

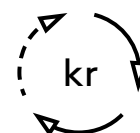
Business model



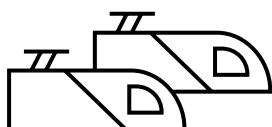
The Norwegian Railway Directorate determines future rail services in Norway and is the premise provider for Norske tog.



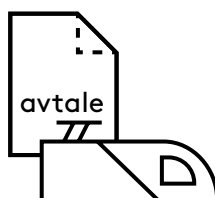
A guarantee scheme has been set up in which 75 per cent of the residual book value of the trains is guaranteed by the public purse.



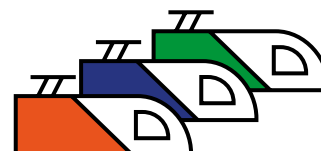
Norske tog finances its train procurements through borrowing and injections of capital.



Norske tog's mission is to procure, own and manage vehicles for rail passenger transport in Norway.



The Norwegian Railway Directorate can order train operators to use Norske tog's vehicles and has chosen to do so in the agreements that have been signed to date.



Norske tog will earn revenue from leasing out trains.

Norske tog in figures

271*

motor coach

A motor coach is a non-divisible train formation that can be operated as a train and comprises single vehicles with traction, or vehicles with and without traction.

21

engines

An engine is a motor coach (or a combination of several single vehicles) that is not intended to carry a payload and that, in normal operation, can be uncoupled from a train and operated independently.

135

passenger coaches

A passenger coach is a single vehicle without traction that can carry passengers in a fixed or variable train formation.

18

vehicle classes including subseries

Norske tog shall effectively facilitate access to enough safe, reliable and timely trains, in line with society's needs for passenger train services. Norske tog aims to reduce the number of train classes in order to improve purchasing conditions and reduce costs related to operation and maintenance.

84

satisfied passengers (scale 1-100)

According to the Norwegian Railway Authority's customer satisfaction index, the majority of Norwegian rail passengers are satisfied with the cabin comfort of the class of train they are travelling on.

18.7

average age of current fleet

The aim is to procure at least one train per month and phase out the oldest and worst trains first. In this way, Norske tog ensures a more modern and reliable train fleet.

63

employees

Norske tog is an organisation with extensive experience and cutting-edge expertise.

4.8

return on equity

Norske tog's return on equity for 2023 was 4.8 per cent. The owner's long-term target is a 5 per cent return.

4

customers

Vy gruppen, Vy Tog, SJ Norge and Go-Ahead

A+

rating

The current rating from Standard & Poors is A+. The goal is to maintain the A rating (A+, A or A-).

25.9

equity ratio

Norske tog plans to have a long-term equity ratio of more than 25 per cent, and a short-term equity ratio of more than 20 per cent.



Vision

Norske tog shall help to make passenger train transport attractive in Norway and contribute to "the green shift" by leasing out a sufficient number of up-to-date vehicles.





Øystein Risan, CEO.

Letter from the CEO

2023 has been a busy and eventful year for the railway, where Norske tog has succeeded well in our main mission: to procure, own and manage trains. We have achieved many important goals and milestones that will have a major impact on achieving a more reliable and attractive railway in the future.

On 8 March 2023, we signed a contract with Stadler to purchase 17 new long-distance trains. The agreement includes options to purchase up to 100 long-distance trains in total². The new state-of-the-art train will take the experience, quality and comfort for travellers to a new level - also for wheelchair users, who were critical of the original solution. Late last year, the Norwegian Parliament also decided that the government should submit a proposal to give Norske tog room for manoeuvre to order new long-distance trains for the Røros Line, under the same agreement with Stadler.

Early in 2023, we also exercised the first option in the agreement with Alstom for the purchase of a further 25 Coradia Nordic trains. With this option, Norske tog has ordered a total of 55 trains from Alstom. Overall, these purchases will enable even more travellers to choose a greener form of transport in the future.

With procurement contracts for both new local and long-distance trains in place, the company is entering a new phase where management takes centre stage. Good and efficient management is crucial to ensure that an attractive and reliable train service can be developed and maintained. During 2023, we have prioritised and strengthened our management work. We have set up a dedicated team to solve the daily problems faced by operators and to become more proactive in increasing the reliability and availability of the rolling stock.

Preparations for the introduction of Condition Based Maintenance (CBM) is an initiative that we are working on, which can contribute to better and more efficient maintenance and ultimately reduce maintenance costs.

With more systematic knowledge of which faults on the various classes of trains cause delays and cancellations, we can more effectively prevent them from happening. Establishing and operating common IT systems on board the trains, and communication between train and people in charge of maintenance, is important in this context. With more insight into - and sharing and use of - data across the sector, we can optimise maintenance and reduce delays and cancellations.

In autumn 2023, the Norwegian Railway Directorate, together with Bane NOR and Norske tog, was commissioned to look at measures for better maintenance and development of the workshops. In addition to introducing CBM and joint use of data, we believe that we should make greater use of the suppliers' expertise and capacity than we do today. The agreements entered into for maintenance should include commitments on availability, reliability and costs over the lifetime of the rolling stock, in line with the commitments in the supply agreements with Alstom and Stadler. Whether Norske tog will play a role in this work is a major and important question for us. With the right measures, we will have a much more reliable railway in Norway.

We can confirm that we ended the year with solid financial results. We have put in place a new and more transparent lease price model that considers foreseeable costs and price adjustments. This gives us better opportunities to buy trains at a good price and to manage the trains in an optimal way for the state. A healthy economy makes it possible to continue working on the major projects that are important for developing the railway for the future.



Øystein Risan
CEO

² The 17 trains are double trainsets, so in practice there may be 66 short or 33 long trains left on the options.

Our goals



Goal 1

Competitive service offer and satisfied customers

Norske tog shall provide a sufficient number of standardised and timely trains and additional services to ensure satisfied customers and passengers.



Goal 2

Efficient and sustainable operations

Norske tog shall, on behalf of the owner and society, ensure efficient and sustainable procurement, management and leasing of trains.



Goal 3

Competent and satisfied employees

Norske tog shall have competent and satisfied employees with a strong customer focus.



Goal 4

Financial freedom of action

Norske tog shall have financial freedom of action to ensure that the size of the train fleet is adapted to customer needs and the publicly funded train services.

Goal 1: Competitive service offer and satisfied customers

Norske tog has a fleet of around 300 trains, with 18 different train classes. Today's train fleet can be divided into three categories, according to age:

- **Under 10 years old:** 102 trainsets from FLIRT (class 74 and 75), of which 14 of the trainsets are bimodal (class 76).
- **Between 10 and 20 years:** 78 trainsets (class 72, 74 and 75).
- **Older than 20 years:** 91 trainsets, 21 motor vehicles and 135 coaches from the 1970s, 1980s and 1990s (class 69, 70, 72, 73A, 73B, 92, 93, Di4, El18, 5, 7 and WLAB2).

The average age of the company's train fleet in 2023 is 18.7 years, compared with 18.4 years in 2022. The company's train fleet is steadily aging, and a large proportion of the fleet has now passed its defined lifespan. To accommodate both traffic growth and travellers' requirements for functionality and facilities, there is a need for significant investment in new trains. With the procurement agreements that Norske tog currently has, up to 200 new local and regional trains and up to 100 new long-distance trains can be procured. This means that there may be an increase in capacity on the railway from 2027.

In its long-term plan for train procurement, Norske tog has proposed reducing the current 18 train classes to three main classes – Coradia Nordic (local and regional trains), FLIRT (regional trains) and FLIRT Nordic Express (long-distance trains) – which will provide increased reliability, lower management costs and greater flexibility.

Local and regional trains

Norske tog has signed a contract with Alstom SA for the purchase of 36 new local trains and 19 new regional trains – Coradia Nordic – to replace old and outdated trains in Eastern Norway. The agreement includes the possibility of exercising options for the delivery of a total of 200 new trains. The new trains were put into production in the fourth quarter of 2023, and the first trains are scheduled to arrive in Norway for testing in

2024, to ensure that the trains are suitable for harsh Norwegian weather and climate conditions.

The first part of the order for 30 local trains will replace class 69, which has passed its defined service life and no longer meets travellers' requirements for air conditioning, network coverage and universal design. The first trains are scheduled to enter service on the L2 Stabekk-Oslo-Ski line from 2025.

The second part of the delivery consists of six local trains and 19 regional trains, and will operate on the regional lines Moss, Rakkestad and Ski in Eastern Norway. The first train is scheduled to enter service in the second half of 2026.

In June 2023, the last class 74 train from the 2008 contract with Stadler was put into service in Eastern Norway. The train was originally scheduled for delivery in 2022 but was delayed due to the need for damage repairs.

Long-distance train

Several of today's long-distance trains are over 40 years old and approaching the end of their service life. Norske tog therefore signed an agreement with train manufacturer Stadler on 8 March for the purchase of 17 new long-distance trains, with options to purchase up to 100 new trains in total³.

The new long-distance trains – FLIRT Nordic Express – are further developed from Stadler's best-selling train model FLIRT (Fast Light Innovative Regional Train) and are specially adapted to Norwegian conditions. The trains will consist of eight coaches and will have a top speed of 200 km/h. The project has a budget framework of NOK 8 billion.

The new long-distance trains will operate on the Bergen Line, Sørland Line, Dovre Line and Nordland Line. The trains on the Bergen Line are the oldest and will therefore be replaced first. Trains are purchased for both electrified and non-electrified train lines, including bimodal trains. Production of the new long-distance trains is scheduled to start in 2024, and the first trains are expected to be in service from summer 2027.

³ The 17 trains ordered are long trainsets, so in practice this means that 66 short or 33 long trainsets remain on the options.

On 21 November 2023, the Norwegian Parliament asked the Government to submit a proposal as soon as possible to give Norske tog the scope to order new long-distance trains for the Røros line. The order is linked to the procurement Norske tog is making in the existing long-distance train agreement with the train manufacturer Stadler.

Customers

In 2023, Norske tog had four customers: SJ Norge, Vy Tog, Vygruppen and Go-Ahead.

Go-Ahead is the operator of Traffic Package 1 South, and operates the long-distance train line in southern Norway, from Oslo Central Station via Kristiansand to Stavanger, the local train line Stavanger-Sandnes-Egersund and the regional line on the Arendal Line.

SJ Norge is the operator of Traffic Package 2 North, and operates the long-distance train lines Dovre Line (Oslo-Trondheim) and Nordland Line, as well as regional train lines on the Rauma Line, Røros Line, Trønder Line (Lundamo-Trondheim-Steinkjer), Meråker Line and Saltenpendelen (Bodø-Rognan).

Vy Tog is the operator of Traffic Package 3 West. Vy Tog operates the long-distance train line Oslo-Bergen, as well as the regional train line Bergen-Voss-Myrdal and the local train line Bergen-Arna.

In the first half of 2023, Vygruppen was directly awarded the East Norway 1 and East Norway 2 transport contracts, which the company already operates today. East 1 includes passenger train services on the Østfold Line and Gjøvik Line, as well as the local train routes Spikkestad-Lillestrøm and Stabekk-Ski. East 2 comprises regional trains on the Skien-Eidsvoll and Drammen-Lillehammer lines, local train services on the Kongsberg-Eidsvoll, Drammen-Dal and Asker-Kongsvinger lines, as well as train services between Notodden-Porsgrunn (Bratsberg Line).

Passengers

The Norwegian Railway Directorate collects data from rail travellers and reports a quarterly customer satisfaction index. When asked how satisfied passengers are with the comfort of the compartment while travelling, the

overall result across all train operators in 2023 was 84 (where 100 is the maximum). This is a slight decrease from 2022, when the score was 85.

In 2023, Norske tog has implemented several measures to improve the general travelling experience for train passengers. Some examples include overhauling the heating, ventilation and air conditioning systems in the class 93 trainsets for a better indoor climate, replacing floors and floor coverings in class 7 bistro coaches, and new doors to HC toilets in the WLAB2 sleeping coaches. In addition, a further 120 reclining chairs from Borcad have been installed in four class 5 coaches operated by SJ.

Bane NOR reports a decline in the punctuality of passenger trains in 2023 of 0,2 percentage points compared with 2022 (from 87,8 per cent to 87,6 per cent). This is below the target of 90 per cent, and the reason is complex. The number of delays due to train faults has also increased in 2023. Class 69 and class 70, which are getting very old and will soon be replaced with new local trains, have by far the most delay hours per kilometre travelled in 2023. Read more about punctuality on Bane NOR's website (www.banenor.no).

Goal 2: Efficient and sustainable operations

Norske tog works continuously to ensure cost-effective procurement and leasing of trains.

Due to special conditions on the Norwegian railway network, combined with harsh climate conditions, trains that are to operate in Norway must be adapted to Norwegian conditions. Relatively large contracts, in a Norwegian context, are therefore crucial to obtain favourable prices in the market and to motivate suppliers to participate in the tenders Norske tog issues.

When many trains are to be procured in a short space of time, it is crucial, both in terms of efficiency and costs, that Norske tog has a strong, competent specialist environment to follow up these extensive and demanding projects.

Upgrade and maintenance

Upgrading and maintenance of existing trainsets is crucial to maintain the lifespan of the trains, while ensuring that the trains are perceived as attractive to travellers.

In addition, good maintenance is an important factor in reducing the number of delays and cancellations due to train faults.

An important ongoing upgrade is the mid-life upgrade of class 72. The mid-life upgrade will help to reduce the number of faults on the vehicles by improving the technical lifespan of components and systems. In addition, the trainsets will appear new, with a Scandinavian design, after the upgrade. The first upgraded trainset is expected to enter service on the Jæren Line in the second quarter of 2024.

In 2023, Norske tog established a dedicated team that works exclusively on handling ongoing management cases. In September, Norske tog's management team was temporarily reinforced with several full-time equivalents to close all reported cases by the end of the year. The long-term goal is to respond to enquiries quicker and always within 30 days. In 2024, an established team will continue the work on proactive management and the team will work actively with the operators.

Norske tog also worked on several modification and upgrade projects in 2023 to improve quality, ensure safety and reduce faults on the vehicles. Examples of upgrades include improvements to the battery and battery box on class 93, upgrading of new activation cylinders on class 5, repair of compressed air leaks and damaged pipes, and a new compressor and dryer on class 73.

Phasing out and recycling of trains

When trainsets are phased out of service, they are sent to a workshop for dismantling of components that can be

reused, before being sent for recycling. Norske tog has an ongoing agreement with the recycling company Hellig Teigen, which is based in Hokksund. In 2023, Norske tog will have phased out three class 69 trainsets and one class 92 trainset that are no longer included in the lease agreement with the operator. One class 69 and one class 92 trainset were dismantled for critical components and disposed of in 2023. The last two trainsets of class 69 will be handled in 2024.

Sustainable operations

Part 3 "Sustainability" gives a more detailed description of Norske tog's work for sustainable operations in 2023. Some key points are summarised below.

- Norske tog has several ongoing processes to fulfil internal and external expectations, and to prepare Norske tog for reporting under the new Corporate Sustainability Reporting Directive, CSRD.
- Norske tog has anchored its sustainability work in its corporate governance through clear instructions to the Board of Directors and CEO, as well as through a procedure for responsible business practices approved by the Board of Directors.
- The code of conduct for suppliers has been updated so that the guidelines now also include requirements for due diligence in accordance with the OECD methodology and reporting, the Norwegian transparency act, and animal welfare.
- A double materiality assessment, climate risk analysis and analysis of the company's activities up against the EU taxonomy criteria have been conducted.
- Science-based climate targets have been set and approved by SBTi in 2024.

In 2023, Norske tog has implemented several measures to improve the general travelling experience for train passengers.



Hans Ingar Fossen working on a family coach that needs maintenance. Fossen works as a quality controller at Norske tog.

Norske tog is well placed to set requirements for procurement, management of the vehicles and extension of the trains' service life, as well as to reuse components and set high requirements for waste management when phasing out. Norske tog's focus on management is important both for sustainable work on the trains and for the trains to be able to contribute to sustainable public transport. Several of the company's projects contribute to increased circularity:

- Mid-life upgrade of class 72: Several components are dismantled for upgrading before being fitted back into the train.
- In 2023, it was decided to initiate a preliminary project for Condition Based Maintenance (CBM), i.e. maintenance as needed, for the FLIRT trains. Condition-based maintenance will optimise the use of resources and costs associated with maintenance, ensure that the trains are in consistently good condition and contribute to a longer service life.

- In 2023, Norske tog has made preparations to collect more data about the materials in trains that are disposed of, to ensure better utilisation of materials in accordance with the waste hierarchy.
- The railway sector is working on several measures that will reduce energy consumption, including C-DAS (Connected Driver Advisory System) and ATO (Automatic Train Operation).
- In 2023, efforts were made to reduce emissions and use of F-gases due to the EU's stricter rules on the handling of certain refrigerants through the Greenhouse Gas Directive.
- Alternative lighting is planned for all train classes because of the EU ban on the production and import of fluorescent tubes, fluorescent bulbs and certain types of halogen bulbs that came into force in 2023.

For Norske tog to achieve the company's sustainability goals, co-operation with key stakeholders is crucial. In 2023, the following has been important:

- Accessibility for all was improved in the long-distance train project as a result of dialogue with the Norwegian Association of Disabled and the Norwegian Federation of Organisations of Persons with Disabilities, in collaboration with the Norwegian Railway Directorate on behalf of the Ministry of Transport and Communications.
- In 2023, the internal methodology based on the OECD methodology and reporting was further developed in co-operation with the company's most strategic suppliers.

Goal 3: Competent and satisfied employees

Norske tog aims to have satisfied employees with good and relevant expertise. For efficient management of the train fleet, combined with the fact that a record number of trains are to be procured in a short time, it is crucial, both in terms of efficiency and costs, that Norske tog has a strong and competent specialist environment to follow up these extensive and demanding projects.

In 2023, Norske tog conducted an employee survey that shows that employee satisfaction remains at a high level, with a positive increase compared with 2022 in most of the categories measured. The score for job satisfaction is 79 (up from 78 in 2022) and the score for loyalty is 86 (up from 84 in 2022). A score of over 75 is considered high. In recent years, Norske tog has had a consistently high employee satisfaction score. New this year were questions related to diversity and gender equality in the company, where no challenges related to the topic were identified. The psychosocial working environment received a score of 85.

Norske tog has systematised and operationalised its work on diversity, equality and inclusion considerably in the past year. The company has appointed an HR adviser with responsibility for the company's work on diversity and equality and has established a diversity and inclusion group to work systematically, purposefully and systematically on the topic. Employee representatives, safety representatives and senior management are represented in this group.

Sickness absence in Norske tog continues to be low and is 1.6 per cent in 2023 (down from 2.2 per cent in 2022).

Goal 4: Financial freedom of action

Norske tog reported a positive annual result for 2023 and further strengthened its equity. The company also issues sought-after green bonds with favourable terms. From 2024, the company has introduced a new and improved lease price model that provides cover for known and foreseeable costs, which is an important prerequisite for positive results in the future.

Norske tog has a high credit rating. Standard & Poor's has given the company credit ratings for long-term borrowing of A+ (stable). The company uses borrowings through the Euro Medium Term Note (EMTN programme). The EMTN programme contains no financial requirements, but an ownership clause related to the state owning 100 per cent of Norske tog.

As of 31 December 2023, Norske tog AS has an undrawn five-year committed credit facility of NOK 3,000 million maturing in June 2026.

In 2023, Norske tog conducted an employee survey that shows that employee satisfaction remains at a high level, with a positive increase compared with 2022 in most of the categories measured.

Norske tog is working to make it more attractive to travel by train

Norske tog plays an important role in facilitating sustainable transport solutions by procuring, managing and leasing attractive trainsets, so that more travellers choose the train as their mode of transport.

A railway with special challenges

Freezing cold winters with lots of wind and snow are just one of many factors that make the Norwegian railway unlike other railways.

In January 2024, the Siberian cold settled over large parts of Norway, and stuck around for days. The cold spell caused major problems for all public transport – including trains. Trains had to stay in tunnels overnight to defrost, and doors froze solid. Coaches could not be disconnected, and toilets froze. Running a train service through a Norwegian winter presents many additional challenges.

– The cold is causing us major problems on the Gjøvik Line, for example. It's cold there and there are no tunnels that provide a break from the frost. Ice and snow settle around the bogie of the trains and turns into blue ice. It gathers quickly and is stronger than metal. Among other things, it pushes out shock absorbers, says Eirik Jenssen. He adds:

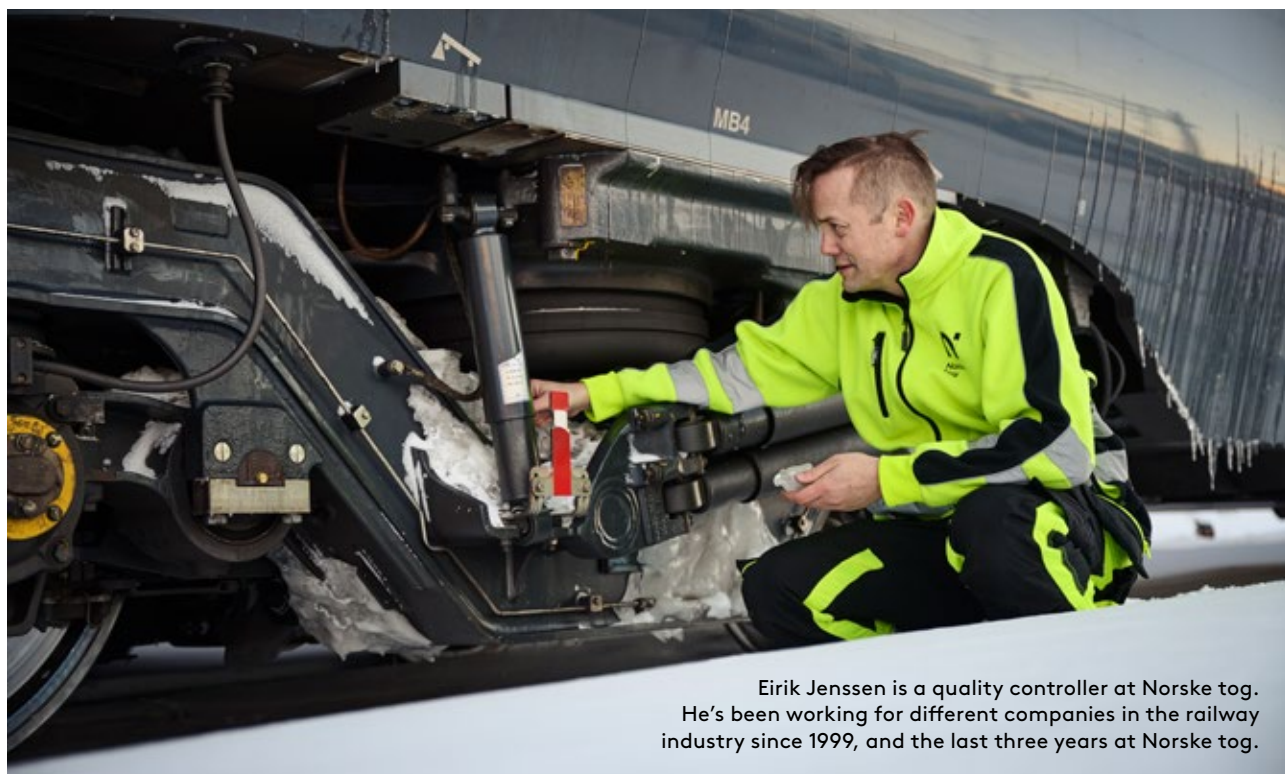
– Our new and modern trains handle the challenges of snow and ice much better than the older trains.

Jenssen is a quality controller at Norske tog and travels around to keep track of the company's train fleet. He says that the bogies on new trains are capable of crushing ice, partly because a disc with metal teeth is fitted that cuts into the ice and breaks it up.

Technology that helps against the cold

Large temperature differences lead to a lot of condensation on the windows.

– It's demanding when trains go from eight degrees centigrade to colder than 20 degrees below zero in a matter of seconds. That's what happens when trains exit



Eirik Jenssen is a quality controller at Norske tog. He's been working for different companies in the railway industry since 1999, and the last three years at Norske tog.



It can be challenging for wheels and brakes when the blue ice starts to stick.

a tunnel, such as Romeriksporten. Then the steps and doors can freeze shut, says Jenssen.

But new technology can make it easier to cope with heavy snow and ice.

– The new trains have an automatic snow brake system that switches on and off all the time to prevent snow from getting between the wheels and the brakes. Older trains have to brake manually from time to time, he says. In addition, the trains are equipped with good traction control systems and powerful heating systems that can cope with 30-40 degrees below zero. FLIRT trains have a double heat pump per compartment with both underfloor heating and side wall heating. The doors close faster than normal, after 5-6 seconds, to conserve heat inside the passenger compartments.

“Our new and modern trains handle the challenges of snow and ice much better than the older trains do.”



The ice gets stuck almost everywhere under the train.

– The FLIRT trains have several back-up systems so that if one system fails, a similar system is ready to take over. This applies, for example, to lighting and heating systems, says Jenssen and adds:

– Imagine you're in the middle of the mountains and there are no evacuation options. In addition to lighting and heating, we need to have food for the passengers so that they can survive on the train for many hours.

Separate department for special Norwegian requirements

On several routes, there are many collisions with moose and reindeer. The front of the train must be able to withstand this stress and have a strong plough and front covers.

– The FLIRT trains have almost no components under the train, everything has been moved to the roof to protect against snow, ice, moose and reindeer, says Jenssen.

And if it's not snow and ice that's the problem, it's the fall of leaves in the autumn. This makes the track very slippery, which in itself is not a problem specific to Norway.

One way to make the rails less slippery is to put sand between the wheels and the track to increase friction.

To ensure that the train manufacturers understand the special challenges in Norway, Norske tog has a separate department with several specialised engineers who work on special Norwegian requirements for train suppliers.

In addition to winter, ice and large animals, other peculiarities of the Norwegian railway are long tunnels and train routes, short platforms and varying platform heights – you can read more about this in the fact boxes.

“Blue ice that is stronger than metal wraps itself around the undercarriage of the trains.”

Other peculiarities of the Norwegian railway:

Winter and weather

- > In general, the Norwegian railway has more extreme weather conditions, larger animals/wildlife and more infrastructure challenges than many other countries.
- > Cold and snow make it difficult for important components under the train to freeze. Blue ice forms around the bogies, where the wheels are located. Doors, steps, toilets and brakes also freeze.
- > Norway has some very windy mountain passes and deep forests with a lot of snow on the tracks in winter. The tracks are often ploughed to remove the snow, but in harsh weather conditions the tracks will be covered with snow within minutes of being cleared.
- > Avalanches, landslides and collisions with trees that have fallen over the railway track stop train traffic, and climate change may make such incidents more common.
- > The cold requires more powerful heating systems on the trains.

Rails, lines and stations

- > Many Norwegian railway lines are twisted, winding and old. Driving new trains on these tracks can be compared to driving a sports car on a bumpy road. Having a solid sports car is crucial.
- > Some of the Norwegian train lines take 8-10 hours, which makes it important to ensure that passengers

are comfortable on board. The longest journey time is on the Nordland Line with about 10 hours.

- > There is great variation in platform lengths, with the shortest being just under 55 metres and the longest 350 metres.
- > Platform heights also vary widely – from 30 centimetres to 76 centimetres. This makes step-free access at all stations impossible.

Large animals/wildlife

- > When there is a lot of snow, large animals such as reindeer and moose seek out the train tracks because they are cleared of snow and easier to move along.
- > This results in many head-on collisions with large animals, which in turn requires a solid train front to protect the train and driver.
- > On the Dovre Line, there have been cases where musk oxen have “attacked” trains by running straight into the side of the train.

Tunnelling

- > Norway has long and warm tunnels with a constant temperature of 5-8 degrees, even in winter. Therefore, the temperature will vary from plus eight degrees to minus 20 degrees in seconds when the train leaves the tunnel, resulting in ice problems.
- > We have many long tunnels, the longest being 19.6 kilometres.

Train passengers are happy with new and flexible sleeping options on trains

The traditional sleeper compartment is facing competition as more flexible sleeping options take over more and more, and new reclining chairs installed from 2022 and 2023 have been well received by travellers. For Norske tog, the goal is to help cut climate emissions, even as the comfort of train journeys increases.

Travellers are demanding more and more, and an increasing amount of people are emphasising climate and the environment when choosing their mode of travel. This benefits the train.

– After walking or cycling, the train is by far the most energy-efficient way to get from A to B. The train uses far less energy per kilo moved than cars and, not least, planes. The more travellers who choose the train, the greater the climate and environmental benefits, says Rune Andreassen, project manager at Norske tog.

Comfort and environment hand in hand

This also applies if passengers want more comfort with better seats that can be fully or partially reclined.

– Higher comfort and the fact that each passenger uses more space on the train affects the environmental accounts, but the train is still more environmentally friendly than other modes of transport, and we are also working on solutions that enable us to optimise sustainability even when comfort is high, says Andreassen.

Surveys among travellers have shown that they want more options when it comes to travelling more comfortably and sleeping on the train. Therefore, in 2020, the Norwegian Parliament allocated extra money to improve night train services for travellers. It has not been possible in the short term to provide more coaches with sleeping compartments due to long delivery times. “All” train companies now want sleeper coaches because they



The new long-distance trains will be operated from the summer of 2027. During daytime, a sleeping coach in the new trains can be a family compartment or a workspace for a group of colleagues.



During nights the sleeping coaches are turned into bedrooms.

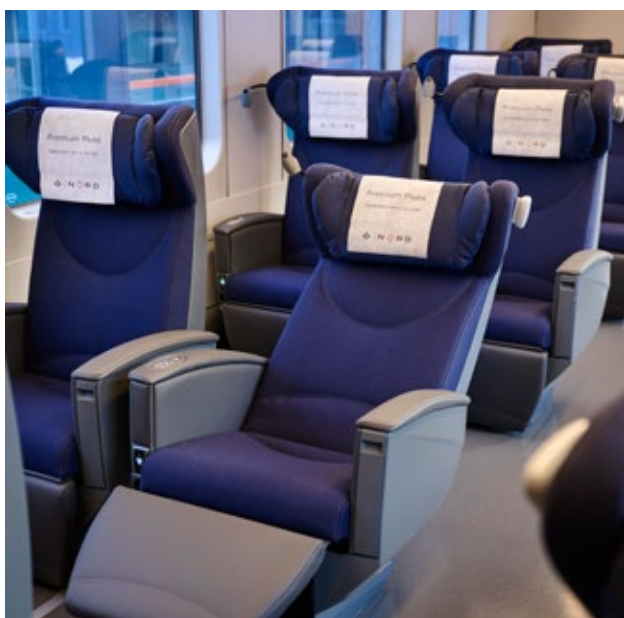
“Higher comfort and the fact that each passenger uses more space on the train affects the environmental accounts, but the train is still more environmentally friendly than other modes of transport.”

are a comfortable and environmentally friendly way of travelling.

Well received by travellers

In response to travellers' requests for a more flexible service, Norske tog has increased sleeping capacity on all long-distance train lines in Norway through 2022 with 226 new couchettes in 2022 and a further 120 in 2023. This offer gives travellers more comfort at a more affordable price than traditional sleeping compartments. Travellers are very satisfied.

– Both we and our customers are very pleased with the new loungers. They have a high occupancy rate and people buy the extra comfort they provide again and again, says



Go-Ahead and SJ with premium chairs from Czech company Borcad. They can be reclined 45 degrees, and the operators say they have been well-received by the travelers.

Why there will be more sleeping facilities on trains

- > The background to the focus on more sleeping facilities on trains and a more flexible offer is a report from the Norwegian Railway Directorate from 2019, which concluded that the sleeping facilities should be expanded and made more flexible.
- > In 2020, the Norwegian Parliament allocated an extraordinary NOK 80 million to improve night train services.
- > According to figures from 2019, only 16 per cent of travellers on night trains have a sleeping compartment. There are significantly more people travelling long distances by train who want a comfortable journey and to be able to relax or sleep.
- > Sleeping compartments have been sold out on many of the routes, and travellers have had to buy a ticket well in advance to secure a seat.
- > The most obvious customer requests were access to more comfortable recliners at night, shower facilities, air conditioning and a wider range of options in terms of capacity and price.

Night train routes in Norway

- > Oslo - Stavanger
- > Oslo - Bergen
- > Oslo - Trondheim
- > Trondheim - Bodø
- > In addition, SJ runs night trains out of Norway, on the Narvik - Stockholm route

“The more travellers who choose trains, the greater the climate and environmental benefits.”

Linn Therese Blindheim. She is head of customer development at Vy.

Vy has two new coaches with reclining chairs that run on the Bergen railway. Blindheim says that customers are particularly pleased with the fact that the chairs can be laid down completely flat. Experience shows that customers are considerate of each other, and that the coach is calm and quiet. A sleeper costs around NOK 1000 more than a regular seat, while the reclining chair costs a few hundred kroner more than a regular seat.

– Customer feedback is that the price of the loungers is good, and this offer is particularly suitable for those travelling alone, says Blindheim.

SJ's customers are also happy with the reclining chairs. SJ has 8 coaches with chairs that can be reclined 45 degrees in the back.

– Customers are happy with both price and comfort. They get more space in the chair, more space around them and a better chair, says Ronny Reithe, Marketing Manager at SJ Norway.

After the Randklev bridge on the Dovre Line collapsed in August, SJ has not been able to run its new sleeping coaches there. They are now used on the Nordland Line. In addition, Go-Ahead has two coaches with reclining chairs that run on the Sørland Line railway.

– We have received a lot of positive feedback from satisfied customers who have travelled both during the day and at night, and we see that this gives us a major competitive advantage, says Espen Kristiansen, Head of Commercial at Go-Ahead.

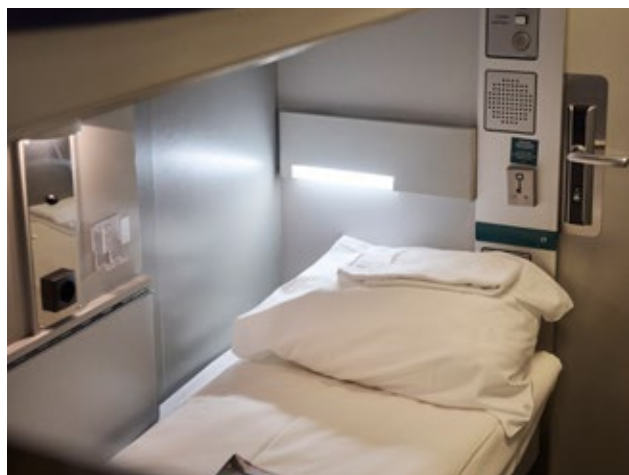
Of course, the new couchettes can also be used during the day. This means that operators can transport more

travellers throughout the day in such a chair than they could in the old and less flexible night trainset-up. This also provides an environmental benefit.

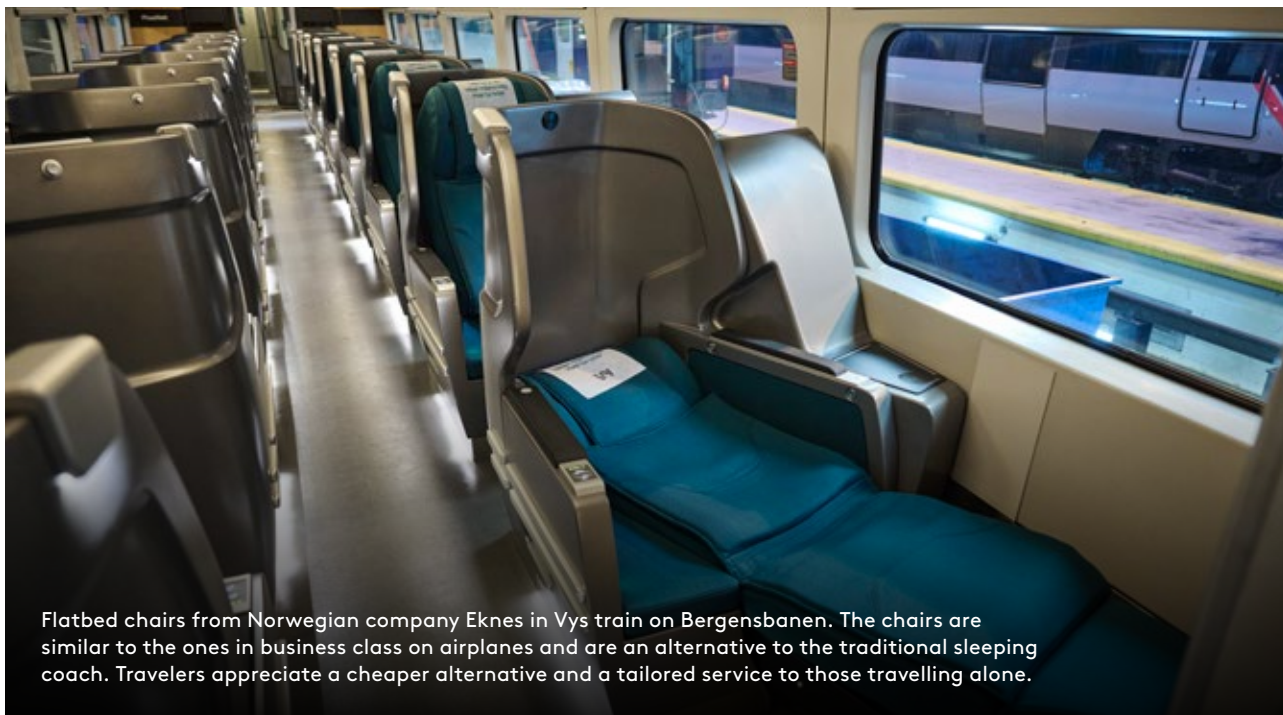
More flexible utilisation options

The new long-distance trains that will be in place from 2027 will have a wider range of sleeping options, with both reclining chairs as in first class on aeroplanes, 2-bed compartments and 4-bed compartments. The compartments can be converted for other daytime use. The 4-bed compartments can contain an enclosed seating area for families or groups of business travellers, while the 2-bed compartments can be used as an office, for example. The reclining chairs can be used both day and night.

– This means that travellers will be able to choose from an even larger menu in terms of price, comfort and what they want to do on the train, says Silje Svenkerud Førner, project manager for new long-distance trains at Norske tog.



Traditional sleeping coach with bunk beds. Many who travel alone pay for both beds in the carriage.



Flatbed chairs from Norwegian company Eknes in Vys train on Bergensbanen. The chairs are similar to the ones in business class on airplanes and are an alternative to the traditional sleeping coach. Travelers appreciate a cheaper alternative and a tailored service to those travelling alone.

Increased sleeping capacity

Sleeping capacity on the trains has increased from 600 seats to 946 seats the last couple of years.

1. Total sleeping capacity before 2023 – 600 beds

- > 20 sleeping cars with 15 compartments with two beds in each compartment provide a total of 600 beds.
- > In addition, Vy has purchased some of its own sleeping coaches for use on the Bergen Line, with a total of 288 sleeping places.

2. Total sleeping capacity from 2023 – 946 beds

- > 600 beds in old sleeping coaches.
- > Twelve new sleeping coaches, two with chairs that can be laid completely flat and ten with chairs that can be folded down 45 degrees. The number of new seats is 46 in the first two coaches and 300 in the other ten coaches.

3. Sleeping capacity in the new long-distance trains – coming from 2027

The aim is for capacity to be at the same level as it is in the trains Norske tog owns today. The use of sleeping compartments will be more flexible than it is today.

How many people can be accommodated in the different coach types?

30

Sleeping compartment

The old sleeping compartment can accommodate 30 beds per coach.

23

Flat recliners

Recliners that can be laid completely flat provide space for 23 travellers in a coach.

30

Reclining deckchairs

Recliners that can be folded down 45 degrees provide space for 30 in a coach.

68

Regular seats

Regular seats provide space for 68 passengers in each coach.

New thinking around maintenance and troubleshooting

In 2023, Norske tog made a concerted effort to get rid of cases of maintenance and systematic errors from the operators. A high volume of enquiries required a targeted effort, and in 2023 the company stepped up its handling of incoming cases. During the year, the company managed to get up to speed.

In recent years, Norske tog has concentrated on purchasing new trains. The company will not be signing any major new contracts in the coming years. The focus is therefore shifting to managing the trains. During 2023, the company processed around 140 maintenance cases, in addition to some cases that had been left over from previous years.

– We were not equipped to handle these cases. We have put in place a prioritisation system, a case management system and a process that works. It has worked well, says Head of Department Liviu Adrian Mocanu in Norske tog.

The deadline for responding to all incoming questions about management and maintenance, documentation and systematic errors is 30 days. At the beginning of the year, Norske tog looked at the possibility of working more continuously, dedicated and efficiently with incoming issues to ensure a well-maintained train fleet.

– Over the course of the year, we've made a big effort, and got up to date with all the cases. We set up a dedicated team and eight to ten employees to work solely on these cases, he says.

Norske tog is now focusing on solving this task even better in the years ahead.

“This is a good environmental initiative, we save money and we save the environment.”

– This will make our customers happier, and the railway can become more reliable, says Mocanu.

Will replace 40 kilometres of fluorescent tubes

Some of the cases are large, heavy and complicated, while others are much smaller in scope. One of the issues that has been difficult to resolve is that all fluorescent tubes containing mercury must be replaced because they are being banned. The trains have 40 kilometres of fluorescent tubes that need to be replaced. The cost is estimated at NOK 150 million.

– This is a good environmental measure. We save money and we save the environment, says Vidar Larsen, special adviser at Norske tog.

He has been involved in investigating the matter and coming up with specific solutions that are now being presented to Norske tog's management for a decision. Larsen emphasises that the job of replacing the fluorescent tubes must be done in close collaboration with the train operators. The reason Norske tog and the operators save money is that new, LED-based fluorescent tubes have a longer lifespan than the old mercury tubes, and therefore save a lot of money over time because there are fewer rounds of full replacement of all the tubes.

You can either just replace the fluorescent tube, or you can take a more comprehensive approach by also upgrading the electrical system, or as a third option: Do a full overhaul and replace the entire lighting system with something new.

– The LED lights themselves don't cost that much to buy. What we save a lot on is that the maintenance process afterwards will be much cheaper and more efficient. In addition, we will use less electricity and the train will be somewhat lighter. There are also benefits because we



Hans Ingar Fossen dismantling an old light tube containing mercury. They are to be replaced with new led lights.



The new led lights have a brighter and whiter light, and last longer than the old ones.

struggle to have enough power in the coaches, and we are at the limit when it comes to the maximum weight of the coaches, says Larsen.

Another important management issue that Norske tog has resolved during the year is the upgrade of the class 93 train model, which is a diesel train. The aim here has been to take care of the train so that it can run for as long as possible. By taking good care of the train, an environmental benefit is achieved while ensuring stable operations and reducing delays for the benefit of passengers.

The trains have 40 kilometres of fluorescent tubes to be replaced. The cost is estimated at NOK 150 million.

How the new long-distance trains became more accessible for everyone

Under pressure and with the help of user organisations, Norske tog and Stadler managed to make the new long-distance trains even better than they were initially.

– The new long-distance trains are among the best in the world when it comes to accessibility for all. We are very pleased that we were able to implement important improvements in this area right at the start, says Sille Svenkerud Førner of Norske tog. She is the project manager for the new long-distance trains.

The guiding principle for Norske tog in the design of the new long-distance trains has always been that the train should be as good as possible for as many people as possible.

In early 2023, Norske tog signed a contract with Stadler to buy 17 new long-distance trains for up to NOK 8 billion. The first trains will be in operation on the Bergen Line from the summer of 2027. Towards the end of 2023, the Norwegian Parliament decided to ask the government to submit a proposal as soon as possible to give Norske tog the scope to order new long-distance trains for the Røros Line. The order is linked to the procurement process Norske tog is conducting for several of the other long-distance train routes. Good comfort and frequent trains are crucial to getting more people to travel by train.

The new trains take the experience, comfort and quality for travellers to new and higher levels.

– The train should not only be a means of transport, but also an experience and a place where you enjoy being, says Førner.

Comfortable seats, flexible solutions with space for lots of equipment, reclining chairs, bistro and family facilities are some of the improvements in the new trains.

Step-free access vs. internal stairs

The new long-distance trains already delivered well in terms of universal accessibility. Among other things, it had a flat floor throughout the train and three dedicated wheelchair spaces. There was also wheelchair access in the bistro and sleeping compartments. But there are no long-distance trains in the world that are fully universally accessible.

– There are many considerations to consider, and it is impossible to create a train that everyone is 100 per cent satisfied with, says Førner.

“We ended up with a significantly better train.”



Model of the new long-distance train from Stadler.



The new long-distance trains are more accessible for wheelchair users than the old long-distance trains. Family coach, playroom, dining area and other flex areas are accessible for all.



The capacity for HC-toilets is doubled in the last version of the long-distance trains.

Norske tog wanted to offer long-distance trains with step-free access but received no such offers from the train manufacturers. Step-free access has been very important to the user organisations – the Norwegian Association of Disabled and the Norwegian Federation of Organisations of Persons with Disabilities – who are concerned that the trains should be easily accessible for everyone.

But there are many physical limitations when designing trains, and we also have some unique challenges here

“The new long-distance trains are among the best in the world when it comes to accessibility for all.”

in Norway. One of the most important is that platform heights at stations vary widely, from 30 cm to 76 cm. This means that step-free access is not possible at many of the stations. In addition, step-free access would result in many stairs inside the train, which Norske tog wants to avoid because it is negative for all travellers.

These are the improvements the parties managed to put in place

The user organisations were not satisfied with the design of the new long-distance train and asked Norske tog to continue working specifically on making the train more accessible for wheelchair users. The parties therefore went the extra mile to find better solutions.

– We went through every centimetre of the train. We really challenged Stadler to go even further. They put their best people on the job and came up with a solution that neither we nor they initially thought was possible, says Førner. The changes that the user organisations, Stadler and Norske tog came up with – also in dialogue with the Norwegian Railway Directorate – mean that wheelchair users:



There is plenty of room for luggage in the new trains.

- Will have access to a family coach, playroom and flex area, and a larger area to spend time in
- Can utilise two extra wheelchair lifts in the train for easier boarding and disembarking (this means an increase from two to four lifts.) Ramp is a backup solution.
- Have one extra HC toilet in the train (this means a doubling of capacity).

– We ended up with a significantly better train, says Førner. With these improvements, both the user organisations and the operator companies have given their approval for the design of the trains.

Need new trains quickly

The main challenge today is that there are many old trains, and it is critical to replace several of them as quickly as possible. New long-distance trains will make the work of reducing delays on the railway easier. It is therefore important for Vy, SJ and Go-Ahead that the trains can be put into operation quickly. The six-month postponement of when the trains can be put into service was nevertheless worth it when we see that we will have a significantly better train.

The new long-distance trains

- > Norske tog has signed a contract to purchase 17 trains from the Swiss train manufacturer Stadler. The trains have a cost framework of around NOK 8 billion. Norske tog has an option to purchase a total of up to 100 trains⁴.
- > 13 electric trains will run on the Bergen Line, Sørland Line and Dovre Line.
- > Four bimodal trains will run on the Nordland Line (bimodal trains run on both diesel and electricity where possible).
- > The Norwegian Parliament has also decided to ask the government to submit a proposal as soon as possible to give Norske tog room for manoeuvre to order new long-distance trains for the Røros Line. The order is linked to the procurement process Norske tog is conducting for several of the other long-distance train lines.

⁴ The 17 trains are double trainsets, so in practice there may be 66 short or 33 long trains left on the options.

The budget holder

With a family full of engineers, it was obvious that Aleksander Bynes would follow in the same footsteps. But it was numbers, and not technology, that caught the Lommedølen's interest. Today, he works as a controller.

– Norske tog is a small organisation that handles large values. This makes it very exciting to be a controller because you get so many different tasks, says Aleksander Bynes.

He was employed as controller in Norske tog just over 2,5 years ago. He previously had experience from Trade Finance and as controller in the certification company DNV.

– As a controller at Norske tog, you are involved in everything a limited company must do from A to Z, such as annual accounts, sustainability, contract negotiations, IT implementation and business management, to name but a few. There's a good mix of tasks, and no two days are the same, says Aleksander, who currently also acts as the company's board secretary.

– As board secretary, I attend the company's board meetings and write the minutes. That's another good example of the variety of my duties, the controller continues.

Willingness to learn is important

But the range and variety of work tasks also comes with its challenges.

– You have to know more than in a normal controller position, but in return you get a very varied working day. You have to be willing to familiarise yourself with new things and learn on your own, says Aleksander.

– There's been a lot of 'googling' in the evenings to find out this and that, so to speak, he chuckles.

Dare to address mistakes

– *What has surprised you the most in your job?*

– Again, I'd have to say the breadth of the work tasks. You usually get a lot of promises in a job interview that are followed up to varying degrees, but Norske tog has really delivered on what they promised – and then some, says Aleksander, and continues:

– It's cliché to say, but I find that we at Norske tog are surprisingly open and inclusive, and not least that we dare to talk about mistakes that have been made. And that's important in order to constantly improve.

He believes the social committee deserves much of the credit for the fact that employees dare to talk about their own mistakes.

– Many activities are organised throughout the year, including summer parties, Christmas parties, trips and a running group. This has helped to create a very good environment – something that is important for me to thrive at work, he concludes.

“You have to know more than in a normal controller position, but in return you get a very varied working day.”



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1

Name: Aleksander Bynes

Position: Controller

Age: 33 years

From: Lommedalen in Bærum,
resident at Fornebu

Education: Master of Business
Administration from the
University of Stavanger

Responsibilities: Budgeting,
year-end closing, forecasting,
finance and lease modelling.

Competent, satisfied and diverse train enthusiasts



Name: Kenneth Utsikt

Position: HR Adviser

Age: 47 years

From: Flateby in Enebakk, living in Oslo

Education: HRM and Labour Law at Buskerud University College and Operational HR at Kristiania University College

Responsibilities: Various tasks within the HR field. Responsible for structuring Norske tog's work on diversity and gender equality.

The culture builder

Kenneth Utsikt started as a train host on the Sørland Line railway 25 years ago. After many years in aviation, he is now back in the railway industry. This time to structure Norske tog's work on diversity and gender equality.

– I came across the job advert, which looked exciting, and started googling the company. I then realised that a former acquaintance worked at Norske tog and contacted her to ask about the company. She only had positive things to say, so I applied, says Kenneth.

He is employed in a newly created position as HR adviser in Norske tog, where he works broadly with various HR tasks. Kenneth is particularly responsible for putting in place routines and procedures related to diversity and gender equality. Before joining Norske tog, he was responsible for the cabin crew in Flynor, until the company was closed down on 31 January 2023.

– I quickly got the impression that Norske tog had the same “family feeling” as working at Flynor, which I wanted in a new employer. Combined with exciting work tasks, the choice was easy.

Excited about the reception

It was with somewhat mixed feelings that Kenneth left aviation. He was particularly excited about what it would be like to work in a new industry and place with completely unfamiliar colleagues. He had essentially worked with the same colleagues for 20 years.

– I felt like I became part of the team straight away, which is very positive.

New challenges

Kenneth started his railway career as a train host in 1998. The fact that he is now back in the railway is a bit of a coincidence.

– I like transport and things that move, and have mostly worked with things that either fly, walk on water or run on rails. But it was a bit of a coincidence that I got another job in transport now. It was the work tasks at Norske tog that particularly appealed to me, says the HR adviser.

– I've worked in HR for several years, but at Norske tog I still get to familiarise myself with many tasks and issues that I haven't worked with much before.

When he logs off at Norske tog, there is one thing in particular that he likes to do.

– I love building LEGO, it really relaxes me. It's especially nice that I now have a six-year-old in the house who has also realised that LEGO is the best thing in the world, he says with a smile.

“I've worked in HR for several years, but at Norske tog I still get to familiarise myself with many tasks and issues that I haven't worked with much before.”

The systematist

Bim has always liked trains, but had no experience of the railway industry. Now she thinks trains are even cooler than before she started working at Norske tog.

– Trains are much cooler than I had imagined. I've always liked riding trains, but it's been really fun to understand how things work and see everything from the inside, says Bjørg Ida Marie "Bim" Svedbergh.

She is a technical document controller at Norske tog, and among other things ensures that documentation on, for example maintenance, is stored in such a way that everyone in Norske tog who needs the information can easily find it. She also guides colleagues who are looking for specific information in the right direction and ensures that the documentation that is archived is correct. She is also responsible for liaising with suppliers and train

"The culture at Norske tog is inclusive, you can be involved in all stages of a process if you want to, which means you learn a lot and get an overall picture of the situation."

operators about errors in the systems and ensures that Norske tog handles these errors in a good and efficient way. She joined Norske tog in May of 2023.

– I came across the job advert by chance and had never heard of Norske tog before. I googled the company and thought it looked interesting. There were work tasks I had experience with, but also things that were new.

– *What's your favourite thing about your job?*

– The combination of the people I work with and my tasks. I find that there is a warm and inclusive atmosphere in the office. I'm interested in documentation and preservation, and among other things I organise courses with the Norwegian Archive Council. In addition, I am driven by a challenging job.

Bim wants to know why things are the way they are and how they are connected and likes to put things into systems and contexts.

– The culture at Norske tog is inclusive, you can be involved in all stages of a process if you want to, which means you learn a lot and get an overall picture of the situation. As I have no experience from the rail industry, it has taken some time to familiarise myself with all the documentation in the company. It's important to understand what you're talking about in order to be able to verify and check the documentation. Fortunately, I have good colleagues who I always ask for help in explaining things, Bim concludes.



Name: Bjørg Ida Marie
"Bim" Svedbergh
Position: Technical
document controller
Age: 42
From: Thune/Madserud in
Oslo, living in Lilleaker
Education: Bachelor's
degree in library and
information science from
OsloMet
Responsibilities: System
management, technical
documentation, receiving
information, etc.

Competent, satisfied and diverse train enthusiasts



Name: Adrian Ruckstuhl

Position: Controller

Age: 35 years

From: Mogelsberg,
St Gallen, Switzerland.
Resident in Oslo.

Education: Businessman
specialising in public
transport, train dispatcher
and business economist

Responsibilities: Project
controlling in the local
train procurement

From train conductor to financial manager

Swiss Adrian Ruckstuhl started out as a railway conductor in Switzerland and ended up as a controller in Norway. Along the way, he has tried many different jobs – but all in the railway industry.

– I’ve always liked trains and think trains are cool! So, there was never really any doubt that I would end up working in the railway industry, says Adrian.

He was born and raised in the railway country of Switzerland, and it was his desire to experience new places that brought him to Norway. First as a master’s student in civil economics in Bodø, and after a short trip back to Switzerland as a controller at train manufacturer Stadler, he ended up as Site Manager at Stadler’s maintenance base in Lodalen in Oslo.

Today, he works as a controller at Norske tog, where much of his time is spent on project controlling, reporting and budgeting in local train procurement.

Missing economy

It was the desire to work more with finance that brought him to Norske tog. He had heard a lot of positive things about the company while working at Stadler, so when a colleague was recruited by Norske tog, Adrian also felt the urge to move on.

– I asked a few people I knew at Norske tog, and they only said positive things about the company. So, I took the chance and applied for a position as controller. I felt very confident that it was a good choice – and it was, he says.

– *What is the best thing about working at Norske tog?*

– To be able to work with trains! And that I have so many great colleagues. It means a lot to me and has a big

impact on how we work together. I also think it’s really cool that there is room to provide input and suggestions for things that are actually implemented and that affect the direction Norske tog takes.

– An added bonus is that through my work I can contribute to giving the railway in Norway and Oslo a boost with new local trains and the new ERTMS signalling system, he continues.

Small company, big responsibility

– *What has surprised you the most in your job?*

– We are relatively few employees considering the scope and type of tasks we handle – we are responsible for all passenger trains in Norway, and procurements worth billions. When you look at the assets we manage, it’s amazing that there are only 60 people who handle this on a daily basis, the controller proudly explains.

Outside of work, Adrian spends a lot of time by the sea.

– I come from a country with only lakes, so I find the sea exciting. I swim all year round – ice bathing helps me to relax. So, in the winter, I try to go swimming at least every other week. If it’s cold enough, I also like to use one of the nice saunas along the fjord.

“When you look at the assets we manage, it’s amazing that there are only 60 people who handle this on a daily basis.”

The quality assurer

Erik Hopp has flown oligarchs and royalty around Europe, transported organs in the Nordic region and assisted the police in aerial searches. Now he has landed at Norske tog, with responsibility for safety on Norwegian trains.

– My boyhood dream was to fly business jets, with varied flights to many new places. So, when I turned 18, I got my pilot's licence before I got my car licence, says Erik Hopp, Head of Safety at Norske tog.

He has more than 20 years of experience in aviation, as an aircraft technician in the Norwegian Armed Forces, aircraft engineer and commercial pilot. It was the need for a stable and more family-friendly job that led him to the railway and the quality and safety department at NSB (now Vy) in 2008. When Norske tog was spun off as a separate company in 2016, he joined the transition. Initially in a position as quality manager, before eventually becoming safety manager.

– The railway and aviation industries have several common features. The aviation industry in Norway has a good safety culture and with my own experience from both operational management and technical maintenance, it was therefore natural to continue in the safety field, explains Erik.

Many considerations

Safety is a broad term that encompasses a lot. Erik focuses primarily on safety on the trains in his work, such as requirements for documentation and testing, risk analyses and internal processes within safety and training.

– Safety work can be complex, and there are many considerations to be taken into account. To succeed, you need to interact with many different professional

environments, such as subcontractors, authorities, operators and workshops, as well as all the specialists responsible for the subsystems installed on the trains.

– It's a comprehensive coordination exercise that requires a systematic approach and a good dose of patience, explains Erik.

Strong professional environment

– *What is the best thing about working at Norske tog?*

– Norske tog is a small organisation – you know who everyone is, and I really like that. At the same time, we are big enough to have the professional resources and expertise we need to carry out extensive, complex projects.

– In addition, we have a strong focus on delivering high-quality professional work, which is important to me as a security officer, says Erik.

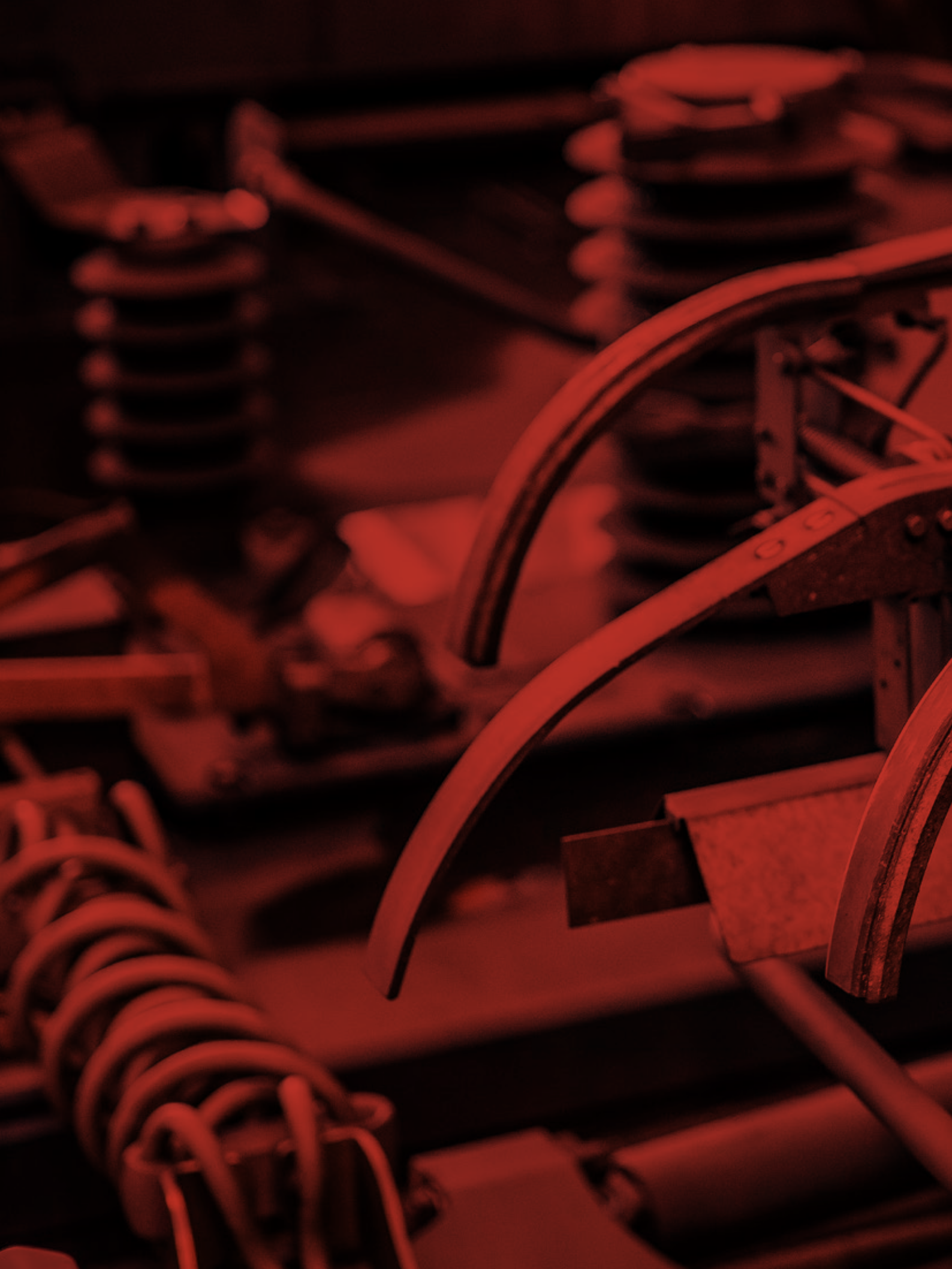
And when he leaves the office, he tries with varying degrees of success to stay active. He stays active with ball games, skiing and cycling.

– I also love windsurfing, but it was a bit easier when I was 18 than it is now. Now I'm mostly splashing around in the water, unless the wind conditions are perfect, he chuckles.

“Safety work can be complex, and there are many considerations to be taken into account.”



Name: Erik Hopp
Position: Head of Security
Age: 55 years
From: Svelvik, at the end of the Drammensfjord
Education: Mechanical/
Aerospace engineer,
aeronautical engineer and
commercial pilot from
Nashville, USA
Responsibilities: Safety on
trains – safety documentation,
risk analyses, project
management, internal
training, etc.





Part 2:
Organisation
and corporate
governance

Organisation

Norske tog is a company whose employees have long experience and cutting-edge specialist expertise.



From the left: Linda Marie Venbakken, Kjell-Arthur Abrahamsen, Øystein Risan, Iren Marugg and Luca Cuppari.

At Norske tog, it is the employees' expertise and experience that make the company a solid, technically knowledgeable organisation. At the end of 2023, the company had 63 employees. After seven years of

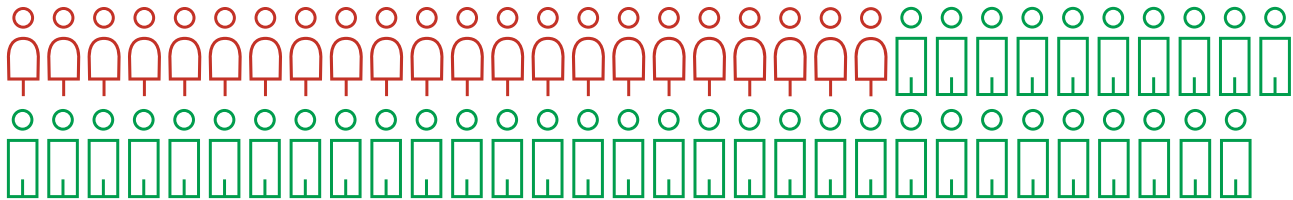
operation and related experience, the company continued to strengthen its work and relationships with other actors in the industry in 2023.



Employees

Norske tog wants to offer its employees a working environment where people thrive and can develop both professionally and personally. The company is

committed to giving everyone equal opportunities and has a strong focus on organising working conditions when necessary.



Number of employees: 63 (57 i 2022)
Number of full-time equivalents: 63 (55.4 in 2022)

Figure 1: Employees and full-time equivalents

Gender balance

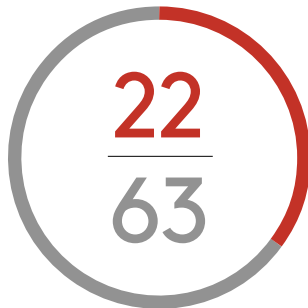
At the end of 2023, Norske tog had a gender balance of 35 per cent women and 65 per cent men. The proportion of women in management positions is 22 per cent. At senior management level, the gender distribution is 40 per cent women and 60 per cent men.

Norske tog works continuously to improve the gender balance in the company. The company operates in a traditionally male-dominated industry, and in recent years has worked determinedly to increase the proportion of women, with good results. From having a predominance of men in positions related to technology, development

and documentation, the company has seen a strong increase in the proportion of women in recent years with the recruitment of more female engineers.

The proportion of women in Norske tog has increased from 2 to 35 per cent since the start in 2017. The proportion of women remained stable at 35 per cent in 2023. In 2024, Norske tog will continue its efforts to strengthen the gender balance in the company.

More information about Norske tog’s work on diversity and gender equality can be found in the activity and gender equality report available on the company’s website.



Share of women
35% (35% in 2022)

Figure 2: Proportion of women



Proportion of women in management
40% (40% in 2022)

Figure 3: Proportion of female managers

Achievement of objectives

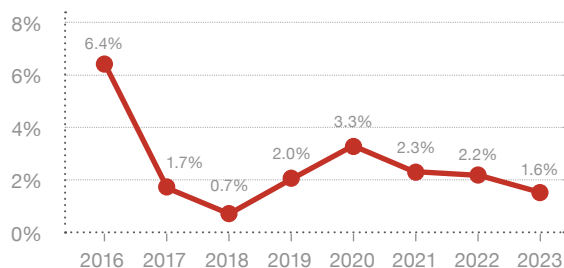


Figure 4: Sickness absence

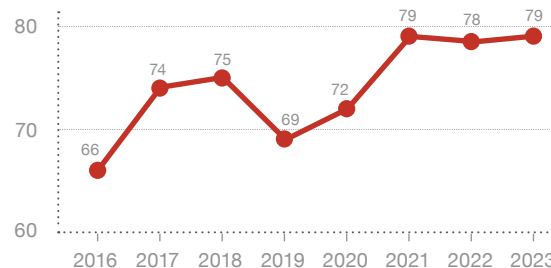


Figure 5: Employee satisfaction

Onboarding

Norske tog has a written procedure for onboarding new employees. The procedure involves sharing useful information with the new employee, as well as an introduction to the company. In addition, the company has prepared fixed “pre-boarding” activities, to which the new employee is invited before he or she has started in the position.

To ensure a good welcome, all new employees in Norske tog are assigned a sponsor and a mentor in the organisation, as well as training in what the position requires. Training is a key part of the company’s competence development, and participation in projects and tasks in the form of practical work experience is an important part of the company’s training model. Department managers are responsible for ensuring that the department as a whole has the necessary expertise to fulfil all of the department’s tasks and responsibilities.

Combined, the above-mentioned measures are intended to ensure that it is easy to settle into the social and professional working environment at Norske tog. The personnel handbook, which all employees familiarise themselves with in connection with onboarding, provides an overview of guidelines for employees.

Health, safety and environment

Norske tog’s operations shall not cause serious harm

to people, the environment or material assets. This also applies to damage resulting from faults in Norske tog’s vehicles.

The majority of the company’s employees work in offices, and HSE risks associated with the office environment are therefore relevant to all employees. Several employees also undertake business trips to workshops and for testing in interaction with suppliers and other partners, where this work entails other types of risk.

A minor work-related injury was reported in Norske tog in 2023, where an employee was injured when a steel pipe fell on a hand in a workshop. The company responsible for securing materials on site was present during the incident and is responsible for taking further measures to prevent this from happening again. In addition, a couple of dangerous conditions have been registered, where measures have been taken.

Risk management

Risk management is an integral part of Norske tog’s corporate governance. The risk management process is described in the management system and includes overall guidelines for risk management, as well as how the company works with risk management at all levels. Financial risk management is also part of the company’s financial policy.

In order to work more holistically with risk, a separate risk portal was created in 2022, in addition to a separate digital incident portal. The risk portal provides an overall overview of risk in Norske tog (except for risks in projects that are covered by the duty of confidentiality), as well as a description of measures, the effect of measures and those responsible for follow-up. There is a defined risk matrix that is used to set risk levels. Several types of risk can be entered in the risk portal, including risks related to workload or expertise if identified in projects or in the organisation in general. In 2023, the risk portal was further developed and now also includes the financial impact of identified risks. The change has been well received. Putting a value on the risks is not always easy, but it is very important that such an assessment is made – especially in the major projects that are managed according to cost limits allocated by the Storting.

There is still some variation in the scope and format of registrations made in both portals so far, as both the incident and risk portals are fairly new, and work is underway to establish a fixed structure.

All projects have reviewed risk on a monthly basis and at phase transitions, and shared information about this in project reports that are part of the monthly reporting to management. In the largest projects, due diligence assessments are also carried out where, among other things, the risk of labour conditions in the supply chain is identified. This is carried out in accordance with the description in the section on “Collaboration in the value chain” in Part 3 of the report. In April each year, Norske tog’s management conducts a risk assessment at company level where the greatest risks from projects and other relevant risks are assessed and included in an overall risk matrix. The risk matrix is updated every autumn. From 2024, risk will be reviewed monthly by

In 2023, the Code of Conduct for employees was updated with guidelines for animal welfare and anti-money laundering.

management. In addition, in 2024 the company will also integrate climate risk into the company’s work on risk. In 2023, a climate risk analysis was conducted with broad involvement across the organisation.

In co-operation with Kvale Advokatfirma DA, Norske tog has established a whistleblowing service. More detailed information about the company’s whistleblowing procedures and methods can be found in the company’s activity and gender equality report, which is available on Norske tog’s website.

Procurement, integrity and anti-corruption

The purchase of trainsets and related goods and services procured by Norske tog is of great financial value. It is therefore important that Norske tog’s employees are aware of how Norske tog works with anti-corruption when meeting suppliers and partners.

Norske tog shall act with integrity in the market and works to promote a strong anti-corruption culture. Norske tog has ethical guidelines and in 2023 prepared new guidelines for responsible business practices. These guidelines replace previous guidelines for corporate social responsibility, which dealt with the company’s relationship with human rights, labour rights and anti-corruption efforts, among other things. The guidelines for responsible business practices include the company’s obligations relating to a wide range of topics, including human rights, labour rights, climate, the environment, waste and recycling, as well as corruption and money laundering.

The ethical guidelines apply to both our own employees and contracted resources. The company works actively to prevent undesirable behaviour and enables employees to handle difficult situations through detailed routines, controls and training.

In 2023, the Code of Conduct for employees was updated with guidelines for animal welfare and anti-money laundering. The latter builds on the anti-corruption guidelines that were updated in 2022. The company conducts annual anti-corruption training, and in December, dilemma training was initiated for employees in relation to the receipt of improper gifts and reflection tasks. In 2023, the company also worked on developing

There were no incidents related to corruption in Norske tog in 2023.

a methodology for monitoring the company's suppliers in terms of environmental, climate and social responsibility.

As the company is now moving from procurement to more management, work was carried out in 2023 on the process for contract management, including contract follow-up, spot checks, etc.

Norske tog runs regular refresher courses and courses for new employees on procurement.

Legal employees regularly participate in network meetings with the Norwegian Agency for Public and Financial Management (DFØ) through the procurement network.

There were no incidents related to corruption in Norske tog in 2023.

Investing in sustainability expertise

The coordination of sustainability work in Norske tog is organised under the company's CFO and Norske tog has a dedicated resource for work on management systems and sustainability. There is a rapid development in the area related to integrated reporting, and not least the introduction of the EU's new directive for sustainability reporting CSRD (Corporate Sustainability Reporting Directive). CSRD will mean that the requirements for sustainability reporting will eventually correspond to the requirements in traditional financial reporting.

The work also involves responsibility for following up both operations and projects, coordinating and following up that measures are implemented, as well as collecting information to ensure good reporting in line with recognised standards.

Several regulatory requirements and an increased internal focus have led to several sustainability-related topics being on the agenda in various contexts during 2023. At the "Train Academy", Norske tog's internal arena

for competence enhancement, the following sustainability-related topics were discussed in 2023:

- **20 January** – Greenhouse gas emissions
- **26 May** – The Equality and Anti-Discrimination Act
- **16 June** – Norske tog's reporting in accordance with the Transparency Act
- **15 September** – Double materiality assessment and CSRD reporting – briefing on background, purpose and implications for Norske tog.
- **22 September** – Diversity and inclusion
- **27 October** – Recycling of metals
- **1 December** – Investment appraisals, ESG and expectations for company reporting

In addition to joint skills development at the Train Academy, a workshop related to the sustainability strategy was held at the company's internal meeting in autumn 2023. The purpose of the workshop was to anchor the sustainability strategy even better in the various departments, and to identify and integrate new measures into the action plan for 2024. At the company meeting, a workshop on unconscious bias was also held, with various cases that employees worked on in groups.

Norske tog has also initiated work on climate risk this autumn, where an introduction to climate risk and scenario analysis was held, as well as a workshop to identify relevant climate risks for Norske tog based on climate scenarios. In this connection, a knowledge base was prepared for Norske tog relating to climate scenarios and climate risk. Twelve employees from different parts of the organisation have been involved in this work.

Norske tog's climate committee follows up the company's work on sustainable finance and green procurement. Expertise building is also central to this work. In addition to participating in the Train Academy, one of the members has participated in the Sustainability Academy in 2023, a course in sustainability reporting in accordance with the EU directive on sustainability reporting, organised by the Norwegian Institute of Public Auditors. Some of the members regularly participate in seminars and webinars on topics related to sustainability. Norske tog will also continue to strengthen its expertise in areas such as climate risk and sustainable finance, including the EU taxonomy and the Green Bond Standard.

Corporate governance

In the following section, Norske tog reports on the company's compliance with the Norwegian Code of Practice for Corporate Governance.

1. Report on corporate governance

Norske tog is wholly owned by the Norwegian state through the Ministry of Transport and Communications (SD) and operates in accordance with the company's articles of association. The Board of Directors ensures that the company has good corporate governance by adopting a framework for risk management and internal control, and by considering the company's strategy.

2. Organisation

The company's purpose is to acquire, own and manage trains for hire to passenger train operators in Norway, as well as activities that are naturally related to this.

The Board of Directors assesses the company's goals, strategies and risk profile on an annual basis.

The company has adopted guidelines for ethics and corporate social responsibility.

3. Share capital and dividends

As of 31 December 2013, Norske tog had equity of NOK 3,606 million and an equity ratio of 25.9 per cent. The company aims to have a long-term equity ratio of more than 25 per cent, and a short-term equity ratio of more than 20 per cent.

Norske tog is in an investment phase and needs an injection of equity. The Board will therefore not propose a dividend in the coming strategy period.

4. Equal treatment of shareholders and transactions with related parties

The company has only one class of shares. All shares are owned by the Norwegian state and managed by the Ministry of Transport and Communications.

Guidelines for handling non-material transactions between the company and board members/executive personnel are incorporated in the ethical guidelines and instructions for the Board of Directors and the CEO.

5. Free negotiability

All shares in the company are owned by the Ministry of Transport and Communications.

The Code of Practice's requirements in this area are not considered relevant.

6. Annual General Meeting

The Norwegian state, represented by the Ministry of Transport and Communications, makes up the general meeting of the company. The general meeting is held by the end of June each year. On behalf of Norske tog, at least the Chairman of the Board, the CEO and the auditor attend the meeting.

Notice of the general meeting will be sent to no later than seven days before the date of the general meeting. The deadline for registration is set close to the date of the general meeting. The general meeting is opened by the chairman of the board. The general meeting then elects a chairperson.

7. Nomination committee

In accordance with section 6-3 of the Limited Liability Companies Act, the members of the Board of Directors are elected by the company's general meeting. The general meeting consists of the Ministry of Transport and Communications, and the Ministry has not appointed a nomination committee. The selection of board members follows the processes established by the Ministry for the composition of boards of directors in wholly owned companies (ref. the Norwegian State's white paper on state ownership 2022-23). The Chairman of the Board is elected by the Board. Employee representatives are elected by and among the employees. All board members are assessed annually, regardless of whether they are up for election.

Relevant expertise shall be the main consideration in the state's work on board composition. Given the level of expertise, the state shall emphasise capacity and diversity. Expertise is about relevant experience and background, as well as personal qualities. When selecting board members, the state will emphasise management experience, board experience and relevant industry experience with good results. Overall, the board should have relevant expertise that enables it to assess risks and opportunities related to economic, social and environmental issues, and thus contribute to the achievement of goals. When selecting board members, the state will also emphasise personal qualities that enable them to function well in a collegial environment. Examples of such qualities may include high integrity, independence, interpersonal skills, creativity, ability to innovate, commitment to the company's purpose and

ability to safeguard the company's interests in a favourable manner.

As part of the above assessments, the state conducts, for wholly owned companies, interviews with all owner-elected board members and the CEO of the company. The state also endeavours to hold discussions with board members elected by and among the employees. The state endeavours to maintain a dialogue with the chairman of the board during the work on assessments of possible changes to the board. The Ministry of Transport and Communications' internal nomination committee is responsible for assessing the composition of the Board and proposing candidates for the Board. It is not planned to obtain assessments from stakeholders.

The Code of Practice's requirements in this area are not considered relevant.

8. Corporate assembly and board of directors, composition and independence

Through its ownership of Norske tog, the state has a significant influence on the company by deciding what is to be discussed and voted on at the general meeting, such as approval of the annual accounts, capital increases, amendments to the articles of association and election of board members.

In line with the Norwegian Code of Practice for Corporate Governance, the Board of Directors is composed in a way that ensures that it can act independently of any special interests. When electing shareholder-elected board members, the principles of independence and impartiality are applied.

No impartiality assessments were carried out in 2023. Board members are responsible for reporting any



From left: Vidar Larsen, Espen Opedal, Øystein Risan, Anita Meidell, Berit Gjeruldsen and Jan Morten Ertsaas

circumstances that may lead to disqualification. In the event of disqualification, the person in question resigns from consideration of the matter in question. Board member Espen Opedal is CEO of Tryg Forsikring and is therefore disqualified in all matters relating to Norske tog's insurance contracts.

The Board of Directors reviews and signs Norske tog's Code of Conduct annually.

Norske tog's board of directors was changed at the company's annual general meeting on 9 June 2023,

when the chair of the board, Anette Malm Justad, and board member Marianne Abeler resigned. Board member Jan Morten Ertsaas took over as new chairman of the board, and Anita Meidell joined the board as a new board member. In March 2023, Ole Høgtun and Vidar Larsen were elected as employee representatives to the Board. Berit Gjeruldsen, who was number two when Ole Høgtun was elected, took over as employee representative in October 2023 to fulfil the requirements for gender balance on the board.

Role	Name	Transfer from	Gender	Number of relevant positions/jobs	Other relevant activities/expertise
Chairman of the Board	Jan Morten Ertsaas	June 2023	Male	5 (CEO in 1 company, chairman of the board in 3 companies, board member in 1 company)	CEO of Siva SF, Chairman of the Board of Siva Eiendom Holding AS and Safetec Nordic AS, Board member of Fokksnø AS.
Board member	Espen Opedal	April 2017	Male	3 (CEO in 1 company, chairman of the board in 1 company, and board member in 1 company)	CEO of Tryg Insurance, Chairman of the Board of Styreportalen AS, and Board member Finance Innovation.
Board member	Anita Meidell	June 2023	Female	1 (part of the management team of the Department of Accounting, Auditing and Law at NHH)	Head of research group for corporate governance at NHH.
Employee representative	Vidar Larsen	March 2023	Male	Only internal positions in Norske tog	
Employee representative	Berit Gjeruldsen	October 2023	Female	Only internal positions in Norske tog	

Table 2: Norske tog's board

The Board has no members from underrepresented groups.

The Board of Directors represents broad experience from different parts of the business community and has good knowledge of the company's operations. All of Norske tog's shareholder-elected board members have extensive management experience. In addition, all shareholder-elected board members have extensive experience of board work, with two of the members being active in other non-competing organisations.

All board members are potential end users of public transport provided by the trains owned by Norske tog. Norske tog's employees are represented by two persons who are not part of the company's management team.

Norske tog AS does not have a corporate assembly.

The recommendation that board members should be encouraged to own shares in the company is not relevant.

9. The work of the Board of Directors

Norske tog operates its business in accordance with the company's articles of association. The Board of Directors ensures that the company has good corporate governance by adopting a framework for risk management and internal control, and by considering the company's strategy. The Board of Directors assesses the company's goals, strategies and risk profile on an annual basis. The Board of Directors of Norske tog is also responsible for decision-making and for managing the company's impact on the economy, environment and people.

The Board of Directors provides annual guidance and sets requirements for the assessment of risk and capital requirements in line with the company's guidelines. Risk management is treated as an integral part of the company's business plan. To ensure comprehensive management of the company, a separate management system has been developed, with processes and routines for managing and controlling the organisation.



A train of class 73.

Principles and guidelines, routines and authorisation matrices have also been prepared to manage and control finances, accounting and financing.

The Board meets at least five times a year, including an annual strategy meeting. Other meetings are convened as required. The number of meetings in 2023 totalled 12 meetings. The Board prepares an annual plan for its meeting activity. The Board evaluates its work and expertise annually.

In 2023, the tasks of the Audit Committee were expanded, and a joint Audit and Sustainability Committee was established. In addition, instructions have been developed that include the committee's official mandate. The committee shall act as a preparatory and advisory body for the Board of Directors and support the Board in the exercise of its management and supervisory responsibilities.

Increase in expertise

The Board has extensive experience from other organisations and sustainability work in these organisations. In 2023, the Board has had a particular focus on increasing expertise in topics related to sustainability and sustainable development in the railway sector. Several members of the Board regularly attend courses, lectures and other competence arenas on sustainability topics, and one Board member has attended a series of seminars on CSRD specifically. This board member also supervises sustainability and corporate governance at doctoral level. The board also has members with in-depth knowledge of the EU taxonomy. In addition, insight is obtained from external partners (e.g. auditing) as needed.

The Board's supervisory role

The Board's main responsibilities include management of the company (section 6-12 of the Limited Liability Companies Act) and supervisory responsibilities (section 6-13 of the Limited Liability Companies Act) and are defined in the company's board instructions. The Board is responsible for ensuring that the principles expressed in the government's white paper on state ownership are observed.

The board's main tasks, as defined in Norske tog's board instructions, can be divided into four areas:

- 1) Strategic tasks (establishing plans and budgets, as well as setting overall objectives and strategies).
- 2) Control tasks (familiarising with the company's financial position and ensuring that accounts etc. are checked, that there is sufficient equity etc.)
- 3) Organisational tasks (ensuring proper organisation and supervising the day-to-day management, including appointing the CEO).
- 4) Self-assignments (evaluating own work and expertise, developing own expertise, planning for own work).

As owner of Norske tog, the state contributes to goal achievement by, among other things, holding the Board of Directors accountable for this. Assessments of the companies' goals achievement and work on the state's expectations are made on an ongoing basis and are normally summarised annually as part of the planning of the state's ownership follow-up and adjusted as necessary. The company's board members make an annual assessment of their own work, with contributions from the CEO.

Norske tog's strategy, including its financial policy, is reviewed annually by the board and management at a two-day board meeting in October. In December, the action plan (the most important activities the company will focus on) and the budget for the coming year are adopted.

The Board of Directors is responsible for setting ambitions, goals and strategies for the company, within the framework of the Articles of Association, while the work of preparing, implementing and following up, including the work on sustainability in line with the UN Sustainable Development Goals, lies with the management. In line with increasing requirements for sustainability reporting, the ambition is for the Board of Directors to be more actively involved in this work in the future. In 2023, Norske tog has therefore reviewed and updated the board's guidelines, incorporating requirements related to sustainability and reporting, and clarifying changes related to the distribution and signing of minutes. Each board member shall annually sign the company's ethical guidelines and guidelines for responsible business practices.

Through fixed annual meeting dates, five ordinary board meetings, the Board of Directors and the CEO deal with ongoing matters that have emerged in the internal audit process. Extraordinary board meetings are organised when necessary. In 2023, five ordinary and seven extraordinary board meetings were held.

Four quarterly contact meetings are held annually with the owner, the Ministry of Transport and Communications, as well as separate individual interviews between the ministry and all board members and the CEO. The individual interviews are conducted annually in the third quarter. From Norske tog's side, the CEO, CFO and Chairman of the Board attend the contact meetings. The meetings follow a fixed, rolling agenda. In addition, an annual sustainability meeting is scheduled in the autumn. The purpose of the sustainability meeting is to provide the owner with good knowledge of how Norske tog works with the state's areas of expectation, including the issues that Norske tog considers to be significant for the company's goal achievement.

When the company prepares major purchases or upgrade projects, it is crucial to get input from all stakeholder groups and potential suppliers. When planning major projects, Norske tog invites all stakeholders to open dialogue and input meetings. The stakeholder meetings serve as an important information channel to ensure a good basis for preparing tender documents and clear project descriptions. Key stakeholders are also involved at various stages of the procurement processes to ensure that procurement is optimised for as many people as possible.

Norske tog also holds regular meetings with the Norwegian Railway Directorate, Bane NOR, the operators and other players in the railway industry.

Delegation of responsibility

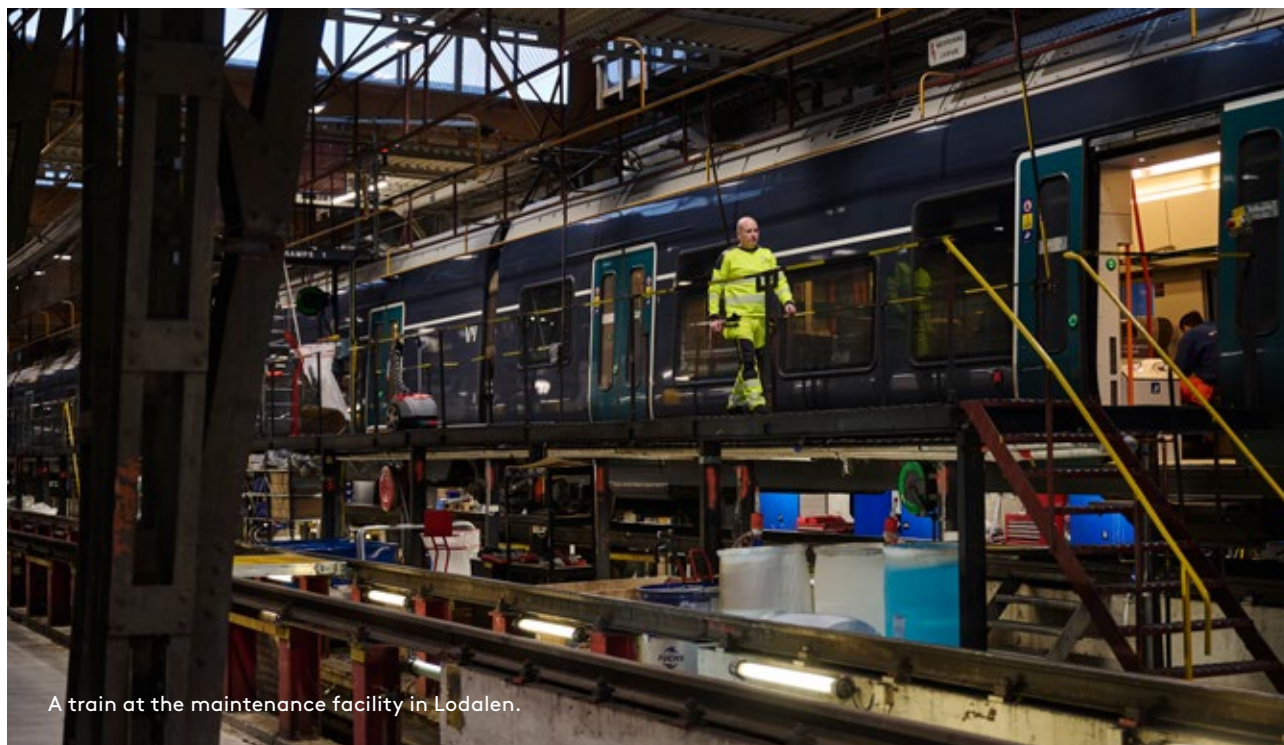
Norske tog's board of directors shall comply with the principles set out in the Norwegian Code of Practice for Corporate Governance, with the exceptions dictated by the form of ownership and the organisation's activities. Furthermore, the Board of Directors shall ensure that the principles expressed in the Norwegian government's white paper on state ownership on the governance of state-owned companies are observed.

The board of directors is responsible for appointing the company's CEO and determines the terms and conditions of his/her appointment. The board of directors shall evaluate the CEO and adopt instructions specifying the person's authorisations. The CEO has, under the Board of Directors, overall responsibility for the organisation's impact on the economy, environment and people, with the exception of matters that are of an unusual nature or of particular importance in the company's circumstances. Matters of particular importance are the responsibility of the Board of Directors. In 2023, the CEO's instructions were updated, with sustainability and sustainability reporting added as a separate specified area of responsibility.

Evaluation of the Board's work

The Board of Directors is responsible for the management of the company (ref. white paper on state ownership 2022-2023). The state assesses the company's goal achievement and that the company's work is in line with the state's expectations, and the Board's contribution to this. The state contributes to goal achievement in part by holding the Board of Directors accountable for goal achievement, but is not itself represented on the Board. The state, as owner of the company, has regular owner dialogue with Norske tog where they can provide input. The owner dialogue primarily takes place through four contact meetings with management (regular meetings every quarter), one board evaluation meeting and one owner meeting per year, which is held after the general meeting. In addition to the regular meetings, the state maintains a dialogue with Norske tog on specific topics or issues as required. The topic of the quarterly meetings is mainly how the state's sector policy goals are to be understood, and how the company operationalises and measures this.

Matters that require the approval of the owners must be dealt with at the general meeting, where the state's ownership authority is exercised. This includes the election of board members, determination of board remuneration, approval of guidelines for executive remuneration and salary reports, election of auditor and approval of auditor remuneration, repurchase and cancellation of shares, as well as resolutions on capital changes and other amendments to the Articles of Association. The state as owner may demand that



A train at the maintenance facility in Lodalen.

matters be dealt with at the general meeting. The state will make use of this right where it is relevant and does not violate the division of roles on which company legislation is based (ref. Meld. St. 6 (2022-2023) A greener and more active state ownership – The state's direct ownership of companies).

10. Risk management and internal control

The Board of Directors provides annual guidance and sets requirements for the assessment of risk and capital requirements in line with the company's guidelines. Risk management is treated as an integral part of the company's business plan.

To ensure comprehensive management of the company, a separate management system has been developed, with processes and routines for managing and controlling the organisation.

Principles and guidelines, procedures and authorisation matrices have been drawn up to manage and control finances, accounting and financing.

11. Remuneration to the Board of Directors

Remuneration to the governing bodies of Norske tog is decided by the owner at the general meeting. See note 21 for a complete overview of the board's remuneration, broken down at individual level.

In the owner's assessment of the level of board remuneration, reference is made to comparable, unlisted Norwegian companies. The remuneration shall reflect the board's responsibilities, expertise, time spent and the complexity of the business, and it shall be at a moderate level. Remuneration is not performance-related (cf. the Norwegian Code of Practice for Corporate Governance). Board members or companies with which they are associated have not undertaken any special tasks for the company, other than that the insurance company Tryg, where one board member is the CEO, has the company's insurance policies.

In 2023, remuneration was increased by 4,3 per cent, in line with general wage growth.

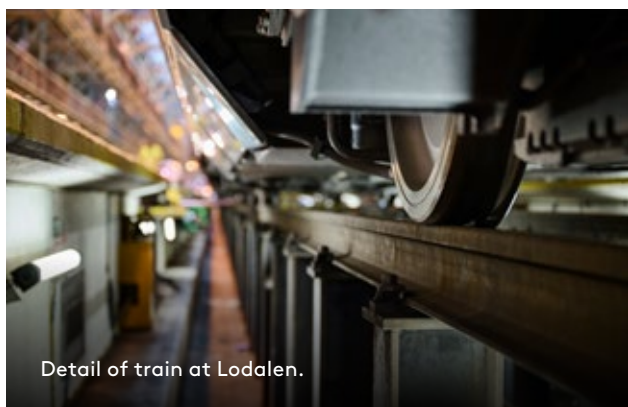
The Chairman of the Board is remunerated in line with the scope of duties and responsibilities that follow from this office, and therefore has a higher level of remuneration than the other members of the Board. For example, the Chairman of the Board of Directors has a special responsibility for organising the work of the Board, as well as maintaining a dialogue with management and the owner, in addition to ordinary board member responsibilities. Board fees are paid until a member resigns from the role. In the event of sick leave, directors' fees are paid in the same way as employees receive salary in the event of illness.

Remuneration to the Board of Directors is not performance-related.

12. Remuneration to senior executives in the company

Remuneration to senior executives in Norske tog is determined by the CEO. Determination of executive remuneration is made in line with the state's expectations (cf. Report to the Storting Meld. St. 6 (2022-2023) A greener and more active state ownership – The state's direct ownership of companies, and the governmental guidelines for executive remuneration in companies with direct state ownership, as established by the Ministry of Trade, Industry and Fisheries 12.12.2022). In accordance with the state's guidelines for executive remuneration, the state expects category 2 companies not to have separate bonus schemes for senior executives.

See note 21 for a complete overview of remuneration to senior executives. The senior management's



Detail of train at Lodalen.

compensation programme therefore consists only of fixed salary and is not affected by management's management of the company's financial, environmental and human impact. The category "other benefits" includes tax liability for the use of the staff ticket (reduced price on public transport), mobile phone benefit, group life insurance, accident insurance and health insurance. For the CEO, "other benefits" also includes a mileage allowance of NOK 120 000 per year.

The company's management team is offered competitive, but not salary-leading, compensation. In order to assess what is a competitive, but not salary-leading remuneration level, factors such as experience, seniority, expertise and salary conditions that are common in other, similar Norwegian unlisted companies are normally taken into account. The senior management's compensation consists of a fixed salary and some taxable benefits such as insurance and pension. The various elements of the compensation programme are assessed both together and separately to ensure moderation and competitiveness at the same time. This also applies to all the company's employees. Only the mileage allowance is limited to the company's CEO.

For a more detailed explanation, please refer to Norske tog's executive remuneration report, which is available on the company's website www.norsketog.no.

13. Information and communications

The company is wholly owned by the state. Securities legislation and other regulations relating to equal treatment of participants in the securities market are not relevant. A financial calendar has not been established. However, the company publishes annual and half-yearly reports on its website.

The requirements are only partially relevant to the company, but are followed for the publication of reports.

14. Company takeovers

The company is wholly owned by the state and is categorised as a category 2 company.

Due to the ownership situation and categorisation of the company, no separate principles for company takeovers have been prepared.

15. Auditor

Norske tog is audited by an independent third party annually, in line with the requirements of Auditors Act. At present, the auditing company PwC is responsible for auditing Norske tog, and thus assessing whether the company's annual accounts are true and fair. The company's auditor is elected at the general meeting, and the agreement on auditor services is valid for four years (annual accounts 2022-2025) with options of two + two years. The auditor attends the board meeting that considers the annual accounts. The auditor's provision of additional services is presented annually to the Board of Directors.

Norske tog is wholly owned by the state and is therefore subject to the state's internal audit requirements in accordance with Chapter 2 of the Ministry of Finance's "Provisions on Financial Management in Central Government".

Norske tog has engaged an external auditing company to conduct internal audits. The purpose of the internal audit is to evaluate the appropriateness and effectiveness of the company's management and control system for risk management and internal control in a structured and systematic manner, including the company's impact on the economy, environment and people.



In 2023, Norske tog issued a tender for a new internal auditor, as the old contract had expired. The consultancy company EY won the contract, which has a duration of four years. The agreement was signed on 14 April 2023.

The internal auditor works and reports formally to Norske tog's Board of Directors and prepares an annual risk-based audit plan (June to June) to set its priorities. The audit plan is proposed to the Board of Directors, which either amends or adopts the proposal.

More detailed information on external auditing is available in Appendix C "Information on external auditing", which is available on the company's website.

Sustainability in corporate governance

In 2022, Norske tog prepared a sustainability strategy, which the company worked to integrate into its corporate governance and work processes in 2023. It has been particularly important to anchor the work in management and define areas of responsibility. In 2023, Norske tog has done the following:

- Defined responsibility for sustainability in the Board of Directors, the Audit and Sustainability Committee and the CEO. In addition, governance instructions have been updated.
- A policy for responsible business practices has been drawn up that will provide guidelines for safeguarding

people, the environment and climate in all work processes. The policy has been approved by the Board of Directors.

- The company has worked on climate risk in line with the TCFD framework. Climate risk will be integrated into Norske tog's risk management from 2024.
- An annual wheel has been prepared for the weekly management team meetings, where sustainability is a fixed item on the agenda once a month. In addition, an annual wheel has been set up for the various sustainability topics to be discussed at the management team meetings. The annual cycle applies from 2024.



A close-up, artistic photograph of a hand holding a pen, with a green color overlay. The image is dark and moody, with the green tint creating a sense of focus and depth. The hand is positioned in the upper right, and the pen is held in a way that suggests writing or drawing. The background is blurred, emphasizing the hand and the pen.

Part 3: Sustainability

Norske tog's mission is to procure, own and manage vehicles for passenger transport by train in Norway. As such, the company conducts operations that impact people, the environment and society both directly and indirectly.

About the sustainability report

This is Norske tog's second sustainability report, which has been prepared in line with the Global Reporting Initiative (GRI) framework. The report presents a summary of the company's activities and its approach to sustainability, as well as the company's positive and negative impacts. The report also highlights Norske tog's most significant sustainability risks and opportunities, as well as the areas the company will continue to work on. The reporting period is for the calendar year 2023.

The sustainability reporting is based on data and information collected from various parts of the company. There are some limitations in the data basis, but essentially all significant data are included. Norske tog will continue to report on sustainability annually at the same time as the annual accounts are published.

The report includes an index in accordance with GRI requirements and standard sustainability reporting. The report for 2023 will be based on the same structure as in 2022 according to GRI, but is seen as a transitional report where the company looks ahead to the coming

year's reporting requirements. As of the calendar year 2024, Norske tog will report in accordance with the new directive for sustainability reporting, CSRD, which will require a major adaptation of the report. Norske tog is required to report under CSRD before 2026 (for the year 2025). In preparation for reporting under CSRD, a double materiality assessment has been performed. The findings will form the knowledge base for integrating sustainability into the business strategy, as well as the development of sustainability indicators for further work. This is seen as part of an improvement programme for sustainability in the company.

The sustainability report has been approved by the Board of Directors prior to publication, but has not been verified by an external third party. In the long term, Norske tog has an ambition to perform external verification of the sustainability report.

Any questions related to this report or the sustainability work in Norske tog can be directed to barekraft@norsketog.no.

Sustainability in Norske tog

Norske tog plays an important role in the work to make Norwegian rail travel more sustainable. Offering passengers green journeys is an essential contribution to the government's goal for Norway to be climate neutral by 2030. In 2023, Norske tog worked to gain deeper insight into what the key sustainability areas are for the organisation, what the company will continue to work on, and how new knowledge about sustainability-related risks and opportunities will be incorporated into the management of the business. As described in chapter 2, Norske tog has also anchored its sustainability work in its corporate governance through clear instructions to the Board of Directors and CEO, as well as through a procedure for responsible business practices approved by the Board of Directors.

With a clear strategy and specific measures, Norske tog is working on the sustainability areas that the company has identified as the most important. This includes contributing to more energy-efficient solutions and exploring the scope for low- and zero-emission solutions on railway lines that are not electrified. It also involves thinking circularly about the vehicles, which the company will procure, manage and phase out in the best possible way. At the same time, low emissions and reduced environmental impact are not enough to call rail transport sustainable – human rights and labour rights must also be safeguarded in the production of the trains. In addition, Norske tog's employees must thrive and experience rewarding professional development in their work for the company.

Targeted work will be crucial to ensure good progress and a good data basis, as well as to further develop the company's internal governance and external reporting. With a dedicated adviser for management system and sustainability, Norske tog had a solid coordination of the action plan and sustainability measures in 2023. This has been an important part of the work to meet future sustainability requirements and at the same time contribute to the sustainable development of the company.

Materiality assessments and interaction with key stakeholders

Norske tog conducts annual materiality assessments, a process that involves the organisation, the management team and the Board of Directors. In connection with the development of the company's sustainability strategy in 2022, a materiality analysis was conducted in accordance with the Global Reporting Initiative (GRI) guidelines. With this, Norske tog mapped and assessed the company's positive and negative impacts on people and the environment. The materiality assessment clearly defined what is important in the strategic work on sustainability and for reporting on sustainability in the company.

The sustainability reporting for 2023 is based on the materiality assessment from 2022. It has been updated with insights from the company's double materiality assessment conducted in 2023, which will be supplemented and finalised in 2024. The double materiality assessment is a step in Norske tog's preparations to report in accordance with the new directive on sustainability reporting (CSRD). CSRD has also been an important framework for several of the major activities and processes that Norske tog has

carried out in 2023, such as conducting a climate risk analysis and defining science-based climate targets.

Norske tog's double materiality assessment has mapped actual and potential positive and negative impacts on various stakeholders, as well as assessments of sustainability-related financial risks and opportunities. By conducting the materiality assessment in line with the European Financial Reporting Advisory Group (EFRAG) guidance and the OECD Due Diligence Guidance for Responsible Business Conduct, some additional material impacts, risks and opportunities have been identified, such as impacts on end users and local communities.

In 2024, broad stakeholder involvement will again be carried out to provide a complete and robust double materiality assessment in advance of CSRD reporting. The analysis will provide Norske tog with a good basis for further work on managing sustainability-related risks and opportunities in the years to come.

The work on double materiality was carried out by Norske tog, with external assistance in close cooperation with key employees. Norske tog's management has been involved in the identification of financial risks and opportunities, as well as the assessment of these.

Table 3 summarises Norske tog's stakeholders and how the company conducts dialogue with them. In the double materiality assessment, Norske tog identified new groups of stakeholders: employees in the value chain and local communities. These are stakeholders that the company will work to better understand going forward.

The double materiality assessment is a step in Norske tog's preparations to report in accordance with the new directive on sustainability reporting (CSRD).

Stakeholder	Communication channels	Topics that concerned the stakeholder in 2022
<p>Owner: Norske tog must meet the expectations of the Ministry of Transport and Communications.</p>	<ul style="list-style-type: none"> - Owners' meeting - Continuous dialogue - White paper on state ownership 	<ul style="list-style-type: none"> • Compliance with the white paper on state ownership • Best practice in ethics • Cost-efficiency that leads to the best possible train for the investments • Optimised maintenance and replacement of the train fleet based on what the infrastructure enables • Transfer of knowledge from external consultants • Implementation of clear sustainability goals and strategies, including and following up on the UN Sustainable Development Goals according to defined key performance indicators • Proactive work with diversity and inclusion
<p>Customers: Norske tog's customers are the train operators that are awarded traffic packages on the Norwegian railway. Today, these are VyGruppen, Vy Tog, SJ Nordic and Go-Ahead.</p>	<ul style="list-style-type: none"> - Ongoing dialogue - KAM - Input for procurement of new trains - Involvement in the design phase 	<ul style="list-style-type: none"> • Management of the train fleet • Good customer care and efficient decision-making processes • Effective dialogue on maintenance and investment needs, including clear division of responsibilities • Access to critical components • Technical topics such as energy optimisation, energy-efficient operation and noise • The Transparency Act, value chain and supplier monitoring • Responsible procurement • Pricing model for leasing
<p>Authorities: Norske tog is part of a sector that is coordinated and monitored by the Norwegian Railway Directorate and the Norwegian Railway Authority.</p>	<ul style="list-style-type: none"> - Continuous dialogue 	<ul style="list-style-type: none"> • Further development of the railway, including organisation of the sector, lease price model, railway reform, political objectives and electrification • Numerical basis and methodology for sharing data in the sector, e.g. on GHG reporting, and documenting and making processes available • For Norske tog to have the best expertise in trains • Sustainability in Norske tog's procurement • The Transparency Act, value chain and supplier monitoring • Climate risk and future technological solutions as part of Norske tog's target scenario

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Stakeholder	Communication channels	Topics that concerned the stakeholder in 2022
<p>Investors: Norske tog must ensure access to loan financing in bond and certification markets nationally and internationally.</p>	<ul style="list-style-type: none"> - Investor meetings 	<ul style="list-style-type: none"> • Reporting on what is material and showing year-on-year improvement • Openness and transparency, including strategy and goals • Report on the EU taxonomy • Show the sustainability impact of new investments
<p>Employee: Norske tog is a small organisation with cutting-edge technical expertise.</p>	<ul style="list-style-type: none"> - Employee appraisal interviews 	<ul style="list-style-type: none"> • Professional development • Wellbeing of employees • Contribute to important corporate social responsibility through sustainability
<p>Suppliers: Procurement, modifications and maintenance on trains run over many years and require good co-operation.</p>	<ul style="list-style-type: none"> - Supplier meetings 	<ul style="list-style-type: none"> • Clear expectations and directions, also with regard to sustainability • Clear procurement process • Standardisation of the train fleet • Use the opportunity to influence • Needs-based maintenance
<p>Special interest organisations: Organisations Norske tog considers as stakeholders include employee organisations, trade unions and user organisations.</p>	<ul style="list-style-type: none"> - Dialogue - Input for procurement - Input in the design phase for new trains 	<ul style="list-style-type: none"> • The Transparency Act, value chain and supplier monitoring • Transparency and openness • Availability for dialogue • Opportunity for input and involvement • Universal design of trains
<p>Bane NOR: Important partner in the further development of the railway and its environmental benefits.</p>	<ul style="list-style-type: none"> - Regular meetings - Ongoing dialogue 	<ul style="list-style-type: none"> • A joint approach to communicating the environmental benefits of trains and railways • Electrification and further development of the railway • Dialogue in the sector • Good environmental targets and holistic life cycle analyses • Sustainability in procurement • Maintenance • The Transparency Act, value chain and supplier monitoring
<p>The traveller: Users of the trains.</p>	<ul style="list-style-type: none"> - Annual submission of the operators' customer satisfaction survey (KTI). 	<ul style="list-style-type: none"> • Modern trains

Table 3: Norske tog's stakeholders and related topics

The sustainability strategy gives direction to the work with sustainability

Norske tog's sustainability strategy is based on the company's two key activities: procurement and management of trains. The strategy is further divided into four focus areas: Circularity throughout the train's lifecycle, Collaboration in the value chain, Green investments in passenger transport, and A highly skilled

and diverse organisation (see figure 6). Each of the four focus areas has associated goals.

In 2023, Norske tog worked on integrating sustainability into its corporate governance, a work and focus that will continue in the coming year.

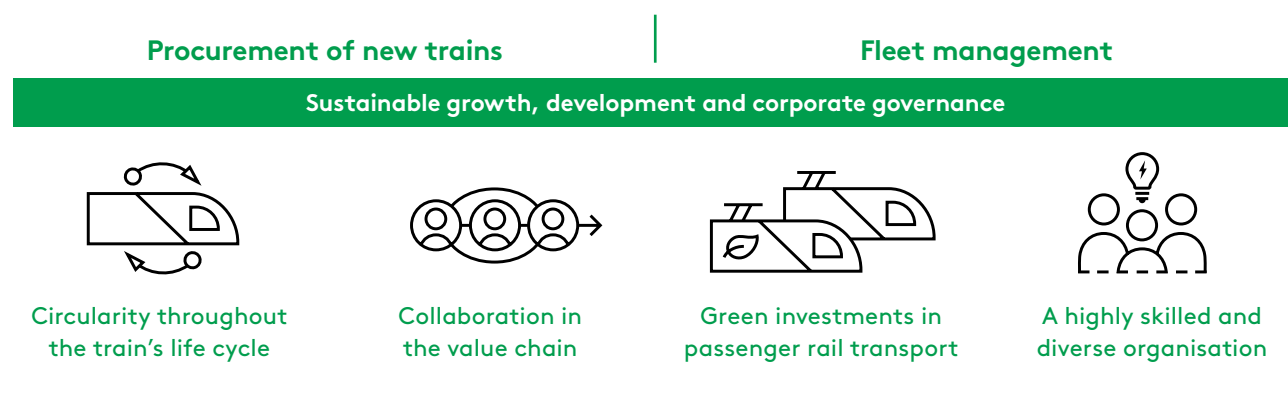


Figure 6: Focus areas in Norske tog's sustainability strategy

The UN Sustainable Development Goals and Norske tog's key role in the green transition

In 2022, the Government presented a new white paper on state ownership (Meld. St. 6 (2022-2023 – A greener and more active state ownership)). Among other things, the white paper aims to contribute to a faster green transition, and has adjusted the principles, the state's ownership objectives, categories, justifications and expectations for the 70 companies in which the state has ownership interests. In the white paper, there is a clear expectation that the companies include work on the UN Sustainable Development Goals in the company's strategies and actively work to follow up sustainability work in day-to-day operations.

For Norske tog, SDG 9 – Innovation and infrastructure and SDG 11 – Sustainable cities and communities are particularly relevant. In addition, the company plays a role in SDG 13 – Climate action and has significant resource consumption that affects SDG 12 – Responsible consumption and production. These are therefore the areas Norske tog will focus on in its future sustainability work.

Norske tog's main activities and initiatives going forward shall also continue to make a positive contribution to SDGs 5, 8 and 16. These goals involve strengthening

and further developing the work with the organisation and its people, including comprehensive management of sustainability work. Norske tog's employees have cutting-edge expertise in the procurement and management of trains, and the organisation shall offer a good and rewarding working environment.

The 17 SDGs have a total of 169 targets. The White Paper "Goals with meaning" describes how private and public sector organisations in Norway can work specifically with the targets. Overall, the above-mentioned white papers provide guidelines for how Norske tog, through its social mission, is affected by the targets. With the introduction of CSRD, Norske tog's double materiality assessment replaces the previous analysis of how Norske tog affects the targets⁵.

⁵ "The UN Sustainable Development Goals and Norske tog's impact" from the company's annual report for 2022 is still applicable and available on Norske tog's website.



A train of class 73.

Climate risk

Climate risk is about how the physical consequences of climate change will affect nature and society (physical risk), and how the transition to a low-emission society in the form of, for example, changed prices and regulations may affect different companies and stakeholders (transition risk). In 2023, Norske tog conducted a climate risk analysis in line with the framework developed by TCFD (Task Force on Climate related Financial Disclosure) to ensure that the company works systematically with climate risk and obtains the necessary insight into how the company is exposed to risk and what opportunities are emerging in the green transition.

In the climate risk assessment process, a knowledge base was prepared with a presentation of various climate scenarios as the basis for an internal workshop attended by twelve Norske tog employees. The workshop resulted

in a comprehensive overview of 33 different risk factors and areas of opportunity. They were ranked by probability and consequence through one IPCC low-emission scenario (sustainability scenario SSP1-2.6) and one IPCC high-emission scenario (regional rivalry SSP3-7.0), and assessed in the short and long term. Through thorough internal consultations, the work concluded on a set of prioritised risks and opportunities that are considered the most significant for Norske Tog. See table 4.

In 2024, the work to firmly anchor the results of the analysis in management and corporate governance will continue. In addition, the company will continue to prepare action plans and mitigation measures related to the significant physical climate risks and transition risks that have been identified.

Scenario:

“Sustainable development” (SSP1-2.6)

The “green” path, with fewer challenges related to mitigation and adaptation.

In this scenario, an invasive climate policy is introduced where climate emissions are reduced and the climate targets in the Paris Agreement are met. This is the most optimistic scenario, where the emphasis on economic growth shifts to a broader emphasis on human wellbeing. In this scenario, there is a growing commitment to achieving development goals leading to reduced inequality. There is low material growth and lower resource and energy intensity in this scenario.

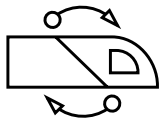
Scenario:

“Regional rivalisation” (SSP3-7.0)

A turbulent road with major challenges related to mitigation and adaptation.

This scenario outlines increased frequency and intensity of extreme weather, as well as sea level rise. There is a potential shortage of necessary raw materials, and the world no longer co-operates but protects its own interests. This leads to increased operational and maintenance costs, and there are major operational and financial risks associated with climate mitigation and adaptation.

Table 4: Norske tog climate scenarios



Circularity throughout the train's lifecycle

The circular economy is a key element of Norske tog's operating model; Norske tog procures, manages and disposes of trains in Norway, and has control throughout the train's entire lifecycle. Norske tog is thus well placed to set requirements for procurement, management of the vehicles and extension of the trains' service life, as well as to reuse components and set high requirements for waste management when phasing out. Thinking circularly will also reduce emissions and energy consumption related to the extraction of new materials and minimise the amount of waste. The stakeholder interviews conducted have also revealed that the company's stakeholders expect Norske tog to focus on circularity.

Table 5 shows the company's strategic goals for following up the ambition to think circularly about material and energy use throughout the life of the train.

Goal

Norske tog will procure vehicles with great potential for material recycling.

Norske tog shall maintain the service life of its trains and consider extending the service life of the company's train classes well in advance of the need to phase them out.

Trains shall be disposed of in accordance with the waste hierarchy, and Norske tog shall have a reuse and material recycling rate of more than 90 per cent when trains are disposed of.

Norske tog will prepare solid data for efforts to reduce greenhouse gas emissions.

Norske tog shall seek continuous improvement and realise the potential for reducing energy consumption as part of the company's operations and management.

Norske tog will ensure that the company's train fleet is ready to use renewable energy sources as the infrastructure makes it possible.

Table 5: Norwegian railways' targets for circularity

Norske tog has the following overall goals related to circularity in its organisational strategy:

- Norske tog shall actively seek solutions that help to limit the environmental impact of the production, use or recycling of the vehicles.
- Norske tog will work to reduce energy consumption and greenhouse gas emissions from the railway throughout its entire lifecycle.

Lifetime extension through upgrades and maintenance projects

The average age of Norske tog's railway vehicles is currently 18,7 years, but many of the trainsets are more than 40 years old. Mid-life upgrades and other maintenance ensure that the trainsets can be utilised throughout – or beyond – their expected lifespan. At the same time, further upgrades help to raise the standard of train services, which in turn makes travelling by train more attractive.

The production of trainsets requires large quantities of steel and aluminium, two raw materials that are resource-intensive to extract. In addition, upgrades and modifications of trains also require a range of materials. Trains with a long lifespan and high quality of the materials used reduce the need for train replacements, as well as the need for train upgrades.

Lifetime extensions, upgrades and retention of components that are difficult to replace are both economically sensible and important from an environmental perspective.

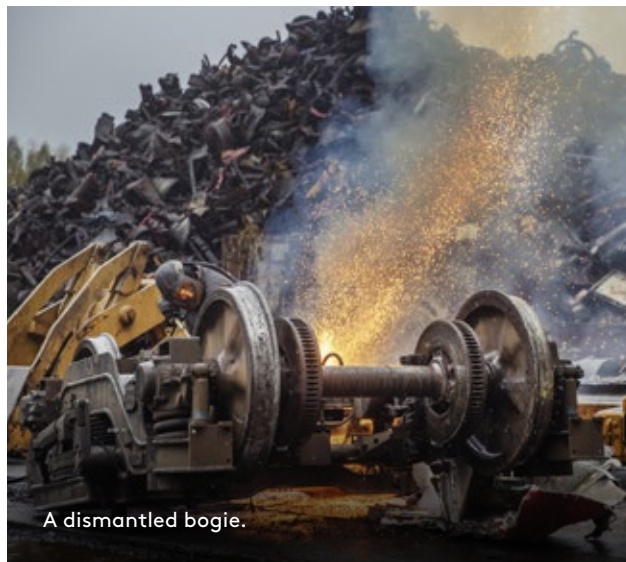
Norske tog is obliged to procure critical components for the trains. The critical components are costly, time-consuming and challenging to procure, and can thus lead to challenges in terms of timely delivery. Furthermore, the supply, handling and storage of critical components and spare parts are shared between the operators who operate the various traffic packages. This means that a component may lie unused in storage in one location, while the component in question is needed in another location.

In recent years, Norske tog has operated a joint component pool for all train operators. The scheme has been temporary, but Norske tog has looked into the possibility of making the scheme permanent. Following an overall assessment by the Norwegian Railway Directorate and the operators, it was decided in 2023 that the joint component pool would be discontinued.

Measures in 2023

In 2023, Norske tog has completed preparations for a project called “Project for material recycling and downstream value chain cooperation”. In this connection, the company has initiated a dialogue with the recycling company Hellig Teigen. In the dialogue, Norske tog has highlighted the need for more detailed data on materials and waste from the trainsets that are being phased out. This is important in order to better understand what happens to the materials and waste further downstream.

A mid-life upgrade of class 72 is currently underway, with 36 trainsets being renewed. Among other things, the trains are getting a new exterior paint job and a new interior colour. The wall panels, handrails and various other components are customised for this particular train class. These components are therefore dismantled for an upgrade before being reinstalled in the train. Upgrading the components in this way is economically profitable while reducing the amounts of waste from the upgrade.



A dismantled bogie.

Doors are also replaced. Old doors are sent to the operators for possible reuse as spare parts. In addition, the passenger information system is upgraded, as well as some other technical upgrades. All lights are changed to LED lights, both inside and outside. All passenger seats are also refurbished.

During the year, several upgrades and maintenance improvements were also carried out on the company's vehicles. For example, the HVAC system on class 93 has been overhauled and modifications have been made to extend its service life. Compressors have been replaced on class 73 and the floor in the bistro on class 7 has been repaired. Data on materials and waste on the above-mentioned projects has been compiled for use in this report and is available in Appendix B.

In 2023, it was decided to initiate a preliminary project for Condition Based Maintenance (CBM), meaning maintenance as the need arises, for the FLIRT trains. Condition-based maintenance will optimise the use of resources and costs associated with maintenance, ensure that the trains are in consistently good condition and contribute to a longer service life. Work has also been done to introduce CBM on two technical systems (compressors and doors) on FLIRT trains, using existing diagnostic data to identify maintenance needs. The results of this work will be available in 2024. In the next phase, CBM will be tested on additional systems (HVAC, toilets, doors and bogies) and using external sensors to collect additional maintenance-related data.

In the past year, Norske tog has established a dedicated leadership team, with the aim of processing all reported management cases, where there has been a backlog of cases, by the end of 2023. 137 cases were processed, and the target was achieved by a good margin. In addition, the work has contributed to a stronger management focus both in Norske tog and among the company's partners.

The way forward

Norske tog is working to develop an overview of where in the train fleet the company can expect the greatest future renewal needs. In the long term, the company wants to prepare an index to make an overall classification of the condition of the total train fleet, and systemise the information. This is to provide a more solid data basis for

assessing the phasing out of train classes and to be able to plan and utilise the potential of reusing components, sorting and recycling materials.

In 2024, the project on downstream value chain cooperation will be continued and the collaboration with the recycling company Hellig Teigen will be followed up. The first train in the mid-life upgrade of class 72 is expected to be put into operation on the Jæren Line during the first half of 2024. As the trains are completed, they will be phased back into operation on an ongoing basis. The entire project is expected to be completed in 2027.

Norske tog is up to date with all reported management issues. This enables the company to be more proactive in maintenance and to prioritise issues that lead to better punctuality for trains in operation.

Inflow of materials in trains being phased in and outflow of materials/waste in trains being phased out

An understanding of the train's life cycle provides valuable knowledge about the materials used in new trains, as well as what is used in management and disposal. Large parts of the trainsets consist of steel and aluminium – metals that can be recycled and reduce the need for extraction of new resources. At the same time, recycling metals is an energy-intensive process. A good measure to reduce material consumption, energy and emissions from materials is therefore to only carry out necessary replacements and to keep the trains in operation for as long as appropriate.

Life cycle analyses of the trains give Norske tog a good starting point for discussing environmental impacts with train manufacturers at an early stage of production.

Towards the end of 2025, the first new local train will be phased in on the Norwegian railway. The first new long-distance trains will be phased in from 2027. With the phasing-in of many new trains, it will be many years before these trains are phased out again. Nevertheless, it is crucial to think long-term for good management. The lifespan of the train is therefore an important topic that is discussed as early as the design phase of the trains. Life cycle analyses of the trains give Norske tog a good starting point for discussing environmental impacts with train manufacturers at an early stage of production. Several choices made in the design phase will affect the possibility of recycling when the trains are phased out. In the procurement of new local and long-distance trains, Norske tog obtained preliminary life cycle analyses from the bidders in the competition. The analyses provide insight into, among other things, the type of materials intended for production, including upgrades, maintenance and how the materials can be treated when the trains have reached their intended service life.

Disposal processes have the potential to generate pollutants. It is therefore important that waste is disposed of in accordance with regulations, as Norske tog ensures when disposing of trains and other waste for recycling.

Measures in 2023

Figure 7 shows the quantity of materials in the trains that have been phased in by 2023, in tonnes. There were about 66 tonnes of aluminium, 83 tonnes of steel and 11 tonnes of copper. These are significantly smaller quantities than the materials in the trains that were phased in in 2022. The decrease from 2022 to 2023 is due to the fact that more trains were phased in in 2022, when 16 trainsets were phased in. In the years ahead, many new local and long-distance trains will be put into production, and an increase in the inflow of materials is therefore expected when the trains are phased in. See overview of the total amount of materials in Appendix B "Materials and waste".

The analysis that forms the basis for information about the materials used in FLIRT trains does not say anything about whether the materials used have been recycled,

Materials phased in, tonnes

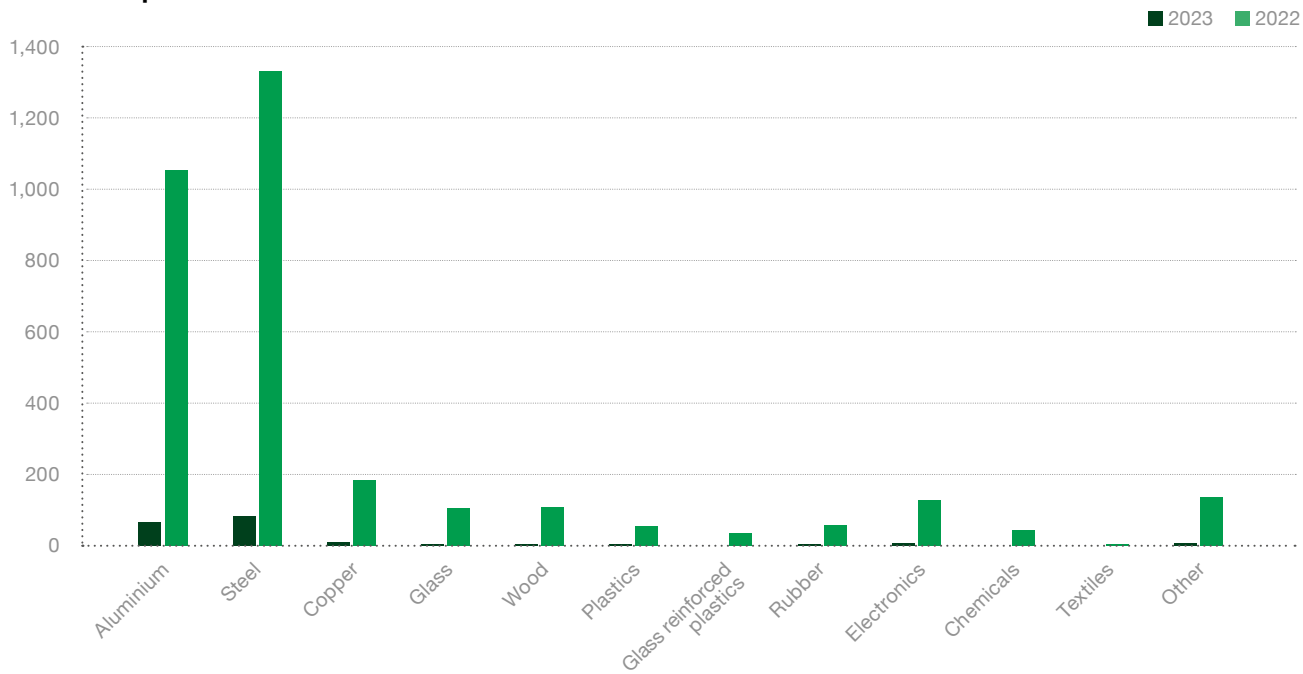


Figure 7: Quantity and type of materials in trainsets phased in during the period 2022-2023

Materials outflow, tonnes

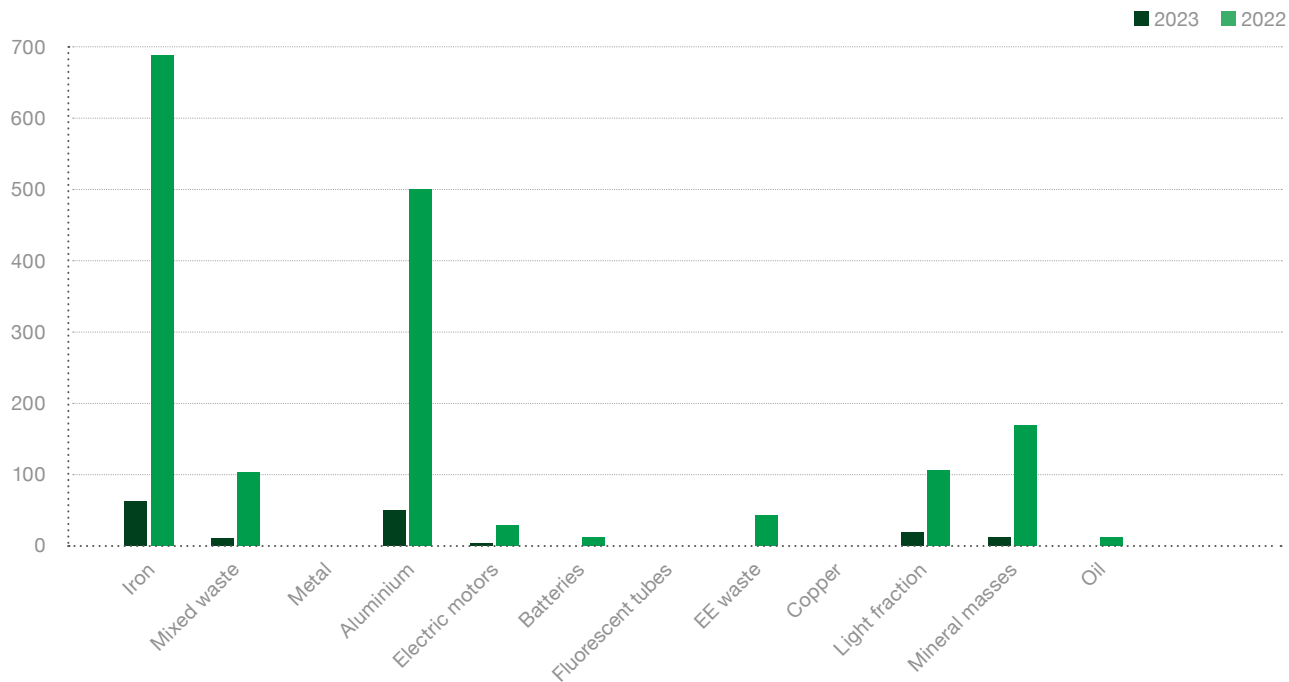


Figure 8: Graph based on waste data received from Hellik Teigen for type and quantity (tonnes) of waste from disposal of trains. See appendix “Materials and waste” for table.

and it is therefore assumed that only new metals are used in production. The analysis also does not say anything about the proportion of renewable materials, such as wood. It is therefore assumed that no renewable materials have been used. Data sets are included in Appendix B “Materials and waste”.

Data for the quantity of new materials brought into management in connection with upgrades and maintenance projects in 2023 is included in this sustainability report for the first time. This is presented in Appendix B “Materials and waste”.

Norske tog has had a recycling agreement with the company Hellik Teigen for many years. In 2023, Norske tog took three class 69 trainsets and one class 92 trainset out of service. At the end of the year, these trains were sent to Hellik Teigen, where one class 69 and one class 92 train were recycled. The last two trainsets of class 69 will be recycled in 2024. The amount of waste from the disposal of trains in 2022 and 2023 can be seen in figure 8, as well as in Appendix B “Materials and waste”.

According to reports from Hellik Teigen, a total of approximately 83 per cent of materials were recycled in 2022. The remaining 17 per cent went to energy recovery.

No data has been collected on the amount and type of waste generated by suppliers and subcontractors in connection with the extraction of raw materials and the production of trains. Only one train has been phased in in 2023 and it can therefore be assumed that the amount of waste associated with the production of this has been relatively low in 2023.

Before the trainsets are delivered for recycling, they are taken to a workshop for dismantling of components that are needed now or that may be needed later. Components that are not needed immediately are placed in a separate warehouse. No data has been collected on components and materials that have been removed and placed in storage in 2023.

Data for waste generated in connection with upgrades and maintenance projects in 2023 is included in this sustainability report for the first time. This is described in Appendix B “Materials and waste”.

Calculations Norske tog made using the Circular Transition Indicators (CTI) framework in 2022 showed that a typical train achieves a high degree of circularity because the train consists of a high proportion of metals that are recycled in today’s market. The calculation also highlighted that the theoretical potential for more circular trains lies primarily in utilising recycled metal in production. In 2023, this topic has been addressed in dialogue with Stadler, which will deliver the new long-distance trains. Within the framework of the contracts, Norske tog does not have the opportunity to demand a defined proportion of recycled metal, but it is important for Norske tog to ensure that the company uses the supplier dialogue to highlight that material recycling is an important topic. Norske tog expects this to be actively followed up by the train manufacturers.

The way forward

Since 2022, Norske tog has compiled data on the materials that ‘flow’ in and out of the company. Norske tog is thus in the process of gaining insight that will be useful in the ongoing work on replacing large parts of the train fleet.

In 2024, in collaboration with Hellik Teigen, a detailed mapping project will be carried out of the materials in class 69 three-coach trainsets. Of the total vehicle weight of 134 tonnes, current disposal results in 35 tonnes (17 per cent) being sent for energy recovery. The goal is to reduce the proportions that go to energy recovery and possibly landfill. Possible further circular value chains and new treatment processes for trains at disposal will be investigated, which can be used to reduce waste volumes and increase the reuse and recycling rate for materials. The company also aims to gain better insight into the content of critical metals and minerals from the trains, which is in accordance with the EU’s Critical Raw Materials list.

The project will be a measure to follow up on the ambitions/objectives for more knowledge about materials removed from the trains and downstream solutions. The mapping will be carried out as a preliminary study and preparation for the major disposal programmes that will start in 2025, when the new local trains are phased in. The phasing-in rate of the new vehicles (about one trainset per week) means that many trains will be disposed of at the same time. Norske tog wants to

have good control of capacity in both the disposal and settlement processes, and also in the various downstream solutions to be used.

In 2023, Norske tog has had an active dialogue with Alstom and Stadler, who produce the new local and long-distance trains respectively. Norske tog ensures that it requests information and insight into the processes and assessments made by the train manufacturers in connection with, among other things, entering into contracts with subcontractors. The choice of subcontractors and materials for production is a responsibility of the manufacturers.

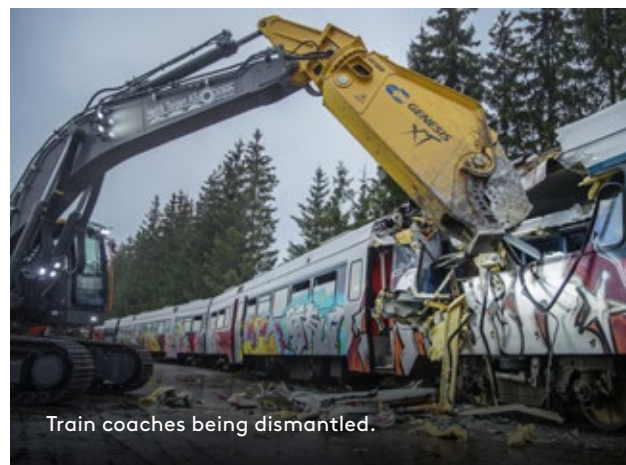
More detailed information on the dialogue with suppliers can be found in the section on “Collaboration in the value chain” in part 3 of this report.

Climate accounting provides a better overview of own emissions and emissions in the value chain

In the state’s white paper on state ownership, there are clear expectations that Norske tog shall set climate targets that are in line with climate science, and the company shall comply with this. Furthermore, there is an internal desire for Norske tog to do what it can to reduce negative impacts on the climate, where emission reductions are an important part of the work.

Greenhouse gas emissions occur in the production of trains, for example from the manufacture of aluminium and steel. The size of these emissions depends, among other things, on whether fossil or renewable energy is used by the suppliers that manufacture steel and aluminium train components.

The extraction of materials and production can also lead to indirect environmental impacts such as acidification, eutrophication and the formation of photooxidants, also through the consumption of water and chemicals. Other types of emissions can be from substances used in train maintenance and operation. These are areas that are followed up through Norske tog’s supplier contracts. More detailed information on supplier development can be found in the section on “Collaboration in the value chain” in Part 3 of this report.



Train coaches being dismantled.

Around 90 per cent of Norske tog’s vehicles are electric. The remaining 10 per cent, which are locomotives and trainsets that run on diesel or are bimodal, are currently required to have vehicles that can also run on non-electrified railway lines.

Diesel-powered trains have emissions that have a negative impact on the climate. Diesel produces greenhouse gas emissions and emits particles, nitrogen oxides and sulphur dioxide (NOx and SO₂), which can worsen local and regional air quality. The diesel-powered vehicles owned by Norske tog (class 92, class 93 and Di4) were phased in during the 1980s and 2000s.

Measures in 2023

For the reporting years 2022 and 2023, Norske tog has established a greenhouse gas (GHG) report in line with the Greenhouse Gas (GHG) protocol. 2022 is used as the company’s base year. The climate accounts are calculated based on operational control and include direct and indirect emission sources for the company. The climate accounts are mainly based on primary data, but some estimates and assumptions are used. Norske tog is continuously working to improve the data quality for the supporting documentation in the climate accounts, and an improvement has already been made from 2022 to 2023.

The climate accounts for 2023 are shown in the table below, and show a total reduction in emissions of almost four per cent. For more information about the climate accounts, see Appendix A.

Scope	Emissions tCO ₂ e		Change %	
	2023	2022		
Scope 1	0.0	0.0		
Scope 2 location-based	27.5	6.6	318%	
Scope 2 market-based	114.5	31.3	266%	
Scope 3	Category 1: Purchased goods and services	2,549.5	2,516.1	1%
	Category 2: Capital goods	47.42	796.6	-94%
	Category 3: Fuel and energy-related emissions	19.3	3.8	414%
	Category 4: Upstream transport	0.6	-	New cat. 2023
	Category 5: Waste	346.6	1.6	21,564%
	Category 6: Business travel	106.5	63.7	67%
	Category 7: Commuting	7.0	0.1	6,867%
	Category 12: Final treatment	2.1	6.8	-70%
Category 13: Downstream leased assets	36,865.2	37,874.6	-3%	
	39,944.2	41,263.3	-4%	
Total location-based	39,971.7	41,269.8	-4%	
Total market-based	40,058.7	41,294.6	-4%	

Table 6: Climate accounts for scope 1-3 for Norske tog 2023

<p>Scope 1: Norske tog has no direct emissions.</p> <p>Scope 2: Emissions stem from purchased electricity and district heating at all locations leased by Norske tog in 2023. At locations where Norske tog leases together with other companies, a distribution key has been used to estimate energy consumption to be allocated to the company.</p> <p>Scope 3: Consists of all of Norske tog's upstream and downstream value chain activities such as</p>	<p>purchased goods and services, capital goods, energy-related activities included in scope 2, transport, waste from locations the company leases, business travel and commuting for employees, final treatment of trains and the train operators' operation of the company's leased trains. In total, emissions in the value chain account for 99,9 per cent of all emissions in Norske tog in 2023, and trains in the operational phase, including energy consumption and refrigerants, account for 92 per cent of total emissions.</p>
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Figure 9: Scopes included in Norske tog's GHG accounts.

Changes from 2022 to 2023

Due to the improved data quality of the climate accounts and the fact that Norske tog now leases a larger building stock, several emission sources have increased in 2023 compared with last year, even though total emissions have decreased. During the autumn of 2023, improvements have also been made to the climate accounts from 2022. The changes involved including energy consumption from Kaldneshallen and refrigerants used by the train operators from several suppliers, replacing some estimated data from the train operators' energy consumption with actual consumption data, conducting a commuting survey for Norske tog's employees and including findings from this, and removing some emissions from the production of energy that were not reported in accordance with the GHG protocol.

From 2022 to 2023, electricity and district heating consumption has increased because Norske tog is renting a new building from Bane NOR at Sundland. This also means that emissions from the use of energy in scope 2 and emissions from the production of energy in scope 3 have increased.

New this year is that Norske tog has included emissions from train upgrades in 2023 in the climate accounts, which are not included in the 2022 accounts. This applies to both minor upgrades and major mid-life upgrades. In 2023, there were no completed projects for major mid-life upgrades, but this has nevertheless led to an increase in emissions of 1,3 per cent in category 1. What is also new this year is that Norske tog has estimated emissions for the transport of trains for disposal based on distance to the disposal location and the weight of the trains. These emissions are not significant compared with total emissions in scope 3 and will vary based on the number of trains being disposed of. Including these emissions provides a more comprehensive picture of what happens to the trains at the end of their useful life.

Emissions from capital goods, which for Norske tog is the production and transport of purchased trains, are significantly lower in 2023 as only one class 74 train was phased in during the reporting year. Furthermore, the reason why emissions from final treatment of trains are reduced by almost 70 per cent from 2022 to 2023 is that

only two trains were disposed of in the reporting year, compared with nine trains disposed of in 2022.

For business travel and commuting, the climate accounts show an increase in emissions. This is due both to the fact that somewhat more travel by air in 2023, and that Norske tog has a better data basis for both car hire and kilometre allowance than previously. It has also been found that emissions for commuting in 2022, are slightly too low. Norske tog has nevertheless chosen not to change emissions for commuting in the base year, as this increase in emissions is not significant for the company's total emissions.

Emission reductions

Towards the end of 2023, Norske tog submitted an application to the Science Based Targets initiative (SBTi) with the company's science-based climate target. The application was approved in 2024, which means that Norske tog has an approved science-based climate target that requires the company to cut absolute emissions in scope 1 and 2 by 42 per cent from 2022 to 2030 and work towards net zero by 2050. This is an ambitious plan. Since 99,9 per cent of emissions are in the value chain, it requires good cooperation in the Norwegian railway sector, as well as with suppliers and other stakeholders, in order to cut emissions in line with the Paris Agreement. New technologies and solutions that can contribute to significant emission cuts or a transition to emission-free alternatives are also a prerequisite for achieving the goals. In any case, Norske tog will do its part to cut emissions wherever possible.

The railway sector is working on several measures that will reduce energy consumption in trains. C-DAS (Connected Driver Advisory System) and ATO (Automatic Train Operation) will help to rationalise energy consumption in operations. Norske tog has participated in, and quality assured measures prepared in a socio-economic analysis in KVV Green. KVV Green points out that battery traction instead of diesel through partial electrification of the Nordland Line and Røros Line will be a possible measure to improve energy efficiency and reduce CO₂ emissions from railway operations. This solution involves lines with partial electrification for charging, which means that diesel trains can be eliminated on these lines.

In 2024, Norske tog will continue its work on developing the company's climate plan and associated measures. This will involve increased dialogue with stakeholders in the sector and suppliers.

In 2022, HVAC (Heating, Ventilation, and Air Conditioning) faults were identified on the FLIRT trains, leading to leakage of unwanted refrigerants (f-gases). Refrigerants are highly polluting gases in the event of leaks, and have greenhouse gas emissions. To follow up the fault, Norske tog has started work to install leak detectors, rectify the fault, dispose of existing gas and change the refrigerants if necessary. This work is part of a larger project that has been initiated to phase out the use of F-gases due to the EU's stricter rules on the use and handling of certain types of refrigerants through the Greenhouse Gas Directive. Today, F-gases are the dominant refrigerant in HVAC and other heat pumps in trains. The choice of solution must fulfil several technical requirements, but there are opportunities to reduce greenhouse gas emissions by switching to other refrigerants with lower global warming potential (GWP). To reduce and stop the use of harmful F-gases, Norske tog will implement various measures adapted to the remaining lifetime of the various trainsets:

- For older trains that will soon be phased out, leak detection is introduced with fault notification and possible isolation of faults to limit the extent of leaks.
- For older trains with a longer lifespan, Norske tog will replace the refrigerant in existing heat pumps.
- For newer trains, systems will be replaced by new or significantly modified systems. The solution also provides the opportunity to introduce new functionality such as heat pumps for heating integrated into the HVAC system, thereby reducing energy costs for heating.

In 2024, Norske tog will continue its work on developing the company's climate plan and associated measures.

In 2023, the bimodal solution was actively worked on in the long-distance train project, which is one of Norske tog's two major ongoing procurement projects. The new bimodal long-distance trains will have batteries to recover braking energy, which can then be used to propel the train on parts of the routes.

The way forward

Class 92 has reached the end of its service life, and Norske tog is in the process of phasing out these vehicles. Of the fleet of 14 class 92 trainsets, two trainsets have already been phased out, four trainsets have been donated and will be delivered to Ukraine, presumably in 2024. The remaining eight trainsets are planned to be phased out during 2024. The class 92 trainsets will be replaced by electric or bimodal trains. The remaining five diesel locomotives (Di4) are planned to be phased out after new bimodal long-distance trains are put into operation.

The phasing out of the last 15 class 93 diesel trains depends on the pace of procurement of additional new trains and electrification on several railway lines.

In the future, further work on the new bimodal long-distance trains will include investigating the possibility of alternative fuels from the start of operations and preparing for conversion to other fuels as a next step for the future. Electrification of the railway is a long-term project. Bane NOR is working to electrify parts of the Trønder and Meråker Lines by 2024. Infrastructure projects such as the work on the Trønder and Meråker Lines are an example of how different players in the railway sector must work together to implement energy, climate and emissions measures.

In terms of climate accounting, Norske tog considers that the most significant emissions are included in the accounts that have now been established, but the company will continue to work on detailing this in the future. Furthermore, work is ongoing to improve data quality in the climate accounts by increasing the proportion of activity data and reducing the proportion of estimated data. Reducing uncertainty involves, among other things, identifying better data sources for emissions from maintenance and improving data sharing between actors in the sector.

Source of energy use	kWh		Change %
	2023	2022	
Leased premises and areas*, electricity	404,979	118,857	241%
Rented premises and areas*, district heating	460,256	81,166	467%
Company car and mileage allowance	27,819	9,028	208%
Commuting, employees	17 219	174	9,796%
Traffic packages, train operation electricity**	440,000,256	439,716,757	0%
Traffic packages, train operation diesel	111,435,482	91,738,382	21%
Production of phased-in trains electricity***	3,590	60,308	-94%
Production phased-in train heating***	3,055	51,327	-94%
Waste management when disposing of trains****	4,056	33,994	-88%
Total	552,356,712	531,809,992	4%

* Source of data is information or invoice from landlords for properties.

** Based on estimated electricity consumption received from operators, including losses.

*** Energy consumption from the production of trains is estimated through life cycle analyses for FLIRT trains. Calculation factors used otherwise: 3.60E+06 J/kWh. Petrol: 9.1 kWh/l, and diesel 10.1 kWh/l (Store norske leksikon 2022; "energy density")

**** Energy consumption when disposing of trains is estimated by Hellik Teigen, who has carried out the disposal of 8 trains in 2022 and 2 trains in 2023.

Table 7: Energy consumption 2022-2023 in Norske tog's value chain

Trains have high energy consumption in the operational phase

Trains require large amounts of energy – for driving, ventilation, heating and lighting – even when the train is parked. Efficient use of energy is desirable and means reduced costs, which is a win-win for the railway sector. It is also energy-intensive to produce trainsets, associated parts and subsystems. In addition, it requires energy to maintain and dispose of trains.

Norske tog established an initial energy account as part of the climate accounts for 2022 and has updated this for 2023 in table 7. In addition to Norske tog's direct energy consumption, the climate accounts include several downstream and upstream sources of energy consumption.

The energy accounts show that electricity for train operations accounts for just under 80 per cent of the total in the energy accounts, while diesel for train operations accounts for around 20 per cent. In other words, train operations account for over 99,8 per cent of

Norske tog's total downstream energy consumption. The electric passenger trains use electricity with a Guarantee of origin for operation.

Significant changes in energy consumption for 2022 and 2023 show that energy consumption for leased premises has increased significantly. This is mainly due to Norske tog starting a new lease at Sundland in 2023 to repair by the guarantee for FLIRT trains. This has generated a high energy consumption. Only one new class 74 train was phased in in 2023 and there is therefore a decrease in energy consumption here for 2023.

Structural differences between this year's energy accounts and the accounts from 2022 are that this year a distinction is made between the consumption of electricity and district heating for rented premises and that commuting for employees is also included. Increased energy consumption associated with car use for business purposes for 2023 is mainly due to better data. For *business driving and mileage allowance*, the factor for electric cars has been adjusted downwards

from 2022 to 2023. For *employee commuting*, energy consumption in 2022 is underestimated. Changes in the calculation method and improved data for 2023 are the main reason for the significant increase in energy consumption for commuting. Errors have been corrected in the figures for energy consumption for the production of trains for 2022.

For FLIRT trains, heating accounts for up to 20 per cent of the trains' total energy consumption. It is essential for operators to reduce energy consumption related to operations. Norske tog sees it as its task to contribute to this work.

For example, all new train classes feed back power when the train brakes, so the power is not "wasted".

Norske tog requests insight into theoretical energy consumption at an early stage in the procurement of new trains. In addition, the efficiency of various components and traction system elements is also evaluated in the competitions. In a procurement process, energy consumption will be weighed up against several other parameters.

More information on requirements in procurement can be found in the section on "Collaboration in the value chain" in part 3 of this report.

Measures in 2023

In 2023, Norske tog has collaborated with Vy to reduce energy consumption for FLIRT trains when they are parked. Since 1 April, energy consumption has been reduced by parking 136 trains in Parking Economy (PE) mode. Analyses have previously shown that consumption can be reduced down to 20-30 per cent by parking in PE mode.

Due to the EU's ban on the production and import of fluorescent tubes, fluorescent bulbs and some types of halogen bulbs that came into force in 2023, it is necessary to establish new alternatives for lighting on all classes of trains. Overall, for the railway in Norway, the change has a potential for savings because of reduced energy costs and maintenance. However, for train classes where there is a very short time to replacement, the existing solution is used for the rest of the lifetime. For vehicles where there is a relatively short time to replacement, it has been

decided to use up the remaining fluorescent tubes in the vehicles, and then replace older fluorescent tubes with LED-based ones directly, without further modification of systems. LED-based fluorescent tubes have 3.3 to 8.3 times the lifespan of fluorescent tubes. For trains with a longer lifespan, LED lights will be replaced and the systems on the trains will be modified slightly or more for optimal function and lifespan. The solution chosen for MLU class 72 corresponds to a 30 per cent saving, which amounts to 2.8 kW reduced power consumption.

More and better data can improve Norske tog's ability to predict maintenance needs, which is important to keep the trains in operation as long as possible. In 2023, Norske tog will continue its dialogue with operators to access more data, for example related to energy consumption in operation.

In 2023, Norske tog worked on the design of the new local trains in collaboration with Bane NOR and train manufacturer Alstom. The new local trains will have CDAS (Connect Driver Assistant System), a technical solution that can use real-time data from Bane NOR's train management system. This will probably also be used for the new long-distance trains. CDAS is a system that makes it easier for train drivers to optimise energy consumption while driving and thus save energy. In the long term, the new local and long-distance trains will make up a large proportion of the company's train fleet, and energy-saving measures can therefore have a major impact on total energy consumption.

The way forward

Norske tog's energy accounts provide a framework for the company's further work on identifying energy reduction measures. Dialogue and better exchange of information between Norske tog, Bane NOR, operators, suppliers and maintenance entrepreneurs will make it possible to compile data to identify energy-reducing measures, such as a study of traction systems. The measures prepared will be included in Norske tog's climate plan.

Actual data from the operators on energy consumption from the trains in operation will make it easier for Norske tog to understand how the trains perform in relation to the suppliers' descriptions in the procurements, and thus be able to better follow up any gaps.



Collaboration in the value chain

Norske tog has a sector policy function and purchases trains that are leased and operated by other companies. Stakeholder dialogue and cooperation with stakeholders in the railway sector and the supply chain are therefore essential for efficient and sustainable operation of the company. Norske tog shall be a transparent company that shares experiences and maintains a good dialogue with partners and stakeholders. Good dialogue is important for good and effective management of opportunities and challenges in the railway sector going forward.

At the end of 2022, Norske tog defined strategic goals regarding responsibility in the value chain and for the dialogue with the company's stakeholders. The goals are set out in table 8.

How Norske tog works with collaboration in the value chain

Norske tog has two key roles in the value chain for passenger trains in Norway: the company purchases the trains and leases them out. For Norske tog, collaboration in the value chain is therefore particularly about supplier development and good relations with the company's customers.

Goal

Norske tog will set high and clear requirements for safeguarding people and the environment in all our contracts

Norske tog shall ensure compliance with the requirements set out in our contracts

Norske tog will maintain good relationships with stakeholders and use dialogue to understand needs and meet expectations

Norske tog will contribute to experience and data sharing across the railway sector for the benefit of us, our partners and our customers

Table 8: Norske tog's goals for co-operation in the value chain

SJ Norge, Go-Ahead, Vygruppen and Vy Tog are Norske tog's customers and therefore particularly important stakeholders. Norske tog has long-term contracts and interacts with the operators over time, and is dependent on a close dialogue on the operation and maintenance of the trains.

Norske tog's largest suppliers are currently Stadler Bussnang AG, the company that will supply the new long-distance trains, and Alstom Transport, which will supply the new local trains. The contract with Alstom for the ERTMS project is also one of the company's largest contracts, but the project will run over a longer period. Norske tog also has agreements related to major upgrade projects and several framework agreements for technical and consultancy services. See Appendix D "Key suppliers to Norske tog in 2023" for a list of Norske tog's largest suppliers.

The dialogue with the Norwegian Association of Disabled and the Norwegian Federation of Organisations of Persons with Disabilities on accessibility for all in design has characterised the long-distance train project throughout the year. Step-free access has been an important issue for the user organisations – the Norwegian Association of Disabled and the Norwegian Federation of Organisations of Persons with Disabilities – who are concerned that the trains should be accessible to everyone, regardless of any disabilities. The user organisations were not satisfied with how the design of the new long-distance trains was planned. As a result, Norske tog and the Norwegian Railway Directorate had a meeting on 15 August, and were instructed by the Ministry of Transport and Communications to assess solutions for new long-distance train rolling stock to achieve universal design. In addition, the user organisations challenged Norske tog on several points and clarified their wishes for how they wanted the new trains to be designed. Norske tog therefore initiated major work, in collaboration with the train manufacturer Stadler and the Norwegian Railway Directorate, to find new solutions. On November 15th, the parties agreed to Norske tog's proposed changes. The changes mean that wheelchair users will have access to the following on the trains:

- Access to a family carriage, playroom and flex area and a larger area to spend time in.
- Two extra wheelchair lifts in the train for easier boarding and disembarking (this means an increase from two to four lifts.) Ramp is a backup solution.
- One extra HC toilet in the train (this means a doubling of capacity).

A complaint was lodged against Norske tog to the Norwegian Anti-Discrimination Tribunal in 2022, and the complaint was still being processed at the end of 2023.

Norske tog has worked actively to implement good reporting methods in accordance with the OECD methodology and the Transparency Act in the company's supply chain. In 2023, the methodology for reporting was further developed in collaboration with the company's most strategic suppliers. Work is ongoing to identify and establish a common understanding of the risk picture in the contracts together with the company's suppliers.

The way forward

Going forward, Norske tog will continue to seek knowledge about what is important to key partners and stakeholders, and to ensure that the dialogue supports the areas that are most important to the various stakeholders and where Norske tog has potential negative impacts.

In 2024, Norske tog will work to gain better insight into the new stakeholder groups, as well as impacts, risks and opportunities that were defined in the double materiality analysis in 2023 and that will require collaboration in the value chain. There are several new stakeholder groups, such as workers in the value chain and local communities, which Norske tog has not worked actively with previously, but which as a result of the UNGP and OECD methodology in CSRD, turn out to be new stakeholder groups for the company.

Norske tog will also continue and support initiatives to share experiences in the sector and communicate about the company's sustainability work.



Illustration of the new Stadler long-distance trains.

In addition, Norske tog will continue its efforts to put in place complete reporting of maintenance data from the various operators to which the company is entitled under its contract. Access to and compilation of data can provide Norske tog with a factual basis for improving performance in areas such as optimisation of maintenance and emission reductions.

Norske tog will continue its close dialogue with Ethical Trade Norway to improve the company's work with, and reporting on, due diligence and responsible business practices. Norske tog also has a dialogue with the human rights group in the Norwegian Agency for Public Management and Financial Management (DFØ), as well as other interest organisations and trade unions.

Solid procurement routines and a railway-specific project model

As a state-owned Category 2 company, Norske tog is an important sector policy instrument and the company makes major procurements on behalf of society. It is important that Norske tog conducts orderly, open and well-organised procurements that also take socio-economic considerations into account.

Norske tog complies with the Procurement Act and the Supply Regulations. The procurement regulations are based on the fundamental principles of competition, transparency, equal treatment, predictability, verifiability and proportionality. These principles govern what Norske tog as a contracting authority can do, and the company uses the principles to interpret and make decisions in a procurement process.

Norske tog has a comprehensive project model that supports the government's project model. This provides a solid framework and structure for meeting all procurement requirements. The model covers the entire procurement process, provides clearly defined roles and responsibilities in the implementation, and ensures, among other things, that the right levels in the organisation make statements and decisions. The model clarifies procedures for document control, impartiality and confidentiality, and makes the company more robust in its implementation.

Norske tog has an evaluation routine for major procurement projects in order to be able to take

important lessons learnt forward. The evaluation is carried out after each phase of the project model. Among other things, this is to ensure that experiences gained early in the procurement project can provide guidelines and lessons for the implementation of the rest of the project, and be used to change how the organisation implements projects in the future.

Norske tog also imposes ethical requirements on the company's suppliers through its own Code of Conduct.

The environment is an important element in the procurement of new trains. Norske tog requires suppliers to be environmentally certified to ISO 14001 and quality ISO 9001 or equivalent. In train procurements, bidders are also asked to submit both analyses of life cycle costs (LCC) and preliminary analyses of the trains' life cycle (LCA), where significant environmental impacts will occur, and how these impacts can be managed and possibly reduced. Specific plans for managing the environment are followed up in the contract phase. In 2023, preparatory work was carried out to implement new environmental and climate requirements for 30 per cent weighting in the tender phase in the project model.

In addition to new trains, Norske tog also procures services related to upgrading, maintenance and disposal of the trains, as well as various consultancy and advisory services.

Measures in 2023

In 2023, Norske tog further developed internal guidelines for the organisation's work on due diligence assessments that safeguard people, the environment and society.

In 2023, Norske tog also prepared guidelines for Responsible Business Practice, which have been approved by Norske tog's Board of Directors. In addition, the Code of Conduct for suppliers has been updated so that the guidelines now also include requirements for due

Norske tog requires suppliers to be environmentally certified to ISO 14001 and quality ISO 9001 or equivalent.

diligence in accordance with the OECD methodology and reporting in accordance with the Transparency Act, as well as animal welfare. Furthermore, daily fines have been added for breaches of the Code of Conduct. This gives Norske tog greater room for manoeuvring to actively improve conditions worthy of criticism.

In the long-distance train project, an evaluation of the final phase of the competition phase was carried out at the start of the year. In addition, an evaluation of the first phase of the contract follow-up has been carried out. The evaluation was carried out both in the individual teams and across the project organisation, and all findings are recorded in an experience log.

In 2023, Norske tog has incorporated an evaluation point related to the environment in the template for change orders related to upgrades and modifications. The evaluation point covers issues related to emission reduction, pollution, waste and resource utilisation, hazardous substances and energy efficiency. Change orders are used both internally and by operators to order changes. A specific point on environmental conditions that are affected by the change will reinforce and clarify the focus on the environment and sustainability in Norske tog's management tasks, and facilitate the measurement of the effect of changes.

The mid-life upgrade of class 72, which started in 2022, has also been ongoing through 2023. The upgrade is being carried out by Alstom, and is particularly important due to technical and safety requirements. There were no dedicated environmental or sustainability requirements at the time this upgrade was procured, but ongoing assessments are nevertheless made of materials and the possibility of changes and replacements of components and parts that are removed – with a view to environmental conditions, among other things.

The way forward

Norske tog has taken important steps towards integrating sustainability requirements, but there is still potential for development in the role of government purchaser. With new Norwegian rules for 30 per cent weighting of the environment and climate in the tendering process, specific assessments of whether the criteria are best addressed as an award criterion or as a requirement specification in the specific procurement are also

required. Guidance for such assessments will be implemented in Norske tog's project model.

The first FLIRT trains are almost halfway through their lifespan and a major upgrade of these trains will eventually be needed. The upgrade project will most likely be a large contract, where the possibility of integrating, for example, circular economy principles in projects that include upgrades, maintenance and disposal of vehicles is an example of how Norske tog can follow up the ambition of circularity throughout the train's life cycle.

When renewing framework agreements, it will be relevant to adjust the requirement specifications to integrate sustainability more clearly. Norske tog can also consider how sustainability requirements can be implemented in other types of procurement, such as consultancy and advisory services.

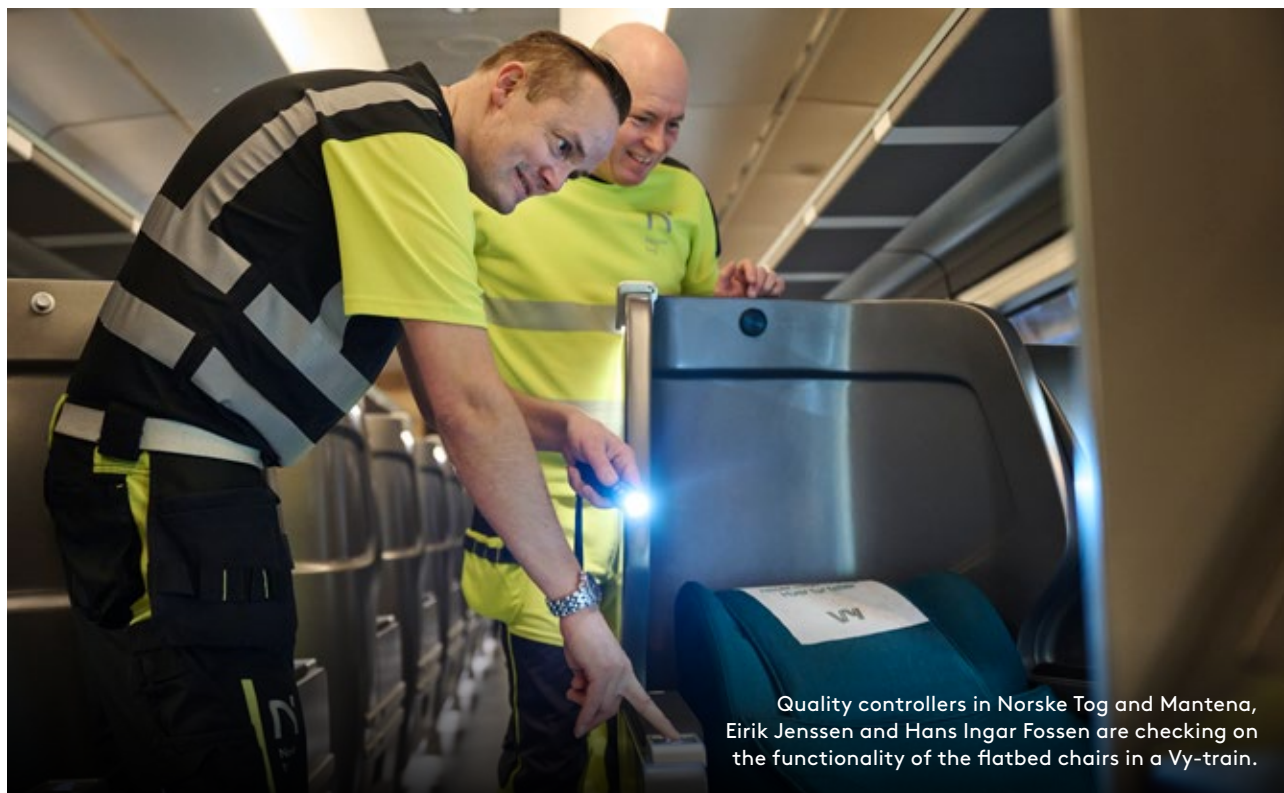
In 2024, Norske tog will organise courses for new employees in public procurement. Professional presentations on the topic are also held internally, including at Norske tog's "Train Academy".

Major revisions of the company's most strategic contracts are planned for 2024 (ERTMS, Midlife upgrade, Local trains and Long-distance trains).

Local presence and dialogue with suppliers are important parts of contract monitoring

Norske tog has a long-term dialogue and cooperation with the company's main suppliers. Most contracts run for more than 10 years, and significant amounts are to be paid out during the contract periods. It is therefore particularly important for the company to establish good relationships, with clear and open dialogue with

In 2023, Norske tog has incorporated an evaluation point related to the environment in the template for change orders related to upgrades and modifications.



Quality controllers in Norske Tog and Mantena, Eirik Jensen and Hans Ingar Fossen are checking on the functionality of the flatbed chairs in a Vy-train.

suppliers. Norske tog has good routines for drawing on options, placing orders and making payments. Clear routines and openness regarding any delays, delivery challenges or changes in accordance with the signed contract are crucial.

Norske tog's "Code of Conduct for Suppliers" is included in all contracts, and these guidelines also give the company the right to check compliance, both at suppliers and subcontractors, including through on-site inspections. Norske tog requires in its contracts that the company shall, upon request, have the opportunity to review and verify the supplier's system for safeguarding health, safety and environmental work.

As part of its contract follow-up, Norske tog carries out audits of production facilities. Norske tog wants to know that conditions where the trains are to be produced are tidy and orderly, and audits help to ensure the quality of the deliveries. Evaluations from previous projects have emphasised the importance of the audit work, and that

this is something that should be followed up more closely in the future.

Measures in 2023

2023 has been characterised by high activity in the major procurement projects – new local trains from Alstom and new long-distance trains from Stadler.

An important milestone in the past year has been the completion of the Final Design Review (FDR) for the new local trains. The requirements specification for the local trains contains around 1200 technical requirements. Norske tog has ensured solid and clear procedures for document management and quality assurance in the work. In addition to this, it has been important to maintain good dialogue and ensure clear clarification of expectations with the supplier. This has been achieved through, among other things, regular physical presence at Alstom. For example, all technical meetings are conducted physically, and the ongoing production phase is also regularly followed up physically.



A train of class 73.

Norske tog has also had a strong physical presence in the follow-up of the mid-life upgrade of class 72, and has a dedicated inspector who follows up the project. In addition, Norske tog's engineers are present in the workshop at regular intervals and for each review of the scope of work.

On-site audits are generally more extensive than audits of documentation, and are assessed in terms of both time and available resources. In 2023, Norske tog carried out ongoing physical inspections in several projects. A major audit has been initiated that includes on-site audits of technical documentation in the ERTMS project. In addition, Norske tog was involved as an observer for Stadler in connection with their audit of a potential new supplier, which would be a direct subcontractor to Norske tog's long-distance trains. Gaining insight into how Stadler assesses new suppliers was a useful experience for Norske tog.

The way forward

The test of the new local trains is the next major milestone in the local train procurement. We are working hard to keep to the schedule, but there is a possibility that there will be delays in relation to the original timetable. For Norske tog, the consequence of a delay will mean that old trains will have to run for longer than planned, and for Alstom, fines will be incurred in accordance with the contract.

Norske tog has traditionally focused on progress and technical conditions in audits and quality controls. The company also recognises that it is necessary to integrate follow-up of social and environmental issues even more clearly in audits.

Continuation of the work on due diligence in Norske tog

Norske tog works to ensure accountability in its

operations and supply chain, and conducts due diligence in line with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. The company is covered by the Transparency Act. The Transparency Act imposes an obligation on organisations to publish a report on their due diligence assessments. Norske tog published its first report under the Transparency Act in June 2023, which is available at www.norsketog.no. Similarly, Norske tog will report on the Transparency Act for the current year, by June 30th 2024. The report will be available at www.norsketog.no/en/rapporter.

Through responsible procurement and supply chain management, Norske tog follows up that all procurements safeguard people, the environment and society. Norske tog focuses on continuous supplier dialogue and seeks to develop the expertise of, and together with, its contract partners.

Conducting due diligence involves interdisciplinary involvement and is an integral part of the organisation, embedded in the project model and the company's governing documents.

Responsibility is categorised as follows:

- **The Finance and Administration department** is responsible for corporate governance in Norske tog. This includes the overall responsibility for ensuring that due diligence is implemented and carried out in the organisation and the organisation's projects. The department ensures that the guidelines are implemented and operationalised, and monitors any deviations. In addition, the department is responsible for ensuring that the obligations of the Transparency Act are fulfilled, including publication of the report.

Norske tog focuses on continuous supplier dialogue and seeks to develop the expertise of, and together with, its contract partners.

- **The legal department** is responsible for ensuring that Norske tog's work on due diligence is in accordance with applicable legislation and international frameworks, and that the company's procurement procedures and contracts reflect the company's requirements for suppliers related to human and labour rights when agreements are to be entered into and/or revised.
- **The project department** is responsible for ensuring that risk assessments are carried out in relation to countries, input factors and suppliers in the individual projects where due diligence is to be carried out. In addition, they are also responsible for ongoing supplier follow-up, inspections and audits.

Norske tog's work consists mainly of procurement projects, and the company has considered it appropriate to prepare a risk assessment tool with an associated process for identifying and prioritising significant risks in each individual project. In this way, Norske tog endeavours to conduct due diligence assessments at project level in line with the OECD's guidance for due diligence assessments. In procurements, Norske tog conducts both an initial risk assessment and a supplier-specific risk assessment in collaboration with the chosen supplier in connection with the signing of the contract.

Integrity Due Diligence (IDD) is a background investigation of risks related to ethics and integrity, including decent work and human rights. IDD is performed for all projects above NOK 1 billion. Beyond this, Norske tog makes a specific assessment for projects below NOK 1 billion based on risk assessments, relevant cases that Norske tog is aware of related to the supplier and/or similar production.

Any notifications received through Norske tog's whistleblowing channel are included in the company's risk assessments and assessment of its own negative impact. Measures to stop, prevent or reduce any negative impact and/or damage are identified based on probability, severity and an assessment of Norske tog's possible connection to the incident.

Measures in 2023

It is important that the company's largest suppliers are aware of Norske tog's requirements and expectations. The obligations in the Transparency Act have therefore

been an important topic in contract follow-up and supplier development throughout the year, particularly in the company's largest contracts: The local train procurement, the long-distance train procurement, ERTMS and the upgrade of class 72 in the city centre.

The OECD's methodology has provided a clear framework for the follow-up. In procurements, Norske tog carries out both an initial risk assessment and a supplier-specific risk assessment in collaboration with the chosen supplier in connection with the signing of the contract.

In 2023, both Alstom and Stadler developed their own procedures for due diligence assessments in collaboration with Norske tog. The procedures ensure that procurements with high inherent risks related to human and labour rights, the environment or society are prioritised for further follow-up. The dialogue with suppliers has led to an increased understanding of the complexity of the supply chain. It is critical that our suppliers report on the production location and not the head office. This is because the production site usually has a higher inherent risk associated with it than the head office location. However, a highly centralised head office with good routines can reduce the inherent risk at the production site. Suppliers mainly base their work on

spend analyses and first-tier suppliers, but must develop a risk-based methodology to be in line with the OECD's due diligence guidance.

The dialogue to date has given Norske tog a better framework for further developing the methodology of due diligence assessments in its own project model and other contracts. The aim is for both Norske tog and suppliers to work on a risk-based basis in line with the OECD's methodology. Norske tog works actively with the parties to obtain sufficient information for its own assessments and reporting. This work will continue in 2024.

A requirement for the company's suppliers to conduct due diligence assessments in line with the OECD methodology was added to Norske tog's Code of Conduct for Suppliers in 2023.

Due diligence in the projects

Alstom

Alstom has identified some high-risk suppliers in its deliveries. In most cases, the risk relates to incomplete documentation of compliance with Alstom's own requirements for responsible business. Alstom has established follow-up points for its suppliers, such as on-site audits where documentation is not made available, or where documentation is not satisfactory.



A train of class 74.

A relevant and important topic, which has been discussed in 2023 as well as in previous years, is Alstom's presence in Israel. Norske tog's report under the Transparency Act for 2022 describes how the company has conducted due diligence and how it has assessed this situation. Norske tog still considers this risk to be too remote to constitute a contribution in line with the UNGP. The company continues to monitor Alstom's activities in the area and has regular dialogue with Alstom on the topic. In 2024, Norske tog will continue to make ongoing assessments related to whether this conclusion still stands.

Local trains:

Alstom signed a contract with Norske tog in 2022 and has started production of the trains.

Alstom has defined 33 main suppliers in the project.

Among these 33, three potential high-risk suppliers have been identified based on industrial risk and geographical location.

Midlife upgrade Class 72:

Alstom has defined 12 suppliers as main suppliers in the project. Of these, three have been identified as potential high-risk suppliers based on industrial risk and geographical location.

ERTMS:

Alstom has defined 37 suppliers as main suppliers in the project. Of these suppliers, only one has been identified as a high-risk supplier based on industrial risk and geographical location.

Stadler

Long-distance trains

Stadler signed a contract for new long-distance trains in Q1 2023, and is in the process of engaging subcontractors for the contract work. This means that Stadler's due diligence for 2023 has largely consisted of mapping the inherent risk of the work to be performed under the contract, based on a mapping of potential suppliers and most significant components. Stadler has clear processes for prequalification of suppliers included in the company's supplier portfolio, and Norske tog has in 2023 completed such prequalification/supplier approval.

Stadler has carried out a risk analysis of 93 suppliers to date. 22 orders have been placed on the contract in 2023. All Stadler's suppliers sign Stadler's ethical guidelines. Of the contract's suppliers, one supplier is currently identified as a high-risk supplier. One supplier is categorised as high risk due to production in China and lack of previous experience with the supplier that can demonstrate compliance with Stadler's governing documents. Depending on the findings, Stadler initiates an action plan or terminates the contractual cooperation if necessary.

Norske tog's report under the Transparency Act for 2022 describes how the company has conducted due diligence assessments. Stadler ceased production of FLIRT trains for Norske tog in Belarus when sanctions were introduced against Belarus, but still has a workshop there. Norske tog considers this risk to be too remote to constitute a contribution in line with the UNGP. Norske tog will continue to maintain a close dialogue with Stadler on the situation.

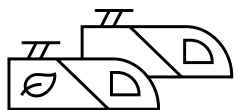
More information about risk and specific measures will be presented in Norske tog's report in accordance with the Transparency Act. The report will be published on Norske tog's website by 30 June 2024.

The way forward

In the time ahead, Norske tog will work to further develop its internal procedures for following up the Transparency Act and due diligence assessments in dialogue with the company's suppliers, focusing on overall risk mapping, following up the management of actual and potential risks, and integrating the model for due diligence assessments in line with the updated OECD guidelines. The environment will be particularly important for Norske tog to integrate into the model in a good way.

The company has prepared guidelines for follow-up if risks are identified, and will continue to work on specifying the guidelines by type of risk.

As the long-distance train procurement moves into a production phase, Norske tog will, based on an updated risk assessment, examine the most relevant subcontractors in more detail. The same type of audit is carried out for the local train project where Alstom is the supplier.



Green investments in passenger transport

Norske tog must have access to financing to purchase trains. The company established its green framework for loan financing in the bond market in 2019, and in 2022 the framework was updated. Green projects are in demand in the market, and through its framework and the issuance of green loans, Norske tog has secured access to favourable loan terms in the market. Through green financing, Norske tog has been able to demonstrate that the company's purchases contribute to green and sustainable investments and restructuring.

Demonstration of the company's continuous work on improvements and increased positive impact is a prerequisite for obtaining favourable terms on new loans.

Table 9 shows Norske tog's targets for green investments for trains in 2023.

How Norske tog works with green investments

Norske tog is a state-owned limited company that raises capital for train acquisitions through the capital market, rental income and equity contributions. In addition, the company has a residual value guarantee from the state that guarantees 75 per cent of the book value of the vehicles.

Green Bond Framework as a framework for financing new trains

Norske tog's work on green financing must be seen in the light of the extensive climate work in the EU – work

Goal

Norske tog will increase the proportion of green loans with favourable terms, maintain a high rating and further develop the company's position as an issuer of green loans

Norske tog shall strengthen the quality of the company's sustainability reporting and be clear about the company's material areas and results.

Table 9: Norwegian railways' targets for green investments

that greatly affects Norway and Norwegian organisations. Since 2019, the company has been working on developing its green framework, which is in accordance with the Green Bond Principles. Norske tog is following the development of and is working towards implementing the EU's Green Bond Standard in the framework. This standard follows international principles for green bonds and investments.

With Norske tog's Green Bond Framework, Norske tog has laid a good foundation for issuing green bonds to finance specific train procurements. No changes have been made to the Green Bond Framework in 2023. Cicero's assessment of the framework from 2022 gave Norske tog a "dark green" rating, which still applies.

Measures in 2023

In January 2023, Norske tog signed "batch 2" of the contract with Alstom, after having been granted residual value protection by the Norwegian Parliament. The order included 19 regional trains and 6 local trains. A total of 55 trainsets have now been ordered under the contract with Alstom. In addition, 17 new long-distance trains have been ordered from Stadler in 2023. The 17 long-distance trains are long trainsets. All of Norske tog's loan financing since 2019 has been green financing. In 2023, Norske tog raised favourable green loans for NOK 1,8 billion, which will be formally allocated to Norske tog's projects in 2024.

As an obligation within the Green Bond Framework, Norske tog has reported on the environmental impact of its investments for four years in a row. The environmental impact report for 2023 is available on Norske tog's website. The report will be updated after allocation in Q1 2024.

In the long term, Norske tog wishes to report in accordance with the EU taxonomy. This requires an analysis of the company's activities against the taxonomy's criteria, which Norske tog carried out for the first time in 2023. As part of the analysis, Norske tog also assessed whether bimodal trains can be considered green and sustainable.

EU taxonomy

As part of the work to fulfil the goals of the EU Green Deal, the EU taxonomy has been introduced. The EU taxonomy is a classification system for what is defined as sustainable activities with the aim of steering private capital towards sustainable investments, systematically integrating sustainability into risk management, and strengthening transparency in economic and financial institutions by creating a common definition of sustainable activity. The EU Taxonomy Regulation entered into force in Norwegian law on 1 January 2023, and requires all covered entities to report in accordance with the framework for the financial year 2023. Norwegian railways are not directly covered by the taxonomy's reporting requirements, but have chosen to include information about the EU taxonomy in this year's report based on both stakeholder requests and their own interest in relating their own sustainability work to the framework.

Through the EU taxonomy's 'Delegated Acts', several economic activities are listed that are covered by the framework because they can contribute significantly to achieving at least one of the EU's six environmental

objectives and thus potentially be classified as sustainable. The six environmental objectives are as follows: Climate change mitigation, climate adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, prevention and control of pollution, and protection and restoration of biodiversity and ecosystems. For an economic activity covered by the EU taxonomy to be considered sustainable, it must fulfil the following criteria:

- Contribute significantly to one of the EU's six environmental goals.
- Not cause significant harm to the remaining targets ("DNSH" - Do No Significant Harm).
- Comply with minimum social rights requirements.

Assessment of activities covered by the EU taxonomy

Norske tog's purchasing and leasing of trains is an economic activity covered by the EU taxonomy through activity 6.1 "Passenger interurban rail transport". The activity is considered to be able to contribute significantly to both Environmental Objective 1 – Climate change mitigation and Environmental Objective 2 – Climate change adaptation.



Model of the new local trains from Alstom.

Based on an overall assessment of the criteria, Norske tog has chosen to assess the technical screening criteria related to significant contribution to environmental objective 1.

Assessment of technical screening criteria

Significant contribution – Climate change mitigation

To fulfil the requirements for significant contribution, Norske tog must meet one of the following criteria:

- a) Trains and passenger coaches have no direct (“tailpipe”) CO₂ emissions;
- b) Trains and passenger coaches have no direct (“tailpipe”) CO₂ emissions when operating on railways with the necessary infrastructure and using a conventional engine where such infrastructure is not available (bimodal trains).

All electric trains in Norske tog’s fleet will fulfil the requirements for no direct CO₂ emissions, in addition to bimodal trains, which use electricity on the lines where this is made possible by established infrastructure. Conventional trains with engines that use fossil fuels do not fulfil the requirements for a significant contribution due to the trains’ CO₂ emissions.

DNSH 2 – Climate adaptation

To fulfil the requirements of DNSH 2, a robust climate risk and vulnerability assessment must be carried out based on a screening of physical climate risks, where relevant risks for the business are identified. Furthermore, an assessment must be made of whether new mitigating measures exist or are needed to reduce the analysed climate risk.

During 2023, Norske tog has finalised a climate risk analysis based on identified relevant risks for the business. The analysis looked at relevant risks in appropriate future scenarios and assessed how their development would affect Norske tog.

DNSH 4 – Circular economy

The DNSH 4 criteria require that measures are implemented to ensure waste management in line with the EU waste hierarchy, especially during maintenance. Norske tog has implemented various measures to ensure waste management in line with the waste hierarchy

during the lifetime of the trains. There are also ongoing processes related to the assessment of how waste is handled during maintenance.

DNSH 5 – Pollution prevention

DNSH 5 sets requirements for emissions from engines used for propulsion, with emission limits set out in Regulation (EU) 2016/1628.

Norske tog has assessed the emissions from engines in both electric and bimodal trains and compared these values with the applicable threshold values in the EU taxonomy. Due to the low emission levels of the engines, the company has assessed that both electric and bimodal trains fulfil the requirements in DNSH 5 due to the low emission levels of the engines.

Minimum requirements for social rights

Minimum social rights requirements mean that companies are committed to respecting human rights and have guidelines and processes for conducting due diligence in line with the OECD Guidelines for Multinational Enterprises.

Norske tog has developed a routine for responsible business practices to clarify its own obligations related to, among other things, conducting due diligence in line with the OECD methodology. The company also has procedures to avoid corruption and money laundering, and the fundamental principles of competition, transparency, equal treatment, predictability, verifiability and proportionality apply to all Norske tog’s suppliers. Norske tog considers that the company fulfils the requirements relating to social rights.

Norske tog views its ambitions for green investments in the context of the company’s other sustainability work, such as climate risk. Risk assessments are becoming an increasingly important topic, and in 2023 Norske tog took steps to integrate risk assessments into its sustainability work and internal governance. In 2023, Norske tog carried out an analysis of financial risks and opportunities in connection with an update of the materiality assessment. The company has also conducted its first climate risk analysis in accordance with the TCFD framework.



A train of class 73 at the Lodalen maintenance facility.

The way forward

Over the next few years, Norske tog has the opportunity to procure up to 200 new local trains under the contract with Alstom. In addition, in 2023 the company has entered into an agreement with Stadler for the delivery of new long-distance trains, which allows for the acquisition of a total of 100 trains. Borrowing will be done on an ongoing basis as needed, and it is the state that ultimately decides how many trains will be procured in the agreements. At the same time, it is important to continue working to secure sufficient funds for upgrades and modernisation of the existing train fleet.

Going forward, it is important to be prepared for increased competition between green and sustainable projects and investment objects. Among other things, we can expect increasing standardisation and clarification of requirements and reporting for banks and other investment players. In the future, Norske tog will endeavour to ensure that all financing is green. Today, the company has a credit facility with a bank of NOK 3 billion as additional security, but this is not defined as green.

The EU has worked to further develop the Green Bond Principles into a Green Bond Standard – a “gold standard” for companies and authorities seeking financing for environmentally friendly projects and programmes. The standard will provide guidelines for the design of Norske tog’s environmental impact reporting. Norske tog will consider switching to reporting in accordance with the EU taxonomy. In the future, it is desirable to synchronise and coordinate various reports from the company as far as possible to ensure more effective reporting of sustainability-related information. Norske tog will work actively to report in accordance with the requirements and expectations of external stakeholders and the financial markets.

In 2023, it has been important for Norske tog to plan how the company will handle and be prepared to follow up on new requirements and expectations that come with the new Corporate Sustainability Reporting Directive (CSRD). The directive requires more comprehensive and standardised sustainability reporting. Several preparations for this have been completed.



Highly skilled and diverse organisation

Norske tog is a small organisation with big tasks. Professional expertise is a prerequisite for the company's success, and Norske tog is expected to possess cutting-edge expertise in trains in order to deliver in accordance with its social mission. Employee knowledge is therefore essential. To grow and attract talented people, it is important that the company's employees thrive and feel included, while it is also important for many to feel that they are contributing to a more sustainable future by working in the company.

Norske tog's overall goal in the area of "highly competent and diverse organisation" is to have competent and satisfied employees. More detailed information can be found in section 2 "Organisation, corporate governance" in this report.

As part of its sustainability work in 2023, Norske tog has worked on specific goals and measures to take care of and develop managers and employees in the company. There has been a particular focus on skills development and inclusion. An overview of the goals is shown in the table 10.

How Norske tog works with diversity and expertise

Norske tog employees report that there is considerable scope for professional and personal development in the organisation. Norske tog is proud of this. In connection with the development of a new sustainability strategy in 2022, 13 of Norske tog's employees were interviewed. The interviews highlighted, among other things, that

Goal

Norske tog will continue to develop its own employees and attract key expertise.

Norske tog will reduce organisational vulnerability through effective learning between our resources and the hiring of external expertise.

Norske tog shall promote diversity and inclusion.

Table 10: Norske tog's goals for highly skilled and satisfied employees

enthusiasm for trains spreads from experienced to new employees, that employees work well together across generations, that there is a good sense of community in the company and that there is a good range of social activities that are organised. Several respondents also highlighted the advantages of being a small organisation, with a flat structure and short distances between employees and managers. The interviews also confirmed that many of the company's employees, across different age groups, are motivated by the company's sustainable mission, and that the opportunity to contribute in areas that are important to the success of a more sustainable society has been crucial in choosing an employer.

Diversity and inclusion are important in a small organisation where the individual has high visibility. Norske tog wants to show that there is room for everyone, and that differences should be the company's strengths. This applies both in human and professional terms. Norske tog is also committed to giving everyone equal opportunities, and therefore has a strong focus on organising working conditions when necessary.

Both senior management and the Board of Directors of Norske tog are committed to the work for gender equality and against discrimination. There is a great awareness, both in senior management and the Board of Directors, that diversity helps to strengthen the company's work through different viewpoints and good discussions on how the company can create better deliveries.

Expertise development is important for Norske tog employees

Change and innovation in railway engineering solutions are happening ever so fast. Increasing the expertise of the company's employees is therefore crucial if Norske tog is to continue to be a technically competent and strong engineering environment, while at the same time keeping its employees up to date with how trends and development needs are handled by others in the railway sector, both in Norway and abroad.

It is a strength for Norske tog that employees and managers keep themselves well-informed on national and international developments in the railway industry.

Norske tog is a member of and participates in several working groups in Round Table Rolling Stock (RTR), an initiative by operators and train manufacturers in Europe that works to standardise and simplify procurement processes for passenger trains. Participation in research and development projects, as well as in professional networks, including in the EU context, enables the company to collaborate on, keep up to date on and influence developments in the railway sector.

It is essential for Norske tog to build expertise in several areas, also beyond the technical aspects of trains. The company therefore continuously assesses the need for courses and training for individual employees. These assessments are made in the annual employee appraisal interviews among other things.

Measures in 2023

In 2023, employee appraisal interviews were conducted with all the company's employees (response rate of 100 per cent), and each employee below manager level completed an average of 35 hours of training. For managers in the company (extended management team, including middle managers), the average number of hours of training was 12 hours. There is some uncertainty in the data, as the correct time registration of course participants may vary.

30 lectures were held at the Train Academy, several of which were on sustainability-related topics. Read more about this in the section "Investing in sustainability expertise" in Part 2 of this report.

In 2023, Norske tog continued to participate in the following R&D projects:

- Wildlife warning - to minimise animal collisions. Testing of the solution is taking place on Cargonet's locomotives. The project will continue in 2024 if funding is secured.
- MeTinT - monitoring of pantograph and bogie on class 73 in collaboration with NTNU. Equipment has been installed. The project will continue with risk assessment and activation of equipment in 2024.
- Winter Project - The project was initiated by SINTEF and is a collaboration between several major railway operators to find the best possible lubricant for flange lubrication. The result will reduce wear on wheels and rails, and reduced wheel wear was achieved in 2023. The project will continue in 2024.

Norske tog is also participating in the ongoing cross-sectoral data collaboration in the transport sector, where one of the deliveries is a joint standardised solution for greenhouse gas emissions calculations for the transport sector.



Trains in for maintenance.

The way forward

Norske tog will continue to monitor and provide input to regulatory development and standardisation, including through RTR and other European and international forums. Participation in further R&D projects is also being considered.

The Train academy

The Train Academy is a channel for sharing experience and learning across the entire organisation. It is also a tool that helps employees gain good knowledge of other disciplines and can see the big picture in the work done in the organisation.

The Train Academy is a digital Friday meeting where all the company’s employees are encouraged to participate. The initiative was started on the initiative of the CEO at the beginning of 2021, when the company had many new employees and a need to increase employees’ expertise in trains and railways. Several external experts and players from the railway sector have given presentations at the Train Academy, and the channel is now also increasingly being used by internal resources to share insights or experiences from a specific project or subject area.

In 2023, the topics at the Train Academy were linked to Norske tog’s strategy and the specific measures the company has worked on throughout the year. Two presentations were held on the Transparency Act and due diligence, as well as a presentation of the company’s new sustainability strategy and associated measures that were applicable from 2023.

Participation in the Train Academy is good – usually more than half of the company’s employees attend. All presentations are filmed and made available afterwards for those who were unable to attend. The recordings are also actively used in the onboarding of new employees.

Need for a periodically large organisation

Norske tog has increased the number of employees in recent years, but maintains its ambition to have a lean and efficient organisation. At times, activity in the company is particularly high, with associated high work pressure on employees. This applies, for example, to the major procurement projects for new local and long-distance trains.

Measures in 2023

To manage periods of particularly high activity and work pressure, Norske tog hires external resources for project periods. Hiring is a rational solution for periodically staffing the company, and enables Norske tog to carry out projects efficiently, while ensuring that employees do not exceed the agreed workload. In addition, it allows the company to bring in specific expertise when needed.

In 2023, the company has utilised consultancy and advisory services equivalent to 29 FTEs, see Figure 10. Consultancy services are hired through multi-year framework agreements and contracts with various companies. The hired resources have mainly been linked to professional assistance and facilitation in procurement projects, technical advice for management tasks and administrative assistance related to sustainability work.



Figure 10: Number of hired man-years calculated on the basis of hours worked in 2023

In agreements and contracts with advisers and service providers, Norske tog specifies that the advisers must ensure the transfer of expertise as part of their work.

The way forward

Although the long-distance train contract has now been signed, there will still be a need for some external advisers going forward. The need is greatest in the design phase until the train eventually enters the production phase, when the need for external assistance is expected to decline. For Norske tog, it is valuable to be able to further develop its own expertise through collaboration with other resources.

Scaling up the work on diversity and gender equality

Norske tog has systematised and operationalised its work on diversity and inclusion considerably in the past year. The company has appointed an HR adviser with overall responsibility for the company's work on diversity and gender equality. A diversity and inclusion group has also been established to work systematically, purposefully and systematically on the topic. Employee representatives, safety representatives and senior management are represented in this group. Diversity and inclusion as topics have also been integrated into the management group's annual cycle for 2024 to ensure continuous follow-up and ownership.

Measures in 2023

The company's diversity and inclusion group meets once a month and follows a newly established annual cycle where various diversity and inclusion topics are addressed. The annual cycle endeavours to meet Norske tog's obligations under the Norwegian Equality and Anti-Discrimination Act as a minimum. The company has also created a separate page on the intranet for inclusion and diversity, to gather resources for management and employees. Diversity has also been a topic at the Train Academy, with a particular focus on unconscious attitudes, and a dilemma exercise related to gender identity was carried out at the company's autumn gathering. Several members of the diversity and inclusion group have participated in further seminars on inclusion and diversity, including DFØ's seminar series "Inkluderingsdugnaden".

As part of the work to ensure a more systematic approach to diversity work, the employee survey for 2023 included questions on diversity and gender equality. The survey revealed no challenges related to this topic. The psychosocial working environment received a score of 85, where 100 is the maximum. Data from this survey will provide the company with a better basis for mapping risks, as well as monitoring developments, deciding on and implementing targeted measures, and following up on the results of initiated measures.

Norske tog has also carried out risk analyses across the company for a more systematic approach to risk work. Management is responsible for the mapping work, and will then delegate responsibility for follow-up and implementation of measures to other resources where relevant. Based on the mapping, Norske tog has in 2023 tested recruitment where applications are anonymised in the first review, where only qualifications are available to the company. In addition, a scheme has been introduced for employees with other religious and/or cultural affiliations that mark holidays other than Norwegian public holidays. The scheme means that those who wish to do so can take two days of paid leave. In 2023, the company also analysed sick leave to a greater extent than previously.

The way forward

In the past year, Norske tog has worked to structure and strengthen its work on diversity and inclusion. Norske tog places great emphasis on organising working conditions if employees need it. Furthermore, the company will continue its work on risk assessments related to various grounds for discrimination and barriers to equality.

Read more about Norske tog's plans in the field of diversity and inclusion in the company's activity and equality report, which is available at www.norsketog.no/en/rappporter.

Norske tog has in 2023 tested recruitment where applications are anonymised in the first review.





Part 4:
The Board of
Directors' annual
report 2023

Summary and trends for Norske tog AS in 2023

In 2023, Norske tog maintained the same high level of activity as in previous years. Work on the procurement of both new local and long-distance trains is progressing well, while the company is now shifting its attention from entering major procurement contracts to prioritising the management of the trains. Good management is crucial to ensure that the trains have a high level of reliability throughout their lifetime.

The transport sector plays an important role if Norway is to achieve its climate targets. The government is investing in trains, which is reflected in a high level of activity in the railway sector, including Norske tog. If more travellers are to choose trains over other, less environmentally friendly transport solutions, the trains that run on Norwegian rails must meet travellers' requirements for both reliability and comfort, such as air conditioning and network coverage.

In January, Norske tog exercised the first option in the agreement with train supplier Alstom. The agreement involves an order for a further 25 Coradia Nordic trains – 19 regional trains and 6 local trains – and brings the total order to date in the procurement agreement to 55 trains. The trains will primarily operate on the regional lines Moss, Rakkestad and Ski in Eastern Norway and the first train is scheduled to enter service during the second half of 2026.

In March, Norske tog signed an agreement with Swiss train manufacturer Stadler for the purchase of 17 new long-distance trains, with an option to purchase up to 100 new trains in total⁶. The new trains – FLIRT Nordic Express – are further developed from Stadler's best-selling train model FLIRT (Fast Light Innovative Regional Train), and are specially adapted to Norwegian conditions. Norske tog already owns 150 FLIRT trainsets, which were delivered by Stadler in the period 2012-2022. These trains have proven to be reliable and of high quality, and are well suited to operate in the harsh Norwegian weather and climate conditions.

The new long-distance trains will be a major improvement on the current long-distance train services and will be significantly better adapted for wheelchair users than the current long-distance trains. After some debate with user organisations about accessibility for wheelchair users, on 25 August Norske tog and the Norwegian Railway Directorate were commissioned by the Ministry of

Transport and Communications to assess solutions for new long-distance train rolling stock to achieve better universal design. In close collaboration with train manufacturer Stadler, Norske tog drew up a proposed amendment that means that wheelchair users will also have access to the family coach and flex area, there will be more wheelchair lifts, more HC toilets, and a larger area to stand in than in the original plans. On 15 November, the Ministry of Transport and Communications approved the amendment proposal.

KPMG's survey of organisational and management challenges in the railway sector was published on 21 August 2023. The survey was conducted on behalf of the Ministry of Transport and concluded that there is currently a lack of incentives to perform optimal maintenance. As a result, on 9 October the Norwegian Railway Directorate was commissioned by the Ministry of Transport and Communications to assess measures for better maintenance of trains and development of the workshops. The assignment will be carried out in close cooperation with Norske tog and Bane NOR, and the deadline for responses is 31 January 2024.

Norske tog continues to succeed in recruiting, training and onboarding new employees in the past year. Nine new employees have joined the company, including a dedicated HR adviser who has also been given primary responsibility for the company's work on diversity and inclusion. The increase in the number of employees is a conscious effort to ensure the right expertise and capacity to implement the procurement contracts for new local and long-distance trains, strengthen the management work and make the company less dependent on hired expertise. The company is now gradually moving from a procurement phase to a management phase – a very important task to ensure that the trains are perceived as attractive to travellers throughout their lifetime.

Statistics from Bane NOR show that the negative increase in the number of delays and cancellations on the railway has continued in 2023. This is regrettable for travellers, and a development that is crucial to reverse. Norske tog's increased focus on management in the autumn of 2023 means that the company has no backlog on maintenance cases and responds to enquiries from operators within the 30-day deadline. This gives the company capacity for more proactive maintenance of the trains in the future.

⁶ The 17 trains are double trainsets, so in practice there may be 66 short or 33 long trains left on the options.

Economic development in Norske tog

In 2023, Norske tog had a positive annual profit after tax of NOK 163 million, up from NOK 106 million in 2022.

The increase in profit is mainly due to increased revenue of NOK 145 million, but was offset by increased operating expenses of NOK 51 million and a weakening of the financial result by NOK 29 million. The main explanation for the weakening of the financial result is increased interest expenses.

The result gives a return on book equity of 4.8 per cent, compared with 3.2 per cent in 2022. The company has a long-term target of 5 per cent return on equity. The result will vary over time due to investments in new trainsets and upgrades to existing trains.

Net cash flow from operations is 1,079 MNOK in 2023 (1,466 MNOK in 2022). Net cash flow used for investments is 1,949 MNOK (1,424 MNOK in 2022). The company's working capital is -627 MNOK (-783 MNOK in 2022). The working capital is mainly changed due to loans that expired in May 2023. The balance sheet (debt and equity) is 13,908 MNOK in 2023 (compared to 13,305 MNOK in 2022). The balance sheet is higher as a result of prepayments on new trains.

Including profit for the year, equity totalled NOK 3,606 million (NOK 3,410 million in 2022). The equity ratio is 25.9 per cent.

Human resources, diversity and gender equality

A good working environment is a highly prioritised area at Norske tog, and a lot of resources are devoted to ensuring that employees are happy and feel included at work. The annual employee survey confirms the effect of the efforts made - employee satisfaction continues to remain at a high level, with a positive increase compared with 2022, and sickness absence has decreased. Read more under "Our goals" in part 1 of the report.

Norske tog works purposefully with competence development and involvement of the company's employees. In 2023, there was a particular focus on inclusion and diversity, and a number of courses and dilemma training sessions on various topics were organised throughout the year.

Norske tog believes that diversity contributes to a more creative workplace, and wants its workforce to reflect the diversity of the population. Since its establishment

in 2016, the company has worked actively to improve diversity, with a particular focus on background, age and gender. At the end of 2023, the proportion of women in the company was 35 per cent (22 out of 63 employees).

Norske tog's Board of Directors was changed at the company's annual general meeting on 9 June. Board member Jan Morten Ertsaas took over as the new Chairman of the Board, and Anita Meidell became a new board member. Two new employee representatives have joined the Board. With the changes, the Board now consists of three permanent shareholder-elected board members and two employee representatives. Directors' and officers' liability insurance has been taken out covering all board members, including deputy members and the company's management. The insurance covers the entire world, excluding the USA and Canada, and covers up to NOK 500 million per claim.

The company's ethical guidelines are reviewed annually by the board and management of Norske tog. In 2023, the ethical guidelines for employees were updated with guidelines for animal welfare and anti-money laundering. The guidelines apply to both Norske tog's own employees and contracted resources. Norske tog's work on anti-corruption is further described in the chapter "Procurement, integrity and anti-corruption" in part 2 "Organisation, corporate governance". Through responsible procurement and supply chain management, Norske tog follows up that all procurements safeguard people, the environment and society. Norske tog focuses on continuous supplier dialogue and seeks to develop the expertise of, and together with, its contract partners. A description of Norske tog's system for conducting due diligence assessments, as well as results from the projects in 2023, is provided in the chapter "Continuation of the work on due diligence in Norske tog" in section 3 "Sustainability". Work on audits is described in "On-site presence and dialogue with suppliers are important parts of contract monitoring" in section 3 "Sustainability".

Norske tog's HSE manual sets out how the company works to ensure safety in the workplace. It is made clear that the company's operations shall not cause serious harm to people, the environment or material assets. This also applies to injuries resulting from faults in Norske tog's vehicles. One minor work-related injury was reported in 2023. For more information, see the chapter "Health, safety and environment" under "Organisation, corporate governance".

Norske tog confirms that the company has fulfilled the activity and reporting obligation in section 26 of the Equality and Anti-Discrimination Act.

Sustainability and corporate social responsibility

The activities of Norske tog affect social, economic and environmental conditions.

Over the past few years, the company has made a major effort to gain deeper insight into what areas are important for the company to work on. In 2023, Norske tog involved representatives from relevant departments in work on climate risk, double materiality assesment and preparation of a climate plan. This has been important for ownership and competence building related to various sustainability topics. In addition, clearer ownership and responsibility for various goals and the collection of sustainability data for reporting has also been defined.

During the past year, sustainability has been clearly embedded in management through updated instructions for the CEO and the company's Board of Directors, and instructions have been drawn up for the Board's Audit and Sustainability Committee, which clearly define the Board's responsibility for the organisation's sustainability work.

In 2023, Norske tog joined the Science Based Targets Initiative and has thus committed to the endeavour to cut emissions in line with the ambition of the Paris Agreement for a 1,5 degree target. For Norske tog, this means that the company will continue to further develop its climate plan to cut emissions where possible. As 99 per cent of emissions occur in Norske tog's value chain, the company is dependent on good collaboration across the Norwegian railway sector, as well as with suppliers and other stakeholders, in order to succeed.

See section 3 "Sustainability" in this report for detailed information about Norske tog's work on sustainability and corporate social responsibility, including plans for future work.

External environment

Impacts on the climate and environment begin long before Norske tog's vehicles reach the rails in Norway, and in various ways during the life of a train. These impacts can mainly be linked to energy, emissions, waste

and materials. The company works actively to limit the environmental impact of its own operations, and has adopted an ambition to adopt a circular approach to material and energy use throughout the life of the train. Norske tog has incorporated new requirements that the environment must be weighted by 30 per cent in all government procurement. This will have an impact on how Norske tog prepares tenders and assesses bids.

Reference is also made to Norske tog's corporate social responsibility report (part 3 of this report), which has been prepared in accordance with section 3-3C of the Norwegian Auditors Act and GRI's (Global Reporting Initiative) reporting principles.

Research and development

Norske tog contributes to technological development in the transport sector. Read more about the projects Norske tog participates in under "Highly skilled and diverse organisation" in section 3 "Sustainability" in the report.

Continued operation

In accordance with section 3-3a of the Norwegian Auditors Act, we confirm that the financial statements have been prepared on a presumption of continued operations. The profit for the year is transferred to other equity.

Purpose of the organisation

Norske tog procures, owns and manages rolling stock for passenger train services in Norway. The company enters into agreements to lease trainsets with train operators that have a transport agreement with the Norwegian Railway Directorate. Norske tog's head office is in Oslo.

The company is wholly owned by the Norwegian state through the Ministry of Transport and Communications. The state's goal as owner is cost-effective procurement and leasing of trains.

The quality and size of the train fleet shall be adapted to the publicly funded passenger train services. Based on conditions that follow the Norwegian Railway Directorate's transport agreements with the operators, the operators pay rent to Norske tog for the use of the company's vehicles.

Report on corporate governance

The corporate governance statement is attached to the annual report and has been reviewed by the Board of Directors.

Report on due diligence assessments

Norske tog's due diligence report is available at www.norsketog.no/en/rappporter on the company's website. The Transparency Act report will be published by 30 June 2024.

Goals and strategies

Norske tog shall effectively facilitate access to a sufficient number of standardised and timely trains, in line with society's needs for passenger train services. The company prepares long-term plans for the procurement of vehicles to meet capacity requirements and traffic growth for existing and future contracts. Norske tog has drawn up a lease agreement that will form the basis for leasing trains to all operators. The company's vehicle strategy will help to ensure standardisation and optimisation of trains and systems.

The company shall also provide advice on matters relating to the interface between trains and infrastructure/workshops. Norske tog shall at all times keep abreast of technological developments and maintain an overview of new technological solutions in the railway sector.

See more information about the company's goals in chapter 1.

Internal control

Norske tog has its own internal control framework and has established internal control systems that include guidelines for ethics and corporate social responsibility, organisation, authorisation structure and governing documents. Financial risk is assessed through separate risk analyses.

On this basis, the internal control system is revised as necessary, by reviewing management documents, policies, procedures and key controls.

Risk

Financial risk

The company's overall risk management plan focuses on the unpredictability of the capital markets and seeks to minimise the potential negative effects on the company's financial performance.

Norske tog makes purchases from foreign suppliers and is thus exposed to currency risk on purchases. The company's objective is to create predictability with

regard to future payments for major procurements measured in NOK through financial hedging agreements, or that currency risk and any increased expenses as a result of exchange rate fluctuations are covered by the Norwegian state. The new contracts for the procurement of local and long-distance trains are denominated in EUR and the contracts will not be hedged. As Norske tog is entitled to include the realised exchange rate used for the procurements in the rent the company receives from the train operators, the Ministry of Transport and Communications believes that there will be no need to currency hedge these procurements. The Board of Directors has adapted to this with confidence that the company will receive the necessary equity from the owner.

Norske tog is exposed to changes in interest rates. The company utilises interest rate swaps to reduce interest rate risk and to achieve the desired interest rate structure of the debt. Targets have been established that regulate the proportion of loans that are to be interest rate adjusted in a 12-month period, and for the fixed interest rate on the portfolio. The goal is to have approximately 70 per cent fixed rates and 30 per cent fluctuating rates.

According to established targets, 150 per cent of the company's capital requirement for the next 12-month period shall be covered through free liquidity and established credit facilities.

The current lease price model for determining the lease price to train operators creates challenges and there is a risk that the company will not be able to cover known and foreseeable costs if the lease price model is not changed. A new and more transparent lease price model that takes into account fixed costs and price adjustments was adopted in the state budget for 2024. A limited part of the agreement, but with important adjustment mechanisms, will enter into force on 1 January 2024. The new rental price model will take full effect from 2025.

Norske tog has established a framework for issuing green bonds. A detailed report is prepared annually describing which green investment projects are to be financed through green bonds, and what the actual environmental and climate impacts of these projects are. Norske tog endeavours to follow the market's best practice on reporting and works continuously to prepare the company's environmental impact reporting. The company is following the development of the EU Green

Bond Standard, and will work to move from the current reporting according to ICMA, to the EU Green Bond Standard when the latter framework is finalised.

Operational risk

Systematic analyses of operational risk and achievement of financial targets are carried out. Based on the risk analyses, control activities have been established to reduce identified risks, including automatic controls, audits and follow-up, extended analyses related to specific risk areas.

Norske tog is responsible for maintaining and, if possible, extending the technical service life of the trains owned by the company. One risk for the company is a lack of funding to maintain the service life through mid-life upgrades and other modifications. In order for Norske tog to be able to deliver on the company's goals and the owner's expectations, the company must have a financing model that both provides access to liquidity and generates sufficient rental income and returns to enable the company to make necessary procurements in time and at the same time have the financial room for manoeuvre to carry out necessary upgrades.

A large proportion of the company's fleet is old and is in the process of being replaced. In order for the company to be able to deliver a better train service in accordance with the expectations in the National Transportation Plan (NTP) 2022-2033, Norske tog is dependent on being able to exercise the options in procurement agreements already entered into. It takes a minimum of 18 months from when an option is exercised until new trains are delivered. One risk would be that Norske tog does not receive, or receives too late, the financing that the company needs. A direct consequence will then be an outdated train fleet, and that the desired and planned strengthening of the train service cannot be realised because there are too few trains.

There is a limited risk that Norske tog will not have access to the trainsets at the right time to make major upgrades or changes. In the coming years, most of the trains and tracks available for upgrades will be used to install ERTMS on-board equipment, and there will be limited room for other upgrades.

Norske tog is well underway with the largest train procurement programme in Norwegian history. Both new local trains and new long-distance trains are being

purchased. These are absolutely necessary procurements to maintain the current train services, and to make travelling by train more attractive. With a record number of trains being procured in such a short time, it is crucial, both in terms of efficiency and costs, that Norske tog has the key expertise internally to follow up the projects in a good way - both during the procurement process and in terms of management in the years ahead.

The ongoing global turmoil continues to make access to raw materials challenging. Norske tog has several projects that are dependent on a number of raw materials such as steel and aluminium, as well as other sought-after raw materials needed in electronics. The situation could therefore affect both the economy and delivery times in the projects. Norske tog is closely monitoring the situation. It is difficult to quantify the extent to which the situation will affect Norske tog. Any delays will be handled in an ongoing dialogue with the company's suppliers and customers. In addition, the company is in close dialogue with the Norwegian Railway Directorate and Bane NOR to ensure that any adjustments to finances and timetables do not affect normal traffic on the Norwegian rail network.

Delays to the projects could mean that it takes longer to reduce train delays and cancellations due to train faults, and thus also to improve the customer experience. The mid-life upgrade of class 72 and the installation of on-board equipment for ERTMS on the trains are two major projects that have been delayed compared to the original schedule. ERTMS is a complex project that includes all lines and all trains in Norway. Start-up depends on both the development of infrastructure, which is Bane NOR's responsibility, and the remodelling of vehicles, which is Norske tog's responsibility. The National Signalling Plan 2023 stipulates that the phasing-in of ERTMS for trains in Norway has been postponed by two years. This means that the completion of the implementation has been postponed from 2032 to 2034. However, the plans for installing on-board equipment in the next few years are still demanding.

Outlook for the future

Norske tog has an important role in ensuring that the railway is an attractive transport option for local, regional and long-distance train services. Helping more travellers to choose rail over car, bus or plane is important for reducing overall greenhouse gas emissions from the transport sector.

Norske tog has an active and exciting year ahead, and in 2024 will continue to work on the following in particular:

- Work on the local train procurement is progressing well. The first coach bodies have been built in Wrocław, Poland, and production will start in Salzgitter at the beginning of 2024. In addition, the first local trains will arrive in Norway for testing during the year.
- A lot of activity is expected in the long-distance train project. The project team at Norske tog is working closely with Stadler to finalise the final design of the trains. The ambition is for production of the trains to start in autumn 2024.
- In 2024, Norske tog will work on preparations for reporting in accordance with the new EU directive on sustainability reporting. This involves, among other things, preparing an integrated sustainability and business strategy that provides direction for further sustainability work, as well as integrating the handling of significant sustainability topics in the organisation's corporate governance.
- Work on the mid-life upgrade of class 72 continues. Pairs of trains are being transported to Alstom's workshop in Sweden for the work to be carried out. The first upgraded train will be put into traffic on the Jæren Line during Q1, and plans are in place to phase in a total of three upgraded trains in 2024.
- The ERTMS remodelling is a demanding project that extends over many years and has many interfaces. In 2024, parts of the Gjøvik Line are scheduled to open with a new signalling system, by which time Norske tog will have rebuilt all ten class 75 trains that will operate on the line. The Gjøvik Line will be followed by the Nordland Line and Vestfold Line in 2025/2026.
- In 2023, the Norwegian Railway Directorate was commissioned by the Ministry of Transport and Communications to assess measures to achieve better maintenance of trains and development of workshops, with a deadline of 31 January 2024. The assignment will be carried out in close collaboration with Norske tog and Bane NOR, and Norske tog must be prepared for the fact that the recommendations may affect the company's areas of responsibility, and thus result in an increased workload.
- Norske tog will intensify its efforts to improve access to systems and updated maintenance data (for operators, maintenance organisations and Bane NOR). Better access to data will contribute to more integrated and efficient operation of maintenance processes across systems and organisations, thereby ensuring that the trains maintain the longest possible service life. Norske tog aims to assume responsibility for the establishment and operation of IT systems on board, as well as for communication between train and shore. The company also plans to upgrade the network on board trains to strengthen data communication between trains and land.
- The introduction of condition-based maintenance (CBM) is a special initiative in Norske tog's strategy to ensure better and more efficient maintenance, and to reduce maintenance costs in the long term. This work will gain momentum in 2024.
- In 2024, Norske tog will apply to the Financial Supervisory Authority of Norway for a licence to establish a captive. The aim of the captive is to achieve lower insurance costs in the long term, which will be a saving for the sector.

Oslo, 14. February 2024



Jan Morten Ertsaas
Chairperson



Espen Opedal
Board Member



Anita Meidell
Board Member



Razieh Nejati Fard
Board Member/Employee
Representative



Vidar Larsen
Board Member/Employee
Representative



Øystein Risan
CEO



WINDHOFF


12

WARTUNG
LEISTUNG

WV

A train at the maintenance facility in Lodalen.





Part 5:
Annual accounts
and notes

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Statement of comprehensive income

Income statement (All numbers in TNOK)	Notes	2023	2022
Leasing of train	2	1 442 890	1 302 424
Other income	2	4 561	35
Total income	2	1 447 451	1 302 459
Payroll and related expenses	3	56 425	46 486
Depreciation and impairment	10	746 612	760 068
Other operating expenses	4	243 623	188 961
Total operating expenses		1 046 660	995 515
Operating profit		400 791	306 944
Financial posts			
Financial income	5	105 617	73 302
Financial expenses	5, 6	-293 534	-253 889
Unrealised fair value changes	7	-3 956	18 027
Net financial items		-191 873	-162 560
Profit before income tax		208 918	144 384
Income tax expense	8	46 101	37 987
Profit for the period		162 817	106 397
Attributable to			
Equity holders		162 817	106 397

Other comprehensive income

Profit for the year		162 817	106 397
Items that can be reclassified to profit or loss			
Hedge accounting – Currency hedging unrealised	9	23 276	9 695
Tax related to items that can be reclassified	8	-5 121	-2 133
Hedge accounting – Currency hedging realised	9	20 057	-5 586
Tax related to items that will be reclassified	8	-4 413	1 229
Items that will not be reclassified to profit or loss			
Deviation retirement benefit obligations	6	376	364
Tax related to items that can not be reclassified	8	-82	-80
Total comprehensive income for the period		196 911	109 886
Attributable to			
Equity holders		196 911	109 886

Statement of financial position

Assets (All numbers in TNOK)	Notes	31.12.2023	31.12.2022
Assets			
Property, plant and equipment	10	13 369 982	12 077 287
Total non-current assets		13 369 982	12 077 287
Trade and other receivables	11	150 677	103 990
Derivative financial assets	12, 13	19 939	585 610
Cash and bank deposits	14	367 807	538 207
Total current assets		538 423	1 227 807
Total assets		13 908 405	13 305 094
Equity and liabilities			
Ordinary shares and share premium	15	2 400 000	2 400 000
Retained earnings		1 194 381	1 031 270
Hedge reserves		11 534	-21 000
Total equity		3 605 915	3 410 270
Borrowings	16	8 208 444	6 993 873
Deferred tax obligation	8	885 963	830 603
Retirement benefit obligations	6	1 327	1 614
Debt leasing agreements	17	41 466	37 133
Total long term liabilities		9 137 200	7 863 223
Trade and other payables	18	196 158	220 999
Borrowings	12, 16	954 483	1 775 776
Derivative financial instruments	12, 13	14 649	34 827
Total short term liabilities		1 165 289	2 031 601
Total equity and liabilities		13 908 405	13 305 094

Oslo, 14. February 2024



Jan Morten Ertsaas
Chairperson



Espen Opedal
Board Member



Anita Meidell
Board Member



Razieh Nejati Fard
Board Member/Employee
Representative



Vidar Larsen
Board Member/Employee
Representative



Øystein Risan
CEO

Cash flow statement

Cash flow statement (All numbers in TNOK)	Notes	2023	2022
Profit for the period before income tax expense		208 918	144 384
Net financial items		162 012	209 186
Other financial items		39 057	-59 965
Depreciation and impairment in the income statement	10	746 612	760 068
Net changes to obligations and retirement benefit oblig.		43	-1 156
Sales amount		4 061	15 419
Loss/(Gain) on sale of property, plant and equipment		-4 061	-
Changes to working capital*		-77 147	397 835
Net cash flow from operating activities		1 079 496	1 465 770
Purchase of PPE	10	-1 949 342	-1 424 292
Net cash flow from investment activities		-1 949 342	-1 424 292
Interest paid on borrowings		-300 662	-266 842
Interest income		68 373	38 506
Proceeds from borrowings	16	2 550 000	1 600 000
Repayment of borrowings	16	-1 618 750	-1 650 000
Payment of installments on lease liabilities**	17	-11 226	-7 209
Net cash flow from financial activities		687 735	-285 545
Net change in cash and bank deposits for the period		-182 111	-244 067
Cash and bank deposits as at the beginning of the period	14	538 207	787 493
Foreign exchange gain/loss on cash and bank deposits		11 712	-5 220
Cash and bank deposits as at the end of the period		367 807	538 207

*Adjusted for additions/disposals of IFRS16 lease liabilities.

**This line is new in 2023. Leasing has been separated from operating cash flow to financial cash flow, resulting in a change in the 2022 figures presented in the financial statements at 31 December 2023.

Statement of changes in equity

2023 (All numbers in TNOK)	Notes	Ordinary shares	Share premium	Specification hedge accounting	Retained earnings	Total
Equity 1st of January 2023		100 000	2 300 000	-21 000	1 031 270	3 410 270
Profit for the year		-	-	-	162 817	162 817
From other comprehensive income		-	-	33 800	294	34 094
Reported directly to the hedge reserve	9	-	-	-1 265	-	-1 265
Equity 31st of December 2023		100 000	2 300 000	11 534	1 194 381	3 605 915

2022 (All numbers in TNOK)	Notes	Ordinary shares	Share premium	Specification hedge accounting	Retained earnings	Total
Equity 1st of January 2022		100 000	2 300 000	-27 861	924 590	3 296 730
Profit for the year		-	-	-	106 397	106 397
From other comprehensive income		-	-	3 205	284	3 489
Reported directly to the hedge reserve	9	-	-	3 655	-	3 655
Equity 31st of December 2022		100 000	2 300 000	-21 000	1 031 270	3 410 270

1. General information and summary of key accounting principles

General information

Norske tog AS was incorporated on 16 June 2016.

The White Paper 27 (2014–2015) established that passenger train rolling stock previously owned by VyGruppen AS (formerly NSB) would be consolidated through a state-controlled rolling stock owner, in order to ensure low barriers to establishment and competition on equal terms.

Purpose and scope of the company

The purpose of the company is to procure, own and manage rolling stock that is to be used mainly for the provision of rail passenger transport as a public service obligation. The company's rolling stock is to be offered on non-competitive terms. The company also has an advisory function to the Norwegian state. The company's operations shall have efficient operations.

Norske tog AS is headquartered in Oslo.

All shares in Norske tog AS are owned by the Ministry of Transport and Communications.

The annual accounts for 2023 were approved by the Board of Directors on 14 February 2024.

All figures in the report are stated in TNOK, unless otherwise specified in the text.

Framework for financial reporting

The corporate financial statements of Norske tog AS have been prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretation Committee (IFRIC), as approved by the EU.

The key accounting principles used in the preparation of the company accounts are described below.

The financial statements have been prepared on the basis of the historical cost

principle, except for financial derivatives and some financial assets and liabilities.

In the figures for the 2022 cash flow statement, some lines have been reclassified. Payment of instalments on lease liabilities was added, which led to changes in "Other financial items" and "Change in short-term receivables and liabilities". The 2022 and 2023 figures are comparable.

The company accounts have been submitted on the condition of continued operations.

Key assumptions and accounting estimates

The application of the company's accounting principles involves the use of estimates and assumptions. Estimates and assumptions are continuously assessed and are based on historical experiences combined with expectations of future events that are deemed likely at the time of assessment.

Areas in which the use of estimates and assumptions are important to the company accounts:

Financial assets and liabilities at fair value

The company has long-term liabilities, financial derivatives and some financial assets recognised at fair value.

The calculation of fair value uses estimates based mainly on observable prices which can change over time. Changed assumptions will result in changes in recognised values, with the differences reported through the statement of comprehensive income.

Property, plant and equipment

The company continuously assesses the expected service life and residual value of fixed assets. This is significant for depreciation and amortisation for the year. Furthermore, the company also assesses the value of the fixed assets and whether there are any indicators of a decrease in value. An impairment

assessment is carried out in the event that the recoverable amount is lower than the book value. These assessments involve a high degree of estimation.

Pension liabilities

The company has an operating pension for employees who will be unable to accrue the right to a contractual early retirement pension under the new contribution scheme. This obligation will be payable only if the employee retires before turning 67 years of age.

Segment information

Norske tog AS has only one segment, the leasing of trains.

Currency

Functional currency and presentation currency

The financial statements are presented in Norwegian kroner, which is both the functional and presentation currency of the company.

Operating income and costs, procurements and financing costs predominantly occur in NOK, CHF and EUR. Transactions in foreign currencies are converted to functional currency at the time of the transaction. Currency gains and losses that arise during the conversion of items in foreign currencies are recognised in the statement of comprehensive income.

The company's operations are only conducted in Norway.

Revenue recognition

The company's income comes from the leasing of rolling stock. The leases are classified as operating leases under IFRS 16, and income is recognised on a straight-line basis over the lease term as the leases are based entirely on fixed prices. The leases are invoiced in advance each month. Revenue from leasing is not covered by the scope of IFRS 15; the company considers the leasing of trains for passenger transport to be covered by IFRS 16. The reason for this conclusion is that the companies that operate the trains in day-to-day

operations is a lease contract that transfers the right to use the underlying asset for a period of time for a consideration. The customer then receives all the economic benefits from the use of the assets; as well as being able to determine how and for what purpose the asset is used.

Property, plant and equipment

Property, plant and equipment are recognised in the balance sheet at acquisition cost, less amortisations. Acquisition cost includes costs directly related to the acquisition of the asset so that it is ready for use.

Subsequent expenditure is recognised in the balance sheet when it is probable that future economic benefits associated with the expenditure will flow to the company and the expenditure can be measured reliably. Other repair and maintenance costs are recognised in the income statement in the period in which the costs are incurred.

As regards to capitalisation of major projects, these are recognised at the following times:

1. Prepayment of advances at contract signing is classified as prepayment of partial delivery of trains (see note 10)
2. When progress milestones are achieved, Norske tog (PTO) is invoiced and the cost is classified as prepayment for partial delivery of trains (see note 10)
3. At handover of train sets to Norske tog AS and onwards to the customer, the partial delivery of trains and the estimated remaining cost is capitalised as a means of transport for amortisation
4. Upon receipt of the final invoice (FTO), the estimated capitalisation for amortisation is calculated

Borrowing costs incurred in connection with the construction of fixed assets are capitalised as part of assets under construction and included in the basis for amortisation. The basis for calculating these borrowing costs is the capitalised value of the projects in question. The interest rate used for the calculation is the company's average interest rate on the loan portfolio at any given time.

Fixed assets are depreciated using the straight-line method, so that the acquisition cost of the fixed assets is

depreciated to their residual value over their expected useful life, which is within the following range:

In individual cases, some fixed assets may have a shorter useful life than the 10 years mentioned below, in which case the amortisation period will be the expected useful life of the fixed asset. The amortisation period for rights of use is the lease period if less than the expected useful life of the asset.

Vehicles	10 - 30 years
Right of use (IFRS 16)	2 - 12 years

The amortisation method, the useful life of the assets and their residual value are assessed at each balance sheet date and changed if necessary.

Gains and losses on the disposal of property, plant and equipment are recognised in the income statement and represent the difference between the selling price and the carrying amount.

IFRS 16 Leases

The definition of a lease is linked to the concept of control of the asset. IFRS 16 determines whether the contract contains a lease based on whether a customer has the right to control the use of an identified asset for a period of time for a consideration. At the commencement date of a lease, Norske tog as lessee calculates the liability at the present value of future lease payments. At the same time, a corresponding asset is calculated that reflects the right to use the underlying asset during the lease term (the right-of-use asset). The lease liability is measured at the present value of the remaining lease payments discounted using the marginal borrowing rate.

Leasing out

Norske tog AS' income in the form of leasing will be covered by IFRS 16. As the lessee has full use, access and all economic benefits to the leased assets during the lease period, we consider the lease to be in accordance with IFRS 16 (operating lease).

Leasing

Pursuant to IFRS 16, the lessee must recognise all lease agreements on the statement of financial position by incorporating all liabilities to pay the lease amounts during the lease period, as well

as associated usage rights for the underlying assets. All lease agreements that transfer rights to the lessee to control the use of an identified asset and receive financial benefits must also be recognised.

Depreciation

Assets that are depreciated are tested for impairment only when there are indications that future earnings cannot justify the carrying amount.

A depreciation is recognised if the carrying amount is higher than the recoverable amount. The recoverable amount is the higher of the sales value less sales costs and value in use.

When assessing impairment, non-current assets are grouped at the lowest level at which it is possible to identify independent cash flows (cash-generating units). At each reporting date, the possibility of reversing previous depreciations is assessed.

Derivatives and hedging

The company enters into derivatives to hedge interest and currency on long-term debt in order to create predictability and to achieve both the lowest possible price and predictability in prices.

The company practises hedge accounting for forward exchange contracts related to future purchases, but not for interest rate and currency swaps related to bond loans - see note 9. Derivatives are recognised in the balance sheet at fair value at the time the derivative contract is entered into and are adjusted on an ongoing basis to fair value through profit or loss. Changes in the fair value of derivative contracts related to debt are recognised in the income statement as financial items.

Foreign currency futures contracts have been entered into to hedge future payments under the contract for mid-life upgrading of class 72 trainsets (local trains), which is denominated in euros. The foreign currency futures contracts are recognised at fair value. Hedge accounting with cash flow hedge treatment is applied in the company.

The portion of the change in value of the hedging instrument that is considered to be an effective hedge is recognised in

other income and expenses (other comprehensive income) and is classified as a cash flow hedge reserve in equity. Upon payment, the associated change in value is reclassified from the cash flow hedge reserve to property, plant and equipment (with classification as assets under construction until the mid-life upgrade is completed).

The financial derivatives are recognised in accordance with IFRS 9.

Receivables

Receivables include trade receivables and are initially recognised at their original value, which is considered to be fair value.

At subsequent measurement, trade receivables are measured at amortised cost determined using the effective interest method, less provision for expected losses. Provisions for losses are recognised when there are objective indicators that the company will not receive settlement in accordance with the original terms.

Cash and bank deposits

Cash and bank deposits include restricted tax deductions and are specified in note 14.

If an overdraft facility is utilised, it is included in loans under short-term liabilities.

Borrowing

On initial recognition, borrowing is measured at fair value adjusted for directly attributable transaction costs.

In subsequent periods, loans are generally measured at amortised cost using the effective interest method so that the effective interest rate is the same over the term of the loan.

The company has several bond loans with associated interest rate and currency swaps. Where measurement and reporting using the fair value measurement option provides more relevant information by eliminating or significantly reducing inconsistent measurement of loans and associated interest rate swaps, this principle is used as the basis for reporting. The choice of principle is made when each loan is recognised and is binding for the term of the loan.

Taxes

The tax expense for the period consists of tax payable for the period and changes in deferred tax.

Deferred tax is calculated on all temporary differences between tax and accounting values and the tax effects of losses carried forward. Deferred tax is determined using tax rates and tax rules adopted at the balance sheet date. Deferred tax assets are recognised in the balance sheet to the extent that it is probable that the asset can be utilised.

Deferred tax assets and deferred tax are offset if there is a legally enforceable right to offset and the income tax is levied by the same tax authority on (i) the same taxable entity or (ii) different taxable entities where the intention is to settle the tax positions on a net basis.

Pension obligations

On 1 January 2019, Norske tog switched to a defined contribution plan where the company pays a contribution to the employee's future pension without further obligations after the contribution has been paid. The contributions are recognised as personnel costs.

Other short-term liabilities

Other short-term liabilities include trade payables and are initially recognised at nominal value, which is considered to be fair value. On subsequent measurement, trade payables are measured at amortised cost determined using the effective interest method.

Assessment of fair value

The company measures several financial assets and liabilities at fair value. For the classification of fair value, the company uses a system that reflects the significance of the input used in the preparation of the measurements with the following categorisation:

Level 1

Fair value is measured using quoted prices from active markets for identical assets or liabilities.

Level 2

Fair value is determined using inputs based on observable factors, either directly (price) or indirectly (derived from prices) other than quoted prices (used in Level 1) for the asset or liability.

Level 3

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

Financial assets and liabilities classified in level 1, 2 or 3.

New and amended accounting standards

Norske tog has implemented the following changes in the accounting period with effect from 1 January 2023:

- The International Accounting Standards Board (IASB) has clarified materiality assessments of accounting policies and defined accounting estimates. The amendments to IAS 1 are intended to clarify the requirements for which accounting policies an entity should disclose and what information should be provided about these accounting policies. The wording has been changed from an entity disclosing significant accounting policies to an entity disclosing significant information about accounting policies.
- The IASB has also decided to include a definition of the term "accounting estimate" in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The aim here has been to clarify the distinction between changes in accounting estimates and changes in accounting policies.
- Changes have also been made to IFRS 17 Insurance Contracts. The changes are significant and relate to the way in which insurance contracts are measured and how earnings and financial position for insurance companies are presented.

The changes listed above have no implication for previous accounting periods, nor are they expected to have a material effect on either this or future accounting periods.

New standards and interpretations not implemented at the present time

The IASB has made changes to IAS 1 regarding the classification of short-term and long-term obligations.

The change is not expected to have a significant effect on future accounting periods.

2. Income information

Information about major customers

Norske tog has 4 customers. Traffic Package 1 South – Oslo-Kristiansand (Go-Ahead), Traffic Package 2 North - Oslo-Bodø (SJ Norge AS). Traffic Package 3 West - Oslo-Bergen (Vy Tog). Together with VyGruppen, these three companies account for 100 per cent of leasing income.

Overview future leasing agreements 2023 (All numbers in TNOK)	Vygruppen	Go-Ahead Norge	SJ Norge	Vy Tog	Total
Contract expires:	Dec 31	Dec 27	Dec 28	Dec 29	
Options on length of contract:	1+1 year	1+1 year	1+1 year	1+1 year	
Leasing agreements next year (2024)	874 576	107 305	264 981	92 528	1 339 390
Leasing agreements next 1–2 years (2025)	852 351	104 482	257 126	89 946	1 303 905
Leasing agreements next 2–3 years (2026)	824 570	92 450	242 904	86 637	1 246 561
Leasing agreements next 3–4 years (2027)	798 375	79 227	233 706	85 415	1 196 724
Leasing agreements next 4–5 years (2028)	776 402	-	210 501	83 644	1 070 547
Leasing agreements more than 5 years (2029-)	2 173 885	-	-	76 941	2 250 826
Total	6 300 159	383 464	1 209 218	515 112	8 407 953

The government is currently conducting a sector review and will conclude on how the railway sector should be organised in the future.

In September, Norske tog signed a lease agreement with Vygruppen AS for the transport of passengers in Eastern Norway (Østlandet 1 and Østlandet 2). The agreement runs until 31 December 2031.

(All numbers in TNOK)	2023		2022	
	% of rental income	% of rental income	% of rental income	% of rental income
Vygruppen AS	954 858	66%	853 131	66%
Go-Ahead AS	111 097	8%	109 241	8%
SJ Norge AS	280 091	19%	238 229	18%
Vy Tog AS	96 845	7%	101 823	8%
Total	1 442 890	100%	1 302 424	100%

3. Payroll and related expenses

(Alle tall i TNOK)	2023	2022
Wages and salaries, including employment taxes	68 266	63 428
Pension costs - defined benefit plans (note 6)	104	139
Pension costs - pension contribution plan	4 143	3 363
Other employee benefit expenses	6 977	6 312
Other employee expenses-capitalising employee hrs	-23 066	-26 755
Total	56 425	46 486

Salaries and other benefits for the CEO are discussed in the note relating to benefits to senior executives and board members (Note 21).

	2023	2022
Average man-labour year	61	56
Average number of employees	61	56

The figures for 2022 have been changed from 57 in the 2022 annual report to 56.

4. Other expenses

(All numbers in TNOK)	2023	2022
Sales- and overhead expenses	2 249	2 270
Repair and maintenance, machinery rental, property expenses	5 328	2 825
Modifications	50 577	45 441
Insurances	100 348	61 722
Loss on fixed assets	-	15 419
IT, licenses and communication	32 717	22 128
Other operating expenses	52 404	39 157
Total	243 623	188 961

Auditing fees (excluding VAT):

(All numbers in TNOK)	2023	2022
Auditing	811	568
Other attestation services	566	245
Other services outside audits	74	74
Total	1 450	887

5. Financial items

(Alle tall i TNOK)	2023	2022
Interest income SWAPs	31 418	32 904
Interest income bank	24 444	8 917
Other financial income	35 462	35 324
Net foreign exchange gains	14 294	-3 843
Total financial income	105 617	73 302
Interest expense	-351 771	-265 910
Balance sheet interest	71 678	20 755
Other financial expenses	-10 860	-7 358
Net foreign exchange losses	-2 582	-1 377
Total financial expenses	-293 534	-253 889
Unrealised value changes (note 7)	-3 956	18 027
Total financial items	-191 873	-162 560

Other financial income consists of amortisation of the difference between nominal value and fair value of bond loans in connection with the the business combination in 2016 from VyGruppen totalling TNOK 35 332 (2022: TNOK 35 324), as well as a gain of TNOK 130 in connection with change of lease agreement (note 17).

6. Retirement benefit obligations and similar obligations

General information

The company has pension schemes related to retirement, disability and bereavement pensions for spouses and children. Below is a more detailed description of the type of schemes and how they are organised.

Norske tog offers all employees a deposit scheme in Sparebank 1. The pension cost for 2023 and the obligation as of 31 December 2023 has been calculated for the company in accordance with the principles in IAS 19 and the recognised pension obligation, which for the company amounts to NOK 1 327 thousand (2022: NOK 1 614 thousand), is considered to provide a prudent, and currently best, expression of the company's obligation, taking into account the estimated effect of winding up the schemes.

Norske tog AS has established an operational pension for the employees who will not be able to earn the right to AFP in the new defined contribution scheme; 1 327 TNOK (2022: 1 614 TNOK) has been included in the pension liability as of 31 December 2023. This obligation will only be paid out if the employees wish to retire before the age of 67.

7. Unrealised changes in value

Below is an overview of all unrealised changes in value on assets, liabilities and derivate instruments measured at fair value. The figures below refer only to the company's borrowing and not the foreign currency futures, which are recognised using hedge accounting (see Note 9).

(All numbers in TNOK)	2023	2022
Unrealized value changes derivatives used for hedging	-568 002	113 083
Unrealized value changes bonds	564 046	-95 056
Total unrealized value changes financial items	-3 956	18 027

8. Deferred income tax/Income tax expense

This years tax cost (All numbers in TNOK):	2023	2022
Current income tax payable	-	-
Changes in deferred tax	-46 101	-37 987
Total income tax expenses	-46 101	-37 987

Reconciliation between nominal and actual tax expense rate: (All numbers in TNOK):	2023	2022
Net income before tax	208 918	144 383
Expected income tax using the nominal tax rate (22%)	45 962	31 764

Tax effect from the following items:		
Other non-deductible expenses	139	139
Not enough tax expense allocated in previous years	-	6 083
Income tax expense	46 101	37 987
Effective tax rate	22 %	26 %

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

2023 (All numbers in TNOK)	Book value 01.01.	Income statement charge	Charge to other com- prehensive income	Transfer to other equity	Book value 31.12.
Benefit (+) / Liability (-)					
Fixed assets	-6 187 115	-435 211	-	-	-6 622 326
Leases on statement of fin. Position	2 000	278	-	-	2 278
Value changes to financial current assets	-18 027	21 983	-	-	3 956
Retirement benefit obligation	1 614	89	-376	-	1 327
Hedging-currency	-9 694	20 057	-43 333	1 621	-31 349
Losses carried forward	2 435 753	183 255	-	-	2 619 008
Total gross temporary differences	-3 775 468	-209 549	-43 709	1 621	-4 027 106
Off balance sheet temporary differences	-	-	-	-	-
Total net temporary differences	-3 775 468	-209 549	-43 709	1 621	-4 027 106
Net temporary differences (22%)	-830 603	-46 101	-9 616	357	-885 963

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

2022 (Alle tall i TNOK)	Book value 01.01.	Income statement charge	Charge to other com- prehensive income	Transfer to other equity	Book value 31.12.
Benefit (+) / Liability (-)					
Fixed assets	-5 694 894	-492 221	-	-	-6 187 115
Leases on statement of fin. Position	1 566	434	-	-	2 000
Value changes to financial current assets	-23 841	5 814	-	-	-18 027
Retirement benefit obligation	2 406	-428	-364	-	1 614
Hedging-currency	40 363	-41 261	-4 109	-4 686	-9 694
Losses carried forward	2 080 755	354 998	-	-	2 435 753
Total gross temporary differences	-3 593 645	-172 664	-4 473	-4 686	-3 775 468
Off balance sheet temporary differences	-	-	-	-	-
Total net temporary differences	-3 593 645	-172 664	-4 473	-4 686	-3 775 468
Net temporary differences (22%)	-790 602	-37 987	-984	-1 031	-830 603

9. Hedge accounting

Forward contracts in foreign currency have been entered into to ensure procurement in a currency other than Norwegian kroner.

As of 31 December 2023, the company has following hedging instruments on the balance sheet:

Fair value currency futures (All numbers in TNOK)	Currency bought	Currency sold	Nominal amount EUR	Total fair value	Maturity		
					1-6 months	6-12 months	Over 1 year
Assets	EUR	NOK	35 096	8 225	3 104	2 182	2 938
Obligations	EUR	NOK	18 885	8 166	5 312	2 085	768

As of 31 December 2022, the company has following hedging instruments on the balance sheet:

Fair value currency futures (All numbers in TNOK)	Currency bought	Currency sold	Nominal amount EUR	Total fair value	Maturity		
					1-6 months	6-12 months	Over 1 year
Assets	EUR	NOK	10 124	1 409	1 409	-	-
Obligations	EUR	NOK	48 594	-24 627	-1 398	-2 298	-20 931

Specification hedging reserve (All numbers in TNOK)	2023	2022
Balance 1st January	-21 000	-27 860
Change in fair value	43 333	4 109
Reclassified to property, plant and equipment	-1 265	4 686
Reclassified to profit before income tax	-	-
Deferred tax	-9 533	-1 935
Balance 31st December 2023	11 534	-21 000

Norske tog has signed a contract with Alstom Transport Deutschland GmbH for a mid-life upgrade of local trains class 72 in EUR. The payments in the contract were currency hedged. See more information in note 1 and note 19.

The currency hedges are based on an agreed payment plan with the supplier, where the forward contracts were originally entered into against the maturity date of the expected cash flows up to December 2025. Changes in the project are handled in the same way as the original currency exposure, where the need for currency hedging is assessed based on the company's currency strategy and thresholds. If a forward contract matures without the associated hedged payment being settled, the hedge is rolled over to a new forward contract or hedged

with a currency deposit in a bank. Settlement upon rollover is recognised as realised value change through other comprehensive income.

As a main principle, Norske tog has utilised hedge accounting for currency hedges. If hedge accounting cannot be used or the hedging relationship does not fulfil the requirements of the standard, the effects of the hedging instruments will be recognised in the income statement under financial items. Ineffectiveness will arise if there are significant changes in the currency exposure, either in terms of size or time. The forward contracts will then be adjusted accordingly. In 2023 and 2022, no effects from other comprehensive income have been recognised in profit or loss as a result of ineffectiveness.

10. Property, plant and equipment

(All numbers in TNOK)	Machinery and equipment	Transportation	Partially deliv. trains	Under construction	Right-to-use other assets	Total
At 1st of January 2023						
Accumulated acquisition cost	142 253	15 393 562	602 922	133 888	58 651	16 331 276
Accumulated depreciation	-79 431	-4 157 330	-	-	-17 227	-4 253 989
Total	62 821	11 236 232	602 922	133 888	41 423	12 077 287
2023						
Opening net book value	62 821	11 236 232	602 922	133 888	41 423	12 077 287
Additions	6 853	22 081	1 919 412	996	20 997	1 970 339
Balance sheet interest	-	-	-	71 678	-	71 678
Sale of train sets	-	-5 846	-	-	-	-5 846
Sale of train sets acc. depreciation	-	5 846	-	-	-	5 846
Train for recycling	-1 329	-12 951	-	-	-	-14 280
Train for recycling – depreciation	1 329	12 951	-	-	-	14 280
Disposal	-	-	-	-	-6 897	-6 897
Disposal acc. depreciation	-	-	-	-	4 186	4 186
Transfers within PPE	12 153	191 259	-382 532	179 119	-	-
Interest carried on the balance sheet activated	-	3 160	-	-3 160	-	-
Depreciation	-24 123	-712 255	-	-	-10 235	-746 612
Total	57 705	10 740 477	2 139 803	382 521	49 476	13 369 982
At 31st of December 2023						
Accumulated acquisition cost	159 930	15 597 111	2 139 803	382 521	72 751	18 352 117
Accumulated depreciation	-102 225	-4 856 634	-	-	-23 276	-4 982 135
Total	57 705	10 740 477	2 139 803	382 521	49 476	13 369 982

(All numbers in TNOK)	Machinery and equipment	Transportation	Partially deliv. trains	Under construction	Right-to-use other assets	Total
At 1st of January 2022						
Accumulated acquisition cost	130 079	13 889 127	192 628	710 890	59 280	14 982 003
Accumulated depreciation	-60 229	-3 504 174	-	-	-10 771	-3 575 174
Total	69 850	10 384 953	192 628	710 890	48 509	11 406 830
2022						
Opening net book value	69 850	10 384 953	192 628	710 890	48 509	11 406 830
Additions	951	41 034	1 059 210	323 097	6 073	1 430 365
Balance sheet interest	-	-	-	20 755	-	20 755
Train for recycling	-316	-101 531	-	-	-	-101 848
Train for recycling – depreciation	284	80 968	-	-	-	81 253
Transfers within PPE	11 540	1 502 435	-648 916	-858 357	-6 703	-
Interest carried on the balance sheet activated	-	62 497	-	-62 497	-	-
Depreciation	-19 487	-734 125	-	-	-6 456	-760 068
Total	62 821	11 236 232	602 922	133 888	41 423	12 077 287
At 31st of December 2022						
Accumulated acquisition cost	142 253	15 393 562	602 922	133 888	58 651	16 331 276
Accumulated depreciation	-79 431	-4 157 330	-	-	-17 227	-4 253 989
Total	62 821	11 236 232	602 922	133 888	41 423	12 077 287

The company's trains have a life expectancy between 10 and 30 years when they are put into service. The reason for the difference in life expectancy is the decomposition of the trains in accordance with IAS 16. The train body is normally amortised over 30 years, while the inside of the trains (seats, floors, etc.) are amortised over 10-15 years. The company also depreciates office furniture, software, computers, technical equipment – where the depreciation period can be as little as 3 years.

Partial delivery of trains: Partial delivery of trains consists solely of advance payments in accordance with agreements. There has been no physical delivery of trains to Norske tog. When new trains are taken over, the advance payment is credited and immediately transferred to assets under construction pending capitalisation.

Assets under construction: Assets under construction consist of train sets that have been delivered to Norske tog, but not yet

delivered to the operator and taken into use. When the operator takes over the train sets, the entire value of the respective train sets is capitalised as Transport assets and depreciation starts. Assets under construction also include high-cost components, change orders or smaller projects that are to be included in the train or other agreed delivery, and where delivery has been made, but the train or delivery has not been capitalised.

Machinery and equipment: Consists of IT systems, IT equipment and inventory not directly related to the trains.

Right-of-use property: Consists of leases recognised in accordance with IFRS 16 Leases. Leases in this item mainly consist of leases of warehouse premises, office premises and track leases.

Capitalised interest for 2023 is TNOK 71 678 (2022: TNOK 20 755). The interest rate for 2023 is on average 3.53 % (2022: 2.24 %).

11. Rental receivables and other receivables

(All numbers in TNOK)	2023	2022
Rent receivables	11 346	9 366
Provision for losses	-	-
Net rental receivables	11 346	9 366
Advance payments	126 811	92 775
Other receivables	12 520	1 850
Total rent receivables and other receivables	150 677	103 990
Total	150 677	103 990

Refer to note 19 for credit risk and the reason why it is not considered necessary to recognise an allowance for losses on lease receivables.

Overdue receivables with distribution by due date (All numbers in TNOK):	2023	2022
Due receivables on the balance sheet date	1 237	3 605
Receivables overdue by 0-2 months	-	2 531
Receivables overdue by 2-6 months	2	503
Receivables overdue by more than 6 months	-	571
Total	1 239	7 210

12. Derivative instruments

Hedged bond	Hedging instrument (financial hedging)	Currency	Principal	Pay/Receive	Due date	Measurement principle loans	Rate	Accounting line
Bond 400 MNOK	Interest rate swap agreement	NOK	200 000	Receive	11.03.2025	Amortised cost	NIBOR 3M + Margin	Short-term derivatives
Bond 400 MNOK	Interest rate swap agreement	NOK	200 000	Pay	11.03.2025	Amortised cost	Fixed rate	Short-term derivatives
Bond 400 MNOK	Interest rate swap agreement	NOK	200 000	Receive	11.03.2025	Amortised cost	NIBOR 3M + Margin	Short-term derivatives
Bond 400 MNOK	Interest rate swap agreement	NOK	200 000	Pay	11.03.2025	Amortised cost	Fixed rate	Short-term derivatives

(All numbers in TNOK)	2023				2022			
	Assets		Commitments		Assets		Commitments*	
	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term
Hedging instruments (fair value carried over comprehensive income)								
Currency futures	5 287	2 938	8 166	-	1 409		3 696	20 931
Other hedging conditions (Actual value carried over ordinary income)								
Interest and currency swaps			-		584 201		-	
Interest rate swaps	11 714		6 483		-		10 200	
Total	17 001	2 938	14 649	-	585 610	-	13 896	20 931

*Changed distribution between short-term and long-term obligations compared with the annual report for 2022.

The company uses hedge accounting for forward exchange contracts related to the mid-life upgrade of local train class 72. Changes in the value of derivatives measured at fair value are recognised in other comprehensive income on an ongoing basis. With regard to the handling of derivatives arising from hedge accounting, the company refers to note 1 for accounting principles, note 19 for the company's risk assessment and note 9 for the actual hedge accounting.

Interest rate and currency swaps

Since the company was established, Norske tog has issued loans in the bond market. Bond loans with a maturity of more than 5 years are issued at a fixed interest rate. Approximately 1/3 of the bonds issued by Norske tog have a maturity of 5 years or less, and are issued at variable interest rates. Loans in foreign currency are swapped to Norwegian kroner through combined interest rate and currency agreements. Furthermore, Norske tog utilises interest rate swaps on loans in Norwegian kroner to reduce interest rate risk and achieve the desired interest rate structure of the debt. Swap agreements with a significant value in the financial statements for 2023 are related to an outstanding bond loan with a floating interest rate, which is swapped to a fixed interest rate for the entire term of the loan. The nominal principal amount of outstanding interest rate swaps as of 31 December 2023 was NOK 400 million (2022: NOK 1 569 million). As of 31 December 2023, the fixed interest rate varied from 2.34% to 2.35% (2022: 2.34% to 2.35%).

13. Financial instruments by category

Assets at 31st of December (All numbers in TNOK)	Loans and receivables		Assets at fair value through profit and loss		Other assets at amortised cost		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Derivatives	11 714	584 201	8 225	1 409			19 939	585 610
Trade and other receivables (excl. Prepayments)	-	-	-	-	150 677	103 990	150 677	103 990
Cash and bank deposits	-	-	-	-	367 807	538 207	367 807	538 207
Total	11 714	584 201	8 225	1 409	518 485	642 198	538 423	1 227 807

Liabilities at 31st of December (All numbers in TNOK)	Liabilities at fair value through profit and loss		Other financial liabilities at amortised cost		Other liabilities at amortised cost		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Borrowings (excl. Financial lease liability)	100 497	1 545 494			9 062 430	7 224 154	9 162 927	8 769 649
Financial lease liabilities					51 754	43 424	51 754	43 424
Derivatives	6 483	10 200	8 166	24 627			14 649	34 827
Trade and other payables excl. statutory liabilities					217 991	212 411	217 991	212 411
Total	106 979	1 555 694	8 166	24 627	9 332 175	7 479 989	9 447 321	9 060 311

All loans and derivatives measured at fair value are at level 2.

For further information about assets at fair value in extended profit and loss, please refer to the note relating to principles and Note 9 hedge accounting.

Stock exchange	ISIN	Amount	Due date	Measuring principle
Luxembourg SE	NO0010837271	550 MNOK	26.02.2024	Amortised cost
Luxembourg SE	NO0010870009	400 MNOK	11.03.2025	Amortised cost
Luxembourg SE	NO0010837289	650 MNOK	26.11.2025	Amortised cost
Luxembourg SE	NO0010703556	500 MNOK	18.02.2026	Amortised cost
Luxembourg SE	NO0011115495	750 MNOK	15.10.2026	Amortised cost
Luxembourg SE	NO0010635428	1150 MNOK	20.01.2027	Amortised cost
Luxembourg SE	NO0010823792	750 MNOK	12.06.2028	Amortised cost
Luxembourg SE	NO0010870017	900 MNOK	11.12.2029	Amortised cost
Luxembourg SE	NO0011115487	1250 MNOK	05.10.2030	Amortised cost
Luxembourg SE	NO0012851890	900 MNOK	28.02.2033	Amortised cost
Luxembourg SE	NO0012851908	900 MNOK	01.03.2038	Amortised cost

Information on fair value (as described in the principle note):

Level 1: Fair value is measured using quoted prices from active markets for identical assets or liabilities.

Level 2: Fair value is determined using input based on other observable factors, either direct (price) or indirect (derived from price) other than listed price (used in level 1) for the asset or liability.

Level 3: Fair value is measured using input not based on observable market data.

14. Cash and bank deposits

(All numbers in TNOK)	2023	2022
Cash and bank deposits	367 807	538 207

Includes restricted funds of 7 232 TNOK (2022: 2 948 TNOK).

15. Share capital and share premium

	Number of shares	Ordinary shares (TNOK)	Share premium (TNOK)	Total (TNOK)
Shares at 1st of January 2023	100	100 000	2 300 000	2 400 000
Shares at 31st of December 2023	100	100 000	2 300 000	2 400 000

The company has only one share class, each share with a nominal value of NOK 1 000 000,-

16. Borrowings

Non-current (All numbers in TNOK)	2023	2022
Bonds measured at fair value	65 068	100 497
Bonds measured at amortized cost	8 143 376	6 893 376
Total	8 208 444	6 993 873

Current (All numbers in TNOK)		
Current share of long-term debt at fair value	35 429	1 368 128
Current share of long-term debt at amortized cost	-	-
Other current borrowings	919 054	407 648
Total	954 483	1 775 776
Total borrowings	9 162 926	8 769 648

Change in short- and long term borrowings 2023 (TNOK)	Total	SD-AV	SD-Amort.	LD-vv	LD-Amort.
Beginning balance	8 769 648	1 368 128	407 648	100 497	6 893 376
New loans for the year	2 550 000	-	750 000	-	1 800 000
Repayment of borrowings	-1 618 750	-768 750	-850 000	-	-
Reclassification of loan	-	-	550 000	-	-550 000
Reclassification from long-term debt to short-term debt	-	-	-	-	-
Amortization of transferred debt portfolio	-35 429	-	-	-35 429	-
Interest paid	-256 733	-	-256 733	-	-
Change in accrued interest	318 139	-	318 139	-	-
Change in fair value due to payment of loan	-	-	-	-	-
Change in fair value	-563 949	-563 949	-	-	-
Total borrowings	9 162 926	35 429	919 054	65 068	8 143 376
			954 483		8 208 444

Change in short- and long term borrowings 2022 (TNOK)	Total	SD-AV	SD-Amort.	LD-vv	LD-Amort.
Beginning balance	8 766 048	35 332*	463 771*	1 373 569	6 893 376
New loans for the year	1 600 000	-	1 600 000	-	-
Payment of borrowings	-1 650 000	-	-1 650 000	-	-
Reclassification from long-term debt to short-term debt	-	768 750	-	-768 750	-
Amortization of transferred debt portfolio	-35 332	-	-	-35 332	-
Interest paid	-237 250	-	-237 250	-	-
Change in accrued interest	231 127	-	231 127	-	-
Change in fair value due to payment of loan	-	-	-	-	-
Change in fair value	95 056	564 046	-	-468 990	-
Total borrowings	8 769 648	1 368 128	407 648	100 497	6 893 376
			1 775 776		6 993 873

*The distribution of the opening balance of short-term debt at fair value and below amortised cost in 2022 has changed compared with the with the annual report for 2022.

All existing bond issues are taken up under the Euro Medium Term Note (EMTN) programme. The EMTN programme contains no financial covenants, but an optional ownership clause stating that the state shall own 100 % of Norske tog AS.

Norske tog has a syndicated credit facility of NOK 3,000 million, which has a covenant requirement of a minimum equity ratio of 20 %.

The fair value of the credit margin on bond loans is based on market observations from banks and the pricing/price of the bonds in the second-hand market.

Short-term loans due and future interest payments are as follows: (All numbers in TNOK):	2023	2022
6 months or less	750 000	1 879 680
Non-current borrowings expire in (All numbers in TNOK):	2023	2022
Between 1 and 2 years (year 2024)	1 050 000	756 688
Between 2 and 5 years (years 2025–2027)	3 150 000	3 949 854
Over 5 years (from 2028–)	3 950 000	3 056 219
Effektive interest rate at the balance sheet date in %	2023	2022
Bonds	3.67	3.25

Future interest payments include interest rate swaps and are based on the interest rate level and loan portfolio as of 31.12.2023.

The carrying amounts of borrowings are denominated in the following currencies (All numbers in TNOK):	2023	2022
NOK	9 162 926	7 426 926
CHF	-	1 342 722
Total	9 162 926	8 769 648
The company has the following undrawn borrowing facilities:	2023	2022
Floating interest rate		
- Expiring within one year		
- Expiring beyond one year	3 000 000	3 000 000
Total	3 000 000	3 000 000

Norske tog's long-term borrowing facility is a revolving credit facility that runs until June 2026.

17. Rental costs and lease agreements recognized in the income statement

The leases consist of renting property; the largest leases are the lease of the head office, workshops for receiving new trains, as well as smaller premises for offices, warehouses, etc.

Lease agreements

Specification of changes in the period 2023 (All numbers in TNOK)	Liability	Assets
Total opening balance right-to-use assets / lease obligations 1. January	43 424	41 423
Lease payments	-11 226	-
Interest expense	1 399	-
Depreciations	-	-10 235
Capitalized expenses	-	-
Additions and changes in agreements	20 997	20 997
Changes to lease agreements	-2 840	-2 710
Total closing balance 31. December	51 754	49 475

Specification of changes in the period 2022 (All numbers in TNOK)	Liability	Assets
Total opening balance right-to-use assets / lease obligations 1. January	50 075	48 509
Lease payments	-13 985	-
Interest expense	1 180	-
Depreciations	-	-6 456
Capitalized expenses	-	-6 703
Additions and changes in agreements	22 134	22 134
Changes to lease agreements	-15 980	-16 061
Total closing balance 31. December	43 424	41 423

For further specification on the effects from right-of-use assets on the balance sheet and the income statement, see note 10 Property, plant and equipment.

Liabilities (All numbers in TNOK)	31.12.2023	31.12.2022
Short-term liability	10 288	6 291
Long-term liability	41 466	37 133
Total	51 754	43 424

Weighted average of the discount rate is 2.42%

Additional information (All numbers in TNOK)	2023	2022
Leases not recognised		
Short-term agreements (between one month and one year)	181	3 425
Costs related to low value items	125	70
Total	306	3 495

Leasing

In accordance with IFRS 16, the lessee must recognise all leases in the balance sheet by recognising the obligation to pay rent over the lease term and the associated right to use the underlying asset.

All leases that transfer to the lessee the right to control the use of an identified asset and receive the economic benefits should be recognised. There will no longer be a difference between the treatment of finance and operating leases.

The lease liability is measured at the present value of fixed lease payments over the lease term. The payments that are linked to an index or similar are based on the relevant factor at the time of recognition.

The company has chosen to apply the exemption rule by recognising rent for short-term leases with a duration of up to 12 months and for low-value leases directly in the income statement.

For contracts that also include other product or service deliveries the company has chosen to recognise these costs as an operating expense separately from the rental component.

When determining the lease term, the non-cancellable lease term is adjusted for extension options and termination rights that the company is reasonably certain to utilise.

An assessment of the need for impairments will be performed in accordance with IAS 36 for usage rights recognised in the statement of financial position, including a separate assessment of how the associated lease obligation will be included in the assessment.

18. Trade and other payables

(All numbers in TNOK)	2023	2022
Trade payables	192 436	163 208
Social security and other taxes	-22 473	37 396
Current liability lease agreements (IFRS 16)	10 288	6 291
Other current liabilities	15 906	14 104
Total	196 158	220 999

The book value of trade and other payables corresponds to fair value. Other short-term liabilities include short-term liabilities related to IFRS 16, provisions for holiday pay and cost provisions on non-received invoices.

19. Financial risk management

Asset management

The company's goal for asset management is to minimise risk and ensure continued operation.

The company shall at all times have a given basic liquidity. In shorter periods when borrowing, liquidity may be higher. Within the company's adopted framework and guidelines for asset management, the aim is to maximise the return on the liquidity managed, taking into account risk, security and liquidity. Interest-bearing investments must take into account the company's approved limits for interest-bearing products and liquidity risk, interest rate risk and credit and counterparty risk. The company has not had any short-term investments other than bank deposits, in 2022 or 2023.

The company invests part of its surplus liquidity in interest-bearing products such as deposits, certificates and bonds with short remaining maturities. The company has not had any short-term investments other than bank deposits in 2022 or 2023.

Norske tog shall be a solid company with a high rating and low financing costs. Standard & Poor's has given the company a credit rating for long-term borrowings of A+ (stable), which is a good credit rating.

Financial risk factors

The company's activities entail various types of financial risk: market risk (currency, interest rate and price risk), credit risk and liquidity risk. The company's risk management requirements focus on the unpredictability of the capital markets, and through its management, the company shall endeavour to minimise the potential negative effects on the company's financial results. The company utilises financial derivatives to hedge against certain risks. The finance department identifies, measures, hedges and reports financial risk in co-operation with the various projects.

Market risk

Currency risk

Currency risk is the risk that fluctuations in exchange rates will lead to changes in the company's earnings, balance sheet or cash flows.

The company operates in Norway and makes purchases from foreign suppliers, and is therefore exposed to currency risk. The aim is to create predictability with

regard to future payments measured in NOK through financial hedging agreements, or that currency risk and any increased expenses resulting from exchange rate fluctuations are covered by the Norwegian state.

All loans in foreign currency are hedged with currency swaps and changes in value are matched by changes in the value of the derivatives. The company is therefore not exposed to currency risk on debt.

Sensitivity assessments for currency risk as of 31 December 2023

Currency risk is calculated on the basis of acquisitions in foreign currency with associated currency futures. A currency change of 20 % will, in isolation, result in an estimated change in value of NOK 125 million.

Norske tog generally enters into major procurements in foreign currency. In 2021, a contract was signed in EUR for the upgrade of local train class 72 (36 trainsets). The contract was hedged with forward exchange contracts and the company has utilised hedge accounting. The company monitors currency exposure in projects and performs risk assessments of consequences and measures on an ongoing basis.

In 2022, the contract for the procurement of new local trains was signed in Euro, and in 2023 the contracts for option 1 of new local trains and the procurement of new long-distance trains were signed in Euro. The contract will not be currency hedged as the Norwegian state is a self-insurer and does not want the company to currency hedge the procurement. Norske tog will be covered for additional costs related to currency through increased rental income and an adjusted residual value guarantee for the acquisition.

Interest rate risk

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

Norske tog is exposed to interest rate changes through the company's loan agreements and utilises interest rate swaps to reduce interest rate risk and to achieve the desired interest rate structure of the debt portfolio. The aim is to reduce

the risk associated with possible future interest rate increases and create greater predictability in relation to future interest payments. Guidelines have been established that regulate the proportion of loans that are interest-rate adjusted in a 12-month period, and for the fixed interest rate on the portfolio. The risk of any changes in reference interest rates is considered to be low since the company has a high proportion of fixed interest rates. The company does not use hedge accounting.

The company aims to hedge at least 70 % of interest rates and 100 % of currency in the loan portfolio. As of 31 December 2023, 15% of the company's loan portfolio had floating interest rates, where the floating interest rates were 3M + margin.

Interest rate derivatives are exposed to changes in interest rates, and changes in fair value are recognised in the income statement as hedge accounting is not used.

Sensitivity assessments for interest rate risk as of 31 December 2023

Interest rate risk is calculated on the basis of capitalised long-term loans with associated interest rate swaps. A change in interest rates of 50 basis points will, in isolation, result in an estimated change in value of NOK 189 million.

As the company has no significant interest-bearing assets, the company's profit and cash flow from operations are largely independent of changes in market interest rates.

Norske tog uses reference rates in loan agreements and derivative contracts and the company is mainly exposed to NIBOR. The risk of any changes related to reference rates is considered to be low since the company has a high proportion of fixed interest rates. The company does not use hedge accounting.

Liquidity risk

Liquidity risk is the inability to fulfil current financial obligations in a timely manner.

The company's management monitors the company's liquidity reserve, which consists of borrowing facilities and cash equivalents, through rolling forecasts of expected cash flows. Norske tog minimises liquidity risk related to financial liabilities

through a diversified maturity structure, access to multiple sources of funding in Norway and internationally, and sufficient liquidity to cover planned operating, investment and refinancing needs without incurring new debt within a 12-month period. In accordance with established objectives to reduce liquidity risk and satisfy S&P's liquidity requirements with regard to the company's credit rating, 150 % of the company's capital requirements in the next 12-month period shall be covered through

free liquidity and established credit facilities. The liquidity reserve consists of bank deposits, certificate loans and committed drawing rights of NOK 3,000 million maturing in June 2026, which were unused as of 31 December 2023. The overdraft facility has been unutilised since it was established in June 2021.

Norske tog has a high credit rating. Standard & Poor's has given the company credit ratings for long-term borrowing of

A+ (stable). The high credit rating gives Norske tog good access to debt capital. No more than 25 % of the company's debt shall fall due for payment within a 12-month period, and the average remaining term (duration) of the loan portfolio shall be approximately 3-6 years.

The table shows future maturities for the company's contractual obligations as of 31 December 2023:

The table shows future due dates for the company's contractual obligations as of 31.12.2023:

Liquidity risk (All numbers in TNOK)	< 1 year	1–2 years (2025)	2–5 years (2026–2028)	> 5 years
Financial obligations				
Borrowings	750 000	1 050 000	3 150 000	3 950 000
Derivatives	11 714			
Future interest payments	306 217	289 387	616 408	657 425
Contractual obligations:				
Other obligations	46 686	48 270	126 326	79 959
New trains	501 255	1 771 573	8 545 639	578 837
Property, plant and equipment	391 100	466 823	698 271	91 138

Future interest rate payments are based on the interest rate and loan portfolio as of 31.12.2023.

The table shows future due dates for the company's contractual obligations as of 31.12.2022:

Liquidity risk (All numbers in TNOK)	< 1 year	1–2 years (2024)	2–5 years (2025–2027)	> 5 years
Financial obligations				
Borrowings	1 632 046	550 000	3 450 000	2 900 000
Derivatives	562 882			
Future interest payments	247 634	206 688	499 854	156 219
Contractual obligations				
Other obligations	29 704	41 504	119 763	205 754
New trains	321 644	224 292	3 426 872	114 577
Property, plant and equipment	342 131	390 449	695 324	75 257

Future interest rate payments are based on the interest rate and borrowing portfolio as of 31.12.2022.

Credit risk

Credit risk is the loss that the company may incur if a counterparty fails to fulfil its financial obligations. The company's exposure to credit risk is mainly affected by individual circumstances related to each customer.

As of 31 December 2023, the company has four major customers, VyGruppen AS, Go-Ahead Norge AS, SJ Norge AS and Vy Tog AS. VyGruppen AS (which owns 100%

of Vy Tog AS) is 100% owned by the Ministry of Transport and Communications.

Norske tog also has counterparty risk in interest rate and currency derivatives and focuses on this risk in financial transactions by deliberately spreading the exposure to several counterparties.

Strict requirements are applied to the counterparty's creditworthiness and the requirement is that the counterparty in

financial transactions must have a minimum A- rating from S&P, or equivalent from another international rating agency at the time the agreement is entered into. The counterparty risk is monitored continuously, and Norske tog has agreements that regulate legal set-off rights in a bankruptcy situation (ISDA agreements) with 4 banks.

When you have surplus liquidity, it can be invested in Norwegian bonds and certificates with short maturities.

Norske tog assesses maximum credit risk to be the following (All numbers in TNOK):	2023	2022
Cash and bank deposits	367 807	538 207
Financial derivatives	11 714	584 201
Trade receivable and other short-term receivables	150 677	103 990
Total	530 199	1 226 398

20. Related party transactions

Norske tog has the following related parties:

Owner

The Ministry of Transport and Communications is 100% owner of Norske tog. Other organisations owned by the state through the Ministry of Transport and Communications will be related parties to Norske tog, this applies to both VyGruppen and BaneNor.

The bond loan and associated basis swaps were transferred from VyGruppen AS to Norske tog on 9 December 2016 in accordance with the "Agreement on settlement of receivables in connection with the assumption of loan and derivative obligations". The consideration for the transfer of the bond loan to Norske tog AS is determined on market terms. The consideration was determined on the basis of the nominal residual value and related swaps valued at fair value on the transaction date by calculating the difference between

- Expected present value between loans and related swaps transferred and
- Alternative financing for Norske tog at the time of acquisition

The Board of Directors issued a statement pursuant to section 3-8 of the Limited Liability Companies Act in connection with the company entering into an agreement with the company's shareholder on the acquisition of a business.

For accounting purposes, Norske tog was only part of the NSB Group in 2016. For the years after 2016, these companies will still be related parties, but because they are indirectly owned by the Ministry of Transport and Communications.

Board of Directors and senior management

Persons who are members of the company's management or board of directors are also related parties of Norske tog (see note 21 Benefits to senior executives and board members).

Below is an overview of transactions, balances and collateral with related parties:

Revenue (All numbers in TNOK)	2023	2022
Leasing revenue	1 051 703	954 954
Total	1 051 703	954 954

Purchases of goods and services (All numbers in TNOK)	2023	2022
Purchases of goods and services	26 865	32 013

The costs largely relate to modifications to trains and rental costs for buildings. These are recognised as "Other operating expenses" in the statement of comprehensive income.

Outstanding accounts with related parties resulting from the purchase and sale of goods and services:

Receivables (All numbers in TNOK)	2023	2022
Entities owned by the Ministry of Transport	9 040	5 761
Total	9 040	5 761

The receivables are mainly related to ERTMS (electronic train control system).

Liabilities (All numbers in TNOK)	2023	2022
Entities owned by the Ministry of Transport	3 012	12 211
Total	3 012	12 211

Liabilities to related parties consist of costs for track access and modifications performed on trains.

Loans to related parties:

There are no loans to related parties.

21. Benefits to senior executives and board members

Board members (All numbers in TNOK)	Title	2023	2022
Jan Morten Ertsaas	Chairman (from 9.6.23)	302	90
Annette Malm Justad	Chairman (until 9.6.23)	188	418
Marianne Abeler	Board member	90	177
Espen Opedal	Board member	261	251
Anita Meidell	Board member	131	-
Bjørn Erik Olsson	Board member-employee repr.	29	89
Henriette Fjæreide Torgersen	Board member-employee repr.	25	89
Ole Høgtun	Board member-employee repr.	40	-
Berit Gjeruldsen	Board member-employee repr.	24	-
Vidar Larsen	Board member-employee repr.	64	-
Sum		1 153	1 114

2023

Management (All numbers in TNOK)	Title	Salary	Other benefits	Total benefits paid	Pension expenses
Øystein Risan	Chief executive officer	2 319	136	2 455	134
Kjell-Arthur Abrahamsen	Material director	1 802	51	1 853	134
Linda Venbakken	Chief financial officer	1 691	14	1 705	134
Luca Cuppari	Technical director	1 658	21	1 679	134
Iren Marugg	Judicial director	1 459	13	1 472	134
Total				9 164	

The CEO increased his salary by TNOK 112 from TNOK 2 207 in 2022 to TNOK 2 319 in 2023, which was within the limits of the salary settlement.

2022

Management (All numbers in TNOK)	Title	Salary	Other benefits	Total benefits paid	Pension expenses
Øystein Risan	Chief executive officer	2 207	132	2 339	129
Kjell-Arthur Abrahamsen	Material director	1 721	29	1 750	129
Linda Venbakken	Chief financial officer	1 614	11	1 625	134
Luca Cuppari	Technical director	1 584	14	1 598	128
Iren Marugg	Judicial director	1 395	11	1 405	131
Total				8 717	

We refer to guidelines on executive pay that are published on the company's website. In addition, we refer to the executive pay report, which is a separate report in the 2023 annual report.

22. Contingencies

The company's activities commenced on 15/10/2016 and no contingent liability have occurred in connection with legal claims relating in the ordinary course of operations.

23. Events after the balance sheet date

There have been no events after the balance sheet date with significant impact on the company's results for 2023 and financial position as at 31/12/2023.

Declaration by the Board of Directors and CEO for the annual report 2023

The Board of Director's and CEO confirm that, to the best of our knowledge, the annual report provides a description of significant transactions conducted with related parties during the current period and the main risk factors facing the business in the coming period.

The Board of Directors and the CEO confirm that, to the best of their knowledge, the financial statements for 2023 have been prepared in accordance with prevailing accounting standards, and the disclosures in the financial statements provide a true and fair view of the company's assets, liabilities, and financial position and profit or loss as a whole at the end of the period, as well as a true and fair view of key events during the financial period and their impact on the financial statements.

Oslo, 14. February 2024



Jan Morten Ertsaas
Chairperson



Espen Opedal
Board Member



Anita Meidell
Board Member



Razieh Nejati Fard
Board Member/Employee
Representative



Vidar Larsen
Board Member/Employee
Representative



Øystein Risan
CEO

APM

Return on book equity:

Net profit/ equity at the beginning of the period (162,817/3,410,270=4.8 %)

A key figure for profitability that shows the ratio between the company's equity and profit for the year. Norske tog uses this key figure to measure the return generated for the owners. The key figure return on equity is also part of the framework for green bonds and will therefore also be important in the future.

Equity ratio:

Total equity at the end of the period/total balance (3,605,915/13,908,405=25.9 %)

This key figure provides an indication of the company's financial strength. The equity ratio is also important to monitor on an ongoing basis since the company has a syndicated credit facility of MNOK 3,000 with associated covenants requirements of minimum equity ratio of 20 %. A healthy equity ratio is also important in order to be able to realise targets related to investments in new trains and upgrades of existing rolling stock.

Operating profit:

Operating income minus operating expenses: 1.447.451 - 1.046.660 = 400.791

The key figure shows the company's profit from underlying operations for a given period. Since the key figure does not include financing costs and income, it provides a picture of how good the company's underlying operations are, regardless of whether the operations are financed by the owners through equity or externally financed through bonds and debt. For a reconciliation of operating profit in relation to profit for the year, please refer to the company's income statement.

Working capital:

Total current assets less total short-term liabilities: (538.423-1.165.289=-626.866)

The company's working capital is crucial for monitoring short-term liquidity and to maintain some flexibility in ongoing operations. Working capital is also an important measure used in the company's external credit ratings.



To the General Meeting of Norske tog AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Norske tog AS (the Company), which comprise the Statement of financial position as at 31 December 2023, the Statement of comprehensive income, Other comprehensive income, Statement of changes in equity and Cash flow statement 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, and 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.

Our opinion is consistent with our additional report to the Audit Committee.

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 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.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 6 years from the election by the general meeting of the shareholders on 27 June 2018 for the accounting year 2018 with a renewed election on the 10 June 2022.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The company's operations have remained largely unchanged compared to last year. It has not been regulatory changes, transactions or events that have led to the identification of new key audit matters. Our focus areas have therefore been the same in 2023 as for 2022.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Key Audit Matters	How our audit addressed the Key Audit Matter
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Accurate and complete accounting for loans and financial instruments

For a closer description of loans and derivatives, please see note 12,13 and 16.

The carrying amount of the company's loan portfolio is TNOK 9 162 927 and constitutes approximately 2/3 of the company's total balance as of 31 December 2023. Carrying amount of the company's net derivatives is TNOK 5 290 on the balance sheet date.

The loan portfolio of Norske tog AS consists of bonds in Norwegian kroner (NOK), with both floating and fixed rates. The portfolio is valued at amortized cost. Interest rate swaps and futures are used as hedging instruments, and are measured at fair value. At the beginning of the year, Norske tog AS had a loan in Swiss francs (CHF) measured at fair value with associated interest and currency swaps. The loan was repaid during the year.

Because of the considerably large carrying amount of the loan portfolio, being subject to a complex set of rules and complex calculations, we have focused on routines and processes aimed at ensuring accurate and complete accounting of loans and derivatives.

We have assessed the company's accounting guidelines and principles for loans and derivatives. The company's accounting guidelines and principles are in all material aspects in line with generally accepted accounting principles.

We have assessed that new loans were completely and accurately registered in the financial system and compliant with loan agreements and the company's principles for accounting for loans. Our control activities did not reveal any significant deviations.

We have controlled repayment of the loan in Swiss francs (CHF) measured at fair value and the associated interest and currency swaps. As of 31 December 2023, Norske tog AS has no loans recognized at fair value. Furthermore, we have recalculated a selection of loans at amortized cost. We have not uncovered any significant deviations.

We also read the corresponding notes to the financial statements describing loans and derivatives and found the information to be sufficient.

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 appears 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.



Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with 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 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 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 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 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 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.

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.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Norske tog AS, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name «NorsketogASESEF-reporting 31-12-2023», have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine



whether the financial statements are presented in XHTML-format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 14 February 2024

PricewaterhouseCoopers AS

Marius Thorsrud

State Authorised Public Accountant

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





GoAhead
NORDIC




A train of class 73.





GRI index

Statement of use Norske tog has reported in accordance with the GRI Standards for the period 01.2023-12.2023
GRI 1 used GRI 1: Foundation 2021
Applicable GRI Sector Standard(s) None apply





GRI standard	Disclosure	Location	Page	Requirement(s) omitted	Reason	Explanation	SDG target and sub target
General disclosures							
GRI 2: General Disclosures 2021	2-1 Organizational details	This is Norske tog AS	14-15				
	2-2 Entities included in the organization's sustainability reporting	This is Norske tog AS	14-15				
	2-3 Reporting period, frequency and contact point	About the sustainability report	73				
	2-4 Restatements of information	Climate accounting provides a better overview of own emissions and emissions in the value chain Trains have high energy consumption in the operational phase Appendix B: Materials and waste	87				
			89-90				
	2-5 External assurance	About the sustainability report Appendix C: External Audit Information	73				 16.3, 16.6, 16.7
	2-6 Activities, value chain and other business relationships	Norske tog's role in the rail sector This is Norske tog AS Customers Collaboration in the value chain Circularity throughout the train's lifecycle Appendix D: Key suppliers to Norske tog in 2023	4				
			14-15				
			24 91-99 80-90				
	2-7 Employees	Gender equality statement					
2-8 Workers who are not employees	Highly skilled and diverse organisation	104-107	c)	Information unavailable/incomplete	Information not compiled.		
2-9 Governance structure and composition	Corporate governance	60-69					
2-10 Nomination and selection of the highest governance body	Corporate governance	61-62					







GRI standard	Disclosure	Location	Page	Requirement(s) omitted	Reason	Explanation	SDG target and sub target
General disclosures							
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	Corporate assembly and board of directors, composition and independence Table 2: Norske tog's board	62-63				
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate governance	61-65				
	2-13 Delegation of responsibility for managing impacts	Corporate governance The work of the Board of Directors	63 64-67				
	2-14 Role of the highest governance body in sustainability reporting	About the sustainability report Sustainability in Norske tog	73				
	2-15 Conflicts of interest	Corporate governance	61-63				
	2-16 Communication of critical concerns	<u>Gender equality statement</u>	6				
	2-17 Collective knowledge of the highest governance body	The work of the Board of Directors	64-67				
	2-18 Evaluation of the performance of the highest governance body	Evaluation of the Board's work	66				 16.3, 16.6, 16.7
	2-19 Remuneration policies	Remuneration to the Board of Directors Remuneration to senior executives in the company	67-68				
	2-20 Process to determine remuneration	Remuneration to the Board of Directors	67				
	2-21 Annual total compensation ratio	<u>Gender equality statement</u>		2-21	Information unavailable/incomplete	The assessment is performed every second year by law, and was performed for 2022. See our report for 2022: https://www.norsketog.no/assets/files/Annual-and-Quarterly-Reports/2022/Engelsk/NT_Arsrapport_2022_vedlegg_likestilling_ENG.pdf	
	2-22 Statement on sustainable development strategy	The Board of Directors' annual report 2023	111-116				
	2-23 Policy commitments	Collaboration in the value chain	91-99				
2-24 Embedding policy commitments	Collaboration in the value chain	91-99					






GRI standard	Disclosure	Location	Page	Requirement(s) omitted	Reason	Explanation	SDG target and sub target
General disclosures							
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	Collaboration in the value chain	91-99	b, c, d, e	Information unavailable/incomplete	Norske tog has not mapped all information about channels and mechanisms for the organization and its stakeholders.	
	2-26 Mechanisms for seeking advice and raising concerns	Risk management Gender equality statement	57-58 6				
	2-27 Compliance with laws and regulations	Procurement, integrity and anti-corruption	58-59	b	Not applicable	No instances of non-compliance, fines or other sanctions.	 16.3, 16.6, 16.7
	2-28 Membership associations	Expertise development is important for Norske tog employees	104-105				
	2-29 Approach to stakeholder engagement	Sustainability in Norske tog Collaboration in the value chain	73-76 91-99				
	2-30 Collective bargaining agreements			2-20	Information unavailable/incomplete	Information not compiled.	
Material topics							
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality assessments and interaction with key stakeholders	74-76				
	3-2 List of material topics	Materiality assessments and interaction with key stakeholders	74				
201 Economic performance							
GRI 3: Material Topics 2021	3-3 Management of material topics	Corporate governance The Board of Directors' annual report 2023 Annual accounts and notes	61-69 109-116 126-149				
	201-1 Direct economic value generated and distributed	Annual accounts and notes	126-149				
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Green investments in passenger transport Climate risk	100-103 79				 8.1, 8.2, 9.1, 9.4, 9.5
	201-3 Defined benefit plan obligations and other retirement plans			201-3	Information unavailable/incomplete	Information incomplete in report in accordance to GRI 201-3	
	201-4 Financial assistance received from government	Business model Green investments in passenger transport	15 100-103				

GRI standard	Disclosure	Location	Page	Requirement(s) omitted	Reason	Explanation	SDG target and sub target
204 Procurement practices							
GRI 3: Material Topics 2021	3-3 Management of material topics	Collaboration in the value chain Materiality assessments and interaction with key stakeholders	91-99 74-76				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers			204-1	Information unavailable/incomplete	204-1: Information incomplete in report in accordance to GRI 201-3	8.5
205 Anti-corruption							
GRI 3: Material Topics 2021	3-3 Management of material topics	Procurement, integrity and anti-corruption	58-59				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption			a, b	Information unavailable/incomplete	Lack of information regarding type, number and share of activities assessed particularly for risk of corruption.	 16.5
	205-2 Communication and training about anti-corruption policies and procedures	Procurement, integrity and anti-corruption	58-59	b, e	Information unavailable/incomplete	Lack of precise/detailed data/information.	
	205-3 Confirmed incidents of corruption and actions taken	Procurement, integrity and anti-corruption	58				
301 Materials							
GRI 3: Material Topics 2021	3-3 Management of material topics	Circularity throughout the train's lifecycle	80-90	e) i., ii., iii., iv.	Information unavailable/incomplete	NT does not have previous targets, indicators or processes to measure or assess efficiency of actions.	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	<u>Appendix B: Materials and Waste</u> Inflow of materials in trains being phased in and outflow of materials/waste in trains being phased out	82-85				  8.4, 12.2, 12.5
	301-2 Recycled input materials used	Inflow of materials in trains being phased in and outflow of materials/waste in trains being phased out	82-85				
	301-3 Reclaimed products and their packaging materials			301-3	Not applicable	Trains do not have packaging.	

GRI standard	Disclosure	Location	Page	Requirement(s) omitted	Reason	Explanation	SDG target and sub target
302 Energy							
GRI 3: Material Topics 2021	3-3 Management of material topics	Circularity throughout the train's lifecycle	80-90	e) i. , ii., iii., iv.	Information unavailable/incomplete	Norske tog does not have previous targets, indicators or processes to measure or assess efficiency of actions.	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Table 7: Energy consumption 2022-2023 in Norske tog's value chain <u>Appendix A: Greenhouse gas (GHG) accounts</u>	89	d	Not applicable	Norske tog does not sell electricity, heating, cooling etc.	  12.2, 13.1
	302-2 Energy consumption outside of the organization	Table 7: Energy consumption 2022-2023 in Norske tog's value chain <u>Appendix A: Greenhouse gas (GHG) accounts</u> Trains have a high energy consumption in the operational phase	89 89-90				
	302-3 Energy intensity			302-3	Information unavailable/incomplete	Energy consumption during operation is the most material input to the energy accounting. Norske tog lacks relevant data to set a relevant denominator, such as kwh/pkm.	
305 Emissions							
GRI 3: Material Topics 2021	3-3 Management of material topics	Circularity throughout the train's lifecycle Increase in expertise Investing in sustainability expertise Green investments in passenger transport	80-90 65 59 100-101	e) i. , ii., iii., iv.	Information unavailable/incomplete	Norske tog does not have previous targets, indicators or processes to measure or assess efficiency of actions.	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate accounting provides a better overview of own emissions and emissions in the value chain <u>Appendix A: Greenhouse gas (GHG) accounts</u>	85-88				  12.4, 13.1
	305-2 Energy indirect (Scope 2) GHG emissions	Climate accounting provides a better overview of own emissions and emissions in the value chain <u>Appendix A: Greenhouse gas (GHG) accounts</u>	85-88				

GRI standard	Disclosure	Location	Page	Requirement(s) omitted	Reason	Explanation	SDG target and target
305 Emissions							
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	Climate accounting provides a better overview of own emissions and emissions in the value chain <u>Appendix A: Greenhouse gas (GHG) accounts</u>	85-88				  12.4, 13.1
	305-4 GHG emissions intensity			305-4	Information unavailable/incomplete	Scope 3 intensity is most material because scope 3 represents the main share of emissions. Norske tog lacks relevant data to set a relevant denominator, such as pkm, so intensity is not yet set.	
306 Waste							
GRI 3: Material Topics 2021	3-3 Management of material topics	Circularity throughout the train's lifecycle	80-90	e) i. , ii., iii., iv.	Information unavailable/incomplete	Norske tog does not have previous targets, indicators or processes to measure or assess efficiency of actions.	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Inflow of materials in trains being phased in and outflow of materials/waste in trains being phased out	82-85				
	306-2 Management of significant waste-related impacts	Inflow of materials in trains being phased in and outflow of materials/waste in trains being phased out	82-85	b, c	Information unavailable/incomplete	Processes to collect and monitor waste-related data not disclosed.	  11.6, 12.4, 12.5
	306-3 Waste generated	Figure 8: Material outflow, tonnes <u>Appendix B: Materials and Waste</u>	83				
		Inflow of materials in trains being phased in and outflow of materials/waste in trains being phased out	82-83				
	306-4 Waste diverted from disposal	Figure 8: Material outflow, tonnes <u>Appendix B: Materials and Waste</u>	83	b, c, d	Information unavailable/incomplete	Data not compiled and broken down for hazardous waste.	
	306-5 Waste directed to disposal	Figure 8: Material outflow, tonnes <u>Appendix B: Materials and Waste</u>	83	b, c, d	Information unavailable/incomplete	No waste directed to disposal according to available data. Hence b, c, d; breakdown of data not irrelevant.	

GRI standard	Disclosure	Location	Page	Requirement(s) omitted	Reason	Explanation	SDG target and sub target
308 Supplier environmental assessment							
GRI 3: Material Topics 2021	3-3 Management of material topics	Circularity throughout the train's lifecycle Collaboration in the value chain	80-90				
			91-99				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Solid procurement routines and a railway-specific project model	93-94				 12.2, 12.4, 12.5, 13.1
	308-2 Negative environmental impacts in the supply chain and actions taken			308-2	Information unavailable/incomplete	Data for number or share of suppliers not compiled.	
401 Employment							
GRI 3: Material Topics 2021	3-3 Management of material topics	Highly skilled and diverse organisation <u>Gender equality statement</u>	104-107	e) iv.	Information unavailable/incomplete	No specific lessons learned or embedded in policies or routines.	
GRI 306: Waste 2020	401-1 New employee hires and employee turnover	<u>Gender equality statement</u>					  5.1, 5.4, 8.5, 8.6
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees				Information unavailable/incomplete	Information not compiled.	
	401-3 Parental leave	<u>Gender equality statement</u>		c, d, e	Information unavailable/incomplete	Information not compiled.	
404 Training and education							
GRI 3: Material Topics 2021	3-3 Management of material topics	Highly skilled and diverse organisation Procurement, integrity and anti-corruption Investing in sustainability expertise <u>Gender equality statement</u>	104-107	e	Information unavailable/incomplete	Information not compiled.	 
			58-59 59				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Expertise development is important for Norske tog employees	105	a) i	Information unavailable/incomplete	Information not compiled.	5.1, 8.2, 8.5
	404-2 Programs for upgrading employee skills and transition assistance programs	Highly skilled and diverse organisation <u>Gender equality statement</u>	104-107				
		Employees Procurement, integrity and anti-corruption Investing in sustainability expertise	56 58-59 59				

GRI standard	Disclosure	Location	Page	Requirement(s) omitted	Reason	Explanation	SDG target and sub target
404 Training and education							
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	Expertise development is important for Norske tog employees	105				  5.1, 8.2, 8.5
405 Diversity and equal opportunity							
GRI 3: Material Topics 2021	3-3 Management of material topics	<u>Gender equality statement</u> Highly skilled and diverse organisation	104-107	e	Information unavailable/incomplete	Information not compiled.	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	<u>Gender equality statement</u>					
	405-2 Ratio of basic salary and remuneration of women to men	<u>Gender equality statement</u>		a	Confidentiality constraints	The assessment is performed every second year by law, and was performed for 2022. See our report for 2022: https://www.norsketog.no/assets/files/Annual-and-Quarterly-Reports/2022/Engelsk/NT_Arsrapport_2022_vedlegg_likestilling_ENG.pdf Not not sufficient numbers to present numbers for each employee category. Norske tog discloses results for two categories; with or without management responsibilities.	 5.1, 5.5, 8.5
414 Supplier social assessment							
GRI 3: Material Topics 2021	3-3 Management of material topics	Collaboration in the value chain	90-99				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Due diligence in the projects	98-99	414-1	Information unavailable/incomplete	No new suppliers during the report year. Sub-suppliers are assessed.	  8.8, 16.1
	414-2 Negative social impacts in the supply chain and actions taken	Collaboration in the value chain <u>Gender equality statement</u>	90-99	d, e		Data for number or share of suppliers not compiled.	

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Concept, design and production:

Uniform, Hyper

Consulting and text:

Zynk

Photo Benjamin Ward:

page 18-19 (Train class 74)
page 20 (Øystein Risan, CEO)
page 26 (Quality controller)
page 29 (Quality controller)
page 30 (Left, ice on brakes)
page 33 (Reclining chair)
page 34 (Sleeping coach)
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page 37 (Quality controller, LED-lights)
page 43 (Controller)
page 44 (HR-adviser)
page 47 (Document controller)
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page 51 (Head of security)
page 62 (Board of directors)

page 64 (Train class 73)
page 67 (Train maintenance)
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page 95 (Quality controllers)
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page 98 (Train class 74)
page 101 (Train class 73)
page 105 (Trains for maintenance)
page 117 (Maintenance facility)
page 155 (Train class 73)

Photo Hampus Lundgren:

page 10-11 (Train brakes)
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Photo/illustration Stadler:

Cover (New long-distance train)
page 32 (Sleeping coach day/night)
page 38 (New long-distance train)
page 39 (New long-distance train,
both pictures)
page 40 (New long-distance train)
page 41 (New long-distance train)
page 92 (New long-distance train)

Photo/illustration Alstom:


page 101 (New local train)

Photo Eirik Jenssen:

page 30 (Right, ice on brakes)

Photo Norske Tog:

page 55 (Management group)



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